C/2024/6769

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Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part (Resolution)

European Parliament resolution of 29 February 2024 on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part (COM(2023)0432 – C9-0467/2023 – 2023/0260R(NLE))

(C/2024/6769)

The European Parliament,

— having regard to the proposal for a Council decision (COM(2023)0432),

— having regard to the draft Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part,

— having regard to the Joint Statement on the Provisions on Trade and Sustainable Development contained in the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part, which is attached to the Advanced Framework Agreement,

— having regard to the Interim Agreement on Trade between the European Union and the Republic of Chile,

— having regard to the Association Agreement between the European Community and its Member States, of the one part, and Chile, of the other part ([1]), which entered into force on 1 March 2005, and which will be replaced by the Advanced Framework Agreement,

— having regard to the Agreement on Trade in Wines and to the Agreement on Trade in Spirits and Aromatised Drinks, which were previously annexed to the Association Agreement and will be incorporated into the Advanced Framework Agreement,

— having regard to the negotiating directives of 13 November 2017 for the negotiations on a modernised Association Agreement with Chile issued by the Council and published on 22 January 2018,

— having regard to its recommendation of 13 June 2018 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the negotiations on the modernisation of the EU-Chile Association Agreement ([2]),

— having regard to its recommendation of 14 September 2017 to the Council, the Commission and the European External Action Service on the negotiations of the modernisation of the trade pillar of the EU-Chile Association Agreement ([3]),

— having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 20 June 2023 entitled 'European Economic Security Strategy' (JOIN(2023)2020),

— having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 7 June 2023 entitled 'A New Agenda for Relations between the EU and Latin America and the Caribbean' (JOIN(2023)0017),

— having regard to the Commission communication of 22 June 2022 entitled 'The power of trade partnerships: together for green and just economic growth' (COM(2022)0409),

([1]) OJ L 352, 30.12.2002, p. 3.
([2]) OJ C 28, 27.1.2020, p. 121.
([3]) OJ C 337, 20.9.2018, p. 113.

— having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 1 December 2021 entitled 'The Global Gateway' (JOIN(2021)0030),

— having regard to the Commission communication of 18 February 2021 entitled 'Trade Policy Review – An Open, Sustainable and Assertive Trade Policy' (COM(2021)0066),

— having regard to the Commission communication of 11 December 2019 entitled 'The European Green Deal' (COM(2019)0640),

— having regard to its resolution of 6 October 2022 on the outcome of the Commission's review of the 15-point action plan on trade and sustainable development ([4]),

— having regard to its resolution of 23 June 2022 on the future of EU international investment policy ([5]),

— having regard to the Impact Assessment of 24 May 2017 accompanying the Joint Recommendation for a Council Decision authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations and negotiate a modernised Association Agreement with the Republic of Chile (SWD(2017)0173),

— having regard to the Sustainability Impact Assessment of 7 May 2019 in Support of the Negotiations for the Modernisation of the Trade Part of the Association Agreement with Chile,

— having regard to the Declaration of the EU-Community of Latin American and Caribbean States (CELAC) Summit 2023 held in Brussels on 17-18 July 2023,

— having regard to the statement by Commission President Ursula von der Leyen with Chilean President Gabriel Boric of 14 June 2023,

— having regard to UN General Assembly Resolution ES-11/1 of 2 March 2022 entitled 'Aggression against Ukraine',

— having regard to the UN Convention on Biological diversity and its Kunming-Montreal Global Biodiversity Framework of 2022,

— having regard to the UN Framework Convention on Climate Change (UNFCCC) and to the Paris Agreement, adopted at the 21st Conference of the Parties to the UNFCCC on 12 December 2015,

— having regard to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP),

— having regard to the conventions of the International Labour Organization (ILO), in particular ILO Convention 169 on Indigenous and Tribal Peoples,

— having regard to the conclusions of the visits to Chile of two ad hoc delegations of the Committee on Foreign Affairs on 19 and 20 June 2023, and of the Committee on International Trade on 23-25 May 2022,

— having regard to the Memorandum of Understanding between the European Union and the Republic of Chile on a Strategic Partnership on Sustainable Raw Materials Value Chains, signed in Brussels on 18 July 2023,

— having regard to the Joint Declaration of the Ministers for home affairs of the Member States of the European Union and the Ministers with responsibility for security matters of the Member States of the Latin American Committee on Internal Security (EU-CLASI Joint Declaration) of 28 September 2023,

— having regard to the national lithium strategy presented by the Chilean Government on 20 April 2023,

— having regard to the Treaty on European Union, and in particular Title V thereof on the Union's external action,

([4]) OJ C 132, 14.4.2023, p. 99.
([5]) OJ C 32, 27.1.2023, p. 96.

— having regard to the Treaty on the Functioning of the European Union (TFEU), in particular Articles 91, 100(2), 207 and 212 thereof, in conjunction with Article 218,

— having regard to Rule 105(5) of its Rules of Procedure,

— having regard to the opinion of the Committee on Agriculture and Rural Development,

— having regard to the interim report of the Committee on Foreign Affairs and the Committee on International Trade (A9-0017/2024),

A. whereas the current international instability highlights the need for the EU to reinvigorate its partnerships with democratic and like-minded countries that share its values in order to strengthen its open strategic autonomy, diversify its supply chains, secure access to critical raw materials and cooperate in all multilateral forums to protect the rules-based international order based on peace, the rule of law and sustainable development;

B. whereas Chile and the EU are close partners in tackling regional and global challenges and are united by shared universal values such as democracy and human rights, and close cultural, human, economic and political ties; whereas Chile is a highly important and reliable partner of the EU;

C. whereas the modernised EU-Chile Advanced Framework Agreement ('the Agreement') promotes common values and principles, has the potential to considerably strengthen cooperation between Chile and the EU, extend it to new areas and offer mutual support for tackling new global challenges;

D. whereas two major projects with Chile are being implemented as part of the EU's Global Gateway strategy: the Team Europe initiative for the development of renewable hydrogen in Chile, with an initial budget of EUR 225 million; and the initiative for the development of critical raw material value chains for lithium and copper;

E. whereas a ministerial meeting between the EU and the Latin American Committee for Internal Security (CLASI), of which Chile is a member, was held in Brussels on 28 September 2023, culminating in the adoption of a joint declaration on the need to step up cooperation on security and combating drug trafficking;

F. whereas the EU is Chile's third largest trading partner and its largest source of foreign direct investment; whereas the EU-Chile Association Agreement, in force since 2003, has significantly expanded bilateral trade and now needs to be modernised in order to bring it into line with international standards; whereas the EU and Chile share a commitment to promoting an open, sustainable, rules- and values-based multilateral trading system with the World Trade Organization (WTO) at its core;

G. whereas Chile is one of the world's most open economies and depends strongly on international trade; whereas Chile has one of Latin America's most prosperous economies, while socio-economic inequality remains high;

H. whereas the latest UN reports indicate ([6]) that Latin America and the Caribbean's share in global manufacturing exports has not surpassed 5 % in the last 20 years, which shows that the region has a persistent, growing trade deficit in manufacturing exports;

I. whereas Chile has some of the best natural conditions worldwide for the production of green hydrogen; whereas the Chilean Government has adopted an ambitious green hydrogen strategy that aims to make Chile one of the world's top green hydrogen producers;

J. whereas lithium is a strategic raw material; whereas Chile is the world's second-largest producer of lithium and has the largest lithium reserves worldwide; whereas Chile is already the largest supplier of lithium to the EU by far; whereas Chile is also the world's top producer of copper; whereas the Chilean Government has adopted an ambitious lithium strategy aimed at increasing Chile's lithium production; whereas it is in the interests of both Chile and the EU to foster Chile's ability to build up its own domestic industrial capacity in this sector, in particular by generating added value through the domestic processing and transformation of raw materials;

K. whereas agriculture and mining are key sectors for the Chilean economy; whereas the sustainability impact assessment pointed out that lithium mining in Chile is concentrated in water scarce regions, areas that are mostly populated by rural and indigenous communities; whereas an uncontrolled and unsustainable increase in mining and agricultural production could have negative impacts; whereas these risks must be carefully addressed and closely monitored;

([6]) https://www.cepal.org/en/pressreleases/goods-exports-latin-america-and-caribbean-increase-20-2022-growth-down-previous-year; http://repositorio.cepal.org/handle/11362/48651.

L. whereas trade and investment policies should contribute to raising social, environmental and animal welfare standards and ensure full respect for fundamental rights, including local communities' and indigenous peoples' rights, the right to adequate food and water and the rights of peasants and other people working in rural areas; whereas the EU's approach to trade and sustainable development aims to contribute to the effective implementation of ILO core labour rights and of the Paris Agreement;

M. whereas the EU has reformed investment protection provisions, replaced the investor-state dispute settlement mechanism with the investment court system (ICS) and launched multilateral negotiations for an investment court, which are significant steps in the right direction for a modernised and sustainable investment policy; whereas the ICS will replace the old bilateral investment protection treaties that Chile has concluded with 16 EU Member States;

N. whereas the Council has made public the entire set of negotiating directives for the Agreement, the first time it has done so for such an agreement covering political and trade matters, thereby responding to calls for greater transparency and better communication of the content and objectives of the negotiations;

Bi-regional cooperation

1. Highlights the geopolitical significance of strong bi-regional relations between the EU and the countries of Latin America and the Caribbean, and the political importance of robust bilateral relations between the EU and Chile based on the modernisation of the association agreement, among others; emphasises the geopolitical value of the Agreement in view of the presence of other actors, such as China;

2. Welcomes the EU-CELAC Summit of July 2023 and the commitment to further deepening this strategic partnership based on shared values and principles as well as on historical, linguistic, cultural and social ties; stresses the significance of regular bi-regional dialogue and appreciates Chile's constructive role in this bi-regional dialogue, as well as at multilateral level;

3. Emphasises that the EU's strategy for Latin America and the Caribbean needs to be implemented swiftly based on joint priorities; highlights the importance of joining forces with CELAC countries to promote and guarantee peace and security, democracy, the rule of law, human rights and development, as well as to tackle global challenges such as climate change, the biodiversity crisis, migration, gender-based violence and corruption;

4. Welcomes the announcement of a EUR 45 billion financial package to support a fair green transition, an inclusive digital transformation, human development and health resilience in Latin America and the Caribbean, and in particular welcomes the fact that the project for the development of the Green Hydrogen Fund in Chile has made significant progress; calls for the swift implementation of the EU Global Gateway investment agenda in Latin America and the Caribbean based on the Team Europe approach;

5. Notes that the support of partners in Latin America and the Caribbean has been and remains very valuable with regard to voting in the UN General Assembly on Russia's unjustified, unprovoked and illegal war of aggression against Ukraine; welcomes the fact that Chile voted in favour of UN General Assembly resolutions condemning Russia's aggression against Ukraine; appreciates the humanitarian aid provided by Chile to Ukraine as well as the readiness of Chilean specialists to participate in demining Ukraine's territories; encourages Chile to join the restrictive measures adopted by Western countries against Russia;

Political dialogue and sectoral cooperation

6. Highlights the fact that Chile is a key partner for the EU in Latin America and the Caribbean and shares democratic values and many common interests with the EU;

7. Notes that the 2002 EU-Chile Association Agreement has been a success story, as it provides a clear legal framework for regular dialogues and allows discussion on many areas of common interest;

8. Notes with satisfaction that the Agreement reflects many of Parliament's recommendations issued prior to the negotiation of the Agreement;

9. Welcomes the fact that parliamentary diplomacy is recognised as a pillar of the political dialogue with Chile; praises Chile's key role in the Andean Parliament as well as in the Euro-Latin American Parliamentary Assembly;

10. Underlines the importance, in the context of the Agreement, of fighting against all kinds of human rights violations and of effectively eradicating any discrimination against indigenous people, migrant workers, people with disabilities and LGBTI people, among others, and any other vulnerable people; welcomes the fact that the Agreement contains robust provisions on democratic principles, human rights and the rule of law; underlines the importance of enforceability of the human rights commitments;

11. Reiterates the importance of the protection of the rights of indigenous peoples in line with the international agreements such as UNDRIP and ILO Convention 169, including the respect of the free, prior and informed consent (FPIC) of local communities and indigenous peoples;

12. Underlines the importance of respecting and upholding social and environmental standards; stresses, in this regard, that the role of human rights defenders and whistleblowers, among others, is crucial and needs to be protected;

13. Underlines that the Agreement has the potential to considerably strengthen cooperation between Chile and the EU and further it to new areas ranging from cybercrime and the fight against money laundering and the financing of terrorism to cooperation on polar matters;

14. Welcomes the fact that the Agreement provides for strengthened political cooperation on foreign and security matters amid geopolitical challenges, in particular as regards countering the proliferation of weapons of mass destruction;

15. Underlines that cooperation with international partners is a key pillar of the EU security and defence agenda; welcomes the launch of the EU-Chile bilateral Security and Defence dialogue; calls for the deepening of cooperation on defence and security with Chile, including in the framework of the Strategic Compass; appreciates Chile's participation since 2004 in the military crisis management operation in Bosnia and Herzegovina (Operation Althea);

16. Points out that the Parties agreed to cooperate and exchange views in the areas of regular and irregular migration; considers that the exchange of best practices is a very helpful tool; notes that Chile is a major destination for migrants from other Latin American countries, particularly Venezuela; acknowledges the Chilean Government's efforts to successfully integrate the migrant population; recognises Chile's important role as President Pro Tempore of the Quito Process in coordinating a regional response to the Venezuelan migration crisis;

17. Is concerned about the increase in organised crime and drug trafficking in Latin America and the Caribbean, the increasingly prominent drug trafficking in Chile as well as the unprecedented quantities of illicit drugs trafficked to the EU from the region; calls for a substantial increase in bi-regional cooperation in the fight against these threats; considers it important that the Agreement contains provisions on cooperation in the fight against organised crime and drug trafficking in order to ensure an integrated, evidence-based and effective approach;

18. Highlights that both the EU and Chile have committed to become climate-neutral by 2050; welcomes the commitment to strengthen cooperation in the fight against the climate crisis under the UNFCCC and to effectively implement the Paris Agreement on Climate Change, as well as the protection of the environment and the sustainable management of natural resources, including in the framework of the UN Convention on Biological Diversity; stresses that this commitment must be mirrored by concrete measures as part of the implementation of the Agreement;

19. Recognises the importance of cooperation on civil satellite navigation, Earth observation and other space activities; supports the work of the regional Galileo Information Centre in Chile in monitoring local and regional satellite navigation initiatives, identifying potential markets and stakeholders, and providing support to users in developing new applications through cooperation between Latin American and European industry; welcomes the recent announcement concerning the rolling out of a regional Copernicus strategy in Latin America and the Caribbean, including a regional Copernicus data centre in Chile;

20. Appreciates the potential for further deepening cooperation in the areas of scientific research, technological development and innovation, youth and culture;

21. Recognises the commitment to respect ILO conventions and to exchange information on methods to measure poverty in order to support evidence-based policies; encourages the exchange of best practices considering Chile's high level of income inequality;

22. Welcomes the much-needed joint commitment to achieving the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals, as they are crucial in addressing today's challenges while leaving no one behind;

Trade and investment pillar

23. Welcomes the Agreement as an important signal in support of open, fair and rules- and values-based trade, at a time of increasing economic fragmentation and protectionism; believes that the Agreement will be mutually beneficial and contribute to enhancing long-term economic development, job creation, diversification and value added production processes;

24. Commends the ambitious and comprehensive nature of the trade and investment pillar of the Agreement, which delivers on the priorities set out in Parliament's recommendation of 14 September 2017 ([7]); notes that 99 % of tariff lines will be fully liberalised and over 95 % of trade between the EU and Chile will be duty-free under the Agreement; welcomes the fact that the agreement has been modernised on the basis of the WTO Trade Facilitation Agreement; stresses, in this respect, that it is crucial to avoid unnecessary administrative burdens and to simplify export procedures throughout the implementation of the Agreement;

25. Welcomes the fact that the chapter on trade and sustainable development (TSD) contains ambitious and binding commitments on environmental and labour standards; regrets, however, that the agreement does not yet fully reflect the EU's new TSD approach;

26. Notes that in their joint statement on trade and sustainable development attached to the Agreement, the EU and Chile commit to reviewing the Agreement's TSD provisions upon the entry into force of the Interim Trade Agreement; underlines the importance of an ambitious review to bring the agreements into line with the objectives of the EU Green Deal and the EU's TSD reform proposals as introduced in the 2022 Commission communication entitled 'The power of trade partnerships: together for green and just economic growth', which would add provisions to enhance the enforcement mechanism of the TSD chapter, including the possibility to apply a compliance phase, and trade sanctions as a measure of last resort in cases of failure to comply with the Paris Agreement or the ILO's fundamental principles and rights at work;

27. Expects the review to be carried out within the timeline set out by the joint statement and following meaningful consultations with all relevant stakeholders; calls on the Commission to keep Parliament closely involved throughout the review process, in line with its obligations pursuant to Article 218(10) TFEU, and to take utmost account of possible comments by the European Parliament;

28. Notes that in the joint statement, both sides commit to considering the possibility of including the Paris Agreement on Climate Change as an essential element of the Agreement in the context of the review of the TSD provisions;

29. Stresses that an implementation roadmap with concrete targets and milestones for their delivery, set up with the involvement of civil society, would be a useful tool to address TSD challenges;

30. Welcomes the Parties' commitment to promote the development of international trade in a way that is conducive to decent work for all, in particular women, young people and people with disabilities, in line with their respective obligations under the ILO;

([7]) European Parliament recommendation of 14 September 2017 to the Council, the Commission and the European External Action Service on the negotiations of the modernisation of the trade pillar of the EU-Chile Association Agreement (OJ C 337, 20.9.2018, p. 113).

31. Welcomes the recognition of indigenous peoples' knowledge and practices under the TSD chapter; regrets, however, that ILO Convention 169 and the UN principle of free prior and informed consent enshrined in UNDRIP, which uphold the rights of indigenous peoples in trade relations, are not explicitly mentioned;

32. Welcomes the inclusion of a stand-alone dedicated chapter on trade and gender, the first of its kind in an EU trade agreement, which recognises the importance of incorporating a gender perspective into the promotion of inclusive economic growth, and the key role that gender-responsive policies can play in this regard; strongly supports the inclusion of a number of binding commitments to eliminate barriers and discrimination against women, promote gender equality and women's empowerment and ensure that international trade benefits all; strongly supports the commitment to mainstream gender considerations across policies and instruments and the joint commitment to effectively implement the obligations of the Convention on the Elimination of All Forms of Discrimination Against Women as well as to fulfil Sustainable Development Goal 5 on gender equality; expects the Commission to build on this precedent in all future trade negotiations;

33. Acknowledges the elimination of tariffs on EU exports, leaving 99,9 % of exports tariff-free, which could be favourable for Union producers of high-quality agri-food products; welcomes the fact that the tariff rate quotas (TRQs) for beef and sheep meat, both sensitive products, no longer include an automatic annual increase, as this is replaced by a fixed amount that will ensure more stable market access for Chilean meat products in the future; calls on the Commission to update its cumulative impact assessment on the impact of all trade deals on the EU agricultural sector and, specifically, to evaluate the agricultural components of the Agreement together with concessions under other existing and planned trade arrangements, in order to prevent their excessive accumulation;

34. Recognises the efforts made on protecting sensitive EU agricultural products such as meat (beef, poultry, pig and sheep meat), certain fruits and vegetables (e.g. garlic, apple juice, grape juice) and olive oil by imposing limited and controlled access for highly sensitive products using TRQs, and excluding sugar and bananas from any trade liberalisation, with the aim of protecting EU production;

35. Recognises that the Agreement protects a further 216 EU agricultural geographical indications (GIs) and 18 Chilean GIs, in addition to the existing agreements on wines and spirits, which protect 1745 EU GIs for wines and 257 EU GIs for spirits and aromatised wines; highlights that the extension of geographical indications agreed by the EU and Chile is an important step forward in the protection of EU geographical indications at the global level; calls on the Commission to ensure effective enforcement of GI protection rules for EU products in Chile and to consider expanding the list of protected GI products;

36. Welcomes the inclusion of a dedicated chapter on sustainable food systems (SFS) that promotes bilateral and international cooperation on a sustainable food system, including provisions on animal welfare, the fight against food waste, the phasing out of the use of antimicrobials, the sustainability of the food chain, and pesticides; notes in particular the mutual commitments to maintain the phase-out of the use of antibiotics as growth promoters, in place in Chile since 2018; urges the Commission to make full use of the cooperation provisions contained in that chapter and to facilitate the exchange of information on innovative farming practices so that its ambition does not fall short of the EU's sustainability efforts in climate change mitigation, biodiversity and environmental protection legislation; stresses that this cooperation should also strive to achieve the objectives of the Kunming-Montreal Global Biodiversity Framework, adopted under the UN Convention on Biological Diversity, which includes among the global targets for 2030 the objective of 'reducing the overall risk from pesticides and highly hazardous chemicals by at least half';

37. Believes that EU trade policy should contribute to achieving and implementing together the highest food safety, social, environmental, animal welfare and human rights standards; calls on the EU-Chile SFS sub-committee to develop an ambitious cooperation plan to achieve this;

38. Welcomes the fact that the Agreement includes the single entity mechanism, as it avoids each Member State having to sign a protocol to export agri-food products to Chile, thus improving the overall potential of the Agreement and reducing unnecessary burdens and costs; calls for this measure to be included in future trade agreements;

39. Encourages the EU and Chile to consider bilateral or multilateral cooperation in the development of sustainable and environmentally responsible production practices and the exchange of best practices in research, innovation and technological development; welcomes the intention of both parties to exchange expertise on the development and implementation of animal welfare standards;

40. Calls on the Commission and Member States to ensure a level playing field for all agricultural, fishery and aquaculture products marketed in the Union regardless of their origin, including those originating in Chile; stresses the importance of improving the policy coherence of Union initiatives, with particular regard to trade, sustainable development, environmental protection, industrial policy, fisheries and agriculture;

41. Welcomes the fact the Agreement contains a series of actions for both the EU and Chile in support of efforts to combat illegal, unreported and unregulated (IUU) fishing practices and to help deter trade in products from species harvested from those practices; further welcomes the fact that both the EU and Chile recently joined the IUU Fishing Action Alliance Pledge, aiming to stimulate ambition and action in the fight against IUU fishing;

42. Welcomes the fact that the outermost regions have been taken into account in the Agreement's bilateral safeguard measures;

43. Expects that the provisions on investment liberalisation and investment protection will further boost sustainable investments in both directions by guaranteeing that investors from both sides will be granted fair and non-discriminatory treatment; emphasises that investments require legal security, trust and predictability; stresses that the investment protection provisions are aligned with the EU's reformed approach on investment protection, which should aim to ensure a proper balance between the protection of investments and governments' right to regulate in the public interest; recalls that a joint interpretative statement confirms the parties' understanding that the investment protection provisions are to be interpreted and applied taking due consideration of their commitments under the Paris Agreement and clarifies that investors should expect that the EU and Chile will adopt measures to combat climate change; notes that the dispute settlement procedures established by the agreement follow the EU's ICS model, with a permanent, independent and impartial tribunal and an appeal tribunal; highlights the need to implement and further improve the investment protection provisions in accordance with Parliament's recommendations in its resolution of 23 June 2022 on the future of EU international investment policy;

44. Is convinced that the new market access commitments concerning trade in services will open up new business opportunities for EU and Chilean companies, including small and medium-sized enterprises (SMEs); notes that the Agreement contains a state-of-the-art chapter on digital trade that will facilitate electronic commerce and protect customers online;

45. Highlights that the Agreement preserves the right of governments to regulate in the public interest, for example in order to protect public health, consumers or the environment; stresses that the right of governments to regulate is not limited to these areas; underlines that the agreement guarantees the right of public authorities to maintain public services such as education, healthcare and water, or to re-nationalise privately provided services;

46. Emphasises that EU and Chilean companies will be able to benefit from improved access to public procurement markets for goods, services and work at (sub-)central level; highlights the enhanced transparency requirements; welcomes the fact that the agreement allows procuring entities to take into account environmental and social considerations throughout the procurement procedure;

47. Welcomes the dedicated chapter on SMEs, which account for a large proportion of EU-Chile trade; calls on the Commission to assist SMEs in taking full advantage of the opportunities provided by the modernised agreement, including by providing guidance to exporting and importing businesses on the new market access opportunities, as well as by providing administrative and technical support, simplifying procedures and addressing technical barriers to trade that disproportionately affect SMEs;

48. Stresses that global efforts to combat climate change will require a rapid transition to renewable energy and fast government action to phase out fossil fuels, including by reducing fossil fuel investments and carving out governments' climate policies from investment protection; emphasises that the Agreement should support international efforts in the transition towards renewable energies; urges the Parties to ensure alignment of investment protection provisions with environmental policies, labour rights and human rights; notes, however, that the Agreement allows protection for investments in fossil fuels; highlights that Chile has the potential to play a major role in the global green and just transitions, which should equally benefit the development of its own industrial capacities; notes that the development and scaling up of the Chilean renewable energy sector and infrastructure will require massive sustainable and predictable investments, including from EU companies; in this regard, believes that the Global Gateway strategy should allow the creation of joint strategic projects and enhance capacity-building; welcomes in this context the creation of a European initiative for the development of renewable hydrogen in Chile, which will promote the development of this strategic industry in the country and the creation of jobs while promoting exports of renewable hydrogen to Europe as well as other parts of the world;

49. Emphasises Chile's leading role as a major supplier of critical raw materials, including those that are essential for the green and digital transitions, such as lithium and copper; commends our Chilean partners for their commitment to cooperate with the EU on critical raw material supplies, which help to increase the EU's resilience in sectors such as energy, transport, digital infrastructure and defence; stresses that this mutually beneficial Agreement will ensure non-discriminatory access for EU companies to Chilean raw materials, while aiming to leave sufficient policy space for Chile to create local added value through the domestic processing and transformation of raw materials; takes note of the provisions on dual pricing and export monopoly restrictions; believes that the EU should actively support Chile in its efforts to move up the value chain; is convinced that the exploitation of raw materials should be carried out in an environmentally and socially sustainable manner, and that it should benefit and engage local communities, including indigenous communities, and be fully respectful of their rights, including the right to free, prior and informed consent; welcomes the Memorandum of Understanding between the EU and Chile on a strategic partnership on sustainable raw materials value chains and calls for its swift implementation;

Institutional provisions

50. Considers it important that the Joint Parliamentary Committee (JPC) should be informed of the decisions and recommendations of the Joint Council and that the JPC may make recommendations to the Joint Council about the implementation of the Agreement; supports the holding of two meetings of the JPC per year in order to continue deepening parliamentary relations between both parties;

51. Welcomes an institutionalised mechanism for involving civil society organisations in the implementation of the Agreement and the strengthening of the Domestic Consultative Groups; calls on the Commission and on the Chilean authorities to ensure the active and meaningful involvement of civil society, including NGOs, indigenous representatives, business representatives and trade unions, in the monitoring of the Agreement's implementation;

52. Calls on both parties to allocate sufficient financial resources and technical assistance to the Domestic Consultative Groups to enable them to properly carry out their tasks; expects close cooperation between EU and Chilean Domestic Consultative Groups;

53. Urges both parties to the roll out the Agreement quickly, for the benefit of all, including SMEs and women;

54. Recalls that the Agreement will require ratification at both EU and Member State level, whereas the Interim Trade Agreement, which contains only the trade and investment elements falling within the EU's exclusive competence, will enter into force upon its ratification by Parliament and the Council; takes the view that the splitting of the agreement to speed up the ratification process fully respects the distribution of competences between the EU and its Member States and allows for a swift ratification of the parts falling under the EU's exclusive competence, while maintaining the comprehensive nature of the agreement;

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55. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the governments and parliaments of the Member States and the Government and Parliament of the Republic of Chile.