Proposal for a Council Decision concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Eastern Republic of Uruguay

(91/C 228/06)

COM(91) 288 final

(Submitted by the Commission on 31 July 1991)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Communiy, 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, in order to attain its objectives regarding external economic relations, the Community should approve the Framework Agreement for cooperation with the Eastern Republic of Uruguay,

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for cooperation between the European Economic Community and the Eastern Republic of Uruguay is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

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

Article 3

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

Article 4

This Decision shall be published in the *Official Journal of the European Communities* and shall enter into force on the day of publication.

(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 Eastern Republic of Uruguay

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE EASTERN REPUBLIC OF URUGUAY,

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 Eastern Republic of Uruguay, hereinafter referred to as 'Uruguay',

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

CONSIDERING THAT, in recent years, the Community has developed a new strategy for cooperation with Latin America specially geared to tackling the problems of Latin America and of its various regions,

MINDFUL OF THE FACT that the Agreement at present in force between the Community and Uruguay dates back to 1973 and does not provide an appropriate legal framework for developing more extensive, in-depth economic cooperation comprising all the instruments designed for implementing the new strategy,

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

TAKING ACCOUNT of the two parties' interest in improving the standard of living and quality of life of their respective populations,

MINDFUL OF THE PARTICULAR situation of Uruguay as a developing country which is highly vulnerable to the periodic fluctuations of the international economy and to the influences of its surroundings, and the particular productive and export structure which is one of its features at this stage in its economic development,

RECOGNIZING the two parties' interest in promoting environmental protection and fully incorporating it in all development policy,

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

TAKING ACCOUNT of their status as Contracting Parties to the General Agreement on Tariffs and Trade (GATT) and of the need to uphold and improve the rules for free and unhampered international trade,

WHEREAS Uruguay is engaged in a regional integration process with Argentina, Brazil and Paraguay and whereas equivalent, comparable cooperation should be developed with this group of countries so as to support their integration process,

HAVING REGARD to the new Community guidelines for cooperation with the Asian and Latin America developing countries,

HAVING REGARD to the Rome Declaration of 20 December 1990 and the Luxembourg Declaration of 27 April 1991 by the Community and its Member States and the Rio Group countries,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

The Foreign Minister of ...
President of the Council

Abel MATUTES,
Member of the Commission,

THE EASTERN REPUBLIC OF URUGUAY,

The Foreign Minister of the Eastern Republic of Uruguay,

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

Article 2

Development of relations

The Contracting Parties undertake to promote by every possible means the development of their mutual relations and are resolved to develop their cooperation on trade, investment, finance and technology, among other spheres. To that end the Parties shall take into account the special situation of Uruguay as a developing country and the various arrangements which have been concluded or may be concluded between them.

Article 3

Economic cooperation

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

(a) generally to step up and diversify economic links between them;

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

(c) to make use of new sources of supply and new markets;

(d) to encourage the flow of investment and transfer of technology;

(e) to promote cooperation between economic operators, particularly small and medium-sized enterprises;

(f) to create new jobs, especially in the most disadvantaged sectors,

(g) to protect and improve the environment;

(h) to encourage rural development including an increase in agricultural and food production;

(i) to support the Southern Cone Common Market (Mercosur) integration process;

(j) to promote the development of depressed border areas.

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

(a) energy and mining;

(b) agriculture, fisheries and forestry;

(c) management of natural resources;

(d) industry, especially the capital goods and other industries connected with the sectors referred to in (a) and (b) and also support services;

(e) economic and monetary affairs;

(f) financial, banking and insurance services;

(g) transport, telecommunications, telematics, tourism and other tertiary industries;

(h) intellectual and industrial property;

(i) standards, technical specifications and quality control.

3. *Forms of cooperation*

In the interests of attaining the objectives of economic cooperation, the Contracting Parties shall endeavour to promote activities including the following:

(a) a continuous exchange of information, primarily by gaining access to existing databases or by setting up new ones;

(b) setting up joint ventures;

(c) concluding licensing agreements and agreements on transferring technical know-how, subcontracting and representation;

(d) cooperation between financial institutions;

(e) conventions between the Member States of the Community and Uruguay to prevent double taxation;

(f) organizing visits, meetings and activities for promoting cooperation between representatives of firms and economic organizations, and setting up appropriate machinery and institutions;

(g) organizing seminars and business weeks, arranging specialized fairs, exhibitions and symposia;

(h) encouraging businesses from one Contracting Party to take part in fairs and exhibitions in the other;

(i) the creation of networks of businessmen, particularly industrialists;

j) the promotion of consultancy and technical assistance services, in particular in the sphere of trade promotion and marketing.

Article 4

Agricultural cooperation

1. The Community and Uruguay undertake to establish cooperation on agriculture. Cooperation will focus mainly on:

(a) the scope for developing trade in agricultural products;

(b) health and plant health measures, and the consequences of these measures, which should not hinder trade but should take account of the two sides' interests in terms of environmental, health and veterinary legislation.

To that end consultations may be held between the appropriate experts of the Contracting Parties.

2. The Community will participate in Uruguay's efforts to diversify its agricultural exports.

Article 5

Industrial cooperation

1. The Contracting Parties agree to promote the widening and diversification of Uruguay's production base in the industrial and service sectors. To that end they shall direct their cooperation activities at small and medium-sized enterprises in particular, encourage steps to facilitate access to sources of capital markets and appropriate technology and promote the activities of joint ventures geared particularly to other countries' markets. This cooperation may include the establishment of suitable machinery and institutions.

2. The Contracting Parties agree to examine ways of giving joint impetus to projects aimed at industrial redeployment to enable Uruguay to integrate smoothly into the Southern Cone Common Market.

Article 6

Cooperation regarding the environment

1. The Contracting Parties undertake to cooperate on the protection and improvement of the environment, with a view to solving the problems associated with water, soil and air pollution, erosion, desertification and deforestation, over-exploitation of natural resources and the growth of towns. They shall also encourage the productive conservation of forest and aquatic flora and fauna.

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

(a) the establishment and strengthening of environmental protection structures in the public and private sectors;

(b) the development and improvement of laws, standards and technical specifications;

(c) research, training and information; alerting public opinion to the issues in question;

(d) the execution of studies and projects and the provision of technical assistance;

(e) the organization of meetings, seminars, workshops, conferences and visits among civil servants, specialists, engineers, businessmen and others performing functions connected with the environment;

(f) the exchange of information and experience concerning major global environmental issues;

(g) the development of study and research programmes and projects concerned with disasters and disaster prevention.

3. The Contracting Parties agree to develop cooperation concerning all aspects of water resources, including research into, and application of, technology connected with the management, use and conservation of water resources.

Article 7

Investment

The Contracting Parties agree:

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

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

Article 8

Cooperation on science and technology

1. In accordance with their mutual interest and the aims of their development strategy, the Contracting Parties undertake to promote cooperation on science and technology, in the interests of helping:

(a) to make it easier for scientists to take part in exchanges and move back and forth between the Community and Uruguay;

(b) to establish permanent links between both Parties' scientific and technological communities;

(c) to foster the transfer of technology;

(d) to create links between the Parties' research centres in order to solve jointly problems of concern to both sides;

(e) to create opportunities for economic, industrial and trade cooperation;

(f) to strengthen scientific and technological capacity and stimulate innovation.

2. Without excluding any area from the outset, the Contracting Parties shall together determine the spheres to be covered by economic cooperation. Cooperation shall include the following in particular:

(a) high-level scientific and technological research, notably in fields such as biotechnology, new materials, microelectronics, data processing and telecommunications;

(b) improving research capacity in areas in which it is lacking;

(c) making and managing policy on science and technology;

(d) protecting and improving the environment;

(e) promoting efficient use of natural resources;

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

(g) disseminating information and expertise in science and technology;

(h) technological development in the spheres of agriculture; agro-industry and marine science,

(i) links between higher education and research establishments and the productive sector.

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

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

(b) training for scientists, particularly in the form of research periods in the research centres of the other Contracting Party;

(c) the exchange of scientific information, particularly in the form of jointly organized seminars, working meetings and conferences, bringing together scientists from the countries involved.

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

Article 9

Trade promotion

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

Article 10

Most-favoured nation treatment

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

The two Parties reaffirm their willingness to conduct their trade in accordance with the GATT.

Article 11

Temporary admission 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 12

Trade cooperation

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

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

(a) facilitating trade transactions between them as far as possible;

(b) cooperating bilaterally and multilaterally with the aim of solving problems of joint interest, including problems relating to intellectual and industrial property, origin-related designations and commodities, semi-manufactured and finished products;

(c) facilitating cooperation between their customs services, particularly in respect of vocational training, simplification of procedures and detection of infringements;

(d) taking each other's interests into account in relation to access to resources and the processing of these resources;

(e) laying the foundations for improving the terms of access for their products to their respective markets;

(f) encouraging contacts between economic operators in order to diversify and increase the flows of trade;

(g) examining and making recommendations on trade promotion measures in the interests of stimulating the development of imports and exports;

(h) developing and supporting trade promotion operations such as seminars, symposia, trade and industrial fairs and exhibitions, trade missions, visits, business weeks and other such activities;

(i) as far as possible taking into consideration each other's opinion on measures likely to have an adverse effect on trade between them.

3. To that end, where the competent authorities of the two Parties so determine, the Community may financially support some of the trade promotion activities provided for in this Article, including the execution of market studies on Uruguayan products of interest.

Article 13

Cooperation on social development

1. The Contracting Parties shall establish cooperation in the field of social development in order to improve the standard of living and quality of life of the most underprivileged sections of society.

2. Action to achieve this objective may include, *inter alia*, support for the following activities, especially in the form of technical assistance:

(a) management and administration of social services;

(b) vocational training and job-creation programmes;

(c) setting up grassroots organizations and promoting their activities;

(d) programmes or projects to improve housing in urban and rural areas;

(e) drug abuse control and information campaigns.

Article 14

Cooperation on public health

The Contracting Parties agree to cooperate on public health and to that end undertake to develop joint research, the transfer of technology, the exchange of experience and technical assistance, including in particular measures connected with the following:

(a) management and administration of the relevant departments;

(b) arranging meetings between scientists and the exchange of specialists;

(c) developing vocational training programmes;

(d) implementing programmes and projects to improve health and welfare in urban and rural areas.

Article 15

Cooperation concerning government

1. The Contracting Parties shall cooperate in contributing to the rationalization and modernization of government service at national, regional and local level.

2. To attain these objectives, the Contracting Parties shall promote, *inter alia*, the following activities:

(a) the provision of technical assistance for projects aimed at reforming or improving the operation of government service;

(b) meetings, visits, exchanges, seminars and training courses for civil servants and the staff of public institutions and government departments.

Article 16

Cooperation on information, communication and culture

The Contracting Parties undertake to engage in cooperation activities in the fields of information, communication and culture in order to promote and intensify the links which already exist between the Parties. These activities shall include, in particular:

(a) the exchange of information on topics of mutual interest;

(b) preparatory studies and technical assistance for the preservation of the cultural heritage;

(c) organization of cultural events;

(d) cultural and academic exchanges;

(e) translation of literary works.

Article 17

Cooperation on tourism

The Contracting Parties, each in accordance with its laws, shall promote cooperation on tourism by means of specific measures, including in particular:

(a) the exchange of officials and experts and also of information and technology;

(b) the development of activities to stimulate tourist traffic;

(c) back-up for training in hotel management and administration;

(d) participation in fairs and exhibitions aimed at encouraging tourism.

Article 18

Training

1. Cooperation activities conducted within the framework of the Agreement shall include appropriate training. The Contracting Parties shall also agree upon specific training programmes in spheres of mutual interest.

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

3. Cooperation shall also comprise measures to develop training for supervisory staff holding positions of responsibility in the regional and subregional integration processes.

Article 19

Regional cooperation and integration

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

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

(a) cooperation on environmental issues at regional level;

(b) development of intra-regional trade;

(c) the strengthening of regional public and private sector institutions and the provision of support for common policies and activities;

(d) regional communications, particularly river transport;

(e) coojperation on health and plant health at regional and subregional levels;

(f) the transfer of Community experience in integration at regional and subregional levels.

Article 20

Resources for undertaking cooperation

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

Article 21

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Uruguay. It shall meet once a year, alternately in Brussels and Montevideo, on a date and with an agenda fixed by mutual agreement. Extraordinary meetings may be convened withz 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 will be to:

(a) consider measures for developing and diversifying trade, in accordance with the objectives of this Agreement;

(b) exchange views on any points of common interest regarding trade and cooperation, including future measures and the resources for them;

(c) make recommendations for promoting the expansion of trade and for intensified cooperation, without neglecting the need to coordinate the measures planned;

(d) in general terms, recommend solutions aimed at helping to attain the objectives of this Agreement.

3. The Joint Committee may set up specialized subcommittees 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 Uruguay in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with Uruguay.

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 Uruguay 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 applied and under the conditions laid down in that Treaty and, on the other, to the territory of the Eastern Republic of Uruguay.

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 suppelenting 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.

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 Uruguay 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, while the principle of free and fair competition on a commercial basis is observed.

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 Uruguay 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, while the principle of free and fair competition on a commercial basis is observed.

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 Eastern Republic of Uruguay

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 Uruguay 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 Uruguayan officials and businessmen are properly acquainted with the Community scheme, the Commission will arrange information seminars in Uruguay.