

# **Partial Scope Agreement Economic Trade and Investment Promotion between the Republic of Bolivia and Argentina**

The Republic of Bolivia and the Argentine Republic, hereinafter referred to as the "Parties".

Ratifying the purposes of strengthening the economic and commercial integration of the two countries and contributing constructively to the development of South American Integration through the achievement of a better balance in economic relations;

Resolve to subscribe a Partial Scope Agreement for Economic-Commercial Promotion, with the purpose of promoting investment, economic complementation and trade, particularly in favor of Bolivia, which will be governed by the provisions of the Treaty of Montevideo of 1980, by Resolutions 2 and 4 of the Council of Ministers of ALALC and those established in this Agreement.

## **Chapter I. Principles**

### **Article 1.**

The following principles shall govern in this Agreement:

- a) The application of concrete mechanisms tending to level the existing asymmetries in the trade balance.
- b) Compliance with special and differential treatment pursuant to Chapter II of the Montevideo Treaty of 1980.

## **Chapter II. Objectives**

### **Article 2.**

This Agreement has the following objectives, which must be achieved through specific projects, programs and activities of short and medium term in accordance with the principles established in Article 1.

- a) Promote the productive competitiveness of the Parties, with the purpose of favoring and diversifying the exports of goods and services, in particular of Bolivia, preferably those that contain an increasing added value.
- b) Promote the complementarity of national productions, favoring the commercial exchange between the Parties and exports to third markets; facilitate the transfer of technology; and seek the development of comparative and competitive advantages.
- c) Cooperation for the development of the necessary infrastructure that facilitates economic and social development.
- d) D) Adoption of special programs to facilitate land, rail and river transport between both countries and third markets.
- e) The elimination of restrictions and obstacles of any nature to the economic and commercial relationship between the Parties.
- f) The complementation in programs of promotion of Bolivian exports to Argentina and of investments of Bolivia, as well as the promotion to the development of tourism between both countries.

## **Chapter III. Investment Promotion**

### **Article 3.**

The Parties confirm the validity of the rights and obligations established by the Agreement between the Republic of Bolivia

and the Argentine Republic for the Promotion and Reciprocal Protection of Investments, signed on March 17, 1994.

#### **Article 4.**

The Parties shall promote investment, particularly in the Bolivian territory, aimed at the establishment of companies and all kinds of undertakings that enable the development of productive chains and production, marketing and export processes.

#### **Article 5.**

The temporary and permanent entry of natural persons, investors and key personnel in connection with the realization of investments, will be subject to the conditions established in the applicable national legislations.

#### **Article 6.**

The Parties shall prepare annual Programs of projects of national interest with the purpose of promoting them in the business sectors of both countries.

#### **Article 7.**

The Parties, through the development of the investment, will promote the transfer of technologies, the training of human resources and also, the economic complementation.

### **Chapter IV. Economic and Commercial Complementation**

#### **Article 8.**

The Parties shall promote economic and commercial complementation to boost the economic efficiency and competitiveness of the production of goods and services, diversify and increase Bolivian exports and substitute Argentine imports from third countries. For these purposes, the Parties undertake to:

- a) Identify opportunities for sectorial economic complementation and encourage the development of companies that export goods and services.
- b) Work jointly in the framework of the Administrative Commission of the ACE N ° 36 in order to deepen the reduction schedules aimed at granting Bolivia greater preferences in the MERCOSUR market.
- c) Agree on mechanisms that allow a greater use of the tariff preferences established in the ACE 36.
- d) Promote the transformation of raw materials to intermediate goods and final products, as well as the assembly of components and parts from the territory of one of the Parties in the territory of the other party.
- e) Promote subcontracting in the production of goods and in the provision of services between companies located in the territory of the Parties, for which a binational subcontracting pool will be established.
- f) Promote and facilitate greater commercial exchange between both countries through the use of the Reciprocal Payments and Credits Agreement of the ALADI.
- g) Promote cooperation and the exchange of information on standards, technical regulations and conformity assessment.

#### **Article 9.**

The Parties shall not adopt or apply non-tariff barriers, technical barriers to trade and unjustified sanitary and phytosanitary measures that hinder or impede reciprocal trade.

### **Chapter V. Trade and Transportation Facilitation**

#### **Article 10.**

The Parties will exchange information on their respective trade regimes and promote the simplification of customs procedures.

## **Article 11.**

The Parties will adopt immediate measures to establish mechanisms that expeditiously facilitate transportation between both countries, tending to facilitate fluvial transportation, and without prejudice to compliance with the regulations of the Parties currently in force or to be issued on the subject. International Agreements on the subject.

## **Article 12.**

The Parties agree to establish economic, commercial and investment promotion programs for Bolivia, which include:

- a) Commercial intelligence studies, identifying Bolivian products for diversification according to Argentine import demand.
- b) Organization and support to official and business missions for their participation in trade fairs, business conferences and related events, through free provision of stands and meeting points for Bolivian entrepreneurs.
- c) Organization of promotional events and investment opportunities in Bolivia.
- d) Technical assistance for micro, small and medium enterprises for export to the Argentine market, with the support of the Undersecretariat of Small and Medium Enterprises and Regional Development of Argentina.

## **Article 13.**

The Parties will coordinate with their respective promotion agencies and business chambers established in their respective territories, the actions that contribute to the facilitation and identification of trade and investment projects.

Likewise, through the Ministries of Foreign Affairs, mechanisms will be established to solve the operational problems that arise in the development of this Agreement.

# **Chapter VI. Development and Economic, Social and Economic Integration Commercial of the Border Region**

## **Article 14.**

The Parties will promote the development of the border region in the departments of Potosí, Tarija, Chuquisaca and Santa Cruz and the provinces of the Northeast and Northwest of Argentina. To this end, the actions and programs foreseen in the Binational Agreements subscribed in the matter will be deepened, namely:

- Operating Agreement between immigration authorities of the Argentine Republic and the Republic of Bolivia for the Implantation of the Border Neighborhood Card (TVF), signed on April 29, 1994.
- Agreement for the Creation of the Commission of Cooperation and Border Development between the Republic of Argentina and the Republic of Bolivia (CODEFRO), signed on November 19, 1996.
- Agreement between the Argentine Republic and the Republic of Bolivia for the Establishment of a Binational Border Development Program, signed on February 16, 1998.
- Agreement between the Argentine Republic and the Republic of Bolivia on Integrated Border Controls, signed on February 16, 1998.
- Agreement between the Argentine Republic and the Republic of Bolivia to establish a Regulation for the Border Committees, signed on February 16, 1998.
- Regulation of the Agreement between the Argentine Republic and the Republic of Bolivia on Integrated Border Controls, signed on February 3, 2003.

The Parties also recognize the importance of the Border Committees as basic mechanisms and first step in the process of border integration, for which they will continue to support their consolidation and the participation of local actors in them.

# **Chapter VII. Cooperation**

## **Article 15.**

The technical cooperation provided by the Argentine Republic to Bolivia is channeled through the Argentine Fund for Horizontal Cooperation (FO-AR). The FO-AR is committed in the coming years to:

- It is proposed to duplicate the cooperation actions carried out during 2003, accelerating the execution of the same.
- Commits to complete the pending phases of the Technical Assistance initiated in relation to the Pro-Huerta Program, a program that has a positive impact on the indigenous communities in the border areas.

The FO-AR is willing to offer Bolivia technical assistance projects in areas such as primary health care, hospital administration, child labor, gender, urban planning and sanitation among other issues, which could be prepared by the relevant Argentine organizations.

The FO-AR is committed to working on the development of joint cooperation projects with other donors to carry out cooperation actions with Bolivia, such as the Japan-Argentina Partnership Program.

## **Article 16.**

The Parties ratify the actions of the Southern Agricultural Council (CAS) in the fight against foot-and-mouth disease and the use of the "White Helmets" for the implementation of the Regional Program for the Eradication of Foot-and-Mouth Disease, in its immediate stage of vaccination in Bolivia, with the agreement of the Parties. In the same way, Argentina makes available to Bolivia the use of the White Helmets Commission, for any question related to the fight against hunger and poverty, issues of emergencies and catastrophes and humanitarian aid.

## **Article 17.**

The Parties agree to create a Bilateral Animal, Plant and Food Safety Commission, which will be composed of one representative from both Foreign Ministry and one from each Sanitary Service. This Commission will be in charge of following up the pending issues in this matter, and will meet whenever the Parties so request.

Likewise, the Parties agree to implement cooperation measures in this area, through the exchange of officials of the Health Services of both countries, in order to promote reciprocal knowledge and provide greater trust among those responsible for them and the procedures inherent to each organism.

## **Article 18.**

The Parties reaffirm the interest in cooperation and in the promotion of the development of the connection infrastructure of their energy and gas systems, ratifying the declaration on the matter signed in December 2003.

## **Article 19.**

The Parties agree to subscribe within a period not exceeding 90 days from the signing of this Agreement, specific protocols regarding cooperation related to:

- a) Sanitary and phytosanitary programs.
- b) Customs matters and border control.
- c) Promotion of investment, exports and tourism.
- d) Development of infrastructure, transport and logistics.
- e) Research, development and transfer of appropriate technologies.

# **Chapter VIII. Financing of Trade and Investments**

## **Article 20.**

The Argentine Republic, through the Investment and Foreign Trade Bank (BICE), makes available to the Republic of Bolivia financing programs that are currently operational, especially credit lines aimed at financing investments Argentina in Bolivia.

## **Article 21.**

The credit lines will be governed by the regulations and programs currently in force at BICE. However, requests by the Republic of Bolivia for credit support for trade, investment, infrastructure or others, will be analyzed by BICE with full scope and good predisposition, within the framework of current regulations.

## **Chapter IX. Binational Commission**

### **Article 22.**

A Binational Commission is created, under the coordination of the Ministries of Foreign Affairs and the participation of the public and private sectors of both countries, which will have the following attributions and functions.

- a) Administer this Agreement and ensure compliance with its objectives, adopting the appropriate measures for this purpose.
- b) Negotiate the protocols that are required to implement the sectoral and cooperation complementation projects, proposing the pertinent agreements to their respective governments for their subscription.
- c) Address inquiries and differences that may arise in the interpretation or application of this Agreement.

## **Chapter X. Validity**

### **Article 24.**

This Agreement will enter into force on the date of its subscription. The General Secretariat of ALADI will be the depository of this Agreement, from which it will send duly authenticated copies to the signatory Governments. This Agreement will last for an indefinite period, unless one of the Parties declares its intention to denounce it, notifying the General Secretariat of ALADI through the diplomatic channel, with a minimum of six months' notice.

Done in the city of Buenos Aires, on the twenty-first day of the month of April 2004, in two originals, both equally authentic.

(Signed) For the Republic of Bolivia: Juan Ignacio Siles del Valle, Minister of Foreign Affairs and Worship

For the Republic of Argentina: Rafael Antonio Bielsa, Minister of Foreign Affairs, International Trade and Worship.