

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(90) 560 final

Brussels, 23 November 1990

Proposal for a

COUNCIL DECISION

concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Republic of Chile.

(presented by the Commission)

Explanatory memorandum

1. By its decision of 16 July 1990, the Council authorized the Commission to open negotiations with the Republic of Chile with a view to concluding a framework agreement for cooperation and adopted directives to this end.
2. Two negotiating sessions took place, the first on 20 and 21 September 1990; and the second on 26 October 1990. The second session ended with the initialling of the agreement between the Community and the Republic of Chile. An exchange of letters concerning shipping and a declaration by the Community on the Generalized Preferences System are attached to the Agreement and form an integral part of it.
3. With regard to fisheries it has been agreed that when the Agreement is signed there will be an exchange of letters between the Commission and the Chilean Mission to the Communities. In the exchange of letters the Commission will inform the Chilean side of the Community's interest in negotiating an EEC-Chile fisheries agreement. The Chilean side will reply that Chile will be in a position to discuss fisheries once the Chilean Congress has passed a new law on fisheries, which is currently being debated.
4. The Commission considers that the text initialled is in line with the negotiating directives adopted by the Council.
5. Because the legal basis of the Agreement includes Article 235 of the Treaty of Rome in addition to Article 113, Parliament must be consulted.
6. With a view to the signature and conclusion of this Framework Agreement for cooperation between the Community and the Republic of Chile, the Commission is proposing to the Council that it approve the Agreement and adopt the attached proposal for a Decision.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113 and 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the Community should approve, for the attainment of its aims in the sphere of external economic relations, the Framework Agreement for trade and economic cooperation with the Republic of Chile;

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for trade and economic cooperation between the European Economic Community and the Republic of Chile is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 21 of the Agreement.¹

Article 3

The Commission, assisted by representatives of the Member States, shall represent the Community in the Joint Committee set up by Article 17 of the Agreement.

Article 4

This Decision shall enter into force on the day following its publication in the Official Journal of the European Communities.

Done at Brussels,

For the Council
The President

¹ The date of entry into force of the Agreement will be published in the Official Journal of the European Communities by the General Secretariat of the Council.

Framework agreement for cooperation
between the European Economic Community
and the Republic of Chile

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE REPUBLIC OF CHILE,

of the other part,

CONSIDERING the traditional links of friendship between the Member States of the European Economic Community, hereinafter referred to as "the Community", and the Republic of Chile, hereinafter referred to as "Chile",

REAFFIRMING the importance they attach to the principles of the United Nations Charter, to democratic values and to respecting human rights,

CONSIDERING the readiness of the Community and its Member States to help address the social and economic problems confronting Chile as it returns to democracy,

TAKING ACCOUNT of their mutual interest in establishing contractual links in order to develop extensive cooperation in areas which are of key importance to social and economic progress, and in stepping up and diversifying trade and encouraging the flow of investment,

MINDFUL of the importance of securing the participation in cooperation of the individuals and bodies with a direct interest in the matter, particularly economic operators and the bodies which represent them,

TAKING ACCOUNT of their membership of the General Agreement on Tariffs and Trade (GATT) and of the need to uphold and reinforce the rules for free and unhampered international trade,

HAVE DECIDED to conclude this Agreement and to this end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

.....

THE REPUBLIC OF CHILE,

.....

WHO, having exchanged their full powers, found in good and due form,
HAVE AGREED AS FOLLOWS:

Article 1

Democratic basis for cooperation

Cooperation ties between the Community and Chile and this Agreement in its entirety are based on respect for the democratic principles and human rights which inspire the domestic and external policies of both the Community and Chile.

Article 2

Economic cooperation

1. The Contracting Parties, taking into account their mutual interest and long- and medium-term economic objectives, undertake to establish economic cooperation of the widest possible scope. The aims of such cooperation shall be in particular:

- (a) generally to step up and diversify economic links between them,
- (b) to contribute to the development of their economies and standards of living,
- (c) to open up new markets and new sources of supply,
- (d) to encourage the flow of investment,
- (e) to promote cooperation between economic operators, particularly small and medium-sized enterprises,
- (f) to create new jobs, especially in the most disadvantaged sectors, and for young people and women,
- (g) to protect and improve the environment,
- (h) to encourage rural development including an increase in agricultural and food production.

2. Without excluding any area from the outset, the Contracting Parties shall determine by common agreement the spheres to be covered by economic cooperation. Cooperation shall centre particularly on the following:

- (a) energy and mining,
- (b) agriculture, fisheries and forestry,

- (c) industry, especially the capital goods and other industries connected with the sectors referred to above and also support services,
- (d) financial, banking and insurance services,
- (e) activities connected with transport, telecommunications, telematics, tourism and other tertiary industries,
- (f) intellectual and industrial property,
- (g) quality standards and control.

3. In the interests of attaining the objectives of economic cooperation, the Contracting Parties shall, each in accordance with its laws, endeavour to promote activities including the following:

- (a) a continuous exchange of views and information in connection with cooperation, primarily by gaining access to existing databases or by setting up new ones,
- (b) setting up joint ventures,
- (c) negotiating agreements on transferring technology and on subcontracting and representation,
- (d) cooperation between financial institutions,
- (e) conventions between the Member States of the Community and Chile to prevent double taxation;
- (f) organizing visits, meetings and activities for promoting cooperation between individuals and delegations representing firms or economic organizations, and creating the appropriate machinery and institutions,
- (g) organizing seminars and meetings between businessmen, arranging and holding specialized fairs, exhibitions and symposia, and promoting contacts between economic operators at these events,
- (h) participation by the enterprises of one of the Contracting Parties in the fairs and exhibitions of the other Party,
- (i) consultancy services and the provision of technical assistance, particularly for trade promotion and marketing.

Article 3

Industrial cooperation

The Contracting Parties agree to promote the widening and diversification of Chile's production in the industrial and service sectors, directing their cooperation activities at small and medium-sized enterprises in particular and encouraging steps to facilitate access on the part of these enterprises to sources of capital, to markets and to the appropriate technology. These steps may include the joint establishment of suitable machinery and institutions.

Article 4

Cooperation regarding the environment

1. The Contracting Parties undertake to cooperate on the improvement and protection of the environment, addressing the issues of water, soil and air pollution, erosion, desertification and deforestation, and the excessive exploitation of natural resources.

2. To this end, the Contracting Parties shall direct their efforts as regards the environment towards the following in particular:

- (a) the establishment and improvement of environmental protection structures in the public and private sectors,
- (b) the development and improvement of laws, regulations and standards,
- (c) research, training and information; alerting public opinion to the issues in question,
- (d) the execution of studies and projects and the provision of technical assistance,
- (e) the organization of meetings, seminars, workshops, conferences and visits among civil servants, specialists, engineers, businessmen and others fulfilling functions connected with the environment.

Article 5

Investment

The Contracting Parties agree:

- (a) to promote, so far as their powers, rules and regulations and policies permit, an increase in mutually beneficial investment,

- (b) to improve further the favourable climate for mutual investment between the Community Member States and Chile, particularly by seeking agreements for the promotion and protection of such investment on a basis of non-discrimination and reciprocity.

Article 6

Cooperation on science and technology

1. In accordance with their mutual interest and the aims of their development strategy, the Contracting Parties undertake to promote cooperation on science and technology, in the interests of helping:
 - (a) to make it easier for scientists to take part in exchanges and move back and forth between the Community and Chile,
 - (b) to establish permanent links between both Parties' scientific and technological communities,
 - (c) to foster the transfer of technology,
 - (d) to create links between the Parties' research centres in order to solve jointly problems of concern to both sides,
 - (e) to open up opportunities for economic, industrial and trade cooperation,
 - (f) to strengthen scientific and technological capacity and stimulate innovation.
2. Without excluding any area from the outset, the Contracting Parties shall together determine the spheres to be covered by economic cooperation. Cooperation shall include the following in particular:
 - (a) high-level science and technology, notably in fields such as biotechnology, new materials, microelectronics, data processing and telecommunications,
 - (b) improving research capacity in areas in which it is lacking,
 - (c) making and managing policy on science and technology,
 - (d) promoting efficient use of natural resources,
 - (e) helping repatriate Chilean scientists living abroad who wish to return home,
 - (f) promoting regional integration and cooperation in science and technology,
 - (g) disseminating information and expertise in science and technology,

- (h) technological development in the spheres of agriculture, agro-industry and marine science,
- (i) links between higher education and research establishments and the productive sector.

3. The Contracting Parties shall facilitate and encourage measures aimed at furthering the objectives of scientific and technological cooperation between them, in particular:

- (a) joint research projects between the Parties' research centres and other appropriate institutions,
- (b) training for scientists, particularly in the form of research periods in the research centres of the other Contracting Party,
- (c) the exchange of scientific information, particularly in the form of jointly organized seminars, working meetings and conferences, bringing together prominent scientists from the countries involved.

4. The Parties undertake to lay down appropriate procedures to bring about the greatest possible degree of participation by their scientists and research centres in cooperation between them.

Article 7

Trade promotion

1. The Contracting Parties undertake to develop and diversify trade to the highest possible degree, taking into account the economic situation of each of the Parties and facilitating trade transactions between them as far as possible,

Article 8

Most-favoured-nation treatment

1. The Contracting Parties shall grant each other most-favoured nation treatment in trade, in accordance with the General Agreement on Tariffs and Trade.

Article 9

Temporary admission of goods

The Contracting Parties undertake to give consideration to granting exemption from import duties and taxes for goods temporarily imported into their territory which are covered by the relevant international conventions.

Article 10

Trade cooperation

1. The Contracting Parties agree to examine ways and means of eliminating barriers to trade between them, particularly non-tariff barriers, taking account of the work done in this connection by international organizations. They shall also examine, in a constructive spirit, both bilaterally and multilaterally, any trade difficulties that might arise between them, including those resulting from the application of health, plant health or environmental measures.

2. More specifically, the Contracting Parties commit themselves, each in accordance with its laws, to a policy aimed at, *inter alia*:

- (a) cooperating bilaterally and multilaterally in the field of intellectual and industrial property, including origin-related designations,
- (b) facilitating cooperation between their customs services, particularly in respect of vocational training, simplification of procedures and detection of infringements,
- (c) taking each other's interests into account in relation to supply of resources,
- (d) laying the foundations for improving the terms of access for their products to their respective markets,
- (e) encouraging contacts between economic operators in order to diversify and increase reciprocal flows of trade in the various production sectors: agricultural, forestry, mining and industrial,
- (f) examining, making recommendations on and implementing measures for trade promotion in the interests of stimulating the development of imports and exports,
- (g) as far as possible taking into consideration each other's opinion on measures likely to have an adverse effect on trade between them.

Article 11

Cooperation on social development

1. The Contracting Parties shall establish cooperation in the field of social development in order to improve the standard of living and quality of life of the most underprivileged sections of society.
2. Action to achieve this objective may include, *inter alia*, support for the following measures, especially in the form of technical assistance:
 - (a) management and administration of social services,
 - (b) vocational training and job-creation programmes,
 - (c) setting up grassroots organizations and promoting their activities,
 - (d) programmes or projects to improve housing in urban and rural areas,
 - (e) drug abuse control and information campaigns,
 - (f) preventive health programmes.

Article 12

Cooperation concerning government

1. The Contracting Parties shall cooperate in contributing to the rationalization and modernization of government service at national, regional and local level.
2. To attain these objectives, the Contracting Parties shall promote, *inter alia*, the following activities:
 - (a) the provision of technical assistance for projects aimed at reforming or improving the operation of government service,
 - (b) meetings, visits, exchanges, seminars and training courses for civil servants and the staff of public institutions and government departments.

Article 13

Cooperation on information and communication

The Contracting Parties shall establish cooperation in the field of information and communication, taking account of the cultural dimension of their relations.

Article 14

Training

1. Cooperation established within the framework of the Agreement shall include appropriate training. The Contracting Parties shall also set up specific training programmes in spheres of mutual interest.

2. Such action shall first and foremost be aimed at training personnel, teachers or staff in positions of responsibility in firms, government departments, public services and other areas of economic and social activity. It may include promoting cooperation agreements between European and Chilean higher education and training institutes, particularly those in the technical, scientific and vocational training sectors.

Article 15

Regional cooperation and integration

1. Cooperation between the Contracting Parties may extend to action undertaken within the context of cooperation or integration agreements with other countries in the same region, provided that such action is compatible with those agreements.

2. Without discounting any sphere, the following action shall be given particular consideration:

- (a) cooperation on environmental issues at regional level,
- (b) development of intra-regional trade,
- (c) the strengthening of regional public and private sector institutions and the provision of support for undertaking common policies and activities,
- (d) regional communications.

Article 16

Resources for undertaking cooperation

In order to facilitate the achievement of the aims set out in this Agreement, the Contracting Parties shall make available, within the limits of their abilities and through their own channels, the appropriate resources, including financial resources.

Article 17

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Chile. It shall meet once a year, alternately in Brussels and Santiago, on a date fixed by mutual agreement. Extraordinary meetings may be convened by agreement between the Contracting Parties.

2. The Joint Committee shall see to the proper functioning of the Agreement and shall examine all issues arising from its application. In fulfilling this role, its main functions will be to:

- (a) consider measures for developing and diversifying trade, in accordance with the objectives of this Agreement,
- (b) exchange views on any points of common interest regarding trade and cooperation, including future programmes and the resources for them,
- (c) make recommendations for promoting the expansion of trade and for intensified cooperation, without neglecting the need to coordinate the measures planned,
- (d) in general terms, recommend solutions aimed at helping to attain the objectives of this Agreement.

3. The Joint Committee may set up specialized subcommittees to assist it in the performance of its duties.

Article 18
Other agreements

1. Without prejudice to the provisions of the Treaties establishing the European Communities, neither this Agreement nor any action taken under it shall in any way affect the powers of the Member States of the Communities to undertake bilateral activities with Chile in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with Chile.

2. Subject to the provisions of paragraph 1 concerning economic cooperation, the provisions of this Agreement shall replace the provisions of the agreements concluded between the Member States of the Communities and Chile where such provisions are either incompatible with or identical to the provisions of this Agreement.

Article 19

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory of the Republic of Chile.

Article 20

Future developments

1. The Contracting Parties may by mutual consent expand this Agreement with a view to increasing the levels of cooperation and supplementing them, each in accordance with its laws, by means of agreements on specific sectors or activities.

2. Within the framework of this Agreement, either of the Contracting Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

Article 21

Entry into force and duration

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose.

2. This Agreement is concluded for a period of five years. It shall be renewed on a yearly basis unless one of the Contracting Parties denounces it six months before the date of expiry.

Article 22

Annexes

The Annexes shall form an integral part of this Agreement.

Article 23

Authentic languages

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish languages, each text being equally authentic.

Done at Brussels,

Draft

Exchange of letters on maritime transport

Sir,

I have the honour to confirm the following:

With regard to the barriers to trade which may arise for the European Economic Community and its Member States or the Republic of Chile as a result of the operation of shipping, it has been agreed that mutually satisfactory solutions on shipping should be sought with a view to promoting trade development.

To this end, it has likewise been agreed that the issue should be discussed by the Joint Committee.

Please accept, Sir, the assurance of my highest consideration.

Annex II

Declaration by the European Economic Community on the Generalized System
of Preferences

The European Economic Community confirms the importance of the Generalized Preferences System - implemented by it in accordance with Resolution No 21 (II) of the Second United Nations Conference on Trade and Development - for the developing countries' trade.

With a view to enabling Chile to make the best and fullest possible use of the European Economic Community's preference scheme, the Community hereby declares its willingness to examine in the Joint Committee the possibility of identifying ways of enabling Chile to derive maximum benefit from the scheme in question.

Fiche Financière
Accord-cadre de coopération CEE-Chili

1. Lignes budgétaires concernées

a) lignes dont l'application est conditionnée par l'existence d'un Accord de coopération :

9900 - Actions dans le cadre d'accords de coopération économique et commerciale.

9315 - Actions visant la promotion de l'investissement communautaire dans les PVD d'Amérique latine dans le cadre des accords de coopération économique et commerciale.

7394 - Coopération internationale - actions de recherche et développement dans le cadre des accords de coopération avec des pays tiers.

b) autres lignes :

9311 - Promotion des relations commerciales des PVD d'Amérique latine

9312 - Actions destinées à favoriser les efforts d'intégration régionale ou subrégionale entre les PVD d'Amérique latine

9313 - Coopération avec des PVD d'Amérique latine dans le domaine énergétique

940 - Dépenses d'organisation de séminaires sur le SPG communautaire

946 - Ecologie dans les PVD

949 - Programme d'actions de coopération Nord-Sud dans le domaine de la lutte contre la drogue.

2. Base légale

Accord de coopération commerciale et économique.

3. Classification

DNO

4. Description

4.1. Objectif :

Etablir une coopération dans l'intérêt des deux parties.

4.2. Personnes concernées :

Opérateurs économiques et instances responsables des deux parties.

5. Nature de la dépense

5.1. Nature :

Aide à fonds perdus en faveur de divers projets dans les différents domaines de coopération couverts par l'Accord.

5.2. Calcul :

Dans les prochaines années les lignes dont l'application est conditionnée par l'existence d'un accord de coopération seront, dans le cadre de la procédure budgétaire habituelle, dotées des montants estimés nécessaires pour tenir compte de l'inscription du Chili parmi les bénéficiaires de ces lignes.

Pour les autres lignes, aucune incidence directe mais évolution normale dans le cadre de la procédure budgétaire.

6. Incidence financière de l'action sur les crédits d'intervention

6.1. Echancier des crédits d'engagement et de paiement :

Selon demande et approbation par les services de la Commission des actions à développer.

6.2. Part du financement communautaire (en %) dans le coût total de l'action :

à décider au cas par cas ; dans certains cas jusqu'à 100 %.

6.3. Modalités du financement de l'action pendant l'année en cours :

A partir des crédits existants.

7. Observations

Le volume des dépenses dérivées de l'accord de coopération sera déterminé, pour les budgets futurs, selon la procédure habituelle.

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