

Political Dialogue and Co-operation Agreement between the European Community and its Member States, of the one part, and the Andean Community and its Member States, Bolivia, Colombia, Ecuador, Peru and Venezuela, of the other part

Quito, October 15, 2003

CONSIDERING the traditional historical and cultural links between the Parties and the desire to strengthen their relations, building on the existing mechanisms that govern relations between the Parties;

CONSIDERING that this new Political Dialogue and Co-operation Agreement should mean a qualitative advance in the depth and range of European Union and Andean Community relations, including new areas of interest of both Parties;

REAFFIRMING their respect for democratic principles and fundamental human rights as set out in the Universal Declaration of Human Rights and for international humanitarian law;

RECALLING their commitment to the principles of the rule of law and good governance;

CONVINCED of the importance of the fight against illicit drugs and related crimes, based on the principles of shared responsibility, comprehensiveness, balance and multilateralism;

HIGHLIGHTING their commitment to work together in pursuit of the objectives of poverty eradication, social justice and cohesion, equitable and sustainable development, including aspects of vulnerability to natural disasters, environmental conservation and protection and biodiversity, strengthening the respect for human rights, democratic institutions and good governance and the progressive integration of Andean countries into the world economy;

EMPHASIZING the importance the Parties attach to the consolidation of the political dialogue on bilateral, regional and international issues of common interest as well as to the dialogue mechanisms, as already stated in the Joint Declaration on political dialogue between the European Union and the Andean Community signed in Rome on 30 June 1996;

HIGHLIGHTING the need to strengthen the programme of co-operation governed by the Framework Agreement on Co-operation between the European Economic Community and the Cartagena Agreement and its member countries, namely the Republic of Bolivia, the Republic of Colombia, the Republic of Ecuador, the Republic of Peru and the Republic of Venezuela signed in 1993, hereinafter referred to as the 1993 Framework Co-operation Agreement;

RECOGNIZING the need to deepen the process of regional integration, trade liberalisation and economic reform within the Andean Community and to step up efforts towards conflict prevention in order to establish the Andean Peace Zone, in line with the Lima Commitment, Andean Charter for Peace and Security, Limit and Control of External Defence Expenditure;

AWARE of the need to promote sustainable development in the Andean region through a development partnership involving all relevant stakeholders, including organised civil society and the private sector, in line with the principles set out in the Monterrey Consensus and the Johannesburg Declaration, and its Plan for Implementation;

CONVINCED of the need to establish co-operation on migration, asylum and refugee issues;

EMPHASIZING the will to co-operate in international fora;

AWARE of the need to consolidate European Union- Andean Community relations in order to reinforce the mechanisms supporting their relationship with a view to facing up to the new dynamics of international

relations in a global and interdependent world; and

BEARING IN MIND the strategic partnership developed between the European Union and Latin America and the Caribbean in the context of the 1999 Rio Summit and reaffirmed at the 2002 Madrid Summit; in this framework reiterate the need to encourage the exchanges necessary to create the conditions for strengthened relations built on solid and mutually beneficial foundations between the European Union and the Andean Community;

THE PARTIES HAVE DECIDED TO CONCLUDE THIS AGREEMENT:

TITLE I

OBJECTIVES, NATURE AND SCOPE OF THE AGREEMENT

Article 1 **Principles**

1. Respect for democratic principles and fundamental human rights, as laid down in the Universal Declaration of Human Rights, as well as for the principle of the rule of law, underpins the internal and international policies of both Parties and constitutes an essential element of this Agreement.
2. The Parties confirm their commitment to the promotion of sustainable development and to contribute to reaching the Millennium Development Goals.
3. The Parties reaffirm their attachment to the principles of good governance and the fight against corruption.

Article 2 **Objectives and Scope**

1. The Parties confirm their joint objective of strengthening and deepening their relations in all fields covered by this Agreement by developing their political dialogue and reinforcing their co-operation.
2. The Parties confirm their joint objective of working towards creating conditions under which, building on the outcome of the Doha Work Programme, a feasible and mutually beneficial Association Agreement, including a Free Trade Agreement, could be negotiated between them.
3. Implementation of this Agreement should help to create these conditions by striving for political and social stability, deepening the regional integration process and reducing poverty within a sustainable development framework in the Andean Community.
4. This Agreement governs the political dialogue and co-operation between the Parties and contains the necessary institutional arrangements for its application.
5. The Parties undertake to periodically assess progress, taking account of progress achieved before the entry into force of the Agreement.

TITLE II

POLITICAL DIALOGUE

Article 3 **Objectives**

1. The Parties agree to reinforce their regular political dialogue on the basis of the principles set out in the

Framework Co-operation Agreement of 1993 and the Rome Declaration of 1996 between the Parties.

2. The Parties agree that political dialogue shall cover all aspects of mutual interest and any other international issue. It shall prepare the way for new initiatives for pursuing common goals and establishing common ground in areas such as security, regional development and stability, conflict prevention and resolution, human rights, ways of strengthening democratic governance, the fight against corruption, sustainable development, illegal migration, counter-terrorism and the global problem of illicit drugs, including chemical precursors, asset laundering and the trafficking of small and light weapons in all its aspects. It shall also provide a basis for initiatives to be taken and support efforts to develop initiatives, including co-operation, and actions throughout the Latin American region.

3. The Parties agree that political dialogue shall enable a broad exchange of information and shall provide a forum for joint initiatives at international level.

Article 4
Mechanisms

The Parties agree that their political dialogue shall be conducted:

- (a) where appropriate and agreed by both Parties, at Heads of State or Government level;
- (b) at ministerial level;
- (c) at senior-official level;
- (d) at working level;

and shall make maximum use of diplomatic channels.

Article 5
Co-operation in the field of foreign and security policy

The Parties shall, as far as possible, co-operate in the field of foreign and security policy and co-ordinate their positions and take joint initiatives in the appropriate international fora.

TITLE III

CO-OPERATION

Article 6
Objectives

1. The Parties agree that the co-operation foreseen in the 1993 Framework Co-operation Agreement shall be strengthened and broadened to other areas. It shall focus on the following objectives:

- (a) strengthening of peace and security;
- (b) promotion of political and social stability through the strengthening of democratic governance and respect for human rights;
- (c) deepening of the process of regional integration among the countries within the Andean region with a view to contributing to their social, political and economic development including productive capacity building and the strengthening of their export capacity;
- (d) poverty reduction, generation of greater social and regional cohesion, promotion of more equitable access to social services and the rewards of economic growth ensuring an appropriate

balance between economic, social and environmental components in a sustainable development context.

2. The Parties agree that co-operation shall take account of cross-cutting aspects relating to economic and social development, including issues such as gender, respect for indigenous populations, natural disaster prevention and response, environmental conservation and protection, biodiversity and foster research and technological development. Regional integration shall also be considered as a cross-cutting theme and in that regard co-operation actions at national level should be compatible with the process of regional integration.

3. The Parties agree that measures aimed at contributing to regional integration in the Andean region and strengthening inter-regional relations between the Parties shall be encouraged.

Article 7

Means

The Parties agree that co-operation shall be implemented by means of technical assistance, studies, training, exchanges of information and expertise, meetings, seminars, research projects, infrastructure development, use of new financial mechanisms or any other means agreed by the Parties in the context of the area of co-operation, the objectives pursued and the means available, in conformity with the norms and regulations that apply to this co-operation.

Article 8

Co-operation in the field of human rights, democracy and good governance

The Parties agree that co-operation in this field shall actively support governments and representatives of organised civil society through actions, in particular in the following areas:

- (a) promotion of human rights, the democratic process and good governance, including the management of electoral processes;
- (b) strengthening of the rule of law and the good and transparent management of public affairs, including the fight against corruption at local, regional and national levels;
- (c) guaranteeing an independent and efficient judicial system;
- (d) implementation and dissemination of the Andean Charter for the Promotion and Protection of Human Rights.

Article 9

Co-operation in the field of conflict prevention

1. The Parties agree that co-operation in this field shall promote and sustain a comprehensive peace policy, including the prevention and resolution of conflicts. This policy shall be based on the principle of commitment and participation of society and shall focus primarily on developing regional, sub-regional and national capacities. It shall ensure equal political, economic, social and cultural opportunity for all segments of society, reinforce democratic legitimacy, promote social cohesion and the effective management of public affairs, establish effective mechanisms for peaceful conciliation of interests of different groups, and encourage an active and organised civil society.

2. Co-operation activities may include, among others, the provision of support to mediation, negotiation and reconciliation processes, the regional management of shared natural resources, disarmament, demobilisation and social reinsertion of former members of illegal armed groups, efforts in the field of child soldiers (United Nations Convention on the Rights of the Child), measures to combat antipersonnel mines, the realisation of training programs on the issue of border controls, as well as the support to the enforcement and dissemination of the Commitment of Lima, Andean Charter for Peace and Security,

Limitation and Control of External Defence Expenditure.

3. The parties shall also cooperate in the field of prevention and combat of illegal traffic of small arms and light weapons with the aim of developing, among others, coordination of actions to strengthen legal and institutional cooperation, as well as the collection and destruction of illicit small arms and light weapons in civilian hands.

Article 10

Co-operation in the field of modernisation of the state and public administration

1. The Parties agree that the objective of co-operation in this field shall be to modernise public administration in the Andean countries, including supporting the processes of decentralisation and organisational changes resulting from the process of Andean integration. In general, the aim shall be to improve organisational efficiency, to ensure transparent management of public resources and accountability, as well as to improve the legal and institutional framework, based on best practices of both parties and taking advantage of the experience gained through the development of policies and instruments in the European Union.

2. This co-operation may include, among other things, programmes aimed at building capacities for policy design and implementation (public service delivery, budget composition and execution, prevention of and fight against corruption, and organised civil society involvement), and reinforcing judiciary systems.

Article 11

Co-operation in the field of regional integration

1. The Parties agree that co-operation in this field shall reinforce the process of regional integration within the Andean Community, in particular the development and implementation of its common market.

2. Co-operation shall support the development and strengthening of common institutions in the Member countries of the Andean Community and shall promote closer co-operation between the institutions concerned. To strengthen institutional co-operation in issues of integration, broadening and deepening reflection on the following fields: analysis and promotion of integration; publications; graduate studies in integration; scholarships, and internships.

3. Co-operation shall also promote the development of common policies and the harmonisation of the legal framework, including sectoral policies such as trade, customs, energy, transport, communications, environment and competition, as well as the co-ordination of macroeconomic policies in areas such as monetary policy, fiscal policy and public finance.

4. More specifically, it may include, but not be limited to the provision of trade related technical assistance for:

(a) the consolidation and implementation of the Andean customs union;

(b) the reduction and elimination of obstacles to the development of intra-regional trade;

(c) the simplification, modernisation, harmonisation and integration of customs and transit regimes and provision of support in terms of development of legislation, norms and professional training;
and

(d) the establishment of an intra-regional common market covering free movement of goods, services, capital and people, as well as other complementary measures required to guarantee its full implementation.

5. The Parties further agree that the Andean policies regarding border integration and development are an essential element for the strengthening and consolidation of the subregional and regional integration

process.

Article 12
Regional co-operation

The Parties agree to use all existing co-operation instruments to promote activities aimed at developing active and reciprocal co-operation between the European Union and Andean Community and between Andean countries and other countries/regions in Latin America and the Caribbean in areas such as trade and investment promotion, environment, natural disaster prevention and response, research, energy, transport, communications infrastructure and regional development and land use planning.

Article 13
Trade co-operation

In view of their common objective to work towards establishing the conditions under which building upon the outcome of the Doha Work Programme, a feasible and mutually beneficial Association Agreement, including a Free Trade Agreement, could be negotiated between them, the Parties agree that co-operation in trade shall promote capacity-building of the Andean countries for increased competitiveness enabling a better participation in the European market and the world economy.

Given this objective, trade related technical assistance should include activities in the field of trade facilitation and customs (such as simplification of procedures, modernisation of customs administrations and training of officials), technical standards, sanitary and phytosanitary, intellectual property rights, investment, services, government procurement, dispute-settlement systems, etc. It shall foster the development and diversification of the intra-regional trade to the highest possible level, and encourage the active participation of the Andean region in the multilateral trade negotiations in the context of the World Trade Organisation.

Trade related technical assistance should also foster the identification and elimination of obstacles that prevent the development of trade.

An additional purpose may be to promote and support, among others, the following activities:

- trade promotion activities, including adequate exchanges between enterprises from both sides;
- trade missions;
- market analysis;
- how to best adapt the local production to the demand of external markets.

Article 14
Co-operation in the field of services

The Parties agree to strengthen their co-operation in the field of services, in conformity with the rules of General Agreement on Trade and Services (GATS), reflecting the increasing importance of services for the development and diversification of their economies. Increased co-operation shall be aimed at improving the competitiveness of the Andean Community services sector and facilitating its increased participation in world trade in services in a manner consistent with sustainable development. The Parties shall identify the services sectors on which co-operation will centre. Activities shall be geared, among other things, to the regulatory environment, as well as to access to sources of capital and technology.

Article 15
Co-operation on intellectual property

The Parties agree that co-operation in this field shall be aimed at promoting investment, technology transfer, dissemination of information, cultural and creative activities and related economic activities as well

as access and benefits sharing. Both Parties undertake to grant, within their respective laws, regulations and policies, adequate and effective protection of intellectual property rights in accordance with the highest international standards.

Article 16

Co-operation on public procurement

The parties agree that co-operation in this field shall aim to promote reciprocal, open, non-discriminatory and transparent procedures for respective government and public sector procurement at all levels.

Article 17

Co-operation in the field of competition policy

The Parties agree that co-operation in the field of competition policy shall promote the effective establishment and application of competition rules as well as the dissemination of information in order to foster transparency and legal certainty for enterprises operating in the Andean Community market.

Article 18

Customs co-operation

1. The Parties agree that co-operation in this field shall be aimed at guaranteeing compliance with the provisions of the World Trade Organisation in connection with trade and sustainable development and achieving compatibility of the customs system of both Parties in order to facilitate trade between the Parties.

2. Co-operation may include the following:

(a) simplification and harmonisation of import and export documentation based on international standards, including use of simplified declarations;

(b) improvement of customs procedures, through methods such as risk assessment, simplified procedures for entry and release of goods, granting of authorised trader status, using electronic data interchange (EDI) and automated systems;

(c) measures to improve transparency and appeal procedures against customs decisions and rulings;

(d) mechanisms to ensure regular consultation with the trade community on import and export regulations and procedures.

3. The Parties agree to study, within the institutional framework established by this Agreement, the conclusion of a mutual assistance protocol on customs matters.

Article 19

Co-operation on technical regulations and conformity assessment

1. The Parties agree that co-operation on standards, technical regulations and on conformity assessments is a key objective for the development of trade, in particular with regard to intra-regional trade.

2. Co-operation between the Parties shall promote efforts in:

(a) regulatory co-operation;

(b) alignment of technical regulations on the basis of international and European standards; and

(c) creating a regional notification system, a network of conformity assessment bodies operating on

a non-discriminatory basis and developing the use of accreditation.

3. In practice, co-operation shall:

(a) provide organisational and technical support to foster the establishment of regional networks and bodies, and increase co-ordination of policies to promote a common approach to the use of international and regional standards with a view to promoting the adoption of compatible technical regulations and conformity assessment procedures;

(b) encourage any measures aimed at bridging the gap between the Parties in the areas of conformity assessment and standardisation, notably the exchange of information on standards and conformity assessment and type-approval; and

(c) encourage any measures designed to improve the compatibility of the respective systems of the parties in the above areas including transparency, good regulatory practices and the promotion of quality standards for products and business practices.

Article 20

Industrial co-operation

1. The Parties agree that industrial co-operation shall promote the modernisation and restructuring of Andean industry and individual sectors, as well as industrial co-operation between economic operators, with the objective of strengthening the private sector under conditions that ensure that the environment is protected.

2. Industrial co-operation initiatives shall reflect the priorities determined by both Parties. They shall take into account the regional aspects of industrial development, promoting trans-national partnerships where relevant. Initiatives shall seek in particular to establish a suitable framework for improving management know-how and promoting transparency as regards markets and conditions for business undertakings.

Article 21

Co-operation in the field of small and medium-sized and micro-enterprise development

The Parties agree to promote a favourable environment for the development of small and medium-sized and micro-enterprises, in particular by:

(a) promoting contacts between economic operators, encouraging joint investments and joint ventures and information networks through existing horizontal programmes;

(b) facilitating access to channels of finance, providing information and stimulating innovation.

(c) facilitating technological transfer

(d) identification and studying of marketing channels

Article 22

Co-operation on agriculture, forestry and rural development

The Parties agree to promote mutual co-operation in the agriculture, forestry and rural development sectors with a view to promoting diversification, environmentally sound practices and sustainable economic and social development and food security. To this end the Parties shall examine:

(a) measures aimed at enhancing the quality of agricultural products, capacity building, technology transfers, measures for producer associations and supporting trade promotion activities;

(b) environmental health, animal and plant health measures and other related aspects, taking

account of the legislation in force for both Parties and their respective international obligations resulting notably from World Trade Organisation and multilateral environmental agreement rules;

(c) measures relating to sustainable economic and social development of rural territories, including environmentally sound practices, forestry, research, access to land, sustainable rural development and food security;

(d) measures relating to preservation and promotion of traditional activities based on the specific identities of rural populations and communities, such as exchange of experiences and partnerships, development of joint ventures and co-operation networks between local agents or economic operators.

Article 23

Fisheries and aquaculture co-operation

The Parties agree to develop economic and technical co-operation in the fisheries and aquaculture sectors, especially in aspects such as the sustainable exploitation, management and conservation of fisheries resources, including environmental impact assessment. Co-operation should also include areas such as the processing industry and facilitation of trade. Co-operation in the fisheries sector could lead to the conclusion of bilateral fisheries agreements between the Parties or between the European Community and one or more Member countries of the Andean Community and/or to the conclusion of multilateral fisheries agreements between the Parties.

Article 24

Co-operation on mining

The Parties agree that co-operation in the field of mining, taking into account aspects of environmental conservation, shall focus principally on the following:

(a) promoting the participation of enterprises from both Parties in the sustainable exploration and exploitation of minerals, as well as in their use, in accordance with the legislation of both Parties;

(b) promoting exchanges of information, experience and technology relating to mining exploration and exploitation;

(c) promoting exchanges of experts and performing joint research to increase opportunities for technological development;

(d) developing measures to promote investment in this field;

(e) developing measures to ensure environmental integrity and corporate environmental responsibility in this sector.

Article 25

Energy co-operation

1. The Parties agree that their joint objective will be to foster co-operation in the field of energy, including consolidating economic relations in key sectors such as hydroelectricity, oil and gas, renewable energy, energy saving technology, rural electrification and regional integration of energy markets, taking into consideration that the Andean countries are already implementing electricity interconnection projects.

2. Co-operation may include, in particular, the following:

(a) energy policy issues, including inter-connected infrastructures of regional importance, improvement and diversification of supply and improvement of access to energy markets, including facilitation of transit, transmission and distribution;

- (b) management and training for the energy sector and transfer of technology and know-how;
- (c) promotion of energy saving, energy efficiency, renewable energy and studying of the environmental impact of energy production and consumption;
- (d) co-operation initiatives between undertakings in this sector.

Article 26

Transport co-operation

1. The Parties agree that co-operation in this field shall focus on restructuring and modernising transport and related infrastructure systems, improving the movement of passengers and goods and providing better access to urban, air, maritime, inland waterways, rail and road transport markets by refining the management of transport from the operational and administrative points of view and by promoting high operating standards.

2. Co-operation may include the following:

- (a) exchanges of information on the Parties' policies, especially regarding urban transport and the interconnection and interoperability of multimodal transport networks and other issues of mutual interest;
- (b) the management of inland waterways, roads, railways, ports and airports, including appropriate co-operation between the relevant authorities;
- (c) co-operation projects for transfer of European technology in the Global Navigation Satellite System and urban public transport centres;
- (d) improvement of safety and pollution prevention standards including co-operation in the appropriate international fora aiming to ensure better enforcement of international standards.

Article 27

Co-operation on information society, information technology and telecommunications

1. The Parties agree that information technology and communications are key sectors in a modern society and are of vital importance to economic and social development and the smooth transition to the information society. Co-operation in this field shall contribute to the reduction of the digital divide and aim to provide equitable access to information technologies especially in less developed areas.

2. Co-operation in this area shall aim to promote:

- (a) dialogue on all aspects of information society;
- (b) dialogue on regulatory and policy aspects of information technology and communications, including standards;
- (c) exchanges of information on standards conformity assessment and type-approval;
- (d) dissemination of new information and communications technologies and exchanges of information on new technological breakthroughs;
- (e) joint research projects on information and communications technologies and pilot projects in the fields of information society applications;
- (f) interconnection and interoperability of telematic networks and services;

(g) reciprocal access to databases with due regard for national and international copyright legislation;

(h) exchanges and training of specialists;

(i) computerisation of public administration.

Article 28

Audio-visual co-operation

The Parties agree to promote co-operation in the audio-visual sector and in the media sector in general, through joint initiatives in training as well as audio-visual development, production and distribution activities. Co-operation shall take place in accordance with the relevant national copyright provisions and international agreements.

Article 29

Co-operation on tourism

The Parties agree that co-operation in this field shall aim to:

(a) establish best practices in order to ensure balanced and sustainable development of tourism in the Andean region;

(b) improve the quality of the services offered to visitors;

(c) raise public awareness of the economic and social importance of tourism for the Andean region's development;

(d) promote and develop ecotourism;

(e) promote the adoption of common policies on tourism in the framework of the Andean Community.

Article 30

Co-operation between financial institutions

The Parties agree to foster, according to their needs and within the framework of their respective programmes and legislation, co-operation between national and regional financial institutions.

Article 31

Co-operation in the field of investment promotion

1. The Parties agree to promote, within the scope of their respective competencies, an attractive and stable reciprocal investment climate.

2. Co-operation shall include in particular:

(a) encouraging and developing mechanisms for the exchange and dissemination of information on investment legislation and opportunities;

(b) developing a legal framework favourable to investment on both sides, where appropriate, through the conclusion of bilateral agreements promoting and protecting investment and preventing double taxation, between the Member States of both Parties;

(c) developing uniform and simplified administrative procedures;

(d) developing joint venture mechanisms.

Article 32
Macroeconomic dialogue

1. The Parties agree that co-operation shall aim to promote the exchange of information on respective macroeconomic trends and policies, as well as the sharing of experiences in the co-ordination of macroeconomic policies in the context of a common market.

2. The Parties shall also aim to deepen the dialogue between their authorities on macroeconomic matters, including in areas such as monetary policy, fiscal policy, public finance, external debt and macroeconomic stabilisation.

Article 33
Statistics co-operation

1. The Parties agree that the main objective shall be to align statistical methods and programmes, thus enabling the Parties to use each other's statistics on trade in goods and services and, more generally, any field covered by this Agreement, for which statistics can be drawn up.

2. This co-operation could include, among others: technical exchanges between statistical institutes in the Andean Community and in European Union Member States and Eurostat; development of common methods of data collection, analysis and interpretation; and organisation of seminars, working groups or statistical training programmes.

Article 34
Co-operation on consumer protection

1. The Parties agree that co-operation in this field shall be geared to making consumer protection schemes in both Parties compatible.

2. It may involve, to the extent possible:

(a) increasing the compatibility of consumer legislation in order to avoid barriers to trade while ensuring a high level of consumer protection;

(b) establishing and developing systems of mutual information exchange, such as rapid alert systems, for food and feed, with risk for public and animal health;

(c) enhancing capacities for the implementation of sanitary and phytosanitary measures to facilitate market access as well as ensuring an appropriate level of health protection on a transparent, non discriminatory and predictable basis;

(d) encouraging co-operation and exchange of information among consumer associations;

(e) supporting the "Andean Working Group on the Participation of Civil Society for the Defence of Consumer Rights".

Article 35
Co-operation on data protection

1. The Parties agree to promote a high level of protection in the processing of personal data and other data, in line with the highest international standards.

2. The Parties also agree to co-operate on the protection of personal data in order to improve the level of protection and to work towards the elimination of obstacles to the free movement of personal data between

the Parties, created by insufficient protection of such data.

Article 36

Scientific and technological co-operation

1. The Parties agree that co-operation in science and technology shall be carried out in their mutual interest and in compliance with their policies, particularly as regards the rules for use of intellectual property resulting from research, and shall aim to:

- (a) contribute to the development of science and technology in the Andean region;
- (b) exchange scientific and technological information and experience at regional level, especially on the implementation of policies and programmes
- (c) promote human resources development and an adequate institutional framework for research and development;
- (d) foster relations between the Parties' scientific communities and promote the development of joint scientific and technological research projects;
- (e) encourage the participation of the business sector in both Parties in scientific and technological co-operation, in particular the promotion of innovation;
- (f) promote innovation and technology transfer between the Parties, including e-government and cleaner technologies

2. The involvement of higher-education institutions, research centres and productive sectors, especially small and medium-sized enterprises, shall be encouraged on both sides.

3. Promote scientific and technological co-operation between universities, research institutions and productive sectors of both regions, including granting of scholarships, student and high level specialist exchanges.

4. The parties also agree to promote Andean participation in Community technological and development programmes in accordance with Community provisions governing the participation of legal entities from third countries.

Article 37

Co-operation on education and training

1. The Parties agree that co-operation in this field shall aim to determine how to improve access to, the quality and the relevance of education and vocational training. To this end, access by young people, women and senior citizens to education, including technical courses, higher education and vocational training, shall receive special attention, as shall achieving the Millennium Development Goals in this context.

2. The Parties agree to co-operate more closely on education and vocational training and promote co-operation between universities and between businesses in order to develop the level of expertise of senior staff.

3. The Parties also agree to pay special attention to decentralised operations and horizontal programmes (ALFA, ALBAN), forging permanent links between specialised bodies in both Parties, which will encourage the pooling and exchange of experience and technical resources.

4 Co-operation in this field may also support the Action Plan for the Educational sector in the Andean Countries, which includes, among other programmes, harmonisation of the Andean educational systems,

implementation of an information system on educational statistics and intercultural education.

Article 38

Environmental and biodiversity co-operation

1. The Parties agree that co-operation in this field shall promote the protection and conservation of the environment in pursuit of sustainable development. In this regard, the relationship between poverty and the environment and the environmental impact of economic activities are considered important. Co-operation should also promote the ratification of and support for the implementation of Multilateral Environmental Agreements and other international agreements in areas such as climate change, biodiversity, desertification and chemicals management.

2. Co-operation shall focus particularly on:

- (a) preventing degradation of the environment;
- (b) promoting the conservation and sustainable management of natural resources (including biodiversity, mountain ecosystems and genetic resources) taking into account the Regional Biodiversity Strategy for the Andean Tropic Region;
- (c) exchanging information and experience on environmental legislation and on common environmental problems occurring in both Parties;
- (d) strengthening environmental management in all sectors at all levels of government;
- (e) promoting environmental education, creation of capacity and strengthening of citizen's participation, and encouraging joint regional research programmes.
- (f) protecting and nurturing traditional knowledge and practices related to the sustainable use of biodiversity resources.

Article 39

Co-operation in the field of natural disasters

The Parties agree that co-operation in this field shall aim to reduce the vulnerability of the Andean region to natural disasters through strengthening regional planning and prevention capacities, harmonising the legal framework and improving institutional co-ordination.

Article 40

Cultural co-operation and preservation of cultural heritage

1. The Parties agree that co-operation in this sphere, cultural ties and contacts between cultural agents in both regions shall be expanded.

2. The objective shall be to promote cultural co-operation between the Parties, taking into account and favouring synergies with bilateral schemes of the Member States.

3. Co-operation shall take place in accordance with the relevant national copyright provisions and international agreements.

4. This co-operation may cover all cultural fields, including, among others, the following areas:

- (a) translation of literary works;
- (b) conservation, restoration and revitalisation of national heritage;

- (c) cultural events, such as arts and handicrafts exhibitions, music, dance and theatre, as well as exchanges of artists and professionals in the cultural area;
- (d) promotion of cultural diversity;
- (e) youth exchanges;
- (f) development of cultural industries;
- (g) preservation of cultural heritage;
- (h) prevent and combat the illicit trade of cultural heritage goods in conformity with international conventions signed by the Parties.

Article 41

Co-operation in the field of health

1. The Parties agree to co-operate in the health sector with the aim of supporting sectoral reforms that make health service delivery pro-poor and equitable as well in promoting fair financing mechanisms that improve access to health care for the poor.
2. The Parties agree that primary prevention also requires involving other sectors such as education and water and sanitation. In this regard, the Parties aim to strengthen and develop partnerships beyond the health sector to achieve the Millennium Development Goals, particularly in the fight against AIDS, malaria and tuberculosis, consistent with relevant World Trade Organisation rules. Partnerships with organised civil society, NGOs and the private sector are also needed to address sexual and reproductive health and rights in a gender sensitive approach and to work with young people to prevent sexually transmitted diseases and unwanted pregnancies.
3. The Parties agree to co-operate on basic infrastructures, such as water supply and sewage systems.

Article 42

Social co-operation

1. The Parties agree to co-operate in fostering the participation of the social partners in a dialogue on living and working conditions, social protection and integration into society.
2. Co-operation should contribute to the political, economic and social concertation processes directed towards fostering across-the-board development in the context of poverty reduction and employment creation strategies.
3. The Parties underline the importance of social development, which must go hand in hand with economic development and agree to give priority to promoting the fundamental principles and rights at work identified by the International Labour Organisation's conventions, the so-called Core Labour Standards.
4. The Parties agree that co-operation in this field may take into account the implementation of an Andean Social Agenda, centred on two major pillars, the Common Andean Market and the development of mechanisms to bolster poverty reduction and regional cohesion.
5. The Parties may co-operate in any area of mutual interest in the above fields.
6. Measures shall be co-ordinated with those of the Member States and the relevant international organisations.
7. Where appropriate, and in accordance with their respective procedures, the Parties may conduct this dialogue in co-ordination with the Economic and Social Committee and its Andean counterpart,

respectively.

Article 43

Participation of organised civil society in co-operation

1. The Parties recognise the role and potential contribution of organised civil society in the co-operation process and agree to promote effective dialogue with organised civil society and its effective participation.
2. Subject to the legal and administrative provisions of each Party, organised civil society may:
 - (a) participate in the policy-making process at country level, according to democratic principles;
 - (b) be informed of and participate in consultations on development and co-operation strategies and sectoral policies, particularly in areas concerning them, including all stages of the development process;
 - (c) receive financial resources, insofar as the internal rules of each Party so allow, and capacity building support in critical areas;
 - (d) participate in the implementation of co-operation programmes in the areas that concern them.

Article 44

Co-operation in the field of gender

The Parties agree that co-operation in this field shall help to strengthen policies and programmes aimed at ensuring, improving and expanding the equal participation of men and women in all sectors of political, economic, social and cultural life, including where necessary, through the adoption of positive measures in support of women. It shall also help to facilitate the access of women to all the resources needed to fully exercise their fundamental rights.

Article 45

Co-operation on indigenous peoples

1. The Parties agree that co-operation in this field shall contribute to the creation and development of partnerships with indigenous peoples in the context of promoting the goals of poverty eradication, sustainable management of natural resources, respect for human rights and democracy.
2. The Parties also agree to co-operate in promoting an adequate protection of traditional knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity, as well as fair and equitable sharing of benefits arising from the utilisation of such knowledge.
3. In addition to taking systematic account of the situation of indigenous peoples at all levels of development co-operation, the Parties shall integrate the particular situation of indigenous peoples in the development of their policies and to strengthen the capacity of organisations representing indigenous peoples in order to increase the positive effects of development co-operation on indigenous groups.
4. Cooperation in this field may support indigenous representative organisations, such as the Working Group on the rights of indigenous people, which is a consultative entity within the Andean Integration System.

Article 46

Co-operation on displaced, uprooted peoples and former members of illegal armed groups

1. The Parties agree that co-operation in support of displaced, uprooted peoples and former members of illegal armed groups shall help to meet their essential requirements from the time humanitarian aid ceases

to the adoption of a longer-term solution to resolve their status.

2. This co-operation may include, among others, the following activities:

(a) self-sufficiency and reintegration into the socio-economic fabric of displaced, uprooted peoples and former members of illegal armed groups;

(b) aid to local host communities and resettlement areas to foster acceptance and integration of displaced, uprooted peoples and former members of illegal armed groups;

(c) helping those people to voluntarily return to and settle in their countries of origin or third countries, if conditions permit;

(d) operations to help people recover their belongings or property rights as well as aid for the legal settlement of human rights violations against the people in question;

(e) strengthening the institutional capacity of countries faced with these issues;

Article 47

Co-operation in combating illicit drugs and related organised crime

1. On the basis of the principle of co-responsibility and complementing the European Union - Andean Community High Level Dialogue Specialised on drugs, as well as the Joint Follow-up Group on the Agreements on "precursors and chemical substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances", the Parties agree that co-operation in this field shall aim to co-ordinate and increase joint efforts to prevent and contain the links that constitute the global problem of illicit drugs. The Parties also agree to endeavour to combat organised crime relating to this traffic, among others, through the intermediary of international organisations and bodies. The Parties agree that the Co-ordination and Co-operation Mechanism on Drugs between the European Union and Latin America and the Caribbean shall also be used for this purpose.

2. The Parties shall co-operate in this area to implement in particular:

(a) programmes to prevent drug abuse;

(b) projects to train, educate, treat and rehabilitate drug addicts;

(c) projects favouring harmonisation of legislation and action in this field in the Andean countries;

(d) joint research programmes;

(e) effective measures and co-operation activities aimed at encouraging and consolidating alternative development with the involvement of the communities concerned;

(f) measures to prevent new illicit crops and their transfer to environmentally fragile regions or areas not previously affected;

(g) the effective implementation of measures to prevent the diversion of precursors and to monitor trade in these products, equivalent to those adopted by the European Community and the competent international bodies, and in accordance with the Precursor Agreements between the European Community and each Andean country, signed on 18 December 1995 on precursors and chemical substances frequently used in the illicit manufacture of narcotic drugs or psychotropic substances.

(h) strengthening of actions to control the traffic of weapons, ammunition and explosives.

Article 48

Co-operation in combating money laundering and related crime

1. The Parties agree to co-operate in preventing the use of their financial systems for laundering proceeds arising from criminal activities in general and drug trafficking in particular.

2. This co-operation shall include administrative and technical assistance aimed at the development and implementation of regulations and the efficient functioning of suitable standards and mechanisms. In particular, co-operation shall allow exchanges of relevant information and the adoption of appropriate standards to combat money laundering comparable to those adopted by the European Community and the international bodies active in this area, such as the Financial Action Task Force (FATF). Co-operation at regional level shall be encouraged.

Article 49

Co-operation on migration

1. The Parties reaffirm the importance that they attach to a joint management of migration flows between their territories. With a view to strengthening co-operation between them, they shall establish a comprehensive dialogue on all migration-related issues, including illegal migration, smuggling and trafficking in human beings, as well as the inclusion of the migration concerns in the national strategies for economic and social development of the areas from which migrants originate, also taking into consideration the historic and cultural linkages existing between both regions.

2. Co-operation shall be based on a specific needs assessment conducted in mutual consultation between the Parties and be implemented in accordance with the relevant Community and national legislation in force. It will, in particular, focus on:

(a) the root causes of migration;

(b) the development and implementation of national legislation and practices as regards international protection, with a view to satisfying the provisions of the Geneva Convention of 1951 on the status of refugees and of the Protocol of 1967 and other relevant international instruments, and to ensuring the respect of the principle of "non-refoulement";

(c) the admission rules and rights and status of persons admitted, fair treatment and integration of legal residents into society, education and training of legal migrants and measures against racism and xenophobia;

(d) the establishment of an effective and preventive policy against illegal immigration, smuggling of migrants and trafficking in human beings including the issue of how to combat networks of smugglers and traffickers and how to protect the victims of such trafficking;

(e) the return, under humane and dignified conditions, of persons residing illegally, and the readmission of such persons, in accordance with paragraph 3;

(f) the field of visas, on issues identified as being of mutual interest, such as visas in the commercial academic, or cultural areas;

(g) the field of border controls, on issues related to organisation, training, best practices and other operational measures on the ground and where relevant, the provision of equipment.

3. In the framework of the cooperation to prevent and control illegal immigration, the Parties also agree to readmit their illegal migrants. To this end:

- each Andean Country shall, upon request and without further formalities, readmit any of its nationals illegally present on the territory of a Member State of the European Union; provide their nationals with appropriate identity documents and extend to them the administrative facilities

necessary for such purpose;

- and each Member State of the European Union shall, upon request and without further formalities, readmit any of its nationals illegally present on the territory of an Andean Country; provide their nationals with appropriate identity documents and extend to them the administrative facilities necessary for such purpose.

The Parties agree to conclude, upon request and as soon as possible, an agreement regulating the specific obligations for Member States of the European Union and the Andean countries on readmission. This agreement will also address the readmission of nationals of other countries and stateless persons.

For this purpose, the term "Parties" shall mean the European Community, any of its Member States and any Andean Country.

Article 50
Co-operation in the field of counter-terrorism

The Parties reaffirm the importance of the fight against terrorism and, in accordance with international conventions, relevant UN resolutions and with their respective legislation and regulations, agree to co-operate in the prevention and suppression of acts of terrorism. They shall do so in particular:

(a) in the framework of the full implementation of Resolution 1373 of the UN Security Council and other relevant UN resolutions, international conventions and instruments;

(b) by exchange of information on terrorist groups and their support networks in accordance with international and national law; and

(c) by exchange of views on the means and methods used to counter terrorism, including in technical fields and training and by exchange of experience in terrorism prevention.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 51
Resources

1. With the aim of contributing to fulfilling the co-operation objectives set out in this Agreement, the Parties commit themselves to providing, within the limits of their capacities and through their own channels, the appropriate resources, including financial resources.

2. The Parties shall take all appropriate measures to promote and facilitate the European Investment Bank's activities in the Andean Community in accordance with its own procedures and financing criteria and with their laws and regulations, and without prejudice to the powers of their competent authorities.

3. The Andean Community and its Member Countries shall grant facilities and guarantees to European Community experts and exoneration of taxes on imports for co-operation activities, in accordance with the Framework Conventions signed between the European Community and each Andean country.

Article 52
Institutional framework

1. The Parties agree to retain the Joint Committee, established pursuant to the 1983 Andean Community Co-operation Agreement and retained by the 1993 Framework Co-operation Agreement. This Committee shall meet alternatively in the European Union and the Andean Community at senior official level. The agenda for the Joint Committee meetings shall be set by mutual agreement. The Committee shall itself establish provisions concerning the frequency of its meetings, chairmanship and other issues that may

arise, including, as appropriate, the creation of subcommittees.

2. The Joint Committee shall be responsible for the general implementation of the agreement. It shall also discuss any question affecting economic relations between the Parties, including sanitary and phytosanitary issues, including with individual Member Countries of the Andean Community.

3. A Joint Consultative Committee to assist the Joint Committee to promote dialogue with economic and social organisations of organised civil society shall be established.

4. The Parties encourage the European Parliament and Parliamento to establish an Inter-parliamentarian Committee, in the framework of this Agreement, in accordance with past practice.

Article 53

Definition of the Parties

Without prejudice to Article 49, for the purposes of this Agreement, "the Parties" shall mean the Community, its Member States or the Community and its Member States, within their respective areas of competence, as derived from the Treaty establishing the European Community, on the one hand, and the Andean Community, its Member Countries or the Andean Community and its Member Countries, on the other, in accordance with their respective spheres of competence. The Agreement shall also apply to measures taken by any State, regional or local authorities within the territories of the Parties.

Article 54

Entry into force

1. This Agreement shall enter into force on the first day of the month following that in which the Parties notify each other of completion of the procedures necessary for this purpose.

2. Notifications shall be sent to the Secretary General of the Council of the European Union and the Secretary General of the Andean Community, who shall be the depositories of this Agreement.

3. From the date of its entry into force in accordance with paragraph 1, this Agreement shall replace the Framework Co-operation Agreement of 1993 and the Rome Joint Declaration on Political Dialogue of 1996.

Article 55

Duration

1. This Agreement shall be valid indefinitely.

2. Either Party may give written notice to the other of its intention to denounce this Agreement.

3. Denunciation shall take effect six months after notification to the other Party.

Article 56

Fulfilment of the obligations

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

2. If one of the Parties considers that the other Party has failed to fulfil an obligation under this Agreement it may take appropriate measures. Before doing so, it must supply the Joint Committee within 30 days with all the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In this 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 in the Committee if the other Party so requests.

3. By way of derogation from paragraph 2, any Party may immediately take appropriate measures in accordance with international law in case of:

- (a) denunciation of this Agreement not sanctioned by the general rules of international law;
- (b) violation by the other Party of the essential elements of this Agreement referred to in Article 1, paragraph 1.

The other Party may ask that an urgent meeting be called to bring the Parties together within 15 days for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

Article 57

Future developments

1. The Parties may mutually agree to extend this Agreement with the aim of broadening and supplementing its scope in accordance with their respective legislation, by concluding agreements on specific sectors or activities in the light of the experience gained during its implementation.

2. As regards the implementation of this Agreement, either Party may make suggestions designed to expand co-operation in all areas, taking into account the experience acquired during the implementation thereof.

3. No opportunities for co-operation shall be ruled out in advance. The Parties may use the Joint Committee to explore practical possibilities for co-operation in their mutual interest.

Article 58

Data protection

The Parties agree that data protection shall be guaranteed in all areas where personal data are exchanged.

The Parties agree to accord a high level of protection to the processing of personal and other data, compatible with the highest international standards.

Article 59

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 hand, to the territories of the Andean Community and its Member States, Bolivia, Colombia, Ecuador, Peru and Venezuela.

Article 60

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.