



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.10.1995  
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95/ 0261 (CNS)  
95/ 0262 (ACC)

Proposal for a

**COUNCIL DECISION**

concerning the conclusion of  
the interregional framework cooperation agreement  
between the European Community and its Member States, of the one part,  
and the Southern Cone Common Market and its member countries, of the other part

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Proposal for a

**COUNCIL DECISION**

concerning the provisional application of certain provisions  
of the interregional framework cooperation agreement  
between the European Community and its Member States, of the one part,  
and the Southern Cone Common Market and its member countries, of the other part

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(presented by the Commission)



## EXPLANATORY MEMORANDUM

1. By means of a decision of 12 June 1995, the Council authorized the Commission to open negotiations with Mercosur for an interregional framework cooperation agreement and adopted negotiating directives to that end.

2. Two negotiating sessions took place, the first in Brussels on 14 and 15 September 1995 and the second in Montevideo on 28 and 29 September. The second session ended with the unanimous approval of the Member States' representatives in attendance, and the initialling of the text of the Agreement. The Commission immediately notified the Council (general affairs) which met in Strasbourg on 2 October.

3. When the negotiating directives were adopted, the Council stipulated that it reserved the right to give its decision on the legal status of the Agreement once the negotiations were completed. This issue was nevertheless discussed with Mercosur's negotiators during the negotiations themselves, and in consultation with the special committee appointed by the Council to assist it in the negotiations, the Commission continued the latter treating the Agreement as a "mixed type" agreement (one which combines areas of Community and Member-State responsibility). The Agreement is now being submitted to the Council to be signed and concluded. Signing will be possible once the Ouro Preto Protocol, which confers international legal personality on Mercosur, has entered into force.

4. Also in consultation with the special committee appointed by the Council, the Commission issued a joint declaration when the Agreement was initialled, to state that the negotiators had agreed to establish procedures to bring about the early application of the Agreement (and particularly the provisions dealing with Community competence in connection with the trade cooperation referred to in Title II, plus the institutional framework for such cooperation).

The Commission is also proposing to the Council that it approve and sign an exchange of letters regarding provisional application of these provisions of the Agreement.

5. The Commission considers that the Agreement initialled is in line with the negotiating directives adopted by the Council.

6. In order to enable the interregional framework cooperation agreement between the European Community and its Member States and Mercosur and its member countries to be signed and concluded, the Commission is proposing to the Council that it approve the attached draft decision.



Proposal for a

COUNCIL DECISION .....

95/ 0261 (CNS)

concerning the conclusion of  
the interregional framework cooperation agreement  
between the European Community and its Member States, of the one part,  
and the Southern Cone Common Market and its member countries, of the other part

(presented by the Commission to the Council)



THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 113 and 130y thereof, in conjunction with the first sentence of Article 228(2) and the first subparagraph of paragraph 3 of thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 130u of the Treaty provides that Community policy in the sphere of development cooperation should foster the sustainable economic and social development of the developing countries, the smooth and gradual integration of those countries into the world economy and the combating of poverty in those countries;

Whereas the Community should approve the interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part,

HAS DECIDED AS FOLLOWS:

#### Article 1

The interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part, is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

#### Article 2

In accordance with Article 25 of the interregional framework cooperation agreement, the President of the Council shall chair the Cooperation Council and shall represent the Community on that Council. A representative of the Commission shall chair the Joint Cooperation Committee and the Subcommittee on Trade in accordance with their rules of procedure, and, assisted by the representatives of the Member States, shall represent Community on those Committees.

#### Article 3

The President of the Council shall give the notification provided for in Article 34 of the Agreement on behalf of the Community.

Article 4

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council  
The President



**INTERREGIONAL FRAMEWORK COOPERATION AGREEMENT  
BETWEEN THE EUROPEAN COMMUNITY AND ITS MEMBER STATES  
AND THE SOUTHERN COMMON MARKET  
AND ITS MEMBER COUNTRIES**

**THE KINGDOM OF BELGIUM,**

**THE KINGDOM OF DENMARK,**

**THE FEDERAL REPUBLIC OF GERMANY,**

**THE HELLENIC REPUBLIC,**

**THE KINGDOM OF SPAIN,**

**THE FRENCH REPUBLIC,**

**IRELAND,**

**THE ITALIAN REPUBLIC,**

**THE GRAND DUCHY OF LUXEMBOURG,**

**THE KINGDOM OF THE NETHERLANDS,**

**THE REPUBLIC OF AUSTRIA,**

**THE PORTUGUESE REPUBLIC,**

**THE REPUBLIC OF FINLAND,**

**THE KINGDOM OF SWEDEN,**

**THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,**

Parties to the Treaty establishing the European Community and the Treaty on European Union,

hereinafter referred to as the "European Community Member States", and

**THE EUROPEAN COMMUNITY,**

hereinafter referred to as "the Community", of the one part, and

**THE ARGENTINE REPUBLIC,**

**THE FEDERATIVE REPUBLIC OF BRAZIL,**

**THE REPUBLIC OF PARAGUAY,**

**THE EASTERN REPUBLIC OF URUGUAY,**

Parties to the Treaty of Asunción establishing a Southern Common Market and to the Ouro Preto Additional Protocol, hereinafter referred to as the "Mercosur member countries", and

**THE SOUTHERN COMMON MARKET,**

hereinafter referred to as "Mercosur", of the other part,

CONSIDERING the deep historical, cultural, political and economic links which unite them, and taking inspiration from the values shared by their peoples;

CONSIDERING their full commitment to the content and principles of the Charter of the United Nations and to democratic values, the rule of law and promoting and respecting human rights;

CONSIDERING the importance which both Parties attach to the principles and values set out in the Declaration of the United Nations Conference on Environment and Development held in Rio de Janeiro in June 1992 and those set out in the Final Declaration of the World Summit for Social Development held in Copenhagen in March 1995;

MINDFUL of the fact that both Parties consider the process of regional integration to be an instrument of economic and social development which makes it easier for their economies to become part of the world economy, promotes closer relations between peoples and contributes to greater international stability;

REAFFIRMING their desire to uphold and strengthen the tenets of international free trade, in compliance with World Trade Organization rules, with a particular emphasis on the importance of open regionalism;

CONSIDERING that both the Community and Mercosur have specific experience of regional integration which could be of mutual benefit as they forge closer relations determined by their needs;

MINDFUL of the relations of cooperation which have developed through the bilateral agreements between the countries of both the regions and through the bilateral Framework Cooperation Agreements between the Mercosur member countries and the European Community;

MINDFUL of the results produced by the Interinstitutional Cooperation Agreement of 29 May 1992 between the Commission of the European Communities and the Southern Common Market, and emphasizing the need to continue the activities covered by that Agreement;

CONSIDERING the political will of both Parties to achieve what will ultimately be a political and economic interregional association founded on greater political cooperation and progressive and reciprocal liberalization of all trade, taking account of the sensitivity of certain goods and complying with World Trade Organization rules, and the promotion of investment and closer cooperation;

MINDFUL of the terms of the Joint Solemn Declaration in which both Parties propose to agree an Interregional Framework Agreement covering commercial and economic cooperation and preparing for gradual and reciprocal liberalization of trade between the two regions as a prelude to the negotiation of an Interregional Association Agreement between them;

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

FOR THE KINGDOM OF BELGIUM:

FOR THE KINGDOM OF DENMARK:

FOR THE FEDERAL REPUBLIC OF GERMANY:

FOR THE HELLENIC REPUBLIC:

FOR THE KINGDOM OF SPAIN:

FOR THE FRENCH REPUBLIC:

FOR IRELAND:

FOR THE ITALIAN REPUBLIC:

FOR THE GRAND DUCHY OF LUXEMBOURG:

FOR THE KINGDOM OF THE NETHERLANDS:

FOR THE REPUBLIC OF AUSTRIA:

FOR THE PORTUGUESE REPUBLIC:

FOR THE REPUBLIC OF FINLAND:

FOR THE KINGDOM OF SWEDEN:

FOR THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

FOR THE EUROPEAN COMMUNITY:

FOR THE ARGENTINE REPUBLIC

FOR THE FEDERATIVE REPUBLIC OF BRAZIL

FOR THE REPUBLIC OF PARAGUAY

FOR THE EASTERN REPUBLIC OF URUGUAY

FOR THE SOUTHERN CONE COMMON MARKET:

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

## TITLE I

### OBJECTIVES, PRINCIPLES AND SCOPE

#### Article 1

##### Basis for cooperation

Respect for the democratic principles and fundamental human rights established by the Universal Declaration of Human Rights inspires the domestic and external policies of the Parties and constitutes an essential element of this agreement.

#### Article 2

##### Objectives and scope

1. This Agreement shall seek to strengthen existing relations between the Parties and to lay the groundwork for Interregional Association arrangements.
2. To those ends, the Agreement covers trade and economic matters, cooperation regarding integration and other fields of mutual interest in order to bring closer relations between the Parties and their institutions.

#### Article 3

##### Political dialogue

1. The Parties shall institute regular political dialogue to back up and consolidate closer relations between the European Union and Mercosur. Such dialogue shall be conducted in accordance with the Joint Declaration attached hereto.
2. The ministerial dialogue provided for in the Joint Declaration shall take place within the Cooperation Council established by Article 25 of this Agreement or within other agreed forums of an equivalent level.

## TITLE II

### TRADE

#### Article 4

##### Objectives

The Parties shall undertake to forge closer relations with the aim of increasing and diversifying trade, preparing for subsequent gradual and reciprocal liberalization of trade and promoting conditions which are conducive to the establishment of the subsequent Interregional Association, taking into account, in conformity with WTO rules, the sensitivity of certain goods.

#### Article 5

##### Dialogue on trade and economic matters

1. The Parties shall agree on the scope of cooperation in trade matters without excluding any aspect from the outset.
2. To those ends, the Parties shall undertake to conduct periodic dialogue on trade and economic matters, within the institutional framework established by Title VIII of the Agreement.
3. Cooperation of this nature shall focus on the following:
  - (a) market access, trade liberalization (tariff and non-tariff barriers) and trade discipline (anti-competitive practices, rules of origin, safeguards and special customs arrangements, for example);
  - (b) the Parties' trade relations with non-member countries;
  - (c) the compatibility of trade liberalization with GATT and WTO rules;
  - (d) the identification of goods which the Parties consider to be sensitive or of priority importance;
  - (e) cooperation and exchanges of information on services, within the Parties' spheres of competence.

#### Article 6

##### Cooperation on agri-food and industrial standards and certification

1. The Parties shall undertake to cooperate in promoting the approximation of quality standards for agri-food products and industrial goods and of certification, in conformity with international criteria.
2. Within the bounds of their spheres of competence, the Parties shall examine the prospects for beginning negotiations for mutual recognition agreements.
3. The primary aim of cooperation shall be to foster any activity which is likely to improve the quality of the Parties' products and business.

#### Article 7

##### Cooperation in customs matters

1. The Parties shall promote cooperation in customs matters in order to improve and consolidate the legal framework for trade relations between them.

Cooperation in customs matters may also seek to strengthen the customs infrastructure of the Parties and improve their operation within the framework of interinstitutional cooperation.

2. Cooperation may be translated into action by measures including:
  - (a) exchanges of information;
  - (b) the development of new training techniques and coordination of activities in the relevant international organizations;
  - (c) exchanges of officials and senior personnel from customs and tax departments;
  - (d) simplification of customs procedures
  - (e) technical assistance.

3. The Parties hereby signal their interest in giving future consideration, within the institutional framework established by this Agreement, to the conclusion of a Customs Cooperation Protocol.

#### Article 8

##### Cooperation in statistical matters

The Parties shall agree to align statistical methods with the aim of achieving mutual recognition and making use of statistics on trade in goods and services and, in general terms, data relating to any field for which statistics can be collected.

#### Article 9

##### Cooperation regarding intellectual property

1. The Parties shall agree to cooperate in intellectual property matters in order to encourage investment, the transfer of technology, trade and all associated economic activities, and to prevent distortions of trade.

2. Within the bounds of their laws, regulations and policies, and in line with the undertakings made within the TRIPs agreement, the Parties shall ensure that there is suitable and genuine protection of intellectual property rights, if necessary by arranging for such protection to be stepped up.

3. To the ends described in paragraph 2, intellectual property matters shall encompass copyright and similar rights, trademarks or brands, geographical terms and descriptions of origin, industrial designs and utility models, patents and integrated circuit topography.

### TITLE III

#### ECONOMIC COOPERATION

#### Article 10

##### Objectives and principles

1. Guided by their mutual interests and their medium- and long-term economic objectives, the Parties shall promote economic cooperation in such a way as to help to expand their economies, increase their international competitiveness, foster technical and scientific development, improve their standards of living, establish conditions conducive to job creation and job quality and diversify and strengthen economic links between them.

2. The Parties shall encourage the conferring of a regional character on any aspect of cooperation which, by virtue of its scope or economies of scale, results in what they consider to be a more rational and efficient use of available resources and a better outcome.

3. Economic cooperation between the Parties shall have as wide a basis as possible. No aspect shall be excluded from the outset, and account shall be taken of the Parties' priorities, mutual interest and areas of competence.
4. In the light of the foregoing, the Parties shall cooperate in all areas which will foster economic and social links and networks between them and which will bring their economies closer together, as well as in all areas in which there is a transfer of specific know-how relating to regional integration.
5. Within the framework of such cooperation, the Parties shall promote the exchange of information on their respective economic indicators.
6. The Parties shall pay attention to protection of the environment and the ecological balance in all their cooperation activities.
7. A regard for social development, particularly the promotion of fundamental social rights, shall motivate the steps taken by the Parties in this field.

#### Article 11

##### Cooperation in business

1. The Parties shall promote cooperation in business with the aim of establishing a climate which favours economic development in their mutual interest.
2. Such cooperation shall focus on:
  - (a) increasing the flow of trade, investment, industrial cooperation projects and the transfer of technology;
  - (b) encouraging modernization and diversification in industry;
  - (c) identifying barriers to industrial cooperation between the Parties and eliminating such barriers using across-the-board measures which promote compliance with competition rules and foster the tailoring of those rules to the needs of the market, giving due attention to the involvement and consultation of operators;
  - (d) stimulating cooperation between the Parties' economic operators, especially small and medium-sized enterprises;
  - (e) promoting industrial innovation by developing an integrated and decentralized view of cooperation between operators in the two regions;
  - (f) ensuring that action seeking to produce a positive influence on cooperation between businesses in the two regions remains a coherent whole.
3. Cooperation shall essentially take the following forms:
  - (a) more organized contact between the Parties' operators and networks, through conferences, technical seminars, fact-finding missions, attendance at general and specialist fairs and business meetings;
  - (b) suitable initiatives to back cooperation between small and medium-sized enterprises, such as the promotion of joint ventures, the establishment of information networks, encouraging the opening of trade offices, the transfer of specialist know-how, subcontracting, applied research, licensing and franchising;



- (c) promoting initiatives to increase cooperation between Mercosur economic operators and European associations, with the aim of establishing dialogue between networks;
- (d) training schemes, encouraging the establishment of networks and backing for research.

#### Article 12

##### Promotion of investment

1. Within the bounds of their spheres of competence, the Parties shall promote an attractive and stable climate for greater mutually beneficial investment.
2. Such cooperation shall encompass measures including the following:
  - (a) promoting regular exchanges of information, the identification and dissemination of information on legislation and investment opportunities;
  - (b) promoting the development of a legal environment which is conducive to investment between the Parties, particularly, where applicable, through the conclusion between interested Community Member States and Mercosur member countries of bilateral agreements for the promotion and protection of investment and bilateral agreements to prevent double taxation;
  - (c) promoting joint ventures, particularly between small and medium-sized enterprises.

#### Article 13

##### Cooperation regarding energy

1. Cooperation between the Parties shall focus on encouraging closer relations between their economies in energy-related industries, taking into consideration the need to use energy rationally and in a manner which respects the environment;
2. Cooperation regarding energy shall essentially take the following forms:
  - (a) exchanges of information in all appropriate forms, particularly through joint meetings;
  - (b) transfers of technology;
  - (c) encouraging the involvement of the Parties' economic operators in joint technological development or infrastructure projects;
  - (d) technical training programmes;
  - (e) to the extent that their spheres of competence allow, dialogue regarding energy policy.
3. Where appropriate, the Parties may conclude specific agreements of common interest.

#### Article 14

##### Cooperation regarding transport

1. Cooperation between the Parties regarding transport shall seek to back the restructuring and modernization of transport systems and find mutually acceptable solutions for moving people and goods using all modes of transport.

2. Cooperation shall focus on the following:
  - (a) exchanges of information on both Parties' transport policies and on matters of mutual interest;
  - (b) training programmes for transport system operators.
3. Within the framework of the dialogue on trade and economic matters referred to in Article 5, and considering the prospect of Interregional Association, both Parties shall devote attention to all aspects of international transport to ensure that they do not act as a barrier to the reciprocal expansion of trade.

#### Article 15

##### Cooperation in science and technology

1. The Parties shall agree to cooperate in the field of science and technology with the aim of promoting a lasting working relationship between their scientific communities and exchanging information and know-how regarding science and technology between the regions.
2. Cooperation in science and technology between the Parties shall focus on the following:
  - (a) joint research projects in fields of common interest;
  - (b) exchanges of scientists in order to encourage joint research, prepare projects and provide high-calibre training;
  - (c) joint scientific conferences to exchange information, promote interaction and facilitate the selection of subjects for joint research;
  - (d) publicizing of results and development of links between the public and private sectors.
3. Such cooperation shall involve the Parties' centres of higher education and research and their industries, particularly small and medium-sized enterprises.
4. The Parties shall agree between them the scope, nature and priorities of cooperation through a multiannual programme which can be adapted to suit the circumstances.

#### Article 16

##### Cooperation in telecommunications and information technology

1. The Parties shall agree to establish cooperation regarding telecommunications and information technology, with the aim of fostering economic and social development, driving the information society forward and making modernization of society easier.
2. Cooperation in this field shall seek especially to:
  - (a) facilitate the establishment of dialogue on the various features of the information society and promote the exchange of information on standards, inspection and certification in the field of telecommunications and information technology;
  - (b) disseminate new telecommunications and information technology, particularly in the fields of integrated services digital networks, data transmission and the establishment of new communications and information-technology services;

- (c) stimulate the launching of joint research, industrial and technological development projects in the field of new communications technologies, telematics and the information society.

#### Article 17

##### Cooperation regarding environmental protection

1. With the aim of achieving sustainable development, the Parties shall encourage awareness of the issues of environmental protection and the rational use of natural resources in all fields of interregional cooperation.
2. The Parties shall agree to devote special attention to measures connected with the international dimension of environmental problems.
3. Cooperation could cover the following in particular:
  - (a) exchanges of information and know-how regarding matters including regulations and standards;
  - (b) training and education regarding the environment;
  - (c) technical assistance, joint research projects and, where appropriate, institutional assistance.

#### TITLE IV

##### ENCOURAGING INTEGRATION

#### Article 18

##### Objectives and scope

1. Cooperation between the Parties shall seek to further the objectives of Mercosur's integration process and shall encompass all the areas of this Agreement.
2. To those ends, cooperation activities shall be considered in the context of the specific requirements of Mercosur.
3. Cooperation should take any form which is considered appropriate, and particularly:
  - (a) arrangements for the exchange of information in any suitable manner, including the establishment of computer networks;
  - (b) training and institutional backing;
  - (c) studies and joint projects;
  - (d) technical assistance.
4. The Parties shall cooperate to ensure maximum efficiency in the use of their resources for the compilation, analysis, publication and dissemination of information, without prejudice to any steps which might be necessary to protect the confidential nature of some of that information. They shall also undertake to protect personal data in all instances in which there is provision for exchanging information via computer networks.

## TITLE V

### INSTITUTIONAL COOPERATION

#### Article 19

##### Objectives and scope

1. The Parties shall promote closer cooperation between their institutions and shall particularly encourage regular contact.
2. Such cooperation shall have as wide a basis as possible and shall focus on:
  - (a) any means of fostering regular exchanges of information, including the joint development of computer networks for communication;
  - (b) the transfer of know-how;
  - (c) advice and information;

## TITLE VI

### OTHER AREAS OF COOPERATION

#### Article 20

##### Cooperation regarding training and education

1. Within the bounds of their spheres of competence, the Parties shall endeavour to find ways to improve education and training relating to regional integration, whether in the form of vocational training and training for young people or in the form of cooperation between universities or businesses.
2. The Parties shall pay particular attention to action which would promote the establishment of links between their specialist entities and encourage the use of technical resources and exchanges of know-how.
3. The Parties shall encourage the conclusion of agreements between training centres and the holding of meetings between bodies responsible for education and training in the field of regional integration.

#### Article 21

##### Cooperation regarding information, communication and culture

1. Within the bounds of their spheres of competence, and with the aim of broadening knowledge of their political, economic and social realities, the Parties shall agree to strengthen the cultural links between them and encourage and publicize the nature, objectives and scope of their processes of integration to promote understanding of them within their societies.

The Parties shall also agree to expand exchanges of information between them on matters of mutual interest.

2. Such cooperation should promote contact between the Parties' information and communications media in forms including technical assistance.

It could include cultural activities if their regional significance justifies such action

#### Article 22

##### Cooperation in combating drug trafficking

1. In accordance with their spheres of competence, the Parties shall promote the coordination and intensification of their efforts to combat drug trafficking and its many ramifications, including financial ramifications.
2. Such cooperation shall include the promotion of consultation and greater coordination between the Parties at regional level and, where appropriate, between the relevant regional institutions.

#### Article 23

##### Future developments

1. The Parties may by mutual consent expand this Agreement with a view to enhancing the levels of cooperation and supplementing them, within the bounds of their respective laws, by means of agreements on specific sectors or activities.
2. With regard to the implementation of this Agreement, either of the Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

### TITLE VII

#### RESOURCES FOR COOPERATION

#### Article 24

1. In order to facilitate the achievement of the aims set out in this Agreement, the Parties shall make available, within the limits of their abilities and through their own channels, the appropriate resources, including financial resources.
2. Depending on the results obtained, the Parties shall call on the European Investment Bank to step up its activities within Mercosur in accordance with its own procedures and financing criteria.
3. The provisions of this Agreement shall not affect bilateral cooperation established by existing cooperation agreements.

### TITLE VIII

## INSTITUTIONAL FRAMEWORK

### Article 25

1. A Cooperation Council is hereby established. It shall supervise the implementation of this Agreement and shall meet at ministerial level periodically and whenever circumstances require.
2. The Cooperation Council shall discuss important matters arising in connection with the Agreement and any other bilateral or international issues of common interest, with the aim of fulfilling the Agreement's objectives.
3. The Cooperation Council may also make appropriate proposals, with the agreement of the Parties. In carrying out its duties, the Cooperation Council shall undertake in particular to make recommendations which contribute to the ultimate objective of Interregional Association .

### Article 26

1. The Cooperation Council shall be composed of members of the Council of the European Union and members of the European Commission, on the one hand, and members of the Common Market Council and Common Market Group, on the other.
2. The Cooperation Council shall adopt its own rules of procedure.
3. The Cooperation Council shall be chaired in turn by a representative of the Community and a representative of Mercosur.

### Article 27

1. The Cooperation Council shall be assisted in the performance of its duties by a Joint Cooperation Committee composed of representatives of the Community, on the one hand, and representatives of Mercosur, on the other.
2. The Joint Committee shall generally meet once a year, on a date and with an agenda agreed in advance by the Parties, alternately in Brussels and in one of the Mercosur member countries. Special meetings may be convened by mutual agreement, at the request of either Party. The office of chairman of the Joint Committee shall be held alternately by a representative of each of the Parties.
3. The Cooperation Council shall set out the operating procedures of the Joint Committee in its own rules of procedure.
4. The Cooperation Council may delegate all or part of its powers to the Joint Committee. The latter shall provide continuity between meetings of the Cooperation Council.
5. The Joint Committee shall assist the Cooperation Council in the performance of its duties. In fulfilling its functions, the Joint Committee shall in particular:

- (a) stimulate trade relations in accordance with the objectives of this Agreement and in compliance with provisions of Title II;
- (b) exchange views on any matter of common interest which relates to trade liberalization and cooperation, including future programmes of cooperation and the resources available for their implementation;
- (c) make proposals to the Cooperation Council, with the aim of stimulating preparations for the liberalization of trade and of intensifying cooperation, while taking due account of the need for coordination between the activities proposed;
- (d) in more general terms, to make proposals to the Cooperation Council which contribute to achieving the ultimate aim of EU-Mercosur Interregional Association.

#### Article 28

The Cooperation Council may decide to set up any other body to assist it in the performance of its duties and shall determine that body's composition, objectives and operating procedures.

#### Article 29

1. In accordance with the procedures laid down in Article 5 of this Agreement, the Parties shall establish a Subcommittee on Trade, which shall ensure that the trade-related objectives of this Agreement are fulfilled and shall conduct preparatory work for the subsequent liberalization of trade.
2. The Subcommittee on Trade shall be composed of representatives of the Community, on the one hand, and representatives of Mercosur, on the other. It may commission any studies or technical analyses which it deems necessary.
3. The Subcommittee on Trade shall report once a year to the Joint Cooperation Committee established under Article 27 of the Agreement on the progress of its work, and shall make proposals regarding the subsequent liberalization of trade.
4. The Subcommittee on Trade shall submit its rules of procedure to the Joint Committee for approval.

#### Article 30

##### Consultation

Within the bounds of their spheres of competence, the Parties shall undertake to hold consultations on any issue referred to in this Agreement.

The procedure for the consultations referred to above shall be laid down in the rules of procedure of the Joint Committee.

### TITLE IX

### FINAL PROVISIONS

### Article 31

#### Other agreements

Without prejudice to the provisions of the Treaties establishing the European Communities and Mercosur, neither this Agreement nor any action taken under it shall in any way affect the powers of the Member States of the Community or the member countries of Mercosur to undertake bilateral activities within their spheres of competence or where appropriate to conclude new cooperation agreements.

### Article 32

#### Definition of the Parties

For the purposes of this Agreement, the term "the Parties" shall mean the Community, its Member States or the Community and its Member States, in accordance with their respective spheres of competence, as deriving from the Treaty establishing the European Community, on the one hand, and Mercosur or its member countries, in accordance with the Treaty establishing the Southern Cone Common Market, on the other hand.

### Article 33

#### Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty and, on the other, to the territories in which the Treaty establishing the Southern Cone Common Market is applied and under the conditions laid down in that Treaty and its additional protocols, on the other hand.

### Article 34

#### Duration and entry into force

1. This Agreement shall be valid indefinitely.
2. The Parties shall determine the suitability, timing and conditions of the start of negotiations for Interregional Association in accordance with their own procedures and in the light of the work carried out and the proposals made within the institutional framework of this Agreement.
3. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose.
4. Notification shall be sent to the Council of the European Union and the Common Market Group of Mercosur.
5. The Secretary-General of the Council shall be the depositary for the Community. The Government of the Republic of Paraguay shall be the depositary for Mercosur.

### Article 35

#### Non-execution



1. The Parties shall adopt any general or specific measure required for them to fulfil their obligations under this Agreement, and they shall ensure that they comply with the objectives laid down in that Agreement.

If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before doing so, except in cases of special urgency, it shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this agreement. These measures shall be notified immediately to the Joint Committee and shall be the subject of consultations within that Committee if the other Party so requests.

2. The Parties agree, for the purpose of the correct interpretation and practical application of this agreement, that the term "cases of special urgency" in paragraph 1 of this Article means a case of material breach of the agreement by one of the Parties. A material breach of the agreement consists in:

- (a) repudiation of the agreement not sanctioned by the general rules of international law,
- or
- (b) violations of essential elements of the agreement, namely Article 1.

3. The Parties agree that the "appropriate measures" referred to in this Article are measures taken in accordance with international law. If a Party takes a measure in a case of special urgency as provided for under this Article, the other Party may ask that an urgent meeting be called to bring both Parties together within fifteen days.

Article 36  
Authentic texts

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

## JOINT DECLARATION MADE AT THE TIME OF INITIALLING

Pending the completion of the procedures needed for the Agreement to enter into force, the Parties declare their readiness to agree, before the Agreement is signed, on procedures to bring about early application of its provisions, particularly those relating to Community competence regarding the trade cooperation referred to in Title II of the Agreement and those relating to the institutional framework established for such cooperation.

The Parties emphasize their intention to continue the cooperation provided for in the interinstitutional cooperation agreement of 29 May 1992 between the Commission of the European Communities and the Council of Mercosur until the Parties have completed their ratification procedures.

DECLARATION REGARDING MERCOSUR'S LEGAL PERSONALITY  
MADE AT THE TIME OF INITIALLING

The Agreement initialled today may be signed once the Ouro Preto Protocol, through which Mercosur acquires international legal personality, enters into force.

## DECLARATION BY THE COMMISSION

The Commission states that if discussions within the competent Community bodies lead to the conclusion that the Agreement has the character of a Community agreement, the appropriate amendments shall be made to the text, and particularly to the following Articles:

1. Article 3: Political dialogue
2. Article 25: Cooperation Council.

Other necessary alterations to the wording will also be made.

MERCOSUR STATES THAT ONCE THE LEGAL NATURE OF THE INTERREGIONAL FRAMEWORK AGREEMENT BEING INITIALLED ON THIS DATE HAS BEEN DETERMINED, IT WILL IF NECESSARY PROPOSE TO THE OTHER PARTY THAT THE NECESSARY LEGAL ADJUSTMENTS BE MADE.

DECLARATION BY MERCOSUR

MERCOSUR STATES THAT ONCE THE LEGAL NATURE OF THE INTERREGIONAL FRAMEWORK AGREEMENT BEING INITIALLED ON THIS DATE HAS BEEN DETERMINED, IT WILL IF NECESSARY PROPOSE TO THE OTHER PARTY THAT THE NECESSARY LEGAL ADJUSTMENTS BE MADE.

**Draft joint Declaration on political dialogue  
between the European Union and Mercosur**

**Preamble**

The European Union and the Member States of Mercosur,

- conscious of their historical, political and economic ties, their common cultural heritage and the bonds of friendship between their peoples,
- mindful that political and economic freedoms are fundamental to society in the EU and the Mercosur countries,
- reaffirming human dignity and the promotion of human rights as cornerstones of a democratic society, in accordance with the United Nations Charter,
- reaffirming the essential role of the principles and democratic institutions based on the rule of law, respect for which governs the internal and external policies of the parties,
- desiring to strengthen international peace and security in accordance with the principles of the United Nations Charter,
- sharing an interest in regional integration as a means of enabling their citizens to achieve sustainable and harmonious development predicated upon social progress and solidarity,
- building upon the preferential relations formalized by the Framework Cooperation Agreements which the European Community has signed with each of the Mercosur countries,



- recalling the principles set out in the Solemn Joint Declaration signed by the two parties on 22 December 1994,

have decided to develop relations on a long-term basis.

### **Objectives**

- Mercosur and the European Union solemnly reaffirm their commitment to progressing towards the establishment of an interregional association and to establishing greater political dialogue for that purpose.
- Regional integration is one means of achieving sustainable and socially harmonious development, and a tool for ensuring competitiveness in the world economy.
- This dialogue is also intended to ensure closer consultation on issues affecting both regions and on multilateral issues, in particular by allowing the positions of the parties to be coordinated in the relevant multilateral organizations.

### **Mechanisms of the dialogue**

- The parties will conduct this political dialogue by means of contacts, information exchanges and consultation, especially meetings at the appropriate level between the various Mercosur and European Union bodies as well as by making full use of diplomatic channels.
- In particular, with the aim of establishing and developing this political dialogue on bilateral and international issues of mutual interest, the parties agree to hold:
  - (a) regular meetings, the detailed arrangements for which will be decided on by the parties, between the Heads of State of the countries of Mercosur and the highest authorities of the European Union;

- (b) an annual meeting of the Ministers for Foreign Affairs of Mercosur and of the Member States of the European Union, attended by the European Commission. These meetings will be held at a venue to be determined on each occasion by the parties;
- (c) meetings of other Ministers responsible for matters of mutual interest where such meetings are deemed necessary by the parties in order to strengthen mutual relations;
- (d) periodic meetings of senior officials from both parties.

Proposal for a

COUNCIL DECISION

.....

95/ 0262 (ACC)

**concerning the provisional application of certain provisions  
of the interregional framework cooperation agreement  
between the European Community and its Member States, of the one part,  
and the Southern Cone Common Market and its member countries, of the other part**

(presented by the Commission to the Council)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 113 and 130y thereof, in conjunction with the first sentence of Article 228(2),

Having regard to the proposal from the Commission,

Whereas the interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part, was signed by the Community and its Member States on ..... ;

Whereas the European Community and Mercosur undertook to establish procedures for the early application of certain provisions of that Agreement which deal with trade cooperation between the parties and the institutional framework for such cooperation;

Whereas the provisional application of the provisions in question will facilitate and promote closer trade relations between the European Community and Mercosur, pending the completion of the procedures required to bring the Agreement into force,

HAS DECIDED AS FOLLOWS:

Article 1

The attached exchange of letters between the Community and Mercosur, which provides for the provisional application of certain provisions of the interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part, is hereby approved on behalf of the European Community.

Article 2

The Commission, assisted by the representatives of the Member States, shall represent the Community within the bodies referred to in Articles 27 and 29 of the Agreement.

Article 3

This Decision shall be published in the Official Journal of the European Communities.

Done at Brussels,

For the Council  
The President

## EXCHANGE OF LETTERS

concerning the provisional application of certain provisions  
of the interregional framework cooperation agreement  
between the European Community and its Member States, of the one part,  
and the Southern Common Market and its member countries, of the other part

Letter No 1

....., .....

(place and date)

Sir,

I have the honour to refer you to the interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part, signed on .....

I have the honour to propose to you that the European Community and Mercosur provisionally apply the provisions of that Agreement which deal with trade cooperation between the parties, as set out in Articles 4 to 8 of Title II.

In the interests of ensuring that the cooperation referred to in those provisions is effective, I also have the honour to propose that we provisionally implement the provisions of Articles 27, 29 and 30, which deal with the establishment of the institutions responsible for the implementation of the Agreement.

I have the honour to propose that, if the above is acceptable to [Mercosur], this letter and your confirmation shall together constitute an Agreement between the European Community and [Mercosur].

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

On behalf of the Council of the European Union

Letter No 2

....., .....

(place and date)

Sir,

I have the honour to acknowledge receipt of your letter of today's date concerning the provisional application of certain provisions of the interregional framework cooperation agreement between the European Community and its Member States, of the one part, and the Southern Cone Common Market and its member countries, of the other part, which reads as follows:

".....".

I am able to confirm that [Mercosur] is in agreement with the contents of your letter.

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

On behalf of [Mercosur]



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