

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92) 463 final

Brussels, 13 November 1992

Proposal for a COUNCIL DECISION

concerning the conclusion of a Framework Cooperation Agreement
between the European Economic Community and the Andean Pact

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By its decision of 4 May 1992, the Council authorized the Commission to open negotiations with the Cartagena Agreement and its member countries, namely Bolivia, Colombia, Ecuador, Peru and Venezuela (hereinafter referred to as "the Andean Pact") for a Framework Cooperation Agreement, and adopted directives to that end.
2. Negotiations took place over two sessions held on 24 and 25 June 1992, and concluded with the initialling of an Agreement between the European Economic Community and the Andean Pact. An exchange of letters concerning sea transport is annexed to the Agreement.
3. The following documents, which are not annexed to the Agreement, have also been drawn up:
 - an exchange of letters concerning the possibility of joint consultation procedures in appropriate cases. The text of this exchange of letters was initialled at the same time as the Cooperation Agreement, and is the same as the text of Article 5(3), (4), (5) and (6) of the EC/Brazil Agreement. Publication of the text of the exchange of letters in the Official Journal is not envisaged.
 - four unilateral declarations, to be recorded in the minutes of the negotiations:
 - . a unilateral declaration by the Community concerning Article 13 of the Agreement, on intellectual and industrial property. The text will be forwarded to the Council, but not published in the Official Journal. The Community will have the declaration recorded in the minutes of the negotiations and in the minutes of the decision on signing;
 - . three unilateral declarations by the Andean Pact concerning Article 2(2) of the Agreement (consultations on international issues of mutual interest), Article 9(2) of the Agreement (European Investment Bank) and Article 32 of the Agreement (Joint Committee). The texts will not be forwarded to the Council, or published in the Official Journal. The Andean Pact will have the three declarations recorded in the minutes of the negotiations.
 - a declaration by the Commission concerning Article 33 of the Agreement (Canada Clause). It will be forwarded to the Council, but not published in the Official Journal. The Commission will have this declaration recorded in the minutes of the Council decision on signing.
 - a separate protocol concerning the European Coal and Steel Community (Article 34 of the Agreement) will be the subject of a written procedure at a later date.
4. The Commission considers the initialled text to be in line with the negotiating directives adopted by the Council.
5. As the legal basis for the Agreement includes Article 235 of the Treaty in addition to Article 113, Parliament must be consulted.
6. With a view to the signing and conclusion of this Framework Cooperation Agreement between the European Economic Community and the Andean Pact, the Commission proposes that the Council adopt the attached draft Decision.

Proposal for a
COUNCIL DECISION

concerning the conclusion of
a Framework Cooperation Agreement
between the European Economic Community and the Andean Pact

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, for the attainment of its aims in the sphere of
external economic relations, should approve the Framework Cooperation
Agreement with the Andean Pact,

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Cooperation Agreement between the European Economic Community
and the Andean Pact is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council shall give the notification provided for in
Article 37 of the Agreement¹.

Article 3

The Commission, assisted by representatives of the Member States, shall
represent the Community in the Joint Committee set up by Article 32 of the
Agreement.

Article 4

This Decision shall enter into force on the day following that of 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.

Exchange of letters

Concerning the possibility of
joint consultation procedures in appropriate cases.

Letter No 1

Sir,

I should be grateful if you could confirm the following:

1. The Contracting Parties to the Cooperation Agreement between the Community on the one hand and the Cartagena Agreement and its Member States on the other, initialled in Brussels on 26 June 1992, agree to promote exchanges of information and the holding of consultations on tariffs, health and technical conditions, associated legislation and practices and any anti-dumping and countervailing duties that may be applicable.

2. Without prejudice to their rights and obligations as GATT members, the Contracting Parties undertake to consult each other on any trade disputes that might arise.

Such consultations shall be organized as soon as possible when requested by one of the parties. The Contracting Party requesting consultations shall provide the other with all the information it requires to assess the situation in detail.

The parties shall endeavour by means of this procedure to resolve any trade disputes as quickly as possible.

3. Where, in trade between the Contracting Parties, a product is alleged to be dumped or subsidized, and this leads to an investigation by the competent authorities, each Contracting Party undertakes to examine requests submitted by the other.

The competent authorities of the Contracting Parties shall inform interested parties at their request of the essential facts and considerations on the basis of which a decision is to be taken. This information shall be provided before the definitive conclusions resulting from the investigation are formulated, leaving the parties concerned sufficient time in which to defend their interests.

Before applying definitive anti-dumping or countervailing duties, the Contracting Parties shall endeavour, wherever possible, to find a constructive solution to the problem.

4. The provisions laid down in paragraphs (1), (2) and (3) above shall cease to apply when the new anti-dumping code and other GATT instruments that are currently being negotiated in the Uruguay Round enter into force in the Andean Pact and Community countries.

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter and confirm the following:

1. The Contracting Parties to the Cooperation Agreement between the Community on the one hand and the Cartagena Agreement and its Member States on the other, initialled in Brussels on 26 June 1992, agree to promote exchanges of information and the holding of consultations on tariffs, health and technical conditions, associated legislation and practices and any anti-dumping and countervailing duties that may be applicable.

2. Without prejudice to their rights and obligations as GATT members, the Contracting Parties undertake to consult each other on any trade disputes that might arise.

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The competent authorities of the Contracting Parties shall inform interested parties at their request of the essential facts and considerations on the basis of which a decision is to be taken. This information shall be provided before the definitive conclusions resulting from the investigation are formulated, leaving the parties concerned sufficient time in which to defend their interests.

Before applying definitive anti-dumping or countervailing duties, the Contracting Parties shall endeavour, wherever possible, to find a constructive solution to the problem.

4. The provisions laid down in paragraphs (1), (2) and (3) above shall cease to apply when the new anti-dumping code and other GATT instruments that are currently being negotiated in the Uruguay Round enter into force in the Andean Pact and Community countries.

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FRAMEWORK AGREEMENT FOR COOPERATION

**between the European Economic Community
and the Cartagena Agreement and its member countries, namely Bolivia,
Colombia, Ecuador, Peru and Venezuela**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE COMMISSION OF THE CARTAGENA AGREEMENT AND THE GOVERNMENTS OF BOLIVIA,
COLOMBIA, ECUADOR, PERU AND VENEZUELA,

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 Cartagena Agreement and its Member States (hereinafter referred to as "the Andean Pact"),

REAFFIRMING their commitment to the principles of the United Nations Charter, to democratic values and to respect for human rights,

MINDFUL of their mutual interest in the establishment of cooperation in a number of sectors, and in particular economic cooperation, trade cooperation and development cooperation,

RECOGNIZING the fundamental objective of the Agreement, which is to consolidate, deepen and diversify relations between the two Parties,

REAFFIRMING their mutual wish to encourage the development of regional organizations aimed at promoting economic growth and social progress,

RECOGNIZING that the Cartagena Agreement is a subregional integration organization and that the two Parties attach special importance to the promotion of the Andean integration process,

RECALLING the Joint Declaration issued by the Parties on 5 May 1980, the Cooperation Agreement signed in 1983, the Rome Declaration of 20 December 1990, the final communiqué adopted in Luxembourg on 27 April 1991 by the Community and its Member States and the countries of the Rio Group and the final communiqué adopted by the ministerial conference held in Santiago on 29 May 1992,

RECOGNIZING the positive repercussions of the modernization and economic reform process, and of the liberalization of trade in the Andean countries,

RECOGNIZING the importance attached by the Community to the development of trade and economic cooperation with developing countries, and mindful of its guidelines and resolutions concerning cooperation with Asian and Latin American developing countries,

RECOGNIZING that the Andean Pact is made up of developing countries at different stages of development, including one landlocked country and a number of particularly depressed regions,

CONVINCED of the importance of the principles of the GATT and of free international trade, and of respect for intellectual property rights and freedom of investment,

RECOGNIZING the importance of international cooperation to assist countries affected by drug-related problems, and recognizing in this context the importance of the decision adopted by the Community on 29 October 1990 concerning the Special Cooperation Programme,

RECOGNIZING the special importance attached by both Parties to increased protection for the environment,

RECOGNIZING the need to promote social rights and in particular the rights of the most disadvantaged,

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

FOR THE COUNCIL OF THE EUROPEAN COMMUNITIES:

FOR THE COMMISSION OF THE CARTAGENA AGREEMENT:

FOR THE GOVERNMENT OF THE REPUBLIC OF BOLIVIA:

FOR THE GOVERNMENT OF THE REPUBLIC OF COLOMBIA:

FOR THE GOVERNMENT OF THE REPUBLIC OF ECUADOR:

FOR THE GOVERNMENT OF THE REPUBLIC OF PERU:

FOR THE GOVERNMENT OF THE REPUBLIC OF VENEZUELA:

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 the Andean Pact, and this Agreement in its entirety, shall be based on respect for the democratic principles and human rights which guide the domestic and external policies of both the Community and the Andean Pact and which constitute an essential component of this Agreement.

Article 2

Intensification of cooperation

1. Both Parties hereby undertake to impart renewed vigour to relations between them. To achieve this essential objective, they resolve to promote in particular the development of cooperation relating to trade, investment, finance and technology, taking account of the Andean countries' special status as developing countries, and to promote the intensification and consolidation of the process of integration in the Andean subregion.

2. The Parties acknowledge the value, in the light of the aims of this Agreement, of consulting each other on international issues of mutual interest¹.

Article 3

Economic cooperation

1. The Contracting Parties, taking into account their mutual interest and medium- and long-term economic objectives, undertake to establish economic cooperation of the widest possible scope, from which no field of activity is excluded in principle. The aims of such cooperation shall be in particular to:

- (a) strengthen and diversify generally their economic links;
- (b) contribute to the sustainable development of both Parties' economies and standards of living;
- (c) encourage the expansion of trade with a view to promoting diversification and the opening-up of new markets;
- (d) encourage the flow of investment, the transfer of technology and greater protection of investment;
- (e) establish conditions conducive to job creation and improved human productivity;
- (f) encourage measures promoting rural development and the improvement of urban living conditions;
- (g) stimulate scientific and technological progress, encourage transfers of technology and improve technological skills;
- (h) support the movement towards regional integration;
- (i) exchange information on statistics and methodology.

1 Unilateral declaration by the Andean Pact.

2. Without excluding any area of activity from the outset, the Contracting Parties shall, in their mutual interest and with regard to their respective powers and capacities, determine by common agreement the spheres to be covered by economic cooperation. Cooperation shall centre particularly on the following:

- (a) industry;
- (b) agro-industry and the mining sector;
- (c) agriculture and fisheries;
- (d) energy planning and efficient use of energy;
- (e) protection of the environment and sustainable management of natural resources;
- (f) technology transfers;
- (g) science and technology;
- (h) intellectual property, including industrial property;
- (i) standards and quality criteria;
- (j) services, including financial services, tourism, transport, telecommunications and information technology;
- (k) information on monetary matters;
- (l) technical, health and plant health regulations;
- (m) consolidation of international cooperation bodies;
- (n) regional development and frontier integration.

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) increasing contacts between the two Parties by organizing conferences, seminars, trade and industry missions and business weeks (meetings of businessmen), general, specialized and subcontracting fairs, and exploratory missions designed to boost trade and investment flows;
- (b) joint participation of Community companies in fairs and exhibitions held in Andean Pact countries, and vice versa;
- (c) provision of technical assistance, notably by seconding consultants and carrying out specific studies;
- (d) research projects and the exchange of scientists;

- (e) promoting joint ventures, licensing agreements, know-how transfers, subcontracting, and other such activities;
- (f) exchanging appropriate information, especially as regards access to existing or future databases;
- (g) setting up business networks, particularly in the industrial sector.

Article 4

Most-favoured-nation treatment

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

The Parties reaffirm their will to conduct trade with each other in accordance with that Agreement.

Article 5

Trade cooperation

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.
2. To that end, the Parties shall endeavour to find methods of reducing and eliminating the obstacles hindering the development of trade, especially non-tariff and para-tariff barriers, taking account of work already accomplished in this field by international organizations.
3. The Contracting Parties shall, where appropriate, assess the possibility of setting up mutual consultation procedures.

Article 6

Means of achieving cooperation in trade

In the interests of bringing about more active cooperation in trade, the Contracting Parties shall take measures aimed at:

- promoting meetings, exchanges and contacts between entrepreneurs of each of the Parties, with the aim of identifying goods suitable for sale on the market of the other Party;
- facilitating cooperation between their customs services, in particular as regards vocational training, the simplification of procedures and the detection of customs offences;

- encouraging and providing support for trade-promotion activities such as seminars, symposia, fairs and trade and industrial exhibitions, trade visits, reciprocal visits, business weeks and other activities;
- providing support for their own organizations and firms, to enable them to engage in activities which are of benefit to both sides;
- taking into consideration each other's interests with regard to market access for commodities, semi-finished and manufactured goods and with regard to the stabilization of world commodity markets, in accordance with the aims agreed within the appropriate international organizations;
- examining ways and means of facilitating trade and eliminating barriers to trade, taking into consideration the work of international organizations.

Article 7

Temporary admission of goods

The Contracting Parties undertake to grant each other tax and duty exemption for temporary import into their territory of goods, in accordance with their respective laws and taking account, wherever possible, of existing international agreements in this field.

Article 8

Industry

1. The Contracting Parties shall promote the expansion and diversification of the Andean countries' production base in the industrial and service sectors, directing their cooperation activities at small and medium-sized enterprises in particular and encouraging steps to facilitate access for those enterprises to sources of capital, markets and appropriate technology, and also fostering joint ventures.
2. To that end, within the limits of their responsibilities, the Parties shall encourage projects and operations promoting:
 - the consolidation and extension of the networks established for the purposes of cooperation;
 - increased use of the financial instrument "EC Investment Partners" by, inter alia, greater use of Andean Pact financial institutions;
 - cooperation between firms, such as joint ventures, subcontracting, transfers of technology, licensing, applied research and franchising;
 - the setting-up of an EC-Andean Pact Business Council and other bodies conducive to the expansion of ties between them.

Article 9

Investment

1. The Contracting Parties agree:

- to promote, so far as their powers, rules and regulations and policies permit, an increase in mutually beneficial investment;
- to improve the climate for such investment by seeking agreements on investment promotion and protection between the Community's Member States and the Andean Pact countries based on the principles of non-discrimination and reciprocity.

2. In pursuit of these objectives, the Contracting Parties shall endeavour to stimulate investment promotion, inter alia by means of:

- seminars, exhibitions and visits by company directors;
- training businessmen with a view to setting up investment projects;
- technical assistance for joint investment;
- measures under the EC Investment Partners programme.

3. Cooperation in this field may involve public, private, national or multilateral bodies, including regional financial institutions such as "Corporación Andina de Fomento" (CAF) and "Fondo Latinoamericano de Reservas" (FLAR)¹.

Article 10

Cooperation between financial institutions

The Contracting Parties shall endeavour to foster, according to their needs and within the framework of their respective programmes and legislation, cooperation between financial institutions in the form of:

- exchanges of information and experience in fields of mutual interest (inter alia by means of seminars, conferences and workshops);
- exchanges of consultants;
- technical assistance.
- exchanges of information in the fields of statistics and methodology.

¹ Unilateral declaration of the Andean Pact concerning the European Investment Bank (EIB).

Article 11

Science and technology

1. In accordance with their mutual interest and the aims of their policies on science, the Contracting Parties undertake to promote cooperation in science and technology aimed in particular at:

- encouraging exchanges of Community and Andean Pact scientists;
- establishing permanent links between their scientific and technological communities;
- promoting mutually beneficial transfers of technology;
- encouraging ties between research centres on both sides with a view to finding joint solutions to problems affecting both Parties;
- implementing measures with a view to achieving the goals of both Parties' research programmes;
- building up research capacities and stimulating technological innovation;
- creating opportunities for economic, industrial and trade cooperation;
- promoting relations between academic and research institutions and the manufacturing sectors of both Parties;
- facilitating exchanges of information and reciprocal access to information networks.

2. The extent of cooperation shall be determined by the desires of the Parties, which shall jointly select priority areas.

These shall include:

- advanced scientific and technological research;
- development and management of science and technology policies;
- protection and improvement of the environment;
- rational use of natural resources;
- integration and regional cooperation in science and technology;
- biotechnology;
- new materials.

3. In order to achieve their chosen objectives, the Contracting Parties shall encourage and foster measures including:

- Joint research projects involving research centres and other qualified institutions on both sides;
- advanced training for scientists, through research projects at the other Contracting Party's research centres;
- exchanges of scientific information, through the joint organization of seminars, workshops, working meetings and conferences attended by top-level scientists from both Contracting Parties;
- distribution of scientific and technological information and know-how.

Article 12

Standards

Without prejudice to their international obligations, within the scope of their responsibilities, and in accordance with their laws, the Contracting Parties shall take steps to reduce differences in respect of weights and measures, standardization and certification by promoting the use of compatible systems of standards and certification. To that end, they shall encourage the following in particular:

- establishing links between experts in order to facilitate exchanges of information and studies on weights and measures, standards, quality control and quality promotion and certification, and to promote the development of technical assistance in this field;
- encouraging exchanges and contact between bodies and institutions specializing in these fields;
- promoting measures aimed at achieving mutual recognition of quality certification;
- holding consultations in the fields concerned.

Article 13

Technological development and intellectual and industrial property¹

1. For the purpose of achieving effective collaboration between Andean Pact and Community enterprises in the fields of the transfer of technology, licensing, joint investment and venture capital financing, the Parties, with due respect for intellectual and industrial property rights, undertake:

- to identify the branches or sectors of industry on which cooperation will centre and the means to promote industrial cooperation having an advanced technological bias;

1 Unilateral declaration by the Community.

- to cooperate in encouraging the mobilization of financial resources to support joint projects between Andean Pact and Community enterprises, the aim of which is to apply new findings in technology to industry;
- to support the training of qualified technological research personnel;
- to promote innovation by means of an exchange of information on the programmes each side is conducting for that purpose, periodic exchanges of experience derived from the running of innovation programmes and by means of exchange schemes between Andean Pact and Community institutions for officials of both Parties responsible for promoting innovation.

2. The Contracting Parties undertake to ensure, so far as their laws, regulations and policies allow, that suitable and effective protection is provided for intellectual and industrial property rights, including geographical designations and appellations of origin, reinforcing this protection where desirable. They also undertake, wherever possible and so far as their laws, regulations and policies allow, to facilitate access to the databases and databanks in this field.

Article 14

Mining

The Contracting Parties agree to promote cooperation in mining, chiefly through the implementation of operations aimed at:

- encouraging the involvement of enterprises of both Parties in exploration, mining and marketing of their mineral resources;
- setting up activities to encourage small and medium-sized enterprises operating in the mining sector;
- exchanging experience and technology relating to mining prospecting, exploration and exploitation, and performing joint research to increase the opportunities for technological development.

Article 15

Energy

The Contracting Parties recognize the importance of the energy sector to economic and social development, and are prepared to step up their cooperation in this field, notably as regards planning, conservation and the efficient use of energy, and the development of new, commercially viable energy sources. This improved cooperation will also take environmental implications into consideration.

To these ends, the Parties agree to promote:

- the conduct of joint studies and research, particularly as regards energy forecasts and assessments;
- on-going contacts between energy planners;
- the implementation of joint programmes and projects in this field.

Article 16

Transport

Recognizing the importance of transport to economic development and the intensification of trade, the Contracting Parties shall adopt the necessary measures to implement cooperation in respect of all types of transport.

Cooperation shall centre on the following:

- exchanges of information on the Parties' respective transport policies and on subjects of common interest;
- economic, legal and technical training programmes aimed at economic operators and those in charge of public-sector departments;
- technical assistance, particularly in connection with infrastructure modernization programmes.

Article 17

Information technology and telecommunications

1. The Contracting Parties recognize that information technology and telecommunications are vital to economic and social development, and declare themselves prepared to promote cooperation in fields of common interest, chiefly in respect of the following:

- standardization, testing and certification;
- earth and space-based telecommunications such as transmission networks, satellites, fibre optics, Integrated Service Digital Network (ISDN), data transmission, rural and mobile telephone systems;
- electronics and microelectronics;
- information and automation;
- high-definition television;
- research and development in new information technologies and telecommunications;
- promotion of investment and joint investment.

2. Such cooperation shall take place in particular through:
- collaboration between experts;
 - expert assessments, studies and exchanges of information;
 - training of scientists and technicians;
 - formulation and implementation of specific projects of mutual benefit;
 - promotion of joint projects relating to research and development, the establishment of information networks and databanks, facilitation of access to existing databanks and information networks.

Article 18

Tourism

Within the bounds of their laws, the Contracting Parties shall contribute to cooperation on tourism in the Andean Pact countries, which is to be achieved through specific measures including:

- exchanges of information and forward studies;
- assistance in statistics and data processing;
- training;
- the organization of events;
- the promotion of investment and joint investment in order to expand tourist travel.

Article 19

The environment

In instituting cooperation on environmental matters, the Contracting Parties affirm their will to contribute to sustainable development. They will endeavour to reconcile the need for economic and social development with the need for due protection of nature, and will devote particular attention in their cooperation to the most disadvantaged sections of the population, to the urban environment and to the protection of ecosystems such as tropical forests.

To those ends, the Parties shall endeavour to work together on measures targeting:

- the creation and improvement of public and private-sector environmental bodies;
- public information and awareness;
- the implementation of studies, projects and technical assistance;

- the organization of meetings, seminars, etc.;
- exchanges of information and experience;
- research projects on disasters and their prevention;
- the development and alternative economic use of protected areas;
- industrial cooperation applied to the environment.

Article 20

Biological diversity

The Contracting Parties shall endeavour to establish cooperation, particularly in the field of biotechnology, aimed at preserving biological diversity. Cooperation should be based on three criteria, namely: socio-economic utility, ecological conservation and the interests of native peoples.

Article 21

Development cooperation

With a view to increasing the effectiveness of cooperation in the areas referred to below, the Parties shall seek to establish a multiannual programme. Furthermore, the Parties recognize that the desire to see development better managed involves giving priority to the poorest sections of the population and the most deprived regions, and entails ensuring that environmental issues are integrated into the development process.

Article 22

Agriculture, forestry and rural areas

The Contracting Parties shall establish cooperation in the areas of agriculture, forestry, agro-industry, agri-foodstuffs and tropical products.

To these ends, in a spirit of cooperation and goodwill and taking into account the laws of both Parties on such issues, the Contracting Parties shall examine:

- opportunities for developing trade in agricultural, forestry, agro-industrial and tropical products;
- measures governing human and plant health and the environment, and any obstacles there might be to trade in this field.

The Contracting Parties shall furthermore endeavour to promote cooperation on:

- the development of agriculture;
- the protection and sustainable development of forestry resources;
- the agricultural and rural environments;
- training in the field of rural development;
- contact between the Parties' agricultural producers, in the interests of facilitating trade operations and investment;
- agricultural research;
- agricultural statistics.

Article 23

Health

The Contracting Parties agree to cooperate to improve public health, concentrating on the needs of the most disadvantaged sections of the population.

To these ends they shall seek to develop joint research, technology transfers, exchanges of experience and technical assistance, in particular with regard to:

- health service management and administration;
- the development of vocational training programmes;
- the improvement of sanitary conditions (with particular regard to combating cholera) and well-being in urban and rural areas;
- the prevention and treatment of Acquired Immuno-Deficiency Syndrome (AIDS).

Article 24

Social development

1. The Contracting Parties shall establish cooperation to further social development in the Andean Pact, with the particular aim of improving the living conditions of the poorest sections of the subregion's population.

2. Measures and programmes to implement those aims shall include support, essentially in the form of technical assistance, in the following fields:

- social services administration;
- vocational training and job-creation;
- the improvement of living conditions and hygiene in urban and rural areas;
- preventive healthcare;
- protection of children;
- education and assistance programmes for young people;
- the role of women.

Article 25

Combating drug abuse

Within the scope of their powers, the Contracting Parties undertake to coordinate and step up their efforts to prevent and reduce the production, distribution and consumption of illegal drugs.

This cooperation shall include the following:

- projects for the benefit of Andean Pact nationals, providing training, education, treatment and rehabilitation for addicts;
- research programmes;
- cooperation measures and projects designed to encourage alternative opportunities, including alternative crops;
- exchanges of all relevant information, including information concerning measures relating to money-laundering;
- monitoring trade in essential chemicals;
- drug-abuse prevention programmes.

The Contracting Parties may by mutual agreement extend their cooperation to other areas.

Article 26

Regional integration and cooperation

The Contracting Parties shall take steps to encourage the integration of the Andean countries.

Priority shall be given to:

- technical assistance with the technical and practical aspects of integration;
- promotion of subregional, regional and international trade;
- development of regional environmental cooperation;
- upgrading regional institutions and supporting the implementation of joint policies and activities;
- encouraging the development of regional communications.

Article 27

Government

The Contracting Parties shall cooperate in administrative matters in institutional organization and in the administration of justice at national, regional and municipal levels.

To these ends, they shall take steps aimed at:

- encouraging exchanges of information and training courses for national, regional and municipal officials and employees;
- increasing government efficiency.

Article 28

Information, communication and culture

The Contracting Parties agree to act jointly in the fields of information and communication in order to:

- promote understanding of the nature and aims of the European Community and of the Andean Pact;
- encourage Community and Andean Pact Member States to strengthen their cultural ties.

In particular, these measures shall take the form of:

- appropriate exchanges of information on issues of common interest in the fields of culture and information;
- organization of cultural events and exchanges.
- preparatory studies and technical assistance for the preservation of the cultural heritage;

Article 29

Fisheries

The Contracting Parties acknowledge the importance of achieving a convergence in their interests in the field of fisheries. They shall therefore endeavour to intensify and develop cooperation in this regard by:

- drawing up and implementing special programmes;
- encouraging the private sector to participate in developing this sector.

Article 30

Training

Wherever it is clear that improved training would strengthen cooperation, appropriate action may be taken in areas of mutual interest, taking account of new technologies in the field.

Such cooperation may take the form of:

- steps to improve the training of technicians and professionals;
- measures with a significant knock-on effect, training for instructors and technical executives who are already in positions of responsibility in public and private-sector enterprises, government, the public-service sector and economic administration;
- specific programmes for exchanges of consultants, know-how and technology between training institutions in the European and Andean countries, with particular emphasis on the technical, scientific and vocational sectors;
- literacy programmes linked to health and social development projects.

Article 31

Resources for undertaking cooperation

The Contracting Parties undertake to make available, within the limits of their abilities and through their own channels, the appropriate resources, including financial resources. In this connection, multiannual programming will be carried out and priorities determined, taking account of needs and of the Andean Pact countries' level of development.

In order to facilitate the implementation of the cooperation measures specified in this Agreement, the Andean Pact countries shall:

- grant Community experts the guarantees and facilities they require to carry out their tasks;
- exempt goods and services imported for the purposes of EC/Andean Pact cooperation projects from taxes, duties and other contributions.

These principles will be made explicit in subsequent arrangements, in line with national legislations.

Article 32

Joint Committee¹

1. The Contracting Parties agree to retain the Joint Committee established pursuant to the 1983 Cooperation Agreement, together with the Subcommittee on Science and Technology, the Subcommittee on Industrial Cooperation and the Subcommittee on Trade Cooperation.

2. The Joint Committee shall:

- see to the proper functioning of the Agreement;
- coordinate activities, projects and specific operations in relation to the aims of this Agreement and propose means of implementing them;
- study the development of trade and cooperation between the Parties;
- make any recommendations required to promote the expansion of trade and intensify and diversify cooperation;
- seek appropriate methods of forestalling problems which might arise in areas covered by the Agreement.

3. The agendas for Joint Committee meetings shall be set by mutual agreement. The Committee shall itself establish provisions concerning the frequency and location of its subsequent meetings, chairmanship, the establishment of subcommittees additional to those already in existence, and other issues.

¹ Unilateral declaration by the Andean Pact concerning the Junta del Acuerdo de Cartagena (JUNAC).

Article 33

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 the Andean Pact countries in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with the Andean Pact countries.

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 the Andean Pact countries where such provisions are either incompatible with or identical to the provisions of this Agreement.

Article 34

European Coal and Steel Community

A separate protocol shall be concluded between the European Coal and Steel Community and its Member States, on the one hand, and the Cartagena Agreement and its Member States on the other hand.

Article 35

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory covered by the Cartagena Agreement.

Article 36

Annex

The Annex shall form an integral part of this Agreement.

Article 37

Entry into force and tacit renewal

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. It is concluded for a period of five years. It shall be renewed tacitly on a yearly basis unless one of the Contracting Parties denounces it to the other Party in writing six months before the date of expiry.

Article 38

Authentic texts

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.

Article 39

Future developments

1. The Contracting Parties may by mutual consent develop and improve this Agreement with a view to enhancing the levels of cooperation and to supplementing it by means of agreements on specific sectors or activities.
2. With regard to the implementation 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.

ANNEX

EXCHANGE OF LETTERS ON SHIPPING

Letter No 1

Sir,

We should be obliged if you would confirm the following:

When the Agreement on cooperation between the European Community and the Cartagena Agreement and its Member States was signed, the Parties undertook to address in the appropriate manner issues relating to the operation of shipping, particularly where the development of trade might be hindered. Mutually satisfactory solutions on shipping will be sought, subject to observance of the principle of free and fair competition on a commercial basis.

It has likewise been agreed that such issues should also be discussed by the Joint Committee.

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

On behalf of the Council
of the European Communities

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter and confirm the following:

"When the Agreement on cooperation between the European Community and the Cartagena Agreement and its Member States was signed, the Parties undertook to address in the appropriate manner issues relating to the operation of shipping, particularly where the development of trade might be hindered. Mutually satisfactory solutions on shipping will be sought, subject to the observance of the principle of free and fair competition on a commercial basis.

It has likewise been agreed that such issues should also be discussed by the Joint Committee."

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

For the Cartagena Agreement
and its Member States

FINANCIAL STATEMENT
(FINANCIAL IMPLICATIONS)

1. Title of operation: EC-Andean Pact cooperation agreement
2. Budget headings involved: B7-5020; B7-3015; B6-8200; B7-3010;
B7-3011; B7-3012; B7-3013; B7-3014;
B7-5030; B7-5040; B7-5045
3. Legal basis: Articles 113 and 235
4. Description of operation
 - 4.1. Specific objectives: to consolidate EC-Andean Pact cooperation and to broaden the scope of this cooperation to embrace new fields
 - 4.2. Duration: 5 years
 - 4.3. Target population: the people of the Andean countries, especially the business sector (as regards industrial cooperation)
5. Classification of expenditure or revenue
 - 5.1. Compulsory/non-compulsory: non-compulsory
 - 5.2. Differentiated/non-differentiated: differentiated
 - 5.3. Type of revenue involved: None
6. Type of expenditure or revenue
 - 6.1. 100% grant: yes, and sometimes 50% in joint financing operations
 - 6.2. Grant for joint financing with other sources in the public and/or private sector: on occasion
 - 6.3. Interest rate subsidy: no
 - 6.4. Other
 - 6.5. Should the operation prove an economic success, is there provision for all or part of the Community contribution to be reimbursed? No
 - 6.6. Will the proposed operation cause any change in the level of revenue? If so, what sort of change and what type of revenue is involved? No
7. Financial impact on budget appropriations

For future budgets, the level of expenditure arising from the cooperation agreement will be established using the standard procedure.
8. Anti-fraud measures

Such expenditure will primarily be implemented by third countries and the Commission, which - in agreement with the Court of Auditors - will exercise its customary control over expenditure as a whole.

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DOCUMENTS

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