

THE GOVERNMENTS of Bolivia, Colombia, Ecuador, Peru, and Venezuela,

INSPIRED by the Declaration of Bogota and by the Declaration of the Presidents of America;

RESOLVED to strengthen the union of their people and to lay the foundations to advance towards the formation of an Andean subregional community;

AWARE that integration constitutes a historical, political, economic, social, and cultural mandate for their countries, in order to preserve their sovereignty and independence;

BASED on the principles of equality, justice, peace, solidarity, and democracy;

DETERMINED to attain such goals by creating an integration and cooperation system that tends towards a balanced, harmonious, and shared economic development of their countries;

AGREE, through their duly authorized plenipotentiary representatives, to enter into the following SUBREGIONAL INTEGRATION AGREEMENT:

CHAPTER I: OBJECTIVES AND MECHANISMS

Article 1

The objectives of this Agreement are to promote the balanced and harmonious development of the Member Countries under equitable conditions, through economic and social integration and cooperation; to accelerate their growth and the rate of creation of employment; to facilitate their participation in the process of regional integration, looking ahead toward the gradual formation of a Latin American Common Market.

Likewise, this Agreement seeks to reduce external vulnerability and to improve the position of the Member Countries within the international economic context; to strengthen subregional solidarity, and to reduce existing differences in the levels of development among the Member Countries.

The fulfillment of these objectives shall lead to an enduring improvement in the standard of living of the Subregion's population.

Article 2

Balanced and harmonious development shall lead to a fair distribution, among the Member Countries, of the benefits derived from integration so as to reduce existing differences among them. The results of such process shall be evaluated periodically, bearing in mind, among other things, their effects on the growth of each country's total exports, the behavior of its trade balance with the Subregion, the evolution of its gross national product, the creation of new jobs, and the formation of capital.

Article 3

To fulfill the objectives of this Agreement, the following mechanisms and measures, among others, shall be employed:

- a. The gradual harmonization of economic and social policies and the approximation of national laws in regard to pertinent matters;
- b. Common industrial policies, the intensification of the subregional industrialization process, the implementation of industrial policies, and other forms of industrial integration;
- c. A more advanced schedule of trade liberalization than the commitments derived from the Treaty of Montevideo 1980;
- d. A Common External Tariff, preceded by the adoption of a Common Minimum External Tariff;
- e. Programs that accelerate the development of agricultural and agroindustrial sectors;
- f. Channeling of internal and external resources to the Subregion to finance those investments that are needed in the integration process;
- g. Physical integration; and
- h. Preferential treatment given to Bolivia and Ecuador.

In addition to the mechanisms set out above, the following economic and social cooperation policies shall be carried out jointly:

- a. External actions in the economic field, in subjects of common interest;
- b. Programs to promote scientific and technological development;
- c. Border integration policies;
- d. Programs in the area of tourism;
- e. Policies for the use and preservation of natural resources and of the environment;
- f. Programs in the services sector;
- g. Social development programs; and
- h. Policies in the social communications field.

Article 4

To carry out this Agreement in the best way possible, Member Countries shall make the necessary efforts to seek adequate solutions to the problems derived from Bolivia's landlocked condition.

CHAPTER II: ON THE ANDEAN COMMUNITY AND THE ANDEAN INTEGRATION SYSTEM

Article 5

The "Andean Community" is hereby created, composed by the sovereign States of Bolivia, Colombia, Ecuador, Peru, and Venezuela, and by the bodies and institutions of the Andean Integration System, which is established by this Agreement.

Article 6

The Andean Integration System is made up of the following bodies and institutions:

The Andean Presidential Council;

The Andean Council of Ministers of Foreign Affairs;

The Commission of the Andean Community;

The General Secretariat of the Andean Community;

The Court of Justice of the Andean Community;

The Andean Parliament;

The Business Advisory Council;

The Labor Advisory Council;

The Andean Development Corporation;

The Latin American Reserve Fund;

The Simón Rodríguez Agreement, the Social Agreements which join the Andean Integration System, and those that are created within its framework;

The Simón Bolívar Andean University;

The Advisory Councils established by the Commission; and,

The rest of the bodies and institutions created within the framework of Andean subregional integration.