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COUNCIL

COUNCIL DECISION

of 18 July 1996

on the Exchange of Letters between the European Community and Chile concerning the provisional application of certain provisions of the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part

(96/504/EC)

THE COUNCIL OF THE EUROPEAN UNION,

HAS DECIDED AS FOLLOWS:

Article 1

Having regard to the Treaty establishing the European Community,

The Exchange of Letters between the European Community and Chile, which provides for the provisional application of certain provisions of the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, is hereby approved on behalf of the European Community.

Having regard to the proposal from the Commission,

The text of the Exchange of Letters is attached to this Decision.

Whereas the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, was signed by the Community and its Member States on 21 June 1996;

Article 2

The Commission shall represent the Community within the bodies referred to in Articles 35 and 37 of the Agreement referred to in Article 1.

Whereas the European Community and Chile undertook to establish procedures for the provisional application of certain provisions of the Agreement which deal with trade cooperation between the parties and the institutional framework for such cooperation;

Article 3

This Decision shall be published in the *Official Journal of the European Communities*.

Whereas pending the completion of the procedures required to bring the Agreement into force, the provisional application of the provisions in question will facilitate and promote closer trade relations between the European Community and Chile,

Done at Luxembourg, 18 July 1996.

For the Council

The President

C. BURLANDO

EXCHANGE OF LETTERS

between the European Community and Chile concerning the provisional application of certain provisions of the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part

Letter No 1

Sir,

I have the honour to refer to the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, signed on 22 June 1996.

Pending the entry into force of that Agreement, I would propose that the European Community and the Republic of Chile, if the legal system of the latter so permits, apply provisionally the provisions of that Trade Cooperation Agreement as set out in Articles 4 to 7 and 9 of Title III of the Agreement.

During the period of provisional application, the relevant provisions of the Framework Cooperation Agreement between the European Economic Community and the Republic of Chile, signed on 20 December 1990, will remain in force provided that they do not replicate or conflict with the provisions of the Agreement signed on 21 June 1996 which are applied provisionally.

I would propose, in addition, the provisional application of certain provisions concerning the setting-up of bodies to supervise the implementation of the Cooperation Agreement as set out in Articles 35, 37 and 38 of the Agreement signed on 21 June 1996.

The Joint Committee specified in Article 35 of that Agreement will be responsible for matters which fall within the scope of the Joint cooperation Committee set up under Article 17 of the Agreement signed on 20 December 1990.

The subcommittees and working groups set up under the 1990 Agreement will continue to perform the functions which fall within their scope.

Finally, I have the honour to propose that, if the foregoing points are accepted by Chile, this letter and its confirmation should together constitute an agreement between the European Community and Chile which would enter into force with effect from the date of your letter of confirmation.

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

On behalf of the Council of the European Union

Letter No 2

Sir,

I have the honour to acknowledge receipt of your letter of today's date concerning the provisional application of certain provisions of the Framework Cooperation Agreement leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part, signed on 21 June 1996, which reads as follows:

'Pending the entry into force of that Agreement, I would propose that the European Community and the Republic of Chile, if the legal system of the latter so permits, apply provisionally the provisions of that Trade Cooperation Agreement as set out in Articles 4 to 7 and 9 of Title III of the Agreement.

During the period of provisional application, the relevant provisions of the Framework Cooperation Agreement between the European Economic Community and the Republic of Chile, signed on 20 December 1990, will remain in force provided that they do not replicate or conflict with the provisions of the Agreement signed on 21 June 1996 which are applied provisionally.

I would propose, in addition, the provisional application of certain provisions concerning the setting-up of bodies to supervise the implementation of the Cooperation Agreement as set out in Articles 35, 37 and 38 of the Agreement signed on 21 June 1996.

The Joint Committee specified in Article 35 of that Agreement will be responsible for matters which fall within the scope of the Joint Cooperation Committee set up under Article 17 of the Agreement signed on 20 December 1990.

The subcommittees and working groups set up under the 1990 Agreement will continue to perform the functions which fall within their scope.

Finally, I have the honour to propose that, if the foregoing points are accepted by Chile, this letter and its confirmation should together constitute an agreement between the European Community and Chile which would enter into force with effect from the date of your letter of confirmation'.

I have the honour to confirm that the Government of Chile is in agreement with the contents of your letter.

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

For the Republic of Chile

Hecho en Florencia, el veintiuno de junio de mil novecientos noventa y seis.

Udfærdiget i Firenze, den enogtyvende juni nitten hundrede og seksoghalvfems.

Geschehen zu Florenz am einundzwanzigsten Juni neunzehnhundertsechsunneunzig.

Έγινε στη Φλωρεντία, στις είκοσι μία Ιουνίου χίλια εννιακόσια ενενήντα έξι.

Done at Florence on the twenty-first day of June in the year one thousand nine hundred and ninety-six.

Fait à Florence, le vingt et un juin mil neuf cent quatre-vingt-seize.

Fatto a Firenze, addì ventuno giugno millenovecentonovantasei.

Gedaan te Florence, de eenentwintigste juni negentienhonderd zesennegentig.

Feito em Florença, em vinte e um de Junho de mil novecentos e seis.

Tehty Firenzessä kahdentenakymmenentenäensimmäisenä päivänä kesäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

Som skedde i Florens den tjugoförsta juni nittonhundranittiosex.

Por la Comunidad Europea

For Det Europæiske Fællesskab

Für die Europäische Gemeinschaft

Για την Ευρωπαϊκή Κοινότητα

For the European Community

Pour la Communauté européenne

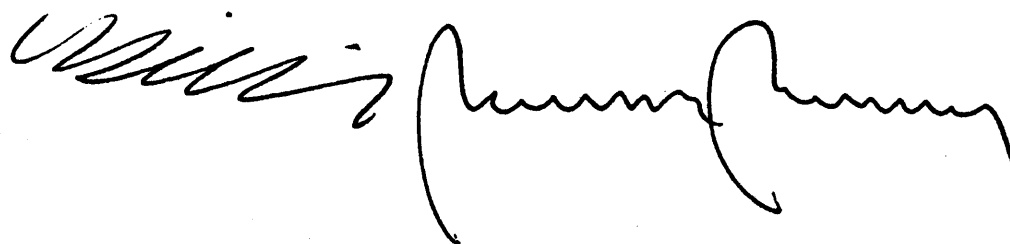
Per la Comunità europea

Voor de Europese Gemeenschap

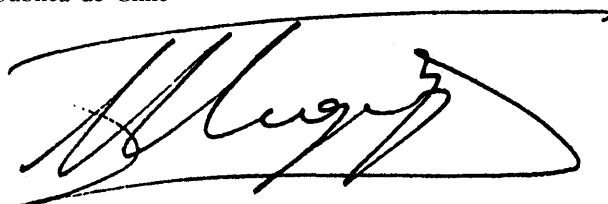
Pela Comunidade Europeia

Euroopan yhteisön puolesta

På Europeiska gemenskapens vägnar



Por la República de Chile



FRAMEWORK COOPERATION AGREEMENT

leading ultimately to the establishment of a political and economic association between the European Community and its Member States, of the one part, and the Republic of Chile, of the other part

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE REPUBLIC OF AUSTRIA,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Parties to the Treaty establishing the European Community and the Treaty on European Union, hereinafter referred to as the 'European Community Member States',

THE EUROPEAN COMMUNITY,

hereinafter, referred to as the 'Community',

of the one part, and

THE REPUBLIC OF CHILE,

hereinafter referred to as 'Chile',

of the other part,

CONSIDERING their common cultural heritage and the close historical, political and economic ties which unite them;

CONSIDERING the significant contribution towards strengthening all these ties made by the Framework Agreement for Cooperation between the European Economic Community and the Republic of Chile signed on 20 December 1990;

CONSIDERING their full commitment to respect for democratic principles and fundamental human rights as set out in the Universal Declaration of Human Rights;

CONSIDERING the importance which both Parties attach to the principles and values set out in the final Declaration of the World Summit for Social Development held in Copenhagen in March 1995;

MINDFUL of both Parties' desire to ensure sustainable development and also to conserve and protect the environment;

CONSIDERING their attachment to the market economy and reaffirming their willingness to maintain and strengthen the rules of free international trade in compliance with the rules of the World Trade Organization (WTO) and emphasizing, in particular, the importance of open regionalism;

CONSIDERING their mutual interest in establishing new contractual links in order to develop closer and more extensive cooperation, to expand and diversify trade and to increase flows of investment;

CONSIDERING the political will of both Parties to achieve the ultimate objective of a political and economic association between the European Community and its Member States and Chile founded on greater political cooperation and progressive and reciprocal liberalization of all trade, with due allowance for the sensitivity of certain products and in compliance with the rules of the World Trade Organization, and on investment promotion and closer cooperation;

MINDFUL of the terms of the Joint Declaration on political dialogue in which both Parties have agreed on closer political dialogue to promote more intensive consultation on matters of mutual interest, with a view to basing their relations on the above long-term aim,

HAVE DECIDED to conclude this Agreement:

TITLE I

NATURE AND SCOPE

Article 1

Basis of the Agreement

Respect for democratic principles and fundamental human rights as set out in the Universal Declaration of Human Rights is at the heart of both Parties' domestic and external policies and constitutes an essential element of this Agreement.

Article 2

Objectives and scope

1. This Agreement shall be aimed at strengthening existing relations between the Parties on the basis of reciprocity and mutual interest, paving the way for the progressive and reciprocal liberalization of trade, ultimately leading to the establishment of a political and economic association between the European Community and its Member States and Chile in conformity with the rules of the World Trade Organization (WTO) and with due allowance for the sensitivity of certain products.

2. To those ends, this Agreement covers political dialogue, trade and economic matters, cooperation and other matters of mutual interest, its objective being to forge closer relations between the Parties and their respective institutions.

TITLE II

POLITICAL DIALOGUE

Article 3

1. The Parties agree to institute regular political dialogue on bilateral and international matters of mutual interest. Such dialogue shall be conducted in accordance with the Joint Declaration, which shall form an integral part of this Agreement.

2. The ministerial dialogue provided for in the Joint Declaration shall take place within the Joint Council established by Article 33 of this Agreement or within other agreed fora of an equivalent level.

TITLE III

COMMERCIAL FIELD: TRADE COOPERATION AND PREPARATION FOR LIBERALIZATION OF TRADE

Article 4

Objectives

The Parties undertake to forge closer relations with the aim of increasing and diversifying trade, preparing for progressive and reciprocal liberalization of trade and creating conditions conducive to the eventual establishment of a political and economic association, in conformity with WTO rules and with due allowance for the sensitivity of certain products.

*Article 5***Dialogue on trade and economic matters**

1. The Parties undertake to hold regular political dialogue on trade and economic matters, within the institutional framework established by Title VII, in order to meet the Agreement's trade objectives and prepare the ground for the eventual liberalization of trade.

2. The Parties shall agree on the areas to be covered by trade cooperation without excluding any sector.

3. Such cooperation shall in particular focus on the following:

- (a) market access and liberalization of trade, the study and establishment of programmes for the reciprocal liberalization of trade, in particular the timetable and structure of negotiations, transitional periods, etc.;
- (b) tariff and non-tariff barriers, quantitative restrictions on imports and exports and measures having equivalent effect: analyses, studies and management, including quotas, administrative standards applied to external trade, anti-dumping duties, safeguard clauses, technical standards, health and plant health standards, mutual recognition of certification systems, etc.;
- (c) the Parties' tariff structure;
- (d) compatibility of trade liberalization with WTO rules;
- (e) identification of potential tariff reductions and elimination of quasi-tariff measures;
- (f) definition of sensitive products and products given priority by the Parties;
- (g) cooperation and exchange of information as regards the rendering of services, within the Parties' respective areas of responsibility, on transport, insurance and financial services;
- (h) monitoring of practices restricting competition;
- (i) rules of origin which promote the use of regional inputs with a view to encouraging integration.

*Article 6***Cooperation on standardization, accreditation, certification, metrology and conformity evaluation**

The Parties agree to cooperate on standardization, accreditation, certification, metrology and conformity evaluation.

Such cooperation shall take the form in particular of:

- (a) provision of technical assistance programmes for Chile on standardization, accreditation, certification and metrology to develop in these areas an appropriate system and structures compatible:
 - with international standards,
 - with the basic requirements of health and safety protection, plant and animal protection, consumer protection and environmental conservation;
- (b) cooperation for the purpose of facilitating, once an appropriate level of technology has been reached in the sectors concerned, the negotiation of a mutual recognition framework agreement;
- (c) cooperation on technical standards to facilitate market access.

*Article 7***Customs cooperation**

1. The Parties, acting within their respective areas of responsibility, shall promote customs cooperation with a view to improving and consolidating the legal framework for their trade relations.

A further objective of customs cooperation shall be to strengthen the Parties' customs arrangements and improve their operation within the framework of interinstitutional cooperation.

2. Such cooperation may take the form in particular of:

- (a) exchanges of information, taking into account the need to protect personal data;
- (b) development of new training techniques and coordination of activities within the relevant international organizations;
- (c) exchanges of officials and senior personnel from customs and tax departments;
- (d) simplification of customs procedures;
- (e) technical assistance.

3. The Parties affirm their intent to give future consideration, within the institutional framework established by this Agreement, to the conclusion of a mutual assistance protocol on customs matters.

*Article 8***Temporary importation of goods**

The Parties undertake to take account of relief from duties and taxes on temporary importation into their territory of goods covered by international agreements on such matters.

*Article 9***Cooperation on statistics**

The Parties agree to promote the approximation of statistical methods with a view to using, on a mutually acceptable basis, statistics on trade in goods and services and, in general, statistics in any area which lends itself to statistical processing.

*Article 10***Cooperation on intellectual property**

1. The Parties agree to cooperate on intellectual property matters in order to promote trade in goods and services, investment, technology transfer, dissemination of information, cultural and creative activities and related economic activities.

2. For the purposes of this Article, intellectual property shall in particular encompass copyright, including copyright for computer programmes and databases, and related rights, trade or service marks, geographical indications, including designations of origin, industrial designs and models, patents and integrated circuit topographies, data protection and prevention of unfair competition as defined in Article 10bis of the Paris Convention for the Protection of Industrial Property.

3. The Parties agree to guarantee, within their respective laws, regulations and policies, adequate and effective protection of intellectual property rights in accordance with the highest international standards laid down in the Agreement on aspects of trade-related intellectual property rights (Trips) concluded in the framework of the WTO, and, where necessary, to consider strengthening it, for example by concluding an agreement on the reciprocal protection and recognition of geographical indications and designations of origin.

4. Cooperation in this area may include technical assistance in the form of joint programmes and projects.

5. In the event of trade disputes connected with the protection of intellectual property, the Parties may hold consultations in order to settle any doubt or difficulty relating to the application of their respective rules on the protection of intellectual property rights.

6. In research and other joint scientific activities undertaken in the field of science and technology, the Parties shall agree on the intellectual property rules to be applied to their results.

*Article 11***Cooperation on public procurement**

1. The Parties agree to cooperate to ensure, on a reciprocal basis, open, non-discriminatory and transparent procedures for their respective government and public sector procurement at central, federal, regional, provincial and local level.

2. In order to attain this objective, the Parties agree to consider the possibility of concluding an agreement on access in these sectors to procurement, generating transparent and fair conditions subject to clear complaint procedures.

3. Cooperation between the Parties in this area shall include technical assistance in matters connected with the Agreement on Government Procurement (AGP).

4. The Parties shall consider the possibility of holding annual consultations on this sector.

TITLE IV

ECONOMIC COOPERATION

*Article 12***Objectives**

1. In the light of the achievements of the Framework Agreement for Cooperation between the Community and Chile of December 1990, both Parties undertake, under this Agreement, to consolidate and expand all areas of economic cooperation by cultivating synergies in productive activities, creating new opportunities and increasing economic competitiveness.

2. Economic cooperation between the Parties shall be as broad-based as possible, without excluding any sector *a priori*, and shall take account of the Parties' respective priorities, mutual interests and areas of responsibility.

3. The Parties shall give priority to cooperation fostering economic and social relations and networks between companies in such areas as trade, investment, technology, information or communication systems.

4. Within the framework of this cooperation the Parties shall promote the exchange of information which will serve as a basis for the regular monitoring of macroeconomic policies and balances and efficient market operation.

5. The Parties undertake, having regard, in particular, to the degree of liberalization achieved by Chile in the area of services, investment and scientific, technological, industrial and agricultural cooperation, to make a special effort to expand and consolidate cooperation in these areas.

6. The need to conserve the environment and ecological balances shall be taken into account by the Parties in any economic cooperation measures they undertake.

7. Any measures sponsored by the Parties in this field shall be guided by the principle of social development, and the promotion of fundamental social rights in particular.

Article 13

Industrial and business cooperation

1. The Parties shall promote industrial and business cooperation with the aim of establishing a climate conducive to economic development taking account of their mutual interests.

2. Such cooperation shall focus in particular on:

- (a) increasing trade flows, investment, industrial cooperation projects and technology transfer;
- (b) supporting industrial modernization and diversification;
- (c) identifying and eliminating obstacles to industrial cooperation between the Parties by means of measures which encourage respect for competition laws and help gear industry to market requirements, allowing for the participation and consultation of operators;
- (d) encouraging cooperation between economic operators on both sides, particularly small and medium-sized enterprises (SME);
- (e) promoting industrial innovation by developing an integrated and decentralized approach to cooperation among operators on both sides;
- (f) ensuring the overall consistency of measures which may have a positive influence on cooperation between businesses on both sides.

3. Such cooperation, which shall be based on a dynamic, integrated and decentralized approach, shall take the form in particular of:

- (a) encouraging closer organized contacts between businesses, particularly SME and economic operators on both sides which will provide them with an opportunity to identify and exploit areas of mutual

interest, paving the way for increased trade flows, investment and industrial and business cooperation projects in general, particularly by promoting joint ventures;

- (b) promoting business initiatives and cooperation projects which shall be identified through closer dialogue between Chilean and European operators' networks;
- (c) undertaking measures to support business cooperation, notably regarding industrial quality policies and industrial innovation, training and applied research, technology development and transfer.

Article 14

Cooperation on services

1. The Parties recognize the growing importance of services for their economic development. To this end they shall consolidate and step up cooperation in this sector, within their respective areas of responsibility and in accordance with the rules of the General Agreement on Trade in Services (GATS).

2. In terms of practical implementation of coordination the Parties shall identify the priority sectors in this area in order to ensure efficient use of available instruments.

Measures shall focus mainly on:

- (a) helping SME gain access to capital resources and market technologies;
- (b) promoting trade between the Parties and with the markets of third countries;
- (c) encouraging better and diversified productivity and competitiveness in this sector;
- (d) exchanging information on the rules, laws and regulations which govern trade in services;
- (e) exchanging information on the procedure for granting:
 - licences and certificates to professional service providers, and
 - recognition of professional qualifications;
- (f) developing the tourism sector, with a view to improving the exchange of information and know-how in order to promote a sustainable and ordered development of the tourist amenity. To this end, the Parties shall seek to encourage the development of human resources in this sector and joint operations in the fields of promotion and marketing.

*Article 15***Investment promotion**

The Parties shall help create, within their respective areas of responsibility, an attractive and stable environment for reciprocal investment.

Such cooperation shall take the form *inter alia* of:

- (a) arrangements for information, identification and dissemination relating to investment legislation and opportunities;
- (b) promoting the development of a legal environment conducive to investment between the Parties; if necessary, Chile and Community Member States could conclude bilateral agreements to promote and protect investment and bilateral agreements to prevent double taxation;
- (c) developing harmonized and simplified administrative procedures;
- (d) developing joint investment, in particular with SME on both sides.

*Article 16***Scientific and technical cooperation**

1. The Parties agree to cooperate in the field of science and technology in areas of mutual interest, taking account of their respective policies.

2. The aims of such cooperation shall be:

- (a) to encourage exchanges of information and know-how on science and technology, especially on the implementation of policies and programmes;
- (b) to promote sustainable relations between the two Parties' scientific communities;
- (c) to foster innovation in Chilean and European businesses;
- (d) to promote technology transfer.

3. Cooperation shall take the form in particular of:

- (a) joint research projects in areas of mutual interest, with the active participation of business where appropriate;
- (b) exchanges of scientists to promote research, project preparation and high-level training;
- (c) joint scientific meetings to promote the exchange of information, encourage interaction and identify areas where joint research might be undertaken;

(d) dissemination, where appropriate, of results and development of links between the public and private sectors;

(e) exchanges of know-how on standardization;

(f) evaluation of the activities concerned.

4. In terms of practical implementation of cooperation, the Parties shall encourage their respective higher education institutions, research centres and industrial sectors, in particular SME, to play an active role.

5. The Parties shall agree, without excluding any sector a priori, on the areas, scope, nature and priorities of this cooperation, by establishing a multiannual programme which can be adapted to circumstances.

*Article 17***Energy cooperation**

Cooperation between the Parties shall focus on fostering closer links between their economies in the sectors of renewable and non-renewable, conventional and non-conventional energies, and energy-saving technologies.

Cooperation shall in particular take the following forms:

- (a) exchanges of information in all appropriate forms, including the development of databanks to be shared by economic operators on both sides, training and joint conferences;
- (b) technology transfer;
- (c) preparatory studies and project implementation by the relevant institutions of both Parties;
- (d) the participation of economic operators from the two Parties in joint technological development or infrastructure projects;
- (e) where appropriate the conclusion of specific agreements in key areas of mutual interest;
- (f) aid to Chilean institutions dealing with energy matters and the formulation of energy policy;
- (g) technical training programmes.

*Article 18***Cooperation on transport**

1. Cooperation in this area shall be aimed essentially at:

- (a) support for the modernization of transport systems;
- (b) efforts to increase personal mobility, the movement of goods and access to the transport market;

- (c) promotion of operating standards.

2. Cooperation shall take the form in particular of:

- (a) exchanges of information on respective transport policies and on other topics of mutual interest;
- (b) training programmes for economic operators and senior public officials;
- (c) exchange of information on the installation of monitoring stations forming part of the infrastructure of the Global Navigation Satellite System (GNSS).

3. Acting within their respective areas of responsibility, laws and international undertakings, the Parties shall look at all aspects relating to international maritime transport services to ensure that they do not hamper the expansion of trade, paying particular attention to the maintenance of unrestricted access to markets on a commercial and non-discriminatory basis.

Article 19

Cooperation on the information society and telecommunication

1. The Parties recognize that advanced information and communication technologies are a key sector in modern society and are vital to economic and social development and the smooth transition to an information society.

2. Cooperation measures in this area shall focus in particular on:

- (a) dialogue on all aspects of the information society including telecommunications policy;
- (b) exchanges of information and any technical assistance required on regulations and standardization, conformity testing and certification for information and telecommunication technologies;
- (c) dissemination of new telecommunications and information technology and development of new advanced communication, services and information technology facilities;
- (d) promoting and undertaking joint research and technological or industrial development projects in the field of new information, communication, telematics and information society technologies;
- (e) providing and opportunity for Chilean institutions to take part in pilot projects and Community programmes, especially in the regional field, under the arrangements pertaining to the areas concerned;
- (f) interconnection and interoperability of telematic networks and services in the Community and Chile.

Article 20

Cooperation on environmental protection

1. The Parties undertake to develop cooperation to protect, improve and prevent degradation of the environment, control pollution and encourage the rational use of natural resources, in the interests of sustainable development.

The emphasis shall be on conservation of ecosystems, the integrated management of natural resources, the environmental impact of economic activities, the urban environment and depollution programmes.

2. Cooperation shall focus on:

- (a) projects to strengthen environmental structures and policies in Chile;
- (b) exchange of information and know-how covering various areas including the respective rules and standards;
- (c) environmental training and education;
- (d) technical assistance and the establishment of joint research programmes.

Article 21

Cooperation on the agricultural and rural sector

1. The Parties shall promote mutual cooperation in the agricultural and rural sector. To this end they shall examine:

- (a) measures to promote mutual trade in agricultural products;
- (b) environmental health and plant health measures and other related aspects, taking account of the legislation in force for both Parties, in compliance with WTO rules.

2. The Parties shall take measures such as the mutual exchange of information, technical assistance and scientific and technological experiments to promote agricultural development cooperation.

TITLE V

OTHER AREAS OF COOPERATION

Article 22

Objectives and scope

The Parties will maintain cooperation on social development, public administration, information and communication, training and regional integration with

particular emphasis on areas likely to contribute to the process of cooperation and to the eventual establishment of a political and economic association between the Parties.

Article 23

Financial and technical cooperation and cooperation on social development

1. The Parties reaffirm the importance of their financial and technical cooperation, which should be geared towards combating extreme poverty and generally assisting the most deprived sections of the community.

2. Such cooperation may take the form of pilot programmes in the following areas:

- (a) job creation and vocational training;
- (b) management and administration of social services;
- (c) rural development and housing and regional planning;
- (d) health and primary education;
- (e) support for the grassroots organizations in civil society;
- (f) programmes and projects which help to combat poverty through the creation of business and employment opportunities;
- (g) programmes to improve the quality of life, notably of the most deprived sections of the community.

Article 24

Cooperation on public administration and regional integration

1. The Parties shall support cooperation on public administration to promote the adjustment of administrative systems to open trading in goods and services between them.

2. In this context the Parties shall also work together to promote the administrative changes deriving from Latin American integration.

3. To this end, in support of Chile's objectives of administrative modernization, decentralization and regionalization, the Parties shall encourage cooperation within all institutions, drawing lessons from the instruments and policies of the European Community.

4. Cooperation shall be undertaken in particular through:

- (a) technical assistance to Chilean policy-making and executive bodies, essentially through contacts between staff of the European institutions and their Chilean counterparts;
- (b) regular exchange of information taking whatever form is appropriate, including the use of computer networks; personal data protection shall be guaranteed in all areas where data are to be exchanged;
- (c) transfers of know-how;
- (d) preliminary studies and implementation of joint projects;
- (e) training and institutional support.

Article 25

Interinstitutional cooperation

1. The Parties agree on the need to promote closer administrative cooperation between the institutions concerned.

2. Such cooperation shall be as broad-based as possible and shall focus in particular on:

- (a) any means of fostering regular exchanges of information, including joint development of computerized communication networks;
- (b) advice and training;
- (c) transfer of know-how.

Article 26

Cooperation on communication, information and culture

1. In view of Chile's very close cultural ties with the Member States of the European Community, the Parties have decided to intensify cooperation in this area and on communication and information.

2. Within the Parties' respective areas of responsibility, the aim of such cooperation shall be to promote:

- (a) meetings between senior information and communication representatives and, where appropriate, technical assistance;
- (b) greater exchanges of information on matters of mutual interest;
- (c) organization of cultural events;
- (d) activities - studies and training schemes - aimed at protecting the cultural heritage.

3. The Parties agree to promote the broadest possible cooperation in the audiovisual and press sector.

Article 27

Cooperation on training and education

1. The Parties shall identify, within their respective areas of responsibility, ways of improving primary education, youth training, vocational training and inter-university and inter-business cooperation. Particular emphasis shall be given to vocational training for the most deprived sections of the community.

2. The Parties shall place emphasis on measures designed to create permanent links between their specialized agencies which will encourage the pooling of technical resources and exchanges of know-how.

3. These projects shall be undertaken mainly through:

- (a) agreements between educational and training institutions;
- (b) meetings between bodies responsible for education and training.

4. A further objective of cooperation in this area shall be the conclusion of sectoral agreements on education, training and youth-related matters.

Article 28

Cooperation on combating drug trafficking

1. Within their respective areas of responsibility, the Parties shall coordinate their efforts and intensify their cooperation to prevent drug abuse and illegal trafficking in drugs, the misuse of chemical precursors and the laundering of profits from drug-trafficking. To this end the Parties shall coordinate their cooperation activities and areas at bilateral level and in international organizations and fora.

2. Such cooperation, which shall make use of specialized agencies in this area, shall focus on:

- (a) projects to train, educate, treat and rehabilitate drug addicts and programmes to prevent the illegal consumption of drugs;
- (b) joint research programmes;
- (c) training programmes for public officials on preventing and controlling drug trafficking, money laundering and on monitoring trade in essential chemical precursors, etc.;

(d) exchange of relevant information and adoption of appropriate measures to combat drug trafficking and money laundering, in the framework of multilateral agreements in force and the recommendations of the Financial Action Task Force on Money Laundering (FATF);

(e) prevention of the diversion of chemical precursors and other essential substances used for the illegal production of drugs and psychotropic substances. This prevention is based on the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the principles adopted by the Community and the relevant international authorities and on the recommendations of the Chemical Action Task Force (CATF).

3. The Parties may agree to extend such cooperation to other areas.

Article 29

Cooperation on consumer protection

1. The Parties agree that cooperation in this area should be aimed at refining their consumer protection systems and seeking, within their respective legislations, to make their systems compatible.

2. Cooperation shall focus mainly on:

- (a) exchange of information and experts;
- (b) organization of training schemes and provision of technical assistance.

Article 30

Cooperation on fishing

The Parties agree that, acting in compliance with international trade and environmental undertakings, cooperation in this area shall take the form of a regular dialogue to examine the possibility of establishing closer cooperation in the fisheries sector which could lead to a fisheries agreement.

Article 31

Triangular cooperation

The Parties, acknowledging the value of international cooperation for promoting equitable and sustainable development, agree to encourage triangular cooperation programmes with other countries in areas and sectors of mutual interest.

TITLE VI

COOPERATION METHODS

Article 32

1. In order to help attain the cooperation aims set out in this Agreement, the Parties undertake to make available, within the limit of their abilities and through their own channels, the appropriate resources, including financial resources.

2. The Parties shall call on the European Investment Bank to step up its activities in Chile in accordance with its own procedures and financing criteria.

TITLE VII

INSTITUTIONAL FRAMEWORK

Article 33

1. A Joint Council of the Framework Cooperation Agreement, hereinafter referred to as the 'Joint Council', is hereby established. It shall supervise the implementation of this Agreement and shall meet at ministerial level periodically and whenever circumstances require.

2. The Joint Council shall discuss important matters arising in connection with the Agreement and any other bilateral or international issues of mutual interest, with the aim of fulfilling the Agreement's objectives.

3. The Joint Council may also make appropriate proposals by agreement with both Parties. In carrying out its duties, the Joint Council shall be responsible in particular for making recommendations which contribute to the ultimate objective of political and economic association.

Article 34

1. The Joint Council shall be composed of Members of the Council of the European Union and Members of the European Commission, on the one hand, and Chilean representatives, on the other.

2. The Joint Council shall adopt its own rules of procedure.

3. The Joint Council shall be chaired in turn by a representative of each of the Parties.

Article 35

1. The Joint Council shall be assisted in the performance of its duties by a Joint Committee composed of Members of the Council of the European Union and Members of The European Commission, on the one hand, and of Chilean representatives, on the other.

2. The Joint Committee shall generally meet once a year, on a date and with an agenda agreed in advance by the Parties, in Brussels and Chile alternatively. Special meetings may be convened by mutual agreement. The office of chairman of the Joint Committee shall be held alternately by a representative of each of the Parties.

3. The Joint Council shall set out the Joint Committee's operating procedures in its own rules of procedure.

4. The Joint Council may delegate all or part of its powers to the Joint Committee. The latter shall provide continuity between its meetings.

5. The Joint Committee shall assist the Joint Council in the performance of its duties. In fulfilling these functions, the Joint Committee shall in particular:

- (a) foster trade relations in accordance with the objectives of this Agreement and in accordance with the provisions of Title III;
- (b) exchange opinions on future cooperation programmes and the resources available for their implementation and on any matter of mutual interest which relates to progressive and reciprocal liberalization of trade;
- (c) submit to the Joint Council proposals made by the Joint Subcommittee on Trade with the aim of cultivating preparations for the progressive and reciprocal liberalization of trade and proposals intended to bring about closer cooperation in this area; and
- (d) in general, make proposals to the Joint Council which will contribute to the ultimate aim of a political and economic association between the Parties.

Article 36

The Joint Council may decide to set up any other body to assist it in the performance of its duties and shall determine the body's composition, objectives and operating procedures.

Article 37

1. The Parties agree to establish a Joint Subcommittee on Trade which shall ensure that the trade-related

objectives set out in Article 5 are fulfilled and shall undertake the preparatory work for the progressive and reciprocal liberalization of trade.

2. The Joint Subcommittee on Trade shall be composed of representatives of the Council of the European Union and of the European Commission, on the one hand, and representatives of Chile, on the other.

3. The Joint Subcommittee on Trade may commission any studies or technical analyses which it deems necessary.

4. The Joint Subcommittee on Trade shall report at least once a year to the Joint Committee set up under Article 35 on the development of its work, and shall make proposals regarding the subsequent liberalization of trade.

5. The Joint Subcommittee on Trade shall submit its rules of procedure to the Joint Committee for approval.

Article 38

Consultation

Within their respective areas of responsibility, the Parties undertake to hold consultations on any matter covered by this Agreement.

The procedure for the consultations referred to above shall be laid down in the rules of procedure of the Joint Committee.

TITLE VIII

FINAL PROVISIONS

Article 39

Definition of the Parties

For the purposes of this Agreement, 'the Parties' shall mean the Community, its Member States or the Community and its Member States, within their respective areas of responsibility, as defined in the Treaty establishing the European Community, on the one hand, and the Republic of Chile, on the other.

Article 40

Future developments

The Parties may mutually agree to extend this Agreement with the aim of broadening and supplementing the scope and level of cooperation in accordance with their respective legislation, by concluding agreements on specific sectors or activities in the light of the experience gained during its implementation.

Article 41

Territorial application

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

Article 42

Duration and entry into force

1. This Agreement shall be valid indefinitely.

2. The Parties shall determine the suitability and timing of transition to political and economic association in the light of progress made under the Agreement in accordance with their own procedures and in the light of the work carried out and the proposals made within the institutional framework of this Agreement.

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

4. Notification shall be sent to the General Secretariat of the Council of the European Union which shall be the depositary for this Agreement.

5. On its entry into force this Agreement shall replace the Framework Agreement for Cooperation between the European Economic Community and the Republic of Chile signed on 20 December 1990.

Article 43

Fulfilment of obligations

1. The Parties shall adopt any general or specific measure required for them to fulfil their obligations under this Agreement and shall ensure that they comply with the objectives laid down in this Agreement.

If one of the Parties considers that the other Party has failed to fulfil an obligation under this Agreement it may take appropriate measures. Before doing so, except in cases of special urgency, it must supply the Joint Committee with all the relevant information required for the thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In this selection of measures, priority must be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the Joint Committee and shall be the subject of consultation in the Committee if the other Party so requests.

2. The Parties agree that the term 'cases of special urgency' in paragraph 1 of this Article means a case of material breach of the Agreement by one of the Parties. A material breach of the Agreement consists of:

- (a) denunciation of the Agreement not sanctioned by the general rules of international law;
- (b) violation of the essential elements of the Agreement referred to in Article 1.

under this Article, another Party may ask that an urgent meeting be called to bring the Parties together within 15 days.

Article 44

Authentic text

3. The Parties agree that the 'appropriate measures' referred to in this Article are measures taken in accordance with international law. If a Party takes a measure in a case of special urgency as provided for

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

Hecho en Florencia, el veintiuno de junio de mil novecientos noventa y seis.

Udfærdiget i Firenze, den enogtyvende juni nitten hundrede og seksoghalvfems.

Geschehen zu Florenz am einundzwanzigsten Juni neunzehnhundertsechsunneunzig.

Έγινε στη Φλωρεντία, στις είκοσι μία Ιουνίου χίλια εννιακόσια ενενήντα έξι.

Done at Florence on the twenty-first day of June in the year one thousand nine hundred and ninety-six.

Fait à Florence, le vingt et un juin mil neuf cent quatre-vingt-seize.

Fatto a Firenze, addì ventuno giugno millenovecentonovantasei.

Gedaan te Florence, de eenentwintigste juni negentienhonderd zesennegentig.

Feito em Florença, em vinte e um de Junho de mil novecentos e seis.

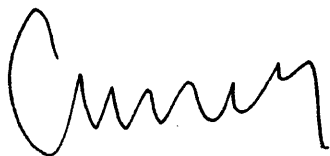
Tehty Firenzessä kahdentenakymmenentenäensimmäisenä päivänä kesäkuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

Som skedde i Florens den tjugoförsta juni nittonhundraettiosex.

Pour le royaume de Belgique

Voor het Koninkrijk België

Für das Königreich Belgien

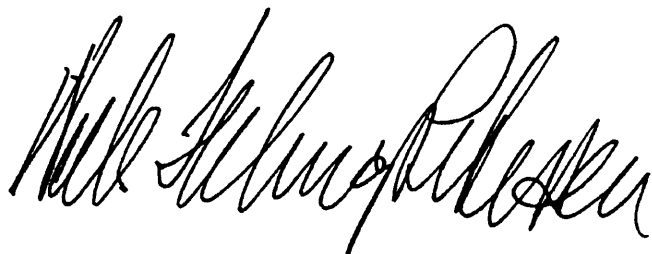


Cette signature engage également la Communauté française, la Communauté flamande, la Communauté germanophone, la Région wallonne, la Région flamande et la Région de Bruxelles-Capitale.

Deze handtekening verbindt eveneens de Vlaamse Gemeenschap, de Franse Gemeenschap, de Duitstalige Gemeenschap, het Vlaamse Gewest, het Waalse Gewest en het Brusselse Hoofdstedelijke Gewest.

Diese Unterschrift verbindet zugleich die Deutschsprachige Gemeinschaft, die Flämische Gemeinschaft, die Französische Gemeinschaft, die Wallonische Region, die Flämische Region und die Region Brüssel-Hauptstadt.

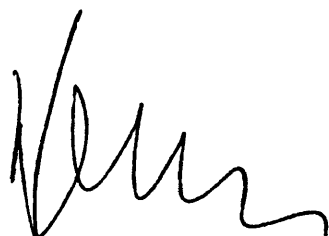
For Kongeriget Danmark



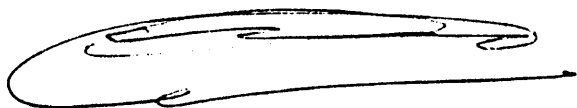
Für die Bundesrepublik Deutschland



Για την Ελληνική Δημοκρατία



Por el Reino de España

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Pour la République française

A stylized, cursive signature in black ink, featuring a vertical line on the left and a large loop on the right.

Thar ceann na hÉireann
For Ireland

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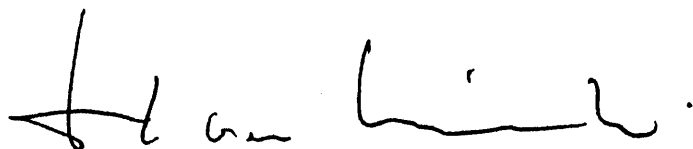
Per la Repubblica italiana

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Pour le grand-duché de Luxembourg

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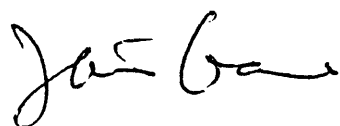
Voor het Koninkrijk der Nederlanden



Für die Republik Österreich



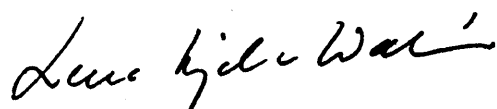
Pela República Portuguesa



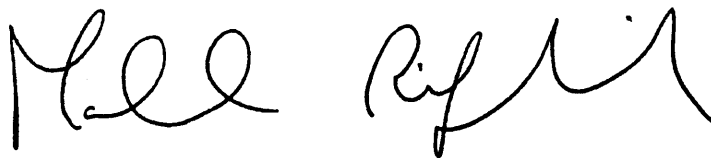
Suomen tasavallan puolesta
För Republiken Finland



För Konungariket Sverige



For the United Kingdom of Great Britain and Northern Ireland



Por la Comunidad Europea

For Det Europæiske Fællesskab

Für die Europäische Gemeinschaft

Για την Ευρωπαϊκή Κοινότητα

For the European Community

Pour la Communauté européenne

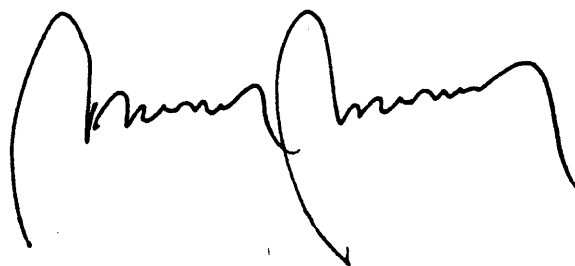
Per la Comunità europea

Voor de Europese Gemeenschap

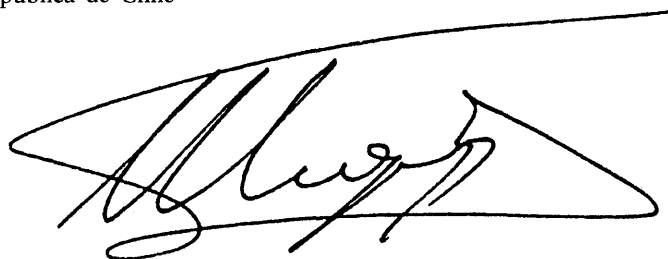
Pela Comunidade Europeia

Euroopan yhteisön puolesta

På Europeiska gemenskapens vägnar



Por la República de Chile



ANNEX

Joint Declaration on political dialogue between the European Union and Chile

1. PREAMBLE

The European Union and Chile,

- conscious of their common cultural heritage and the deep historical, political and economic ties which unite them,
- guided by their attachment to democratic values, and reiterating the fact that respect for human rights, the freedom of the individual and the principles of the rule of law, as the foundations of a democratic society, lie at the root of their domestic and foreign policies and of their joint undertaking,
- wishing to consolidate international peace and security in accordance with the principles set out in the United Nations Charter, and determined to apply the principles of preventing and peacefully resolving international disputes,
- declaring their interest in using regional integration to promote sustainable and harmonious development for their inhabitants, using as a foundation the principles of social progress and solidarity between their members,
- taking as a basis the special ties established by the Framework Cooperation Agreement between the European Community and Chile,

have decided to give relations between them a long-term perspective.

2. AIMS

Mindful of the conclusions adopted by the Council of the European Union on 17 July 1995 in the wake of the communication on the strengthening of relations between the European Union and Chile, the Parties reiterate their intention to enter into an agreement which will express their political will to achieve their ultimate goal of political and economic association.

To that end, the Parties have agreed to step up political dialogue in order to ensure that there is closer consultation in areas of common interest, primarily through coordination of the Parties' positions in the appropriate multilateral fora. Such dialogue could include other participants from the region or, where possible, be conducted simultaneously with other established forms of political dialogue.

3. DIALOGUE PROCEDURES

The Parties have agreed that political dialogue on bilateral and international issues of common interest should take the form of:

- (a) periodic meetings between the President of Chile and the highest authorities of the European Union; the Parties should decide on the procedure to be used;
- (b) periodic meetings between Foreign Ministers; the Parties should decide on the procedure to be used;
- (c) periodic meetings between other ministers to discuss matters of common interest in cases in which the Parties consider that such meetings will result in closer relations;
- (d) periodic meetings between senior officials of both Parties.

4. The European Union and Chile agree that this Joint Declaration should signal the beginning of closer and deeper relations.

COUNCIL DECISION

of 25 July 1996

concerning the conclusion of the Agreement on scientific and technical cooperation between the European Community and the State of Israel

(96/505/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130m, in conjunction with Article 228 (2), first sentence, and Article 228 (3) first subparagraph thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽¹⁾,

Whereas the Community and Israel are pursuing specific research programmes in areas of common interest;

Whereas on the basis of past experience under the 1975 Agreement between the European Economic Community and the State of Israel ⁽²⁾, both sides have expressed a desire to establish a deeper and broader framework for the conduct of collaboration in science and technology;

Whereas the State of Israel, on the one hand, and the European Community and its Member States, on the other hand, have signed a Euro-Mediterranean association agreement providing for the negotiation of a cooperation agreement in the field of science and technology;

Whereas by its Decision of 29 September 1994, the Council authorized the Commission to negotiate an agreement on scientific and technical cooperation between the European Community and the State of Israel;

Whereas by its Decision of 18 March 1996, the Council decided that the Agreement on scientific and technical

cooperation should be signed on behalf of the European Community;

Whereas the Agreement on scientific and technical cooperation was signed on 25 March 1996;

Whereas the Agreement on scientific and technical cooperation between the European Community and the State of Israel should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement on scientific and technical cooperation between the European Community and the State of Israel is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall, on behalf of the Community, give the notification provided for in Article 13 of the Agreement.

Done at Brussels, 25 July 1996.

For the Council

The President

H. COVENEY

⁽¹⁾ Opinion delivered on 19 July 1996 (not yet published in the Official Journal).

⁽²⁾ OJ No L 136, 28. 5. 1975, p. 1.

AGREEMENT

on scientific and technical cooperation between the European Community and the State of Israel

THE COUNCIL OF THE EUROPEAN UNION, acting on behalf of the European Community (hereinafter 'the Community'),

of the one part, and

THE GOVERNMENT OF THE STATE OF ISRAEL, acting on behalf of the State of Israel (hereinafter 'Israel'),

of the other part,

hereinafter referred to as the 'Parties',

CONSIDERING the importance of scientific and technical research for Israel and the Community and their mutual interest in cooperating in this matter in order to make better use of resources and avoid unnecessary duplication;

WHEREAS Israel and the Community are currently implementing research programmes in fields of common interest;

WHEREAS Israel and the Community have an interest in cooperating on these programmes to their mutual benefit;

CONSIDERING the interest of both Parties in encouraging the mutual access of their research entities to research and development activities in Israel on the one hand, and to the Community's framework programmes for research and technological development on the other;

WHEREAS, for this purpose, it is desirable that a framework be established to encompass the full extent of cooperation between Israel and the Community in the field of research;

WHEREAS the State of Israel, on the one hand, and the European Community and its Member States, on the other hand, have negotiated an agreement providing for the negotiation of a cooperation agreement in the field of science and technology;

WHEREAS, by Decision No 1110/94/EC, the European Parliament and the Council of the European Union adopted a Framework Programme of European Community activities in the field of research and technological development and demonstration (1994-1998), hereinafter called the 'Fourth Framework Programme';

WHEREAS, without prejudice to the relevant provisions of the Treaty instituting the European Community, this Agreement and any activities entered into under it will in no way affect the powers vested in the Member States to undertake bilateral activities with Israel in the fields of science, technology, research and development, and to conclude, where appropriate, agreements to that end,

HAVE AGREED AS FOLLOWS:

Article 1

1. Research entities established in Israel may participate in all the specific programmes of the Fourth Framework Programme.

2. Israeli scientists or research entities may participate in the activities of the Joint Research Centre.

3. Research entities established in the Community may participate in research programmes and projects in Israel in themes equivalent to those of the programmes of the Fourth Framework Programme.

4. 'Research entities' as referred to in this Agreement, shall include inter alia: universities, research

organizations, industrial companies, including small and medium-sized enterprises, or individuals.

Article 2

Cooperation may take the following forms:

- participation of research entities established in Israel in the implementation of all specific programmes adopted under the Fourth Framework Programme, in accordance with the terms and conditions laid down in the 'rules for the participation of undertakings, research centres and universities in research, technological development and demonstration activities of the European Community',
- financial contribution by Israel to the budgets of the programmes adopted for the implementation of the Fourth Framework Programme on the basis of the ratio of Israel's GDP to that of the Member States of the European Union,
- participation of research entities established in the Community in Israeli research projects and their results, in accordance with the terms and conditions applying in Israel in every case; research entities established in the Community participating in Israeli research projects within research and development programmes shall cover their own costs, including their relative share of the project's general management and administrative costs,
- regular discussions on the orientations and priorities policies and planning in Israel and the Community,
- discussions on cooperation prospects and development,
- timely provision of information concerning the implementation of RTD programmes in Israel and the Community, and concerning the results of work undertaken within the framework of cooperation.

Article 3

Cooperation may be achieved by the following means:

- participation in Community programmes or subprogrammes or joint research activities, and notably in shared costs research contracts, concerted actions, coordination activities, including thematic networks, education and training activities, studies and assessments,
- joint meetings,
- visits and exchanges and research workers, engineers and technicians,
- regular, sustained contacts between programme or project managers,

- participation of experts in seminars, symposia and workshops.

Article 4

Cooperation may be adapted and developed at any time by mutual agreement between the Parties.

Article 5

Research entities established in Israel, participating in Community research programmes, shall, as regards ownership, exploitation and dissemination of information and intellectual property arising from such participation, have the same rights and obligations as those of research entities established in the Community, subject to Annex A.

Research entities established in the Community, taking part in Israeli research projects within research and development programmes, shall, as regards ownership, exploitation and dissemination of information and intellectual property arising from such participation, have the same rights and obligations as those of Israeli research entities in the project in question, subject to Annex C.

Article 6

A joint committee shall be established, to be called the 'EC-Israel Research Committee', whose functions shall include:

- reviewing and evaluating the implementation of this Agreement,
- examining any measure of a nature to improve and develop cooperation,
- regularly discussing the future orientations and priorities of research policies and research planning in Israel and the Community, and the prospects for future cooperation,
- ensuring the proper implementation of this Agreement.

The committee, which shall be composed of representatives of the Commission and of Israel, shall adopt its rules of procedure.

It shall meet, at the request of the Parties, at least once a year. Extraordinary meetings shall be held at the request of one or the other of the Parties.

Article 7

1. Excluding the first budgetary year of implementation of the Community's Fourth Framework Programme (hereinafter 'the first year'), Israel's financial contribution deriving from participation in the implementation of the specific programmes shall be established in proportion to,

and in addition to, the amount available each year in the general budget of the Communities for commitment appropriations to meet the Commissions's financial obligations stemming from work to be carried out in the forms necessary for the implementation, management and operation of these programmes.

2. The proportionality factor governing Israel's contribution shall be obtained by establishing the ratio between Israel's gross domestic product, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union. This ratio shall be calculated on the basis of the latest statistical data from the International Bank for Reconstruction and Development, available at the time of publication of the preliminary draft budget of the European Communities.

3. The rules for financial participation by the Community are set out in Annex IV of Decision No 1110/94/EC of the European Parliament and of the Council, of 26 April 1994.

4. The rules governing Israel's financial contribution are set out in Annex B.

Article 8

1. Israeli representatives will participate in the programme management committees of the Fourth Framework Programme. These committees shall meet without the presence of Israeli representatives at the time of voting and otherwise only in special circumstances. Israel will be informed.

2. Participation as referred to in paragraph 1 of this Article shall take the same form, including procedures for receipt of information and documentation, as that applicable to participants from Member States.

Article 9

1. Without prejudice to the provisions of Article 5, research entities established in Israel participating in the Fourth Framework Programme shall have the same contractual rights and obligations as entities established in the Community, taking into account the mutual interests of the Community and Israel.

2. For Israeli research entities, the terms and conditions applicable for the submission and evaluation of proposals and those for the granting and conclusion of contracts under Community programmes shall be the same as those applicable for contracts concluded under the same programmes with research entities in the Community, taking into account the mutual interests of the Community and Israel.

3. Israeli experts shall be taken into consideration, alongside Community experts, in the selection of evaluators or referees under the Community's RTD programmes.

4. The financial coordinator of a project involving partners from both Israel and the Community must be established in a Member State of the European Union or in the EFTA State, Contracting Party to the Agreement on the European Economic Area. The scientific coordinator of such a project may be established in Israel.

5. Without prejudice to the provisions of Article 5, research entities established in the Community participating in Israeli research projects within research and development programmes shall have the same contractual rights and obligations as Israeli entities, subject to Annex C, taking into account the mutual interests of the Community and Israel.

6. For research entities from the Community, the terms and conditions applicable for the submission and evaluation of proposals and those for the granting and conclusion of contracts for projects within Israeli and development programmes shall be equivalent to those applicable for contracts concluded under the same research and development programmes with research entities in Israel, subject to Annex C, taking into account the mutual interests of the Community and Israel.

Article 10

Each Party undertakes, in accordance with its own rules and regulations, to facilitate the movement and residence of research workers participating, in Israel and in the Community, in the activities by this Agreement.

Article 11

Annexes A, B and C form an integral part of this Agreement.

Article 12

1. This Agreement is hereby concluded for the duration of the Fourth Framework Programme.

2. Subject to paragraph 1, either of the Contracting Parties may terminate this Agreement at any time upon twelve months' notice. Projects and activities in progress at the time of termination and/or expiry of this Agreement shall continue until their completion under the conditions laid down in this Agreement.

3. Should the Community decide to revise one or more Community programmes, this Agreement shall may be terminated under mutually agreed conditions. Israel shall

be notified of the exact content of the revised programmes within one week of their adoption by the Community. The Parties shall notify one another, within one more after the adoption of the Community decision, of any intention to terminate this Agreement.

4. Where the Community adopts a new multi-annual framework programme for research and development, this Agreement may be renegotiated or renewed under mutually agreed conditions.

Article 13

This Agreement shall be approved by the Parties in accordance with their existing procedures.

It shall enter into force on the date on which the Parties shall notify each other of the completion of the procedures necessary for this purpose.

Article 14

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

Article 15

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Hebrew languages, each of these texts being equally authentic.

Hecho en Bruselas, el veinticinco de marzo de mil novecientos noventa y seis.

Udfærdiget i Bruxelles, den femogtyvende marts nitten hundrede og seksoghalvfems.

Geschehen zu Brüssel am fünfundzwanzigsten März neunzehnhundertsechsunneunzig.

Έγινε στη Βρυξέλλες, στις είκοσι πέντε Μαρτίου χίλια εννιακόσια ενενήντα έξι.

Done at Brussels on the twenty-fifth day of March in the year one thousand nine hundred and ninety-six.

Fait à Bruxelles, le vingt-cinq mars mil neuf cent quatre-vingt-seize.

Fatto a Bruxelles, addì venticinque marzo millenovecentonovantasei.

Gedaan te Brussel, de vijfentwintigste maart negentienhonderd zesennegentig.

Feito em Bruxelas, em vinte e cinco de Março de mil noventa e seis.

Tehty Brysselissä kahdentenäkymmenentenäviidentenä päivänä maaliskuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

Som skedde i Bryssel den tjugofemte mars nittonhundranittiosex.

נעשה בכריסל ביום ה' לחודש ניסן התשנ"ו. שהוא יום 25

לחודש מרס אלף תשע מאות תשעים ושש.

Por la Comunidad Europea

For Det Europæiske Fællesskab

Für die Europäische Gemeinschaft

Για την Ευρωπαϊκή Κοινότητα

For the European Community

Pour la Communauté européenne

Per la Comunità europea

Voor de Europese Gemeenschap

Pela Comunidade Europeia

Euroopan yhteisön puolesta

På Europeiska gemenskapens vägnar

*Gianni Salvi
Edith Cresson*

בשם ממשלת מדינת ישראל

Opaim Halevy *יואב הלוי*

ANNEX A

PRINCIPLES ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS

I. Ownership, allocation and exercise of rights

1. The contractual arrangements agreed on by the participants under the rules set out to implement Article 130j of the Treaty establishing the European Community, shall address, in particular, the ownership and use, including publication, of information and intellectual property (IP) to be created in the course of joint research, taking into account the aims of the joint research, the relative contributions of the participants, the advantages and disadvantages of licensing by territory or for fields of use, requirements imposed by applicable laws, dispute settlement procedures, and other factors deemed appropriate by the participants. The rights and obligations concerning the research generated by visiting researchers, if any, in respect of IP shall also be addressed in the said arrangements.
2. In the implementation of this Agreement, as regards participation in the Fourth Framework Programme, information and IP shall be exploited in conformity with the mutual interests of the Community and Israel, and the contractual arrangements shall provide accordingly. In the case of information and IP generated in the execution of a project pursuant to the Fourth Framework Programme, the contractual arrangements shall provide also for the rights specified in Article 5 of the Agreement to be granted only concerning information and IP arising after the effective date of Israel's financial contribution.
3. Information or IP created in the course of joint research and not addressed in the contractual arrangements shall be allocated, according to the principles set out in the contractual arrangements, including dispute settlement. Where no binding decision is reached by the agreed dispute resolution technique chosen by participants, such information or IP shall be owned jointly by all the participants involved in the joint research from which the information or IP results. Failing agreement on exploitation, each participant to whom this provision applies, shall have the right to use such information or IP for his own commercial exploitation with no geographical limitation.
4. Each Party shall ensure that the other party and its participants may have the rights to IP allocated in accordance with the principles set out in Section I of this Annex
5. While maintaining the conditions of competition in areas affected by the Agreement, each Party shall endeavour to ensure that rights acquired pursuant to this Agreement and arrangements made under it are exercised in such a way as to encourage in particular:
 - (i) the dissemination and use of information created, disclosed, or otherwise made available, under the Agreement; and
 - (ii) the adoption and implementation of international standards.

II. International conventions

IP belonging to the Parties or to their participants shall be accorded treatment consistent with the relevant international conventions, including the Trips Agreement of the GATT-WTO, the Berne Convention (Paris Act 1971), and the Paris Convention (Stockholm Act 1967).

ANNEX B

**FINANCIAL RULES GOVERNING THE FINANCIAL CONTRIBUTION OF ISRAEL REFERRED TO
IN ARTICLE 7 OF THIS AGREEMENT****I. Determination of the financial participation**

- 1.1. The Commission of the European Communities shall communicate to Israel, and shall inform the EC-Israel Research Committee, together with relevant background material, as soon as possible, and at the latest on 1 September, of each financial year:

- (a) the amounts in commitment appropriations, in the statement of expenditure of the preliminary draft budget of the European Communities corresponding to the Fourth Framework Programme;
- (b) the estimated amount of the contributions derived from the preliminary draft budget, corresponding to the participation of Israel in the Fourth Framework Programme.

Nonetheless, in order to facilitate internal budgetary procedures, the Commission services shall provide corresponding indicative figures at the latest on 30 May of each year.

- 1.2. As soon as the general budget has been finally adopted the Commission shall communicate to Israel the above amounts in the statement of expenditure corresponding to the participation of Israel.

2. Payment procedures

- 2.1. The Commission shall issue, at the latest on 1 January and 15 June of each financial year, a call for funds to Israel corresponding to its contribution under this Agreement. These calls for funds shall provide, respectively, for the payment:

- of six-twelfths of Israel's contribution not later than 20 January,
- and six-twelfths of its contribution not later than 15 July.

However, the six-twelfths, to be paid not later than 20 January are calculated on the basis of the amount set out in the statement of revenue of the preliminary draft budget: the regularization of the amount thus paid shall occur with the payment of the six-twelfths not later than 15 July.

- 2.2. The contributions of Israel shall be expressed and paid in ECUs.

- 2.3. Israel shall pay its contribution under this Agreement according to the schedule in paragraph 2.1 above. Any delay in payment shall give rise to the payment of interest at a rate equal to the one-month interbank offered rate (IBOR) in ECU as quoted by the International Swap Dealers' Association on the page ISDA of Reuters. This rate shall be increased by 1,5 % for each month of delay. The increased rate shall be applied to the entire period of delay. However, the interest shall be due only if the contribution is paid more than thirty days after the scheduled payment dates mentioned in paragraph 2.1 above.

- 2.4. Travel costs incurred by Israeli representatives and experts for the purposes of taking part in the work of the committees referred to in Articles 8 and 9 of this Agreement and those involved in the implementation of the Fourth Framework Programme shall be reimbursed by the Commission on the same basis as and in accordance with the procedures currently in force for the representatives and experts of the Member States of the European Union.

3. Conditions for the implementation

- 3.1. The financial contribution of Israel to the Fourth Framework Programme in accordance with Article 7 of the Agreement shall normally remain unchanged for the financial year in question.

- 3.2. The Commission, at the time of the closure of the accounts relating to each financial year (n), within the framework of the establishment of the revenue and expenditure account, shall proceed to the regularization of the accounts with respect to the participation of Israel, taking into consideration modifications which have taken place, either by transfer, cancellations, carry-overs, decommitments, or by supplementary and amending budgets during the financial year. This regularization shall occur at the time of the second payment for the year n+1. Further regularizations shall occur every year until July 2002.

Payments by Israel shall be credited to the Community programmes as budget receipts allocated to the appropriate budget heading in the statement of revenue of the general budget of the European Communities.

The financial regulation applicable to the general budget of the European Communities shall apply to the management of the appropriations.

4. Information

At the latest on 31 March of each financial year (n+1), the statement of appropriations for the Fourth Framework Programme related to the previous financial year(n), shall be prepared and transmitted to Israel for information, according to the format of the Commission's revenue and expenditure account.

ANNEX C

1. The participation of research entities established in the Community in projects of Israeli research and development programmes shall require the joint participation of at least one Israeli research entity. Proposals for such participation shall be submitted jointly with the Israeli research entity/ies.
2. The rights and obligations of research entities established in the Community participating in Israeli research projects within research and development programmes, and the terms and conditions applicable for the submission and evaluation of proposals and for the granting and conclusion of contracts in such projects, shall be subject to Israeli laws, regulations and government directives governing the operation of research and development programmes, as well as national security constraints where applicable, as applicable to Israeli participants and assuring equitable treatment, taking into account the nature of the cooperation between Israel and the Community in this field.
3. Depending on the nature of the project, proposals may be submitted to:
 - (i) the Office of the Chief Scientist in the Ministry of Industry and Trade. Except for projects in the field specified in (ii) below, there are no predefined fields for projects in this research and development programme. Projects may be submitted in any field of industrial research and development;
 - (ii) the Office of the Chief Scientist in the Ministry of Industry and trade for proposals in the fields of pre-industrial projects within the framework of academic institutions;
 - (iii) the Ministry of Science and the Arts, for strategic research in the fields of Electro-optics, Micro-electronics, Biotechnology, Information Technology;
 - (iv) the Ministry of Agriculture — The Fund for the Encouragement of Agricultural Research;
 - (v) the Ministry of Energy in the fields of Energy and Earth Sciences;
 - (vi) the Ministry of Health in the field of medical research.

Israel shall regularly inform the Community and Israeli research entities of current Israeli programmes and participation opportunities for research entities established in the Community.

4. Any contractual arrangements between research entities established in the Community and Israeli entities, and/or between research entities established in the Community and Israeli government bodies shall take account of the provisions of this Annex.
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JOINT DECLARATION

On the occasion of the signing of the Agreement on scientific and technical cooperation the European Community and the State of Israel hereby confirm that the reference in Annex A, point I,1 to 'the rules set out to implement Article 130j of the Treaty establishing the European Community' makes the possible access by Israeli or Community entities to results emanating from projects pursuant to other international agreements to which either the Community or Israel are a party, contingent upon agreement of the other party or parties to such other international agreements.

Hecho en Bruselas, el veinticinco de marzo de mil novecientos noventa y seis.

Udfærdiget i Bruxelles, den femogtyvende marts nitten hundrede og seksoghalvfems.

Geschehen zu Brüssel am fünfundzwanzigsten März neunzehnhundertsechsunneunzig.

Έγινε στις Βρυξέλλες, στις είκοσι πέντε Μαρτίου χίλια εννιακόσια ενενήντα έξι.

Done at Brussels on the twenty-fifth day of March in the year one thousand nine hundred and ninety-six.

Fait à Bruxelles, le vingt-cinq mars mil neuf cent quatre-vingt-seize.

Fatto a Bruxelles, addì venticinque marzo millenovecentonovantasei.

Gedaan te Brussel, de vijfentwintigste maart negentienhonderd zesennegentig.

Feito em Bruxelas, em vinte e cinco de Março de mil novecentos e noventa e seis.

Tehty Brysselissä kahdentenakymmenentenäviidentenä päivänä maaliskuuta vuonna tuhatyhdeksänsataayhdeksänkymmentäkuusi.

Som skedde i Bryssel den tjugofemte mars nittonhundranittiosex.

נעשה בכריסל כיום ה' לחדש ניסן התשנ"ו, שהוא יום 25

לחדש מרס אלף תשע מאות תשעים ושש.

Por la Comunidad Europea

For Det Europæiske Fællesskab

Für die Europäische Gemeinschaft

Για την Ευρωπαϊκή Κοινότητα

For the European Community

Pour la Communauté européenne

Per la Comunità europea

Voor de Europese Gemeenschap

Pela Comunidade Europeia

Euroopan yhteisön puolesta

På Europeiska gemenskapens vägnar

Siggi Sabuni
Idith Gerson

בשם ממשלת מדינת ישראל

Orain Halevy *אורן הלוי*