COMMISSION OF THE EUROPEAN COMMUNITIES

COM(91) 434 final

Brussels, 7 November 1991

Proposal for a

COUNCIL DECISION

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

(presented by the Commission)

Explanatory memorandum

1. By its decision of 18 March 1991, the Council authorized the Commission to open negotiations with the Republic of Paraguay 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 15 July in the morning , and the second in the afternoon. The second session ended with the initialling of the agreement between the Community and the Republic of Paraguay. 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. The Commission considers that the text initialled is in line with the negotiating directives adopted by the Council.

4. Because the legal basis of the Agreement includes Article 235 of the Treaty of Rome in addition to Article 113, Parliament must be consulted.

5. With a view to the signature and conclusion of this Framework Agreement for cooperation between the Community and the Republic of Paraguay, the Commission is proposing to the Council that it approve the Agreement and adopt the attached proposal for a Decision.

Proposal for a

Council Decision No .....

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

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 Paraguay;

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for trade and economic cooperation between the European Economic Community and the Republic of Paraguay 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 25 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 21 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,

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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 Paraguay

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE REPUBLIC OF PARAGUAY,

of the other part,

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

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

TAKING ACCOUNT of the points reaffirmed in the Rome Declaration of 20 December 1990, and the Luxembourg Communiqué concluded on 27 April 1991 between the Community, its Member States and the countries of the Rio Group,

CONSIDERING the readiness of the Community and its Member States to help address the social and economic problems confronting Paraguay 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, to step up and diversify trade and encourage the flow of investment,

TAKING account of the Community's new policy on cooperation with the developing countries of Latin America,

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,

WHEREAS Paraguay is engaged in a vast regional integration process together with Argentina, Brazil and Uruguay in the Southern Cone Common Market, hereinafter referred to as "Mercosur", and whereas the Community intends to establish cooperation with each of those countries and with the new regional entity, aimed at providing support for the said integration process;

TAKING ACCOUNT of their membership or future 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 PARAGUAY,

.....

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 Paraguay and this Agreement in its entirety shall be based on respect for the democratic principles and human rights which inspire the domestic and external policies of both the Community and Paraguay.

Article 2

Support for democratization

1. The Contracting Parties consider the support that the Community can offer towards the consolidation of democracy in Paraguay to be crucial. In this regard, the Community reaffirms its readiness to help strengthen the democratic institutions of Paraguay to the extent of its powers and its ability.

2. The Parties likewise agree to encourage, by appropriate measures, the return to Paraguay of persons obliged to leave it on political grounds.

Article 3

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) to promote diversification of the economy of Paraguay;

(b) to strengthen and diversify the economic links between the Contracting Parties;

(c) to contribute to the development of their economies and the improvement of their standards of living;

(d) to open up new markets and new sources of supply;

(e) to create conditions which favour the development of the employment market;

(f) to encourage industrial and trade cooperation, particularly among small and medium-sized enterprises,

(g) to assist the integration of Paraguay into Mercosur.

2. Without excluding any field from the outset, the Contracting Parties shall determine in which fields there will be economic and industrial cooperation between them, having regard to their respective aims, their mutual interest and their own ability.

Taking account of the above, cooperation will centre on the following:

(a) services, including financial services, and tourism, transport and telecommunications;

(b) intellectual and industrial property, regulations and standards,

(c) the management of natural resources and, in particular, the conservation and efficient use of forest resources, including reafforestation;

(d) environmental protection;

(e) agriculture;

(f) industry, mining and energy;

(g) economic and monetary affairs.

3. Provision shall be made for the following, in particular:

(a) conferences and seminars;

(b) trade and industrial missions;

(c) exploratory missions and missions concerned with investment and the promotion of joint ventures;

(d) visits and meetings between economic operators;

(e) the organization of business weeks and general and sector-based fairs;

(f) the provision of the services of experts;

(g) specific studies;

(h) consultancy and technical assistance services;

(i) cooperation between financial institutions;

(j) the conclusion between the Member States of the EEC and Paraguay of double taxation agreements;

(k) the exchange of appropriate information, particularly access to existing or future databases;

(l) the creation of networks of business people, particularly industrialists.

Article 4

Agricultural cooperation

1. Paraguay and the Community shall establish cooperation in agriculture. To this end they shall examine in a spirit of cooperation and good will :

(a) the opportunities for increasing their trade in agricultural products;

(b) health, plant health and environmental measures and their effects, to prevent them hindering trade, while taking into account the two Parties' legislation in this field.

2. The Community shall contribute to Paraguay's efforts to diversify its exports of agricultural products.

Article 5

Industrial cooperation

1. The Contracting Parties agree to promote the expansion and diversification of Paraguay'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 those enterprises to sources of capital, markets and the appropriate technology. These steps may include the joint establishment of suitable machinery and institutions.

2. The Contracting Parties likewise agree to consider the possibility of promoting projects which could help Paraguayan industry to integrate smoothly into Mercosur.

Article 6

Cooperation regarding the environment ..

1. The Contracting Parties undertake to cooperate on the improvement and protection of the environment in order to address the issues of water, soil and air pollution, erosion, desertification and deforestation, and the excessive exploitation of natural resources. They shall also encourage the productive conservation of the forest and aquatic flora and fauna, of watercourses and the conservation of tropical forests and national parks.

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, and 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, business people and others fulfilling functions connected with the environment.

Article 7

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 by the Community Member States and Paraguay, particularly through agreements for the promotion and protection of such investment on the basis of the principles of non-discrimination and reciprocity.

Article 8

Cooperation on science and technology

1. The Contracting Parties agree to support the promotion and development of Paraguay's scientific and technological capabilities.

This aim will be pursued by fostering and promoting cooperation of the widest possible scope between specialist bodies or firms of both parties, in particular by establishing ties between the research centres of both parties in order to resolve jointly problems of mutual concern.

2. Without excluding any area from the outset, the Contracting Parties shall together determine the spheres of their cooperation. These shall include the following, in particular:

(a) strengthening research capabilities;

(b) developing and managing policy on science and technology;

(c) protection and improvement of the environment;

(d) promoting efficient use of natural resources, in particular forest resources;

(e) promoting regional integration and cooperation in science and technology;

(f) disseminating information and expertise in science and technology.

3. The Contracting Parties will facilitate and encourage the introduction of measures aimed at achieving the objectives of cooperation between them, in particular:

(a) joint research projects between the parties' research centres and other appropriate institutions;

(b) exchanges of scientific information, particularly through seminars, workshops, conferences, etc.

(c) support for the reintegration into Paraguay of scientists, engineers and specialists.

Article 9

Most-favoured-nation treatment

1. The Contracting Parties shall grant each other, in respect of their imports and exports of goods, most-favoured-nation treatment on the basis of the General Agreement on Tariffs and Trade.

Article 10

Temporary importation of goods

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

Article 11

Trade cooperation

1. The Contracting Parties agree 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. The Contracting Parties agree to examine ways and means of eliminating non-tariff barriers and, taking account of the work done by international organizations, they will commit themselves to a policy aimed at:

(a) making trade transactions between them as easy as possible;

(b) cooperating bilaterally and multilaterally on issues of common concern, including intellectual and industrial property, origin-related designations, commodities and manufactured and semi-manufactured products;

(c) facilitating cooperation between their customs services in spheres including vocational training, the simplification of procedures and detection of infringements of customs rules;

(d) taking each other's interests into account in relation to access to resources, the processing of such resources and market access for the products of the Contracting Parties;

(e) bringing economic operators into closer contact in order to diversify and increase current trade flows;

(f) examining, recommending and implementing trade promotion measures in the interests of expanding imports and exports;

(g) seeking each other's opinion as far as possible on measures likely to have an adverse effect on trade between them.

Article 12

Cooperation concerning government

1. The Contracting Parties shall cooperate in contributing to the rationalization and modernization of government service at national and regional levels, notably with regard to the restructuring of central government.

2. To attain these objectives, the Contracting Parties shall endeavour to promote, inter alia:

- seminars and training courses for civil servants and the staff of public institutions and government departments;

- improvement of the equipment of public institutions and government departments.

Article 13

Cooperation on information, communication and culture

1. Cooperation between the Contracting Parties shall encompass information and communication, taking account of the cultural dimension of their relations.

2. Such cooperation shall include the preservation of historic and cultural objects.

Article 14

Training

1. Cooperation established within the framework of the Agreement may include appropriate training.

2. Training will be targeted essentially at instructors and teachers or supervisory staff already in positions of responsibility in firms, government departments, public services and other areas of economic and social activity.

3. The Contracting Parties shall consider the possibility of introducing specific training programmes which help to strengthen Paraguay's democratic institutions.

Article 15

Public health

The Contracting Parties agree to cooperate in the field of public health, with the aim of raising the standard of living and quality of life, particularly in the most disadvantaged sectors . In the interests of attaining these aims, the Parties undertake to conduct joint research, transfers of technology, and interchanges of experience and technical assistance, notably including measures relating to the following:

- the management and administration of the departments with responsibility for this field;

- the organization of scientific meetings and exchanges of specialists;

- the undertaking of programmes of vocational training;

- programmes and projects for the improvement of health and social welfare in urban and rural areas.

Article 16

Drug abuse control

1. The Contracting Parties undertake, in conformity with their respective legal provisions, to coordinate and step up their efforts to prevent and reduce the production, trafficking and consumption of drugs.

2. Such cooperation shall include the following:

- projects for training, education, health-promotion and rehabilitation of addicts, including projects for the reintegration of addicts into working life and society;

- research programmes and projects;

- measures to encourage alternative economic activities;

- the exchange of all relevant information, including that relating to money laundering.

3. Financing for the operations referred to may be contributed by public and private institutions and national, regional or international organizations, in consultation with the Government of Paraguay and the appropriate authorities of the Community and its Member States.

Article 17

Tourism

The Contracting Parties shall, in accordance with their laws, promote cooperation on tourism, which is to be achieved through specific measures focusing on:

- exchanges of officials and experts dealing with tourism, the interchange of information and statistics relating to this field and the transfer of technology;

- the development of activities to stimulate tourist traffic;

- the advancement of training schemes intended in particular to support hotel operation and management;

- joint participation in fairs and exhibitions aimed at increasing tourist flows.

Article 18

Regional cooperation and integration

1. Cooperation between the Contracting Parties may extend to action undertaken within the context of cooperation or integration agreements with third countries in the same region.

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

(a) cooperation on environmental issues at regional level;

(b) development of intra-regional trade;

(c) the strengthening of regional institutions and support for the introduction of common policies and activities;

(d) regional communications, notably waterways.

Article 19

Development cooperation

1. In order to consolidate and accelerate Paraguay's economic and social development, the Community will implement assistance operations in the context of the Community programmes for developing countries.

2. Particular importance shall be attached to rural development, notably integrated rural development, joint training schemes, action aimed at improving self-sufficiency in food, employment, urban and rural housing and promoting grassroot organizations.

Article 20

Resources for 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 21

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Paraguay. It shall meet once a year, alternately in Brussels and Asunción, on a date and with an agenda fixed by mutual agreement. Extraordinary meetings may be convened with the consent of both 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 shall 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 stepping up 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 and working parties to assist it in the performance of its duties.

Article 22

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 Paraguay in the field of economic cooperation with Paraguay or, where appropriate, to conclude new economic cooperation agreements with Paraguay.

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 Paraguay where such provisions are either incompatible with or identical to the provisions of this Agreement.

Article 23

Territorial application

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

Article 24

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 25

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 26

Annexes

The Annexes shall form an integral part of this Agreement.

Article 27

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,

ANNEX I

EXCHANGE OF LETTERS ON MARITIME TRANSPORT

Letter 1

Sir,

Please would you confirm your Government's agreement to the following:

When the Agreement on cooperation between the European Economic Community and Paraguay 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, with due respect for 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 our highest consideration.

On behalf of the
Council of the European Communities

Letter 2

Sirs,

I have the honour to confirm my Government's agreement to the following:

"When the Agreement on cooperation between the European Economic Community and Paraguay 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, with due respect for 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, Sirs, the assurance of my highest consideration.

For the
Government of the Republic
of Paraguay

ANNEX II

UNILATERAL DECLARATION BY THE COMMUNITY ON THE GSP

The European Economic Community hereby confirms the importance which it attaches to the Generalized System of Preferences, set up by Resolution 21 (II) of the Second United Nations Conference on Trade and Development.

The European Community is prepared to examine any suggestions put to it by Paraguay in order to enable that country to make the best and widest possible use of the generalized preferences scheme which the Community has implemented in accordance with the abovementioned Resolution.

In order to ensure that Paraguayan officials and business people are properly acquainted with the Community scheme, the Commission will arrange information seminars in Paraguay.

Fiche Financière

Accord de coopération CE - Paraguay

1. Lignes budgétaires concernées

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

B7-5020 - Actions dans le cadre d'accords de coopération économique et commerciale avec des pays tiers

B7-3015 - Actions visant la promotion de l'investissement communautaire dans les PVD d'Amérique latine dans le cadre des accords de coopération économique et commerciale

B6-8200 - Coopération internationale - actions de recherche et de développement dans le cadre des accords de coopération avec des pays tiers.

b) autres lignes :

B7-3010 - Coopération financière et technique avec des PVD d'Amérique Latine

B7-3011 - Promotion des relations commerciales des PVD d'Amérique latine

B7-3012 - Actions destinées à favoriser les efforts d'intégration régionale ou subrégionale entre les PVD d'Amérique latine

B7-3013 - Coopération avec des PVD d'Amérique latine dans le domaine énergétique

B7-3014 - Actions de formation en faveur de ressortissants de PVD d'Amérique latine

B7-5030 - Organisation de séminaires sur le SPG communautaire

B7-5040 - Environnement dans les PVD

B7-5045 - Programme d'actions de coopération Nord-Sud dans le domaine de la lutte contre la drogue
(Budget 1992 : B7-5080 - Programme d'actions de coopération Nord-Sud dans le domaine de la lutte contre les drogues et la toxicomanie)

2. Base légale

Base légale existante

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'Accords.

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

6.1 Echéancier 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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DOCUMENTS

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