

# EUROPEAN PARLIAMENT

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*Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy*

FINAL  
**A5-0017/2003**

28 January 2003

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## **DRAFT RECOMMENDATION**

on the proposal for a Council decision on the conclusion of an Association Agreement between the European Community and its Member States of the one part, and the Republic of Chile, of the other part  
(13767/2002 - COM(2002) 536 – C5-0589/2002 – 2002/0239(AVC))

Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy

Rapporteur: José Ignacio Salafranca Sánchez-Neyra

***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases  
covered by Articles 105, 107, 161 and 300 of the EC Treaty and  
Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position  
majority of Parliament's component Members, to reject or amend  
the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

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## PROCEDURAL PAGE

By letter of 12 December 2002 the Council requested Parliament's assent pursuant to Article 300(3), second subparagraph, in conjunction with Article 310 of the EC Treaty on the proposal for a Council decision on the conclusion of an Association Agreement between the European Community and its Member States of the one part, and the Republic of Chile, of the other part (13767/2002 - COM(2002) 536 – 2002/0239(AVC)).

At the sitting of 29 January 2003 the President of Parliament announced that he had referred the proposal to the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy as the committee responsible (C5-0589/2002).

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy had appointed José Ignacio Salafranca Sánchez-Neyra rapporteur at its meetings of 23 January 2001.

It considered the proposal for a Council decision and the draft recommendation at its meetings of 22 and 28 January 2003.

At the latter meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Elmar Brok, chairman; Baroness Nicholson of Winterbourne, first vice-chairman; Geoffrey Van Orden, second vice-chairman; Christos Zacharakis, third vice-chairman; José Ignacio Salafranca Sánchez-Neyra, rapporteur, Ole Andreasen, Per-Arne Arvidsson, Alexandros Baltas, Rosa M. Díez González, Glyn Ford, Michael Gahler, Per Gahrton, Jas Gawronski, Vitaliano Gemelli (for Armin Laschet), Alfred Gomolka, Vasco Graça Moura (for Franco Marini), Ulpu Iivari (for Magdalene Hoff), Catherine Lalumière, Hanja Maij-Weggen (for Amalia Sartori), Cecilia Malmström, Miguel Angel Martínez Martínez (for Mário Soares), Emilio Menéndez del Valle, Philippe Morillon, Pasqualina Napoletano, Raimon Obiols i Germà, Jacques F. Poos, Jannis Sakellariou, Jacques Santer, Jürgen Schröder, Elisabeth Schroedter, Ioannis Souladakis, Ursula Stenzel, Ilkka Suominen, Charles Tannock, Maj Britt Theorin (for Hannes Swoboda), Johan Van Hecke (for Joan Vallvé), Demetrio Volcic, Karl von Wogau and Matti Wuori .

The recommendation was tabled on 28 January 2003.

## DRAFT LEGISLATIVE RESOLUTION

**European Parliament legislative resolution on the proposal for a Council (and Commission) decision on the conclusion of an Association Agreement between the European Community and its Member States of the one part, and the Republic of Chile, of the other part (13767/2002 -COM(2002) 536 – C5-0589/2002 – 2002/0239(AVC))**

**(Assent procedure)**

*The European Parliament,*

- having regard to the proposal for a Council decision (COM(2002) 536<sup>1</sup>),
  - having regard to the draft association agreement between the European Community and its Member States of the one part, and the Republic of Chile, of the other part (13767/2002),
  - having regard to the Council's request for Parliament's assent pursuant to Article 300(3), second subparagraph, in conjunction with Article 310 of the EC Treaty (C5-0589/2002),
  - having regard to Rules 86 and 97(7) of its Rules of Procedure,
  - having regard to the recommendation of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy (A5-0017/2003),
1. Gives its assent to the conclusion of the agreement;
  2. Instructs its President to forward its position to the Council and Commission, and the governments and parliaments of the Member States and its Member States and the Republic of Chile.

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<sup>1</sup> OJ L 352, 30.12.2002.

## EXPLANATORY STATEMENT

The Association Agreement between the European Union and Chile signed on 18 November 2002 is the outcome of ten rounds of negotiations, the last of which was concluded on 26 April 2002, enabling the agreement to be concluded at the summit of Heads of State and Government held in Madrid on 20/21 May, as requested by the European Parliament. Because of the strategic priority accorded to the agreement, it was possible to overcome the limitations set by the negotiating directives as regards the deadlines for concluding the agreement. According to the Commission itself, this is the most ambitious, innovatory and comprehensive agreement the EU has ever negotiated with a non-candidate country. It has described it as an agreement for the 21st century or a 'fourth generation plus' agreement. The agreement is in line with the ambitious aims for what is intended to be a genuine strategic bi-regional partnership between the European Union and Latin America, as proposed by the European Parliament in its resolution of 15 November 2001.

### 1. Assessment of the agreement from a regional perspective

Firstly, it is particularly significant that the most groundbreaking agreement the EU has so far concluded with any third country should be with a Latin American country. On the one hand, this reflects a deserved recognition of Chile's determined efforts to forge relations with third countries based on a process of mutual liberalisation that is wide-ranging and genuine. On the other hand, the new agreement is in itself an encouraging element in that it paves the way for the strategic bi-regional partnership agreed in Rio and endorsed at the recent Summit of Heads of State and Government held in Madrid in May. Support for this approach is offered by the fact that the signing of the Association Agreement with Mexico resulted in a substantial increase in bilateral trade between the EU and Mexico during the first months of the application of the agreement, as well as growing political cooperation between the EU and Mexico in international fora. Clearly, therefore the opportunities opened up by the signing of the agreement between the EU and Chile are extensive. Indeed, it is by no means insignificant that the signing of the agreement represented an initiative on the part of the Union, which now enjoys a position of advantage, having stolen a march on the United States, which has just concluded negotiations on a free trade area with Chile.

Secondly, there is no doubt that the signing of the new Association Agreement with Chile will provide an impetus for relations between the EU and Latin America as a whole, at a time when the region is experiencing serious difficulties. The crisis in Argentina, which led to a sharp drop in GDP, as well as a humanitarian emergency, prompted a widespread sense of crisis in the southern cone, as noted by Parliament in its resolution of 26 September. The political instability in Venezuela and other countries, the situation in Colombia, and the persistent levels of poverty in these countries (for example, 54% of the population of Peru lives below the poverty line, as President Alejandro Toledo pointed out at a formal sitting of the European Parliament) confirm the fact that Latin America requires greater efforts and support on the part of the Union in the form of human, political and budgetary resources, as urged by Parliament year after year, to enable the EU to perform the positive role in the region which its partners expect.

Furthermore, the Association Agreement with Chile is based on the three conventional basic pillars for this kind of agreement, namely political dialogue, trade and cooperation, with the economic and trade chapter being the most comprehensive so far signed by the Union.

### 2. Political dialogue between partners in response to the challenges of a globalised

## **world**

The great value of political dialogue is that it can establish an institutionalised framework for political debate between partners to enable them to respond jointly to the challenges of a globalised world. Article 1 of the agreement with Chile includes the democracy clause characteristic of agreements of this generation, whereby democratic principles and respect for human rights are considered essential aspects of the agreement and seen as a useful factor in political stability and human rights protection, including that of indigenous minorities, particularly the Mapuche people. With this in view, it seems especially appropriate to recommend application of the conclusions of the environmental impact study undertaken by the Commission. Article 15 of the agreement also includes important provisions on the fight against terrorism. In this connection, Parliament welcomes the Chilean Government's stated desire to approve the Rome Statute of the International Criminal Court and urges it to press ahead with the constitutional reforms needed to secure early ratification.

### **3. Almost total opening of both economies**

In the field of trade, the agreement introduces a lifting of tariff barriers going much further than WTO requirements. For industrial products, once the agreement enters into force, virtually all imports from Chile will be liberalised, with any outstanding ones to follow three years later. For agricultural products, the EU will gradually remove 97% of its tariffs on imports from Chile between the entry into force of the agreement and 1 January 2012. In addition, the agreement provides for extensive liberalisation in other sectors. These wide-ranging tariff reductions will undoubtedly enable Chile to reduce its current export dependence on a limited number of products.

The chapters on general and financial services entail the most extensive commitment to liberalisation ever given in bilateral trade negotiations, while, as far as investments are concerned, Chile has introduced the most open regime ever offered to a third country. As far as Europe is concerned, leaving aside its agreements with applicant countries, this is the first time that the EU has included provisions on access by investors in a bilateral agreement. It is important to note that this section includes a protocol on fisheries undertakings, which represents one of the major triumphs of the negotiating teams of both sides. There are also important agreements on wines and spirits, and a specific agreement on health and plant health matters.

### **4. Cooperation**

Attention should be drawn to the importance of the provisions on cooperation in the field of illegal immigration. With regard to the environment, the agreement sought to highlight the link between poverty and the environment as a top priority. When applying the various aspects of the agreement, the conclusions of the environmental impact study should be taken into account, while it is also to be welcomed that a study of this nature has been included for the first time in an agreement of this type.

## CONCLUSIONS

1. The recent Association Agreement between the Republic of Chile and the EU, its main trading partner, its main source of foreign investment and the main focus of its international cooperation activities, represents a crucial landmark in relations between the two parties and an important step in the right direction as regards relations between the EU and Latin America as a whole.
2. As far as political dialogue is concerned, the new agreement is essentially in line with the calls repeatedly made by Parliament for the establishment of a Europe/Latin America political and security partnership, entailing the adoption of a wider political agenda (the new agreement also covers cooperation in the fight against terrorism); for modernising the ministerial political dialogue, assigning an important role in monitoring it to civil society; and for updating the parliamentary dialogue, for which purpose the new agreement provides for the setting up of a joint parliamentary committee of the European Parliament and the National Congress of Chile which, in your rapporteur's opinion, will make it possible in due course to envisage some kind of Europe/Latin America Transatlantic Assembly.
3. Respect for human rights and democratic requirements rightly form an essential part of the new agreement as laid down in Article 1, together with the principles of promoting sustainable economic and social development and equitable distribution of the benefits of the new Association. In this connection, Parliament must undertake to monitor these mutual commitments carefully and ensure that the abovementioned principles are scrupulously observed.
4. With regard to trade, the new agreement with Chile represents a very important step towards fuller integration between the two regions, produced initially by the cumulative effect of a network of new association agreements similar to the current agreement, paving the way for a global interregional partnership that will provide institutional back-up and full geographical cover for the strategic bi-regional partnership between the European Union and Latin America, with the ultimate aim of achieving gradual and mutual bilateral and preferential liberalisation of trade in all kinds of goods and services between the two regions, in line with WTO rules.
5. With regard to cooperation, the new agreement is also in line with most of the calls previously made by Parliament regarding cooperation on the economy, science, technology and the information society, culture, education and audiovisual media and cooperation in the social sector.
6. The same is true essentially of the agreement's new provisions on readmission, control of illegal immigration and measures to combat drugs and organised crime.
7. In the light of the above, and bearing in mind that the agreement was approved by the Chilean National Congress on 14 January 2003, your rapporteur proposes that the committee vote in favour of and give its assent to the proposal for a Council decision on the conclusion of an Association Agreement between the European Community and its Member States of the one part, and the Republic of Chile, of the other part.