

# Second Meeting of the European Union - Mercosur biregional negotiations committee

13-16 June 2000, Brussels, Belgium

## Final conclusions

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Negotiators from the Mercosur and the European Union met for the second time in the framework of the EU-Mercosur Biregional Negotiations Committee (BNC) during 13-16 June 2000 in Brussels. This meeting formed the second round of negotiations between the European Union and Mercosur, aiming at the conclusion of an Interregional Association Agreement between the European Union and the Mercosur. The negotiators established the following set of conclusions.

### 1. GENERAL DISCUSSIONS

An important exchange of information and opinions took place in the plenary session of the BNC, where negotiators from the European Union and Mercosur made opening statements that clearly reflected both sides' commitment to and confidence in the process of negotiations currently taking place between the two regions.

Following the opening of the meeting, various presentations were made on issues of interest to the Parties. The EU negotiators presented the current state of affairs as regards the common agricultural policy of the EU and the enlargement process. The Mercosur negotiators presented the current state of affairs as regards the Mercosur process of integration, in particular with regard to the services sector and public procurement. In addition, a number of presentations were made by the Parties concerning the agreements that each Party has with other third countries.

In the context of this second round of negotiations in the BNC, meetings also took place of the three technical groups that were established during the first meeting of the BNC in Buenos Aires. The results of these meetings will be described hereafter.

The Subgroup on Financial and Technical Co-operation, as established during the first BNC, also met during the second meeting of the BNC in Brussels and reached a set of conclusions that are described hereafter.

The European Union and Mercosur decided to hold a third round of negotiations, within the framework of the BNC during November 2000 in Brazil. The exact place and dates of the meeting and other arrangements will be agreed on through the regular diplomatic channels.

### 2. NEGOTIATIONS ON FUTURE POLITICAL DIALOGUE

During this BNC session a discussion took place on the legal framework of the political dialogue within the context of the future Interregional Association Agreement. The Parties agreed to continue this discussion and underlined the importance of this exercise.

The Parties agreed to undertake an exchange of texts, to be presented to the BNC during the third round of negotiations. The EU took note that Mercosur proposed the

realization of an ad hoc meeting at experts' level for a preliminary consideration of the legal framework of the future political dialogue.

Mercosur recalled the usefulness of organizing a meeting of high level officials, with a view to analysing the proposals on political co-operation that were presented by Mercosur to the European Union during the EU-Mercosur ministerial meeting in Vilamoura, Portugal, during February 2000. Both sides agreed that this proposal should be examined within the framework of the current political dialogue under the 1995 Interregional Framework Co-operation Agreement.

### **3. NEGOTIATIONS ON CO-OPERATION**

In the conclusions of the first round of negotiations, the Parties agreed that during each round of negotiations a different subgroup would meet with a view to defining the framework for co-operation in the future Association Agreement between the European Union and Mercosur.

During this second round of negotiations, the Parties decided to convene a meeting of the Subgroup No. 3 on Financial and Technical Co-operation.

Within the framework of this subgroup the Parties had a first exploratory discussion on the implications for the field of co-operation of the future Association Agreement. As such, by creating an association between the Parties that should replace the provisions of the 1995 Interregional Framework Co-operation Agreement, the area of co-operation could undergo a significant upgrading and enhancement to reflect the new association situation. The Parties agreed to continue this discussion during the next rounds of negotiations.

The Parties agreed that during the third round of negotiations the Subgroup No. 1 on Economic Co-operation will meet in the framework of the negotiations to discuss a number of issues that fall under its general orientations.

Further details on this field of co-operation are to be found in Annex 1.

### **4. NEGOTIATIONS ON TRADE ISSUES**

The three technical groups established at the first round met for the first time at the second round. In general terms, each group began to look at a broad range of issues which resulted in an improved mutual understanding of the experience gained under either integration process and clarification of the respective trade regimes.

- Information exchange

Substantial information was exchanged on issues of general interest to either side through the presentations at the Birregional Negotiating Committee on 13 June on the EC CAP, enlargement, Mercosur integration, association with Chile and Bolivia, and a number of free trade arrangements either side has concluded.

On information exchange by the three Technical Groups, both sides had submitted substantial packages of information requested by either side in advance, which will be subject to further analysis and follow-up questions where necessary. The exercise of exchanging and analysing specific information will be continued.

- Discussion on specific objectives

Both sides started to explore specific objectives. Mercosur submitted a proposal for specific objectives of negotiations in areas relevant for TG1, TG2 and TG3, which will be subject to further analysis. The EC will react with a submission in advance of the next round.

- Identification of non-tariff obstacles

The EC submitted an initial list of non-tariff obstacles with a view to identifying types of barriers to trade. Mercosur indicated it would provide such information by the end of July.

- Agenda and preparations next round

The agenda of the next round will include a continuation of the agenda established at the first round notably information exchange, discussion on specific objectives, and identification of non-tariff obstacles. In view of preparing that round, the following was agreed:

- By 30 June: both sides will exchange a list of names of experts in order to facilitate information exchange.
- By 31 July: information requests identified at the second round will be submitted.
- By 31 July: analysis of information submitted so far; and submission of follow-up questions;
- By 30 September: both sides will submit new information requested in follow-up questions, and the EC will submit a proposal regarding specific objectives.

On the Mercosur side, the exchange of information will be conducted by the Pro Tempore Presidency.

## **5. ANNEXES**

### **ANNEX 5.1.**

The general objective of the area of financial and technical co-operation is to offer European technical assistance to Mercosur with a view to reinforcing the development and the integration process of Mercosur and the integration process between Mercosur and other countries in Latin America.

The financial and technical co-operation shall comprise of co-operation in the following areas:

1. Modernization of the public administration
2. Institutional co-operation
3. Regional co-operation

#### **5.1.1. Modernization of the public administration**

Co-operation will be aimed at contributing to the efforts of both regions in adapting their systems of administration to the new reality of an Interregional Association between both Parties.

Given the Mercosur administrations' drive towards modernisation, decentralisation and regionalization, this co-operation could encompass overall organisational efficiency (the legislative and institutional framework), taking into account the experience of the European Community in this field.

The means of co-operation in this area will be:

- technical assistance to Mercosur, including meetings between staff of the European institutions and their Mercosur counterparts;
- regular exchanges of information taking whatever form is appropriate, including the use of informatics networks. Personal data protection will be ensured in all areas where data are to be exchanged;
- transfers of know-how;
- preliminary studies and joint project implementation, based on a proportional financial effort;
- training and organisational support.

#### **5.1.2. Institutional co-operation**

The main aim of institutional co-operation is to reinforce the process of deepening regional integration within the Mercosur and its common institutions.

The purpose of institutional co-operation between the Parties is to promote closer co-operation between the institutions of Mercosur and of the EU. This area of co-operation shall be defined and directed on the basis of the contributions of the bodies and of the institutions of the Community and of Mercosur.

The Community shall continue its existing co-operation, among others, with regard to the Secretaria Administrativa of Mercosur, the Comision Parlamentaria Conjunta of Mercosur and the Foro Consultativo Economico y Social of Mercosur.

Co-operation will be as broad as possible and will include:

- measures promoting regular exchanges of information;
- technical assistance;
- training;
- transfers of know-how.

The Parties may, by common agreement, include other additional fields of action.

#### **5.1.3. Regional co-operation**

The EC and Mercosur should use all existing co-operation instruments to promote activities aimed to develop an active and reciprocal co-operation within Mercosur and between Mercosur and other countries in Latin America.

This co-operation will be an important element in the European Community's support for the promotion of the regional integration of the Mercosur.

Priority will be given, in principle, to operations to:

- promote trade and investment in the region;
- developing regional co-operation on the environment;
- encouraging the development of the communications infrastructure required for the economic development of the region;
- encouraging the Parties to co-operate on regional development and land-use planning.