

Chapter 11

Cooperation, Promotion and Enhancement of Trade Relations

Article 118: General Objective

1. The objective of this Chapter is to establish a framework and mechanisms for present and future development of cooperative relations between the Parties.

2. Without prejudice to the possibility of extending the cooperation efforts to other areas, the Parties shall closely cooperate in areas aimed *inter alia* at:

- (a) promoting economic and social development;
- (b) strengthening the capabilities and competitiveness of the Parties in order to maximize the opportunities and benefits derived from this Agreement;
- (c) increasing the level and depth of cooperative activities and good practices among the Parties in areas of mutual interest, with special attention to economic, trade, financial, technological, educational and cultural aspects;
- (d) encouraging the presence of the Parties and their goods and services in their respective markets in Asia, the Pacific and Latin America;
- (e) stimulating productive synergies, creating new opportunities for trade and investment, and promoting competitiveness and innovation;
- (f) accomplishing a greater impact in scientific and technological knowledge transfer, research and development, innovation, and entrepreneurship;
- (g) increasing the export capabilities of the small and medium enterprises (hereinafter “SMEs”);
- (h) generating a greater and deeper level of supply chain linkages; and
- (i) promoting competition practices through cooperation mechanisms and technical assistance, in order to facilitate the prevention and/or elimination of anticompetitive practices.

3. No Party shall have recourse to Chapter 14 (Dispute Settlement) regarding any issue arising from or relating to this Chapter.

Article 119: Small and Medium Enterprises

1. Through the cooperation activities established in paragraph 2, the Parties shall support the enhancement of the competitiveness of SMEs and their insertion in international markets with the aim of strengthening their productive capabilities.

2. Cooperation shall include, among others, activities to:

- (a) design and execute mechanisms to encourage partnerships and development of productive linkages processes;
- (b) develop human resources and management skills to increase the knowledge of the Costa Rican and Chinese markets;
- (c) define and develop methods and strategies for the advancement of clusters;
- (d) increase access to information regarding promotion policies and financial support for SMEs;
- (e) promote research and development, transfer of technology and innovation;
- (f) support exporting SMEs through different mechanisms;
- (g) encourage partnerships and information exchanges between financial agents (credits, banks, guarantee organizations, angel networks and venture capital firms) in order to support SMEs;
- (h) strengthen institutional frameworks in order to create and operate SMEs;
- (i) support the participation of SMEs in fairs, commercial and trade missions and other mechanisms of promotion; and
- (j) strengthen business management capabilities for SMEs and entrepreneurs.

Article 120: Promotion of Innovation, Science and Technology

1. The Parties recognize the importance of promoting and facilitating cooperation activities in innovation, science and technology aimed at achieving a greater social and economic development, including different stakeholders.

2. Cooperation shall include, among others, activities to:

- (a) support the participation of public, private and social organizations, including universities, research and development institutions and

non-governmental organizations, in the execution of activities related with the areas mentioned in paragraph 1;

- (b) promote the exchange of specialists, researchers and professors with the aim of disseminating technical and scientific know-how and offering services in certain fields of science, technology and innovation;
- (c) implement joint or coordinated research and/or technological development activities;
- (d) exchange information on scientific and technological research;
- (e) develop joint cooperation activities in third countries, as may be agreed by the Parties;
- (f) exchange or share equipment and materials;
- (g) train scientists and technical experts;
- (h) organize seminars, workshops and conferences;
- (i) promote public/private sector partnerships in order to support the development of innovative products and services, the study of joint efforts to enter new markets, and the transfer of scientific and technological results into national productive systems;
- (j) facilitate the cooperation on academic networks; and
- (k) promote mutual assistance and exchange information and experiences in the field of information and communication technologies (ICTs) where mutual and complementary interests exist.

Article 121: Export Promotion and Attraction of Investments

1. With the aim of obtaining greater benefits from this Agreement, the Parties recognize the importance of supporting the existing programs related to export and investment promotion, and to launch new ones, as well as to enhance both Parties' investment climates.

2. Cooperation shall include, among others, activities to:

- (a) strengthen the export capabilities, through training and technical assistance programs;
- (b) establish and develop mechanisms related to market research, including exchange of information and access to international data bases, among others;

- (c) create exchange programs for exporters aiming to provide knowledge of the Chinese or Costa Rican market;
- (d) link national producers to international markets, through the promotion of productive linkages to the export activity;
- (e) promote greater participation of SMEs in exports;
- (f) support the export and investment promotion activities between the Parties;
- (g) strengthen the export and investment logistics;
- (h) support entrepreneurship activities as an instrument to strengthen the export capabilities and promote investment;
- (i) promote the implementation of research and development and technological and innovation programs, with the objective of increasing the export supply and encouraging investment;
- (j) promote joint venture mechanisms; and
- (k) promote simplified administrative procedures.

Article 122: Culture, Sports and Recreation Activities

1. The Parties recognize the importance and significance of culture, sports and recreation as a way of consolidating and promoting friendship among the Parties. In this framework, the Parties shall undertake cooperation in the following areas with the purpose of enhancing mutual understanding, fostering balanced exchanges and activities between individuals, institutions and organizations representing civil society.

2. Cooperation shall include, among others, activities to:

- (a) promote cultural and information exchanges;
- (b) encourage cultural, recreational and sports events;
- (c) establish cooperation between sports, cultural and recreational agencies, institutions and associations of both Parties;
- (d) promote the dissemination of cultural, sports and recreational activities;
- (e) promote the exchange of goods and services related to cultural, sports and recreational activities;
- (f) provide a platform for athletes to travel to, train and compete in the territory of the other Party;

- (g) support activities that raise awareness of artistic works;
- (h) promote the exchange of experiences with respect to conservation and restoration of national heritage, protection of archaeological monuments and cultural heritage;
- (i) encourage the exchange and training of professionals and technicians, including coaches, players, sports medicine personnel and special needs sports personnel;
- (j) exchange visits in order to review sports, cultural and recreational facilities and share experiences in the implementation, development, maintenance and operation of these facilities;
- (k) exchange of experiences on management of different sports disciplines; and
- (l) promote cooperation in the audiovisual and media sectors, through joint initiatives in training programs, as well as audiovisual development, production and distribution activities, including the educational and cultural fields.

Article 123: Agricultural Cooperation

1. The Parties recognize that agriculture constitutes a core activity for both Parties, and that enhancing this economic field will improve quality of life and social and economic development in their territories.

2. In order to accomplish these objectives, and in accordance with their domestic laws, regulations and relevant procedures, the Parties shall cooperate, among others, in activities to:

- (a) strengthen institutional capabilities of government agencies, research institutions, universities and businesses, in the areas of scientific investigation and transfer and validation of technologies including, among others, soil management and nutrition, irrigation and drainage, animal nutrition, horticulture under protected environments, traceability and safety, and bio fuels;
- (b) manage joint research projects in areas of mutual and complementary interests, as well as academic and business networks in the areas of agriculture and livestock;
- (c) develop and validate technologies for agriculture and livestock production of higher quality and lower environmental impact;
- (d) promote effective risk management in the agribusiness chains aiming to incorporate measures for adaptation and mitigation of climate change and variability;

- (e) transfer knowledge, technology, technical assistance and information services for sustainable land management and risk management for hydro meteorological phenomena;
- (f) create incentives and provide the information required in order to allow the exploitation of the markets by producers of agricultural, livestock and aquaculture goods produced through cleaner processes along the agricultural chains;
- (g) promote partnerships between public, private and academic sectors with the aim of supporting the development of innovative products and services, especially those related to the enhancement of productivity, competitiveness and the establishment of alliances to take advantage of trade opportunities in different agricultural and livestock production chains;
- (h) encourage capacity building, technology transfer, and research and development of agricultural and livestock biotechnology and bio-safety;
- (i) strengthen capabilities in plant genetic resources;
- (j) support, through market access, the production of non-traditional crops with a high level of biodiversity components;
- (k) strengthen seed technology capabilities;
- (l) strengthen public, private and academic capabilities for sustainable management of fisheries and aquaculture systems;
- (m) strengthen bilateral cooperation on sanitary and phytosanitary issues between each Party's relevant institutions with a view to facilitating access to each other's markets;
- (n) promote and manage services for the commercialization, logistics and marketing of agricultural products, livestock, aquaculture and processing products of agricultural origin;
- (o) promote the management and use of communication and information technologies for the modernization of agricultural and livestock public and private organizations; and
- (p) encourage strategies to promote undergraduate and graduate degrees, specialized training, research and training visits and the exchange of experiences between scientists, researchers and technical experts, among others.

Article 124: Management of Natural Disasters

Cooperation in the area of management of natural disasters shall include, among others, activities for:

- (a) monitoring, including methodology, vulnerability and risk indicators, early-warning, prevention, mitigation, response and rehabilitation and reconstruction capabilities of natural disasters;
- (b) responding to natural disasters and emergencies;
- (c) disseminating best practices, exchanging experiences and conducting training in the management of natural disasters; and
- (d) improving disaster risk reduction in all domestic policies, including post-disaster rehabilitation and reconstruction.

Article 125: Private Dispute Resolution¹⁷

The Parties recognize the importance of private dispute resolution as valuable mechanisms that enhance and promote predictability and certainty in trade relations among private parties. With this view and to the extent possible, cooperation shall include, among others, activities to:

- (a) encourage the use of private dispute resolution means, such as arbitration, for the settlement of international commercial disputes between private parties arising in the free trade area;
- (b) promote the subscription of cooperation agreements between institutions dedicated to the analysis of private dispute resolution mechanisms or the administration of these procedures; and
- (c) strengthen capacity building for the management of private cases of dispute settlement, including exchange of better practices, training, internships, consultancies, technical cooperation projects, among others.

Article 126: Competition

Cooperation in competition shall include, among others, activities to:

- (a) promote the implementation of enforcement mechanisms, including the notification, consultation and exchange of information between the authorities in charge of competition. In particular, to prevent or proscribe anticompetitive practices or economic concentration that discourages competition;

¹⁷ For greater certainty “private dispute resolution” shall be understood for Costa Rica as “alternative dispute resolution”, which is defined as “processes and mechanisms such as negotiation, mediation, conciliation, arbitration and others of the same nature between private parties”.

- (b) promote capacity building in the field of competition; and
- (c) promote the exchange of experiences, technical assistance and training of human resources, in order to strengthen and effectively enforce the competition laws in areas such as antitrust, merger and subsidies, competition advocacy, intellectual property, market access, jurisprudence, among others.

Article 127: Other Areas

The Parties may agree to cooperate in other areas of mutual interest other than the ones set out in this Agreement. Such areas may include, among others, education, health, traditional medicine and infrastructure. Cooperation in these areas shall be carried out through the relevant authorities of each Party and upon agreement.

Article 128: Mechanisms of Cooperation

1. In order to administrate this Chapter and to facilitate the management of cooperation activities, the Parties hereby establish a Committee on Cooperation (hereinafter, “the Committee”).
2. The Committee shall comprise representatives of the Ministry of Foreign Trade of Costa Rica (*Ministerio de Comercio Exterior*), the Ministry of National Planning and Economic Policy of Costa Rica (*Ministerio de Planificación Nacional y Política Económica*); and representatives of the Ministry of Commerce and relevant authorities of the People’s Republic of China; or their successors.
3. This Committee shall meet at least once every 3 years, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time upon request of either Party or the Commission.
4. This Committee shall have the following functions:
 - (a) oversee the implementation of this Chapter;
 - (b) encourage the Parties to undertake cooperation activities under the cooperation framework established in this Chapter;
 - (c) make recommendations on the cooperation modalities and activities under this Chapter, in accordance with the strategic priorities of the Parties; and
 - (d) review the operation of this Chapter and the application and fulfilment of its objectives between the relevant authorities, including but not limited to the relevant government agencies, research institutes, and universities in order to foster closer

cooperation in thematic areas; the review may be carried out through periodic reports from the Parties.

5. In order to implement cooperation activities, and in accordance with each Party's capabilities, the Committee may suggest to conduct cooperation through the following means:

- (a) technical assistance, exchange of experiences between experts, scientists, researchers, among others;
- (b) exchange of information, contact points and good practices in areas of mutual interest;
- (c) mutual access to academic, industrial and business networks;
- (d) implementation and identification of joint research projects with universities and research centres;
- (e) promotion of associations and companies of public and/or private sectors, for supporting the development of innovative products and services;
- (f) technology transfer in the areas of mutual interest;
- (g) design of models of technologic innovation based on public and/or private cooperation; and
- (h) seek resources to conduct the implementation of the objectives set out in this Chapter.