

# **FRAMEWORK AGREEMENT FOR COOPERATION between the European Economic Community and the Eastern Republic of Uruguay**

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

THE GOVERNMENT OF THE EASTERN REPUBLIC OF URUGUAY, of the other part,

CONSIDERING the traditional links of friendship between the Member States of the European Economic Community, hereinafter referred to as the Community, and the Eastern Republic of Uruguay, hereinafter referred to as Uruguay,

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

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

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

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

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

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

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

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

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

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

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

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

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

THE COUNCIL of the European Communities:

Piet DANKERT,

The Foreign Minister of the Kingdom of the Netherlands, President-in-Office of the Council,

Abel MATUTES,

Member of the Commission,

THE EASTERN REPUBLIC OF URUGUAY:

Hector GROS ESPIELL,

The Foreign Minister of the Eastern Republic of Uruguay,

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

HAVE AGREED AS FOLLOWS:

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

Cooperation ties between the Community and Uruguay and all the provisions of this Agreement are based on respect for the democratic principles and human rights which inspire the domestic and international policies of both the Community and Uruguay.

## **Article 2. Development of Mutual Relations**

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

## **Article 3.**

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

- (a) generally to step up and diversify their economic links;
- (b) to contribute to the development of their economies and standards of living;
- (c) to make use of new sources of supply and new markets;
- (d) to encourage the flow of investment and transfer of technology;
- (e) to promote cooperation between economic operators, particularly small and medium-sized enterprises;
- (f) to create new jobs, especially in the most disadvantaged sectors;
- (g) to protect and improve the environment;
- (h) to encourage rural development including an increase in agricultural and food production;
- (i) to support the southern common market (Mercosur) integration process;
- (j) to promote the development of depressed border areas.

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

- (a) energy and mining;
- (b) agriculture, fisheries and forestry;
- (c) management of natural resources;
- (d) industry, especially the capital goods and other industries connected with the sectors referred to in (a) and
- (b) and also support services;

- (e) economic and monetary affairs;
- (f) services including financial, banking and insurance services;
- (g) transport, telecommunications, telematics, tourism and other tertiary industries;
- (h) intellectual and industrial property;
- (i) standards, technical specifications and quality control.

### 3. Forms of cooperation

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

- (a) a continuous exchange of information, primarily by gaining access to existing databases or by setting up new ones;
- (b) the setting up of joint ventures;
- (c) the conclusion of licensing agreements and agreements on transferring technical know-how, subcontracting and representation;
- (d) cooperation between financial institutions;
- (e) concluding conventions between the Member States of the Community and Uruguay to prevent double taxation;
- (f) visits, meetings and activities for promoting cooperation between representatives of firms and economic organizations, and setting up appropriate machinery and institutions;
- (g) the organization of seminars and business weeks, arranging specialized fairs, exhibitions and symposia;
- (h) the encouragement of businesses from one Contracting Party to take part in fairs and exhibitions in the other;
- (i) the creation of networks of economic operators, particularly industrialists;
- (j) the promotion of consultancy and technical assistance services, in particular in the sphere of trade promotion and marketing.

## **Article 4.**

1. The Community and Uruguay undertake to establish cooperation on agriculture. The said cooperation will focus in particular on:

- (a) the scope for developing mutual trade flows in agricultural products;
- (b) health and plant health measures, and the consequences of these measures, which should not hinder trade but should take account of the interests of both Contracting Parties in terms of environmental, plant health and veterinary legislation.

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

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

## **Article 5.**

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

2. The Contracting Parties agree to examine ways of giving joint impetus to projects aimed at industrial redeployment to facilitate the smooth integration of Uruguay into the southern common market.

## **Article 6.**

1. The Contracting Parties undertake to cooperate on the protection and improvement of the environment, with

A view to solving the problems associated with water, soil and air pollution, erosion, desertification and deforestation, over-exploitation of natural resources and urban growth. They shall also encourage the productive conservation of forest and aquatic flora and fauna.

2. To this end, the Contracting Parties shall direct their

Efforts towards the following in particular:

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

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

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

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

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

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

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

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

## **Article 7. Investment**

The Contracting Parties agree:

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

(b) to improve the favourable climate for mutual investment between the Community Member States and Uruguay, particularly through agreements for the promotion and protection of such investment based on the principles of non-discrimination and reciprocity.

## **Article 8.**

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

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

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

(c) to foster the transfer of technology;

(d) to create links between the Parties research centres in order to solve jointly problems of mutual interest;

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

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

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

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

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

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

(d) protecting and improving the environment;

- (e) the efficient use of natural resources;
- (f) regional integration and cooperation in science and technology;
- (g) disseminating information and expertise in science and technology;
- (h) technological development in the spheres of agriculture, agro-industry and marine science;
- (i) links between higher education and research establishments and the productive sector.

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

- (a) joint research projects between the Parties research centres and other appropriate institutions;
- (b) training for scientists, particularly in the form of research periods in the research centres of the other Contracting Party;
- (c) the exchange of scientific information, particularly in the form of jointly organized seminars, working Meetings and conferences, bringing together scientists from both Parties.

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

## **Article 9. Trade Promotion**

The Contracting Parties undertake to develop and diversify trade flows to the highest possible degree, taking into account the economic situation of each of the Parties and granting each other the greatest possible facilities.

## **Article 10. Most-favoured Nation Treatment**

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

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

## **Article 11. Temporary Admission of Goods**

The Contracting Parties undertake to give consideration to granting exemption from duties and taxes for goods temporarily imported into their territory which are covered by the relevant international agreements and are intended for re-export.

## **Article 12.**

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

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

- (a) facilitating trade transactions between them as far as possible;
- (b) cooperating bilaterally and multilaterally with the aim of solving problems of joint interest, including problems relating to intellectual and industrial property, origin-related designations and commodities, semi-manufactures and finished products;
- (c) facilitating cooperation between their respective customs services, particularly in respect of vocational training, simplification of procedures and detection of infringements;
- (d) taking each others interests into account in relation to access to resources and the processing of these resources;
- (e) laying the foundations for improving the terms of access for their products to their respective markets;
- (f) setting up contacts between economic operators in order to diversify and increase the mutual trade flow;

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

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

(i) as far as possible taking into consideration the opinion of the other Contracting Party on measures likely to have an adverse effect on trade between them.

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

### **Article 13.**

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

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

(a) management and administration of social services;

(b) vocational training and job-creation programmes;

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

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

(e) drug abuse control and information campaigns.

### **Article 14. Cooperation on Public Health**

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

(a) management and administration of the relevant departments;

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

(c) developing vocational training programmes;

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

### **Article 15.**

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

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

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

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

### **Article 16. Cooperation on Information, Communication and Culture**

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

These activities shall include, in particular:

- (a) the exchange of information on topics of mutual interest;
- (b) preparatory studies and technical assistance for the preservation of the cultural heritage;
- (c) organization of cultural events;
- (d) cultural and academic exchanges;
- (e) translation of literary works.

## **Article 17. Cooperation on Tourism**

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

- (a) the exchange of officials and experts and also of information and technology;
- (b) the development of activities to stimulate tourist traffic;
- (c) back-up for training in hotel management and administration;
- (d) participation in fairs and exhibitions aimed at encouraging tourist traffic.

## **Article 18.**

1. Cooperation activities conducted within the framework of the Agreement shall include appropriate training aspects. However, the Contracting Parties shall also agree upon specific training programmes in spheres of mutual interest.
2. Such training action shall first and foremost be aimed at instructors, teachers and staff in positions of responsibility in firms, government departments, public services and other areas of economic and social activity. It may include promoting cooperation agreements between the Parties establishments, particularly those in the technical scientific and vocational training sectors.
3. Cooperation shall also comprise measures to develop training for supervisory staff holding positions of responsibility in the regional and subregional integration processes.

## **Article 19.**

1. Cooperation between the Contracting Parties may extend to action undertaken within the context of cooperation or integration agreements with third countries in the same region, provided that such action is compatible with those agreements.
2. Without discounting any sphere in advance, the following action shall be given particular consideration:
  - (a) cooperation on environmental issues at regional level;
  - (b) development of intra-regional trade;
  - (c) the strengthening of regional public and private sector institutions and support for common policies and activities;
  - (d) regional communications, particularly river transport;
  - (e) cooperation on health and plant health matters at regional and subregional levels;
  - (f) the transfer of Community experience in integration at regional and subregional levels.

## **Article 20. Resources for Undertaking Cooperation**

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

## **Article 21.**

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Uruguay. It

shall meet once a year, alternately in Brussels and Montevideo, on a date and with an agenda fixed by mutual agreement. Extraordinary meetings may be convened with the consent of both Parties.

2. The Joint Committee shall ensure the proper functioning of the Agreement and shall examine all issues arising from its application. In fulfilling this role, its main functions will be to:

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

(b) exchange views on any points of common interest regarding trade and cooperation, including future measures and the means available for putting them into effect;

(c) make recommendations for promoting the expansion of trade and for intensified cooperation, taking into account the need to coordinate the measures planned;

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

3. The Joint Committee may set up specialized subcommittees and working parties to assist it in the performance of its duties.

## **Article 22.**

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

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

## **Article 23. Territorial Application**

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

## **Article 24.**

1. The Contracting Parties may by mutual consent expand this Agreement with a view to increasing the levels of cooperation and supplementing them, each in accordance with its laws, by means of agreements on specific sectors or activities.

2. With respect to the application of this Agreement, either of the Contracting Parties may put forward suggestions for widening the scope of mutual cooperation, taking into account the experience gained in its execution.

## **Article 25.**

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose.

2. This Agreement is concluded for a period of five years. It shall be renewed on a yearly basis unless one of the Contracting Parties denounces it six months before the date of expiry.

## **Article 26. Annexes**

The Annexes shall form an integral part of this Agreement.

## **Article 27. Authentic Languages**

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

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Framework Agreement.

Done at Brussels on the fourth day of November in the year one thousand nine hundred and ninety-one.

For the Council of the European Communities

For the Government of the Eastern Republic of Uruguay