

FRAMEWORK AGREEMENT FOR COOPERATION
between the European Economic Community and the Republic of Paraguay

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE REPUBLIC OF PARAGUAY,

of the other part,

CONSIDERING the links of friendship between the Member States of the European Economic Community, hereinafter referred to as 'the Community', and the Republic of Paraguay, hereinafter referred to as 'Paraguay',

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

TAKING ACCOUNT of the points affirmed in the Rome Declaration of 20 December 1990, and the Luxembourg Communiqué concluded on 27 April 1991 between the Community, its Member States and the countries of the Rio Group,

CONSIDERING the readiness of the Community and its Member States to help address the social and economic problems confronting Paraguay as it returns to democracy,

TAKING ACCOUNT of their mutual interest in establishing contractual links in order to develop extensive cooperation in areas which are of key importance to social and economic progress, to step up and diversify trade and encourage the flow of investment,

TAKING ACCOUNT of the Community's new policy on cooperation with the developing countries of Latin America,

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,

WHEREAS Paraguay is engaged in a vast regional integration process together with Argentina, Brazil and Uruguay in the southern cone common market, hereinafter referred to as 'Mercosur', and whereas the Community intends to establish cooperation with each of those countries and with the new regional entity, aimed at providing support for the said integration process,

TAKING ACCOUNT of their membership or future membership of the General Agreement on Tariffs and Trade (GATT) and of the need to uphold and reinforce the rules for free and unhampered international trade,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

João de Deus PINHEIRO,

Minister for Foreign Affairs of the Portuguese Republic, President-in-Office of the Council of the European Communities,

Abel MATUTES,

Member of the Commission of the European Communities,

THE REPUBLIC OF PARAGUAY :

Alexis FRUTOS VAESKEN,

Minister for Foreign Affairs,

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 Paraguay and this Agreement in its entirety shall be based on respect for the democratic principles and human rights which inspire the domestic and external policies of both the Community and Paraguay.

*Article 2***Support for the democratic process**

1. The Contracting Parties consider the support that the Community can offer towards the consolidation of the democratic process in Paraguay to be crucial. In this regard, the Community reaffirms its readiness to help strengthen the democratic institutions of Paraguay to the extent of its powers and its ability.

2. The Parties likewise agree to devote special attention to encouraging, by appropriate measures, the return to Paraguay of persons obliged to leave it on political grounds.

*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) to promote diversification of the economy of Paraguay;
- (b) to strengthen and diversify the economic links between the Contracting Parties;
- (c) to contribute to the development of their economies and the improvement of their respective standards of living;
- (d) to open up new sources of supply and new markets;
- (e) to create conditions which favour the development of employment;
- (f) to encourage industrial and trade cooperation, particularly among small and medium-sized undertakings;
- (g) to assist the integration of the economy of Paraguay into Mercosur.

2. Without excluding any field from the outset, the Contracting Parties shall determine in which fields there will be economic and industrial cooperation between them, having regard to their respective aims, their mutual interest and their own ability.

Taking account of the above, cooperation will centre on the following:

- (a) services, including financial services, and tourism, transport and telecommunications;
- (b) intellectual and industrial property, regulations and standards;
- (c) the management of natural resources and, in particular, the conservation and efficient use of forest resources, including reafforestation;
- (d) environmental protection;
- (e) agriculture;
- (f) industry, mining and energy;
- (g) economic and monetary affairs.

3. Provision shall be made for the following, in particular:

- (a) conferences and seminars;
- (b) trade and industrial missions;
- (c) exploratory missions and missions concerned with investment and the promotion of joint ventures;
- (d) visits and meetings between economic operators;
- (e) the organization of business weeks and general and sector-based fairs;
- (f) the provision of the services of experts;
- (g) specific studies;
- (h) consultancy and technical assistance services;
- (i) cooperation between financial institutions;
- (j) the conclusion between the Member States of the Community and Paraguay of double taxation agreements;
- (k) the exchange of appropriate information, particularly access to existing or future databases;
- (l) the creation of networks of economic operators, particularly industrialists.

*Article 4***Agricultural cooperation**

1. Paraguay and the Community shall establish cooperation in agriculture. To this end they shall examine in a spirit of cooperation and good will:

- (a) the opportunities for increasing their trade in agricultural products;
- (b) health, plant health and environmental measures and their effects, to prevent them hindering trade, while taking into account the two Parties' legislation in this field.

2. The Community shall contribute to Paraguay's efforts to diversify its exports of agricultural products.

*Article 5***Industrial cooperation**

1. The Contracting Parties agree to promote the expansion and diversification of Paraguay's production in the industrial and service sectors, directing their cooperation activities at small and medium-sized undertakings, in particular, and encouraging steps to facilitate access on the part of those enterprises to sources of capital, markets and the appropriate technology. These steps may include the joint establishment of suitable machinery and institutions.

2. The Contracting Parties likewise agree to consider the possibility of promoting those projects which could help Paraguayan industry to integrate smoothly into Mercosur.

*Article 6***Cooperation regarding the environment**

1. The Contracting Parties undertake to cooperate on the protection and improvement of the environment in order to address the issues of water, soil and air pollution, erosion, desertification and deforestation, and the excessive exploitation of natural resources. They shall also encourage the productive conservation of the forest and aquatic flora and fauna, of watercourses and the conservation of tropical forests and national parks.

2. To this end, the Contracting Parties shall direct their efforts as regards the environment 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, regulations and standards;
- (c) research, training and information, and alerting public opinion;
- (d) the execution of studies and projects and the provision of technical assistance;
- (e) the organization of meetings, seminars, workshops, conferences and visits among civil servants, specialists, engineers, entrepreneurs and others fulfilling functions connected with the environment.

*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 further the favourable climate for mutual investment by the Community Member States and Paraguay, particularly through agreements for the promotion and protection of such investment on the basis of the principles of non-discrimination and reciprocity.

*Article 8***Cooperation on science and technology**

1. The Contracting Parties agree to support the promotion and development of Paraguay's scientific and technological capabilities.

This aim will be pursued by fostering and promoting cooperation of the widest possible scope between specialist bodies or firms of the Contracting Parties, in particular by establishing ties between the research centres of both Parties in order to resolve jointly problems of mutual concern.

2. Without excluding any area from the outset, the Contracting Parties shall together determine the spheres of their cooperation. These shall include the following, in particular:

- (a) strengthening research capabilities;
- (b) developing and managing policy on science and technology;
- (c) protection and improvement of the environment;
- (d) promoting efficient use of natural resources, in particular forest resources;
- (e) promoting regional integration and cooperation in science and technology;
- (f) disseminating information and expertise in science and technology.

3. The Contracting Parties will facilitate and encourage the introduction of measures aimed at achieving the objectives of cooperation between them, in particular:

- (a) joint research projects between the Parties' research centres and other appropriate institutions;
- (b) exchanges of scientific information, particularly through seminars, workshops, conferences, etc.;
- (c) support for the reintegration into Paraguay of scientists, engineers and specialists.

*Article 9***Most-favoured-nation treatment**

The Contracting Parties shall grant each other, in respect of their imports and exports of goods, most-favoured-nation treatment on the basis of the General Agreement on Tariffs and Trade.

*Article 10***Temporary importation 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 11***Trade cooperation**

1. The Contracting Parties agree 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. The Contracting Parties agree to examine ways and means of eliminating non-tariff and like barriers and, taking account of the work done by international organizations, they will commit themselves to a policy aimed at:

- (a) making trade transactions between them as easy as possible;
- (b) cooperating bilaterally and multilaterally on issues of common concern, including intellectual and industrial property, origin-related designations, commodities and manufactured and semi-manufactured products;
- (c) facilitating cooperation between their customs services in spheres including vocational training, the simplification of procedures and detection of infringements of customs rules;
- (d) taking each other's interests into account in relation to access to resources, the processing of such resources and market access for the products of the Contracting Parties;
- (e) bringing economic operators into closer contact in order to diversify and increase current trade flows;
- (f) examining, recommending and implementing trade promotion measures in the interests of expanding imports and exports;

- (g) seeking each other's opinion as far as possible on measures likely to have an adverse effect on trade between them.

*Article 12***Cooperation concerning government service**

1. The Contracting Parties shall cooperate in contributing to the modernization and rationalization of government service at national and regional levels, in particular with regard to the restructuring of central government.

2. To attain these objectives, the Contracting Parties shall endeavour to promote, *inter alia*:

- seminars, grants and training courses for civil servants and the staff of public institutions and government departments,
- improvement of the equipment of public institutions and government departments.

*Article 13***Cooperation on information, communication and culture**

1. Cooperation between the Contracting Parties shall encompass information and communication, taking account of the cultural dimension of their relations.

2. Such cooperation shall include the preservation of historic and cultural objects.

*Article 14***Training**

1. Cooperation established within the framework of the Agreement may include elements of necessary training.

2. Training will be targeted essentially at instructors and teachers or supervisory staff already in positions of responsibility in firms, government departments, public services and other areas of economic and social activity.

3. The Contracting Parties shall consider the possibility of introducing specific training programmes which help to strengthen Paraguay's democratic institutions.

*Article 15***Cooperation in the public health sector**

The Contracting Parties agree to cooperate in the field of public health, with the aim of raising the standard of living and quality of life, particularly in the most disadvantaged sectors.

In the interests of attaining these aims, the Parties undertake to conduct joint research, transfers of technology, and interchanges of experience and technical assistance, in particular including measures relating to the following :

- the management and administration of the departments with responsibility for this field,
- the organization of scientific meetings and exchanges of specialists,
- the undertaking of programmes of vocational training,
- programmes and projects for the improvement of health and social welfare in urban and rural areas.

Article 16

Cooperation in drug abuse control

1. The Contracting Parties undertake, in conformity with their respective laws, to coordinate and step up their efforts to prevent and reduce the production, trafficking and consumption of drugs.
2. Such cooperation shall include the following :
 - projects for training, education, health-promotion and rehabilitation of addicts, including projects for the reintegration of addicts into working life and society,
 - research programmes and projects,
 - measures to encourage alternative economic opportunities,
 - the exchange of all relevant information, including that relating to money laundering.
3. Financing for the operations referred to may be contributed by public and private institutions and national, regional or international organizations, in consultation with the Government of the Republic of Paraguay and the competent authorities of the Community and its Member States.

Article 17

Tourism

The Contracting Parties shall, in accordance with their laws, promote cooperation on tourism, which is to be achieved through specific measures focusing on :

- exchanges of officials and experts dealing with tourism, the interchange of information and statistics relating to this field and the transfer of technology,
- the development of activities to stimulate tourist traffic and investment in that field,
- the promotion of training schemes intended in particular to support hotel operation and management,

- joint participation in fairs and exhibitions aimed at increasing tourist flows.

Article 18

Regional cooperation and integration

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.
2. Without excluding any sphere of action, the following shall be given particular consideration :
 - (a) cooperation on environmental issues at regional level ;
 - (b) development of intra-regional trade ;
 - (c) the strengthening of regional institutions and support for the development of common policies and activities ;
 - (d) regional communications, notably waterways.

Article 19

Development cooperation

1. In order to consolidate and accelerate Paraguay's economic and social development, the Community will implement assistance operations in the context of the Community programmes for developing countries.
2. Particular importance shall be attached to rural development, notably integrated rural development, joint training schemes, action aimed at improving the food and employment situations, urban and rural housing and promoting grass-root organizations.

Article 20

Resources for 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

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Paraguay. It shall meet once a year, alternately in Brussels and Asunción, 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 see to the proper functioning of the Agreement and shall examine all issues arising from its application. In fulfilling this role, its main functions shall 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 programmes and the resources for them ;
- (c) make recommendations for promoting the expansion of trade and stepping up intensified cooperation, without neglecting 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

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 Communities to undertake bilateral activities with Paraguay in the field of economic cooperation with Paraguay or, where appropriate, to conclude new economic cooperation agreements with Paraguay.

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 Communities and Paraguay 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 by that Treaty and, on the other, to the territory of the Republic of Paraguay.

Article 24

Clause for future developments

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 regard 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 application.

Article 25

Entry into force and duration

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.

En fe de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Acuerdo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne aftale.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

Εἰς πίστωση τῶν ἀνωτέρω, οἱ υπογεγραμμένοι πληρεξούσιοι ἔθεσαν τὶς υπογραφές τους στὴν παρούσα συμφωνία.

In witness whereof the undersigned Plenipotentiaries have signed this Agreement.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente accordo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Overeenkomst hebben gesteld.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente acordo.

Hecho en Bruselas, el tres de febrero de mil novecientos noventa y dos.

Udfærdiget i Bruxelles, den tredje februar nitten hundrede og tooghalvfems.

Geschehen zu Brüssel am dritten Februar neunzehnhundertzweiundneunzig.

Έγινε στις Βρυξέλλες, στις τρεις Φεβρουαρίου χίλια εννιακόσια εννενήντα δύο.

Done at Brussels on the third day of February in the year one thousand nine hundred and ninety-two.

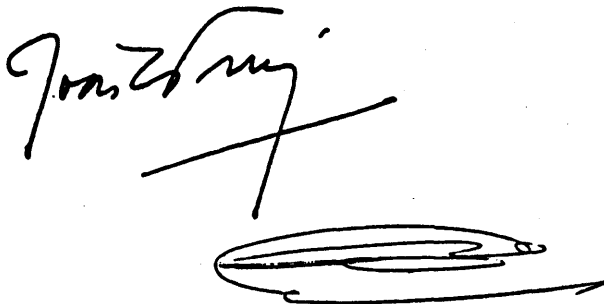
Fait à Bruxelles, le trois février mil neuf cent quatre-vingt-douze.

Fatto a Bruxelles, addì tre febbraio millenovecentonovantadue.

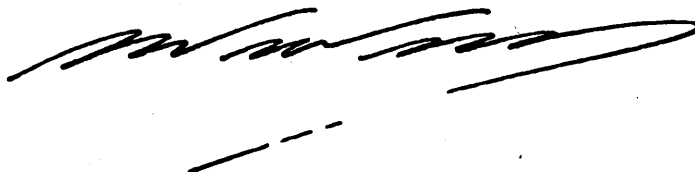
Gedaan te Brussel, de derde februari negentienhonderd tweeënnegentig.

Feito em Bruxelas, em três de Fevereiro de mil novecentos e noventa e dois.

Por el Consejo de las Comunidades Europeas
For Rådet for De Europæiske Fællesskaber
Für den Rat der Europäischen Gemeinschaften
Για το Συμβούλιο των Ευρωπαϊκών Κοινοτήτων
For the Council of the European Communities
Pour le Conseil des Communautés européennes
Per il Consiglio delle Comunità europee
Voor de Raad van de Europese Gemeenschappen
Pelo Conselho das Comunidades Europeias

A handwritten signature in dark ink, appearing to read 'J. G. ...', is written over a circular official stamp. The stamp contains some illegible text and a central emblem.

Por el Gobierno de la República del Paraguay
For regeringen for Republikken Paraguay
Für die Regierung der Republik Paraguay
Για την κυβέρνηση της Δημοκρατίας της Παραγουάης
For the Government of the Republic of Paraguay
Pour le gouvernement de la république du Paraguay
Per il governo della Repubblica del Paraguay
Voor de Regering van de Republiek Paraguay
Pelo Governo da República do Paraguai

A large, stylized handwritten signature in black ink, likely belonging to a representative of the Paraguayan government, is written over a horizontal line.

*ANNEX I***Exchange of Letters on maritime transport***Letter 1*

Sir,

When the Agreement on cooperation between the European Economic Community and Paraguay was signed, the Parties undertook to address in an 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, with due respect for the principle of free and fair competition on a commercial basis.

It has likewise been agreed that such issues should also be discussed by the Joint Committee.

I should be obliged if you would inform me whether your Government is in agreement with the above.

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

*On behalf of the
Council of the European Communities*

Letter 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date which reads as follows :

'When the Agreement on cooperation between the European Economic Community and Paraguay was signed, the Parties undertook to address in an 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, with due respect for the principle of free and fair competition on a commercial basis.

It has likewise been agreed that such issues should also be discussed by the Joint Committee.'

I have the honour to inform you that my Government is in agreement with the contents of your letter.

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

*For the
Government of the Republic of Paraguay*

*ANNEX II***Unilateral declaration by the Community on the Generalized System of Preferences**

The European Economic Community hereby reaffirms the importance which it attaches to the Generalized System of Preferences, set up by Resolution 21 (II) of the Second United Nations Conference on Trade and Development.

The European Community is prepared to examine any suggestions put to it by Paraguay in order to enable that country to make the maximum possible use of the generalized preferences scheme which the Community has implemented in accordance with the abovementioned Resolution.

Furthermore, in order to ensure that Paraguayan officials and economic agents are properly acquainted with the Community scheme, the Community will arrange information seminars in Paraguay.
