

# **FRAMEWORK AGREEMENT FOR COOPERATION between the European Economic Community and the Federative Republic of Brazil**

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part,

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL, of the other part,

CONSIDERING the friendly relations and traditional links between the Member States of the European Economic Community, hereinafter referred to as 'the Community' and the Federative Republic of Brazil, hereinafter referred to as 'Brazil',

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

MINDFUL of their common will to expand and diversify trade between them and to step up cooperation in trade, economic matters, science and technology and financial matters,

RECOGNIZING the positive consequences of the process of reform, modernization of the economy and liberalization of trade in Brazil for trade and economic relations between the Parties,

WELCOMING the institutionalization of dialogue between the Rio Group and the Community and its Member States given tangible form through the Rome Declaration of 20 December 1990, as well as the furthering of integration through the Southern Cone Common Market (Mercosur),

RECOGNIZING the importance of greater environmental protection coupled with the need for sustainable economic and social development,

CONVINCED of the importance of the rules and principles of the General Agreement on Tariffs and Trade (GATT) for open international trade, and reaffirming their commitments under that Agreement and their respect for intellectual property rights and freedom of investment,

RECOGNIZING the need to promote social rights and in particular the rights of the most disadvantaged sectors,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL,

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

## **Article 1. Democratic Basis for Cooperation**

Cooperation ties between the Community and Brazil and this Agreement in its entirety are based on respect for the democratic principles and human rights which inspire the domestic and international policies of both the Community and Brazil and which constitute an essential component of this Agreement.

## **Article 2. Strengthening of Cooperation**

1. The Contracting Parties hereby undertake to impart renewed vigour to relations between them. To achieve this essential objective, they resolve to promote in particular the development of cooperation relating to trade, investment, finance and technology, taking account of Brazil's special situation as a developing country.

2. The Contracting Parties acknowledge the value, in the light of the aims of this Agreement, of consulting each other on international issues of mutual interest.

### **Article 3. Economic Cooperation**

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

- (a) generally to step up and diversify economic links between them;
- (b) to contribute to the sustainable development of their economies and standards of living;
- (c) to promote the expansion of trade in order to achieve diversification and open up new markets;
- (d) to encourage the flow of investment, the transfer of technology and strengthen the protection of investment;
- (e) to promote cooperation between economic operators, particularly small and medium-sized enterprises;
- (f) to establish conditions conducive to job-creation;
- (g) to protect and improve the environment;
- (h) to encourage rural development measures;
- (i) to strengthen the scientific foundation and capacity for innovation of the Contracting Parties;
- (j) to support efforts and initiatives for regional integration.

2. Without excluding any area from the outset, the Contracting Parties shall, in their mutual interest and with regard to their respective competence and capacities, determine by common agreement the spheres to be covered by economic cooperation. Cooperation shall centre particularly on the following:

- (a) industry;
- (b) the use of natural resources against a background of sustainable development;
- (c) intellectual property, including industrial property, standards and quality criteria;
- (d) health and plant-health regulations;
- (e) services in general, and tourism and transport in particular;
- (f) data processing, electronics, telecommunications, the use of space technology;
- (g) information on monetary matters.

3. In the interests of attaining the objectives of economic cooperation, the Contracting Parties shall, each in accordance with its laws, endeavour to promote activities including the following:

- (a) a continuous exchange of points of view and information in connection with cooperation, primarily by gaining access to existing databases or by setting up new ones;
- (b) encouragement of joint ventures, and in more general terms the development of partnerships which are suited to the needs of firms,
- (c) organizing visits, meetings and activities for promoting cooperation between individuals and delegations representing firms or economic organizations, and creating the appropriate machinery and institutions;
- (d) organizing seminars and meetings between businessmen, arranging and holding specialized fairs, exhibitions and symposia, and promoting contacts between economic operators at these events;
- (e) studies or evaluation reports concerning project feasibility or advance selection of new forms of cooperation;
- (f) research projects and exchanges of scientists.

### **Article 4. Most-favoured-nation Status**

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

Both Parties reaffirm their will to conduct trade with each other in accordance with that Agreement.

## **Article 5. Development of Trade Cooperation**

1. The Contracting Parties undertake to develop and diversify trade to the highest possible degree, taking into account the economic situation of each of the Parties and facilitating trade transactions between them as far as possible.
2. To that end, the Contracting Parties shall endeavour to find methods of reducing and eliminating the obstacles hindering the development of trade, notably non-tariff and para-tariff barriers, taking account of work already accomplished in this field by international organizations.
3. The Contracting Parties agree to promote the interchange of information and to hold consultations on the issues of tariffs, health and technical requirements, trade laws and practices, and on any anti-dumping or countervailing duties which might apply.
4. Without prejudice to their rights and obligations under the GATT, the Contracting Parties undertake to consult each other on any disputes which may arise in connection with trade.

If one of the Parties requests such consultation, it shall take place at the earliest opportunity. The Contracting Party making the request shall provide the other Party with all the information necessary for a detailed examination of the situation.

Attempts shall be made through such consultations to resolve trade disputes as rapidly as possible.

5. In trade between the Contracting Parties, should allegations arise of dumping or subsidy leading to investigation by the competent authorities, each Contracting Party undertakes to examine requests made by the other Party in connection with the case in question.

The competent authorities of the Contracting Parties shall inform the interested parties at their request of the essential facts and considerations which will serve as the basis for a decision.

Such information shall be provided before the definitive conclusions of the investigation are reached, and in sufficient time for the interested parties to defend their interests.

Before definitive anti-dumping and countervailing duties are imposed, the Contracting Parties shall do their utmost to bring about a constructive solution to the problem.

6. Paragraphs 3, 4 and 5 shall cease to apply when the new anti-dumping code and other GATT instruments currently being negotiated within the Uruguay Round enter into force in Brazil and the Community.

## **Article 6.**

Means of achieving cooperation in trade

In the interests of bringing about more active cooperation in trade, the Contracting Parties undertake to take steps, in conformity with their respective laws and considering the differences in their levels of development, including the following:

- Promoting meetings, interchange and contacts between entrepreneurs of each of the Parties, with the aim of identifying goods suitable for sale on the market of the other Party,
- Facilitating administrative cooperation between their customs services, in particular as regards vocational training, the simplification of procedures and preventing and detecting violations of customs regulations,
- Encouraging and providing support for trade promotion activities such as seminars, symposia, fairs and trade and industrial exhibitions, trade visits, reciprocal visits, business weeks and other activities, with the aim of supporting and accompanying efforts to expand trade,
- Providing support for their own organizations and firms, to enable them to engage in activities which are of benefit to both sides,
- Taking into consideration each other's interests with regard to market access for commodities, semi-finished and manufactured goods and with the aims agreed within the competent international organizations,

- Examining methods of facilitating trade and eliminating barriers to trade, taking into consideration the work of international organizations.

## **Article 7. Temporary Admission of Goods**

The Contracting Parties undertake to consider tax and duty exemption for temporary import into their territory of goods, in accordance with their respective laws and taking account, wherever possible, of existing international agreements in this field.

## **Article 8. Industrial Cooperation**

The Contracting Parties shall promote the expansion and diversification of Brazil's production base in the industrial and service sectors, directing their cooperation activities at small and medium-sized enterprises in particular and encouraging steps to facilitate access on the part of these enterprises to sources of capital, to markets and to appropriate technology, and also fostering joint venture activities directed especially towards trade between the Parties and aimed at third country markets.

To that end, within the limits of their responsibilities, the Contracting Parties shall encourage projects and operations promoting cooperation between firms, such as joint ventures, subcontracting, transfers of technology, licences, applied research and franchises, notably by

Consolidating existing networks for the promotion of industry and investment, such as the European Community Investment Partners (ECIP) and the Business Cooperation Network (BC-Net).

## **Article 9. Investment**

The Contracting Parties agree, so far as their competence, rules and regulations and policies permit:

- To encourage an increase in mutually beneficial investment,
- To examine the possibility of setting up operations and mechanisms to improve the climate for such investment in keeping with the guidelines of paragraph 38 of the Rome Declaration on relations between the European Economic Community and its Member States and the countries of the Rio Group.

## **Article 10. Cooperation In the Field of Science and Technology**

1. In accordance with their mutual interest and the aims of their policies on science, the Contracting Parties undertake to promote cooperation in science and technology aimed in particular at:

- Strengthening links between their scientific and technological communities,
- Encouraging exchanges of researchers,
- Promoting mutually beneficial transfers of technology,
- Fostering relations between research centres on both sides,
- Stimulating innovation,
- Defining the framework for cooperation in the field of applied science.

2. The extent of cooperation shall be determined by the desires of the Parties, which shall jointly select priority areas.

3. With the aim of attaining the aims set, the Contracting Parties shall promote and stimulate activities including the following: training of high-calibre scientific staff, joint research projects and the interchange of scientific information through seminars, workshops, congresses and working meetings between the scientific communities of both Parties. Such activities may be conducted among institutions, bodies and undertakings in the public or private sectors.

## **Article 11. Cooperation In the Field of Standards**

Without prejudice of their international obligations, within the scope of their responsibilities, and in accordance with their laws, the Contracting Parties shall take steps to reduce differences in respect of weights and measures, standardization and

certification by promoting the use of compatible systems of standards and certification. To that end, they shall encourage the following in particular:

- Establishing links between experts in order to facilitate exchanges of information and studies on weights and measures, standards, and quality control, promotion and certification,
- Encouraging interchange and contact between bodies and institutions specializing in these fields,
- Promoting measures aimed at achieving mutual recognition of systems of quality certification,
- Developing technical assistance in connection with weights and measures, standards and certification, and in connection with quality promotion programmes,
- Holding consultations to ensure that standards do not constitute a barrier to trade.

## **Article 12. Technological Development and Intellectual Property**

1. For the purpose of achieving effective collaboration between enterprises in Brazil and enterprises in the Community in the fields of the transfer of technology, licensing, joint investment and venture capital financing, the Contracting Parties undertake:

- To identify the branches or sectors of industry on which cooperation will centre and the means to promote industrial cooperation in the field of high technology,
- To cooperate in encouraging the mobilization of financial resources to support joint projects between enterprises in Brazil and enterprises in the Community the aim of which is to apply new findings in technology to industry,
- To support the training of qualified technological research personnel,
- To promote innovation by means of an exchange of information on the programmes each Party is conducting for that purpose, periodic exchanges of experience stemming from the running of programmes set up and by means of temporary stays for those persons responsible for promoting innovation in Brazilian and Community institutions.

2. The Contracting Parties undertake to ensure, so far as their laws, regulations and policies allow, that suitable and effective protection is provided for intellectual property rights, including patents, trade or service marks, copyright and related rights, geographical designations (including marks of origin), industrial designs and integrated circuit topographies, reinforcing this protection where desirable. They also undertake wherever possible to facilitate access to the databanks and databases in this area.

## **Article 13. Cooperation In the Field of Mining**

The Contracting Parties agree to promote cooperation in mining, in accordance with their legislation and chiefly through the implementation of operations aimed at the following:

- Stimulating the involvement of enterprises of both Parties in exploration, exploitation and marketing of the respective mineral resources,
- Undertaking activities to encourage joint ventures in the form of small and medium-sized enterprises operating in the mining sector,
- Carrying out an interchange of experience and technology relating to mining exploration and exploitation, and performing joint research to increase the opportunities for technological development.

## **Article 14. Cooperation In the Field of Energy**

The Contracting Parties recognize the importance of the energy sector to economic and social development, and are prepared to step up cooperation relating to the saving and efficient use of energy. Such improved cooperation will include planning concerning energy and the consideration of environmental implications.

To these ends, the Contracting Parties agree to promote:

- The conduct of joint studies and research,
- Contracts between those responsible for energy planning (including reports on energy

Forward studies and so on),

- Execution of joint programmes and projects in this field.

## **Article 15. Cooperation In the Field of Transport**

Recognizing the importance of transport to economic development and the intensification of trade, the Contracting Parties shall adopt the necessary measures to further cooperation in this field.

Cooperation in the area of air, road and rail transport and in that of infrastructure shall centre on the following:

- The interchange of information on subjects of common interest, including policies,
- Training programmes aimed at economic operators and those in charge of public-sector departments,
- Technical assistance particularly in connection with programmes for the modernization of infrastructure, replacement of rolling stock, vehicles and craft, and the introduction of technology relating to combined and multi-mode transport.

## **Article 16. Cooperation In the Field of Information Technology and Telecommunications of the Use of Space Technology**

The Contracting Parties recognize that information technology and telecommunications are vital to the development of the economy and society and declare themselves prepared to promote cooperation in fields of common interest, chiefly in respect of the following:

- Standardization, testing and certification,
- Earth and space-based telecommunications such as transport networks, satellites, fibre optics, integrated systems of digital network (ISDN), data transmission,
- Electronics and microelectronics,
- Information and automation,
- High-definition television,
- Research and development in new information technologies and telecommunications,
- Promotion of investment and joint investment.

Such cooperation shall take place in particular through:

- Collaboration between experts,
- Studies and interchange of information,
- Training of scientists and technicians,
- Formulation of projects of mutual benefit,
- Promotion of joint projects relating to research and development, the establishment of information networks and databases linking universities, research centres, testing laboratories, enterprises and operators in the public and private sectors in the Community and Brazil.

## **Article 17.**

Cooperation in the field of tourism

In accordance with their laws, the Contracting Parties shall contribute to cooperation on tourism, which is to be achieved through specific measures including:

- An interchange of information and the carrying out of forward studies,
- Assistance in statistics and data processing,
- Training,

- The organization of events,
- The promotion of investment and joint investment in order to expand tourist travel.

## **Article 18. Cooperation In the Field of the Environment**

In instituting cooperation on environmental matters, the Contracting Parties affirm their will to contribute to sustainable development. They will endeavour to reconcile the need for economic and social development with the need for due protection of nature, and will devote particular attention in their cooperation to the most disadvantaged sections of the population, to the urban environment and to the protection of ecosystems such as tropical forests.

To these ends, the Contracting Parties shall endeavour to work together, in accordance with their laws, on measures having aims including the following:

- Improving environmental facilities in the public and private sectors,
- The training of specialists,
- Public information and awareness,
- The performance of studies, organization of meetings and interchange of know-how and expertise,
- The development of joint projects,
- Support and assistance for environmental research,
- Industrial cooperation in the field of the environment.

## **Article 19. Cooperation In Agriculture, Forestry and Rural Areas**

The Contracting Parties shall establish cooperation in the areas of agriculture, the rural environment, forestry, agro-industry and agri-foodstuffs.

To these ends, in a spirit of cooperation and goodwill and taking into account their respective laws on such issues, the Contracting Parties shall examine:

- Opportunities for developing trade in agricultural, forestry and agro-industrial products,
- Health, plant health and environmental measures, and their consequences, ensuring that they do not hamper trade.

The Contracting Parties shall endeavour to promote cooperation concerning:

- The development of agriculture,
- The development and protection of forestry resources,
- The agricultural and rural environments,
- Issues relating to the human dimension of development,
- Training in science and technology relating to agriculture,
- Agricultural research,
- Contact between the Contracting Parties' farmers, in the interests of facilitating trade operations and investment,
- Agricultural statistics.

## **Article 20. Cooperation In the Field of Public Health**

The Contracting Parties agree to cooperate in the field of public health, with the aim of increasing the access to and the quality of health care provided in Brazil, concentrating their efforts on basic health care for the most disadvantaged sections of the population.

To these ends they shall seek to:

- Support vocational training in specific areas of health care,
- Establish programmes and projects for the improvement of health conditions and well-being in urban and rural areas,
- Support the combating of infectious and contagious diseases, including the acquired immune deficiency syndrome (AIDS).

## **Article 21. Cooperation In the Field of Social Development**

1. The Contracting Parties shall establish cooperation in the field of social development, with the aim of improving the living conditions and quality of life of the most disadvantaged sections of the population.

2. Measures will be implemented with these aims in mind, including support, essentially in the form of technical assistance in the following fields:

- Administration in social services,
- Vocational training and job creation,
- The improvement of living conditions and hygiene in urban and rural areas,
- Preventive medicine,
- Protection of children,
- Education and assistance programmes for young offenders.

## **Article 22. Fight Against Drugs**

1. In accordance with their respective laws, the Contracting Parties undertake to coordinate and step up their efforts to prevent and reduce the production and consumption of drugs.

2. Such cooperation shall include the following:

- Projects for training, education, treatment and detoxification of addicts, including projects for the reintegration of addicts into work and social environments. These projects will be implemented in the beneficiary country using existing infrastructure wherever possible,
- Research programmes and projects,
- Measures to encourage alternative economic opportunities,
- The interchange of all relevant information, including that relating to money laundering.

3. The Contracting Parties may seek financing for the operations referred to in paragraph 2 from public and private institutions and national, regional or international organizations.

## **Article 23. Cooperation In the Field of Regional Integration and Cooperation**

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

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

- Technical assistance (services of outside experts, training of technical staff in certain practical aspects of integration),
- Promotion of inter-regional trade,
- Support for regional institutions and for joint projects and initiatives established whether under Mercosur, the Rio Group or the Amazonian Cooperation Treaty,
- Studies concerning regional links and communications.

3. Certain areas, such as telecommunications and the environment, could be opened, by joint agreement, for participation by other interested countries in the region, thus avoiding limiting cooperation to a strictly bilateral level.



At the request of one or other of the Contracting Parties, other types of project may be given a regional dimension.

## **Article 24. Cooperation In the Field of Public Administration**

1. In accordance with their respective laws, the Contracting Parties shall cooperate in administrative matters at federal, state and municipal levels.

2. To these ends, they shall take steps aimed at:

- Modernizing the public sector,
- Providing training in new administration techniques,
- Further or refresher training to increase mobility and allow reassignments required by administrative changes,
- Overhauling and improving budgetary planning methods,
- Providing technical assistance for social services: cooperation for economic and social planning.

3. The Contracting Parties shall accordingly arrange:

- Meetings of and visits from technical experts, seminars and training courses for civil servants at federal, State and municipal level,
- Interchange of information on programmes for the modernization of the civil service departments concerned.

## **Article 25. Cooperation In the Field of Information and Culture**

Within their respective powers the Contracting Parties agree to act jointly in the fields of information and communication in order to strengthen the cultural links which already exist between Brazil and the Member States of the Community.

These measures shall take the form, in particular, of:

- An appropriate interchange of information on issues of common interest,
- Preparatory studies and technical assistance for the preservation of the cultural heritage,
- Encouragement of cultural events and cultural and academic exchanges.

## **Article 26. Cooperation In the Field of Fisheries**

The Contracting Parties acknowledge the importance of achieving a convergence in their interests in the field of fisheries. They shall therefore endeavour to strengthen and develop cooperation in this regard by drawing up and implementing specific programmes, with the active participation of the economic operators concerned.

## **Article 27. Cooperation In the Field of Training**

The Contracting Parties shall implement vocational training programmes in sectors of mutual interest, taking account of new technologies in this field.

Such cooperation could take the form of:

- Targeted measures involving the sending of experts or individuals experienced in a particular trade to the partner country,
- Courses for trainers, civil servants or private-sector executive staff,
- Programmes for the interchange of know-how and techniques between institutions (in particular in statistics).

## **Article 28. Resources for Undertaking Cooperation**

In order to achieve the cooperation aims set out in this Agreement, the Contracting Parties shall undertake to make available, within the limits of their possibilities and through their own channels, the appropriate resources, including financial resources. In this connection, multiannual programming will be carried out and priorities determined, taking account of needs and of Brazil's level of development.

## **Article 29. Joint Committee**

1. The Contracting Parties decide to retain the Joint Committee established pursuant to the 1982 Cooperation Agreement. They also decide to retain the Subcommittee on Science and Technology established in 1987 and the Subcommittee on Industrial Cooperation established in 1989.

2. The Joint Committee shall:

- Ensure the proper functioning of this Agreement,
- Coordinate activities, projects and specific operations in relation to the aims of this Agreement and propose necessary means of implementing them,
- Study the development of trade and cooperation between the Contracting Parties,
- Make any recommendations required to promote the expansion of trade and intensify and diversify cooperation,
- Seek appropriate methods of forestalling problems which might arise in areas covered by the Agreement.

3. The Contracting Parties shall establish by agreement the agendas and dates and locations of Joint Committee meetings.

The Committee shall itself establish provisions concerning the frequency and location of its subsequent meetings, chairmanship, the establishment of subcommittees additional to those already in existence and other issues.

## **Article 30. Other Agreements**

1. Without prejudice to the provisions of the Treaties establishing the European Communities, neither this Agreement nor any action taken under it shall in any way affect the powers of the Member States of the Community to undertake bilateral activities with Brazil in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with Brazil.

2. Subject to the provisions of paragraph 1 concerning economic cooperation, the provisions of this Agreement shall replace the provisions of the agreements concluded between the Member States of the Community and Brazil where such provisions are either incompatible with or identical to the provisions of this Agreement.

## **Article 31. Territorial Application Clause**

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory of Brazil.

## **Article 32. Annex**

The Annex shall form an integral part of this Agreement.

## **Article 33. Entry Into Force and Tacit Renewal**

This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose. It is concluded for a period of five years. It shall be renewed tacitly on a yearly basis unless one of the Contracting Parties denounces it to the other Party in writing six months before the date of expiry.

## **Article 34. Authentic Texts**

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

## **Article 35. Future Developments Clause**

1. The Contracting Parties may by mutual consent expand this Agreement with a view to enhancing the levels of cooperation and supplementing them by means of instruments on specific sectors or activities.

2. Within the framework of the application of this Agreement, either of the Contracting Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its mutual implementation.

>REFERENCE TO A FILM>

EXCHANGE OF LETTERS between the European Economic Community and the Federative Republic of Brazil on maritime transport

A. Letter from the Community Sir,

We should be obliged if you would confirm that your Government is in agreement with the following:

When the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil was signed, the Parties undertook to address in the appropriate manner issues relating to the operation of shipping, particularly where the development of trade might be hindered. Mutually satisfactory solutions on shipping will be sought, while the principle of free and fair competition on a commercial basis is observed.

It has likewise been agreed that such issues should also be discussed by the Joint Committee. Please accept, Sir, the assurance of my highest consideration.

On behalf of the Council of the European Communities

B. Letter from the Federative Republic of Brazil Sir,

I have the honour to acknowledge receipt of your letter of today's date and confirm the agreement of my Government with the following:

'When the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil was signed, the Parties undertook to address in the appropriate manner issues relating to the operation of shipping, particularly where the development of trade might be hindered. Mutually satisfactory solutions on shipping will be sought, while the principle of free and fair competition on a commercial basis is observed.

It has likewise been agreed that such issues should also be discussed by the Joint Committee.' Please accept, Sir, the assurance of my highest consideration.

For the Government of the Federative Republic of Brazil