

CHAPTER V

Cooperation with other areas of economic integration

Article 26

Member countries shall undertake the actions necessary to establish and develop solidarity and cooperation links with other integration areas outside Latin America, through the Association's participation in horizontal cooperation programmes carried out at international level, thus implementing the basic principles and commitments adopted within the context of the Declaration and Action Programme on the establishment of a New International Economic Order and of the Charter of Economic Rights and Duties of States.

The Committee shall adopt adequate measures to facilitate compliance with the objectives set forth.

Article 27

At the same time, member countries may draw up partial scope agreements with other developing countries or respective economic integration areas outside Latin America, following the various modalities foreseen in the third section of Chapter II of the present Treaty, and under the terms of the pertinent regulative provisions.

Notwithstanding the above, these agreements shall be subject to the following rules:

- (a) Concessions granted by member countries participating in them shall not be extended to other members, with the exception of the relatively less developed countries;
- (b) When products already negotiated with other member countries in partial scope agreements are included, concessions granted may not be higher than those agreed with the former, and in such case they shall be automatically extended to those countries; and
- (c) They shall be declared consistent with the commitments undertaken by member countries within the frame of the present Treaty, in accordance with captions (a) and (b) of the present Article.

CHAPTER VI

Institutional organization

Article 28

The political bodies of the Association are:

- (a) The Council of Ministers of Foreign Affairs (referred to as the "Council" in this Treaty);
- (b) The Evaluation and Convergence Conference (referred to as the "Conference" in this Treaty); and
- (c) The Committee of Representatives (referred to as the "Committee" in this Treaty).

Article 29

The technical body of the Association is the General Secretariat (referred to as the "Secretariat" in this Treaty).

Article 30

The Council is the supreme body of the Association and shall adopt whatever decisions may correspond to the higher governing policy of the economic integration process.

The Council shall have the following powers:

- (a) To issue general rules aimed at a better compliance with the objectives of the Association, as well as at the harmonious development of the integration process;
- (b) To examine the results of the tasks carried out by the Association;
- (c) To adopt corrective measures of multilateral scope, following the recommendations adopted by the Conference as per terms of Article 33, caption (a), of the present Treaty;
- (d) To establish the guidelines to be followed by the other bodies of the Association in their tasks;
- (e) To set the basic rules to govern the relations of the Association with other regional associations, international organizations or agencies;
- (f) To review and update basic rules governing convergence and cooperation agreements with other developing countries and the respective areas of economic integration;
- (g) To take cognizance of questions submitted by the other political bodies and decide upon them;
- (h) To delegate upon the other political bodies the power to decide on specific matters aimed at a better compliance with the Association objectives;
- (i) To accept accession of new member countries;
- (j) To adopt amendments and additions to the Treaty as per precepts of Article 61;
- (k) To appoint the Secretary-General; and
- (l) To adopt its own Rules of Procedure.

Article 31

The Council shall be composed of the Ministers of Foreign Affairs of the member countries. However, when in some countries the competence of integration matters is assigned to a Minister or Secretary of State other than the Minister of Foreign Affairs, member countries may be represented at the Council, with full powers, by the respective Minister or Secretary.

Article 32

The Council shall meet and take decisions with the presence of all member countries.

The Council shall meet when convened by the Committee.

Article 33

The Conference shall have the following powers:

- (a) To examine the operation of the integration process in all its aspects and the convergence of partial scope agreements through their progressive multilateralization, as well as to recommend the Council the adoption of multilateral scope corrective measures;
- (b) To promote actions of broader scope regarding economic integration;
- (c) To periodically review the implementation of differential treatments, taking into account not only the evolution of the economic structure of the countries and consequently their degree of development, but also the effective use made by beneficiary countries of the applied differential treatment, as well as of the procedures aimed to improve the implementation of such treatments;
- (d) To evaluate the results of the system in favour of countries at a relatively less advanced stage of economic development and adopt measures for its more effective application;
- (e) To carry out multilateral negotiations to determine and deepen the regional tariff preference;
- (f) To foster negotiation and conclusion of regional scope agreements, wherein all member countries participate, which refer to any matter pertaining to the present Treaty, as per precepts of Article 6;
- (g) To comply with all the tasks entrusted to it by the Council;
- (h) To commend the Secretariat such studies as it deems convenient; and
- (i) To adopt its own Rules of Procedure.

Article 34

The Conference shall be composed of plenipotentiaries of member countries.

The Conference shall hold regular sessions every three years at the request of the Committee. It shall also meet at any other time in extraordinary session, when convened by the latter to deal with questions of its specific competence.

The Conference shall meet and take decisions with the presence of all member countries.

Article 35

The Committee is the permanent body of the Association and shall have the following powers and duties:

- (a) To promote the conclusion of regional scope agreements, under the terms of Article 6 of the present Treaty and, for that purpose, to convene governmental meetings at least once a year with the following aims:
 - (i) Give continuity to the activities of the new integration process;
 - (ii) Evaluate and guide the operation of the process;
 - (iii) Analyse and promote measures to attain more advanced mechanisms of integration; and

- (iv) Undertake sectoral and multisectoral negotiations with the participation of all member countries in order to reach regional scope agreements basically referred to tariff cuts;
- (b) To adopt the measures necessary to implement the present Treaty and all its supplementary rules;
- (c) To regulate the present Treaty;
- (d) To perform the tasks entrusted to it by the Council and the Conference;
- (e) To adopt the annual work programme of the Association and its annual budget;
- (f) To fix the contributions of member countries to the Association budget;
- (g) To adopt, as proposed by the Secretary-General, the structure of the Secretariat;
- (h) To convene the Council and the Conference;
- (i) To represent the Association before third parties;
- (j) To commend studies to the Secretariat;
- (k) To submit recommendations to the Council and the Conference;
- (l) To present reports on its activities to the Council;
- (m) To propose formulae to solve issues brought forth by member countries claiming non-observance of some of the rules or principles of the present Treaty;
- (n) To multilaterally assess partial agreements as may be drawn up by the countries under the terms of Article 25 of the present Treaty;
- (ñ) To declare the compatibility of partial agreements to be drawn up by member countries under the terms of Article 27 of the present Treaty;
- (o) To create auxiliary bodies;
- (p) To adopt its own rules of procedure; and
- (q) To take care of business of common interest not falling within the competence of the other bodies of the Association.

Article 36

The Committee shall be composed of a permanent representative of each member country with the right to one vote.

Each permanent representative shall have a deputy.

Article 37

The Committee shall meet and adopt resolutions with the presence of two thirds of the member countries' representatives.

Article 38

The Secretariat shall be headed by a Secretary-General and composed of technical and administrative staff.

The Secretary-General shall hold office for a period of three years and may be re-elected for an equal term.

The Secretary-General shall act in such capacity with respect to all the political bodies of the Association.

The Secretariat shall have the following powers and duties:

- (a) To submit proposals to the corresponding Association bodies, through the Committee, leading towards a better accomplishment of the objectives and duties of the Association;
- (b) To carry out the necessary studies to fulfil its technical duties and those entrusted to it by the Council, the Conference and the Committee, and to perform the other activities provided for in the annual work programme;
- (c) To carry out studies and actions leading to proposals to member countries, through their permanent representatives, regarding conclusion of the agreements foreseen by the present Treaty, within the guidelines established by the Council and the Conference;
- (d) To represent the Association before international economic organizations and institutions in order to deal with questions of common interest;
- (e) To administer the Association assets and represent it for such purposes in public and private law acts and contracts;
- (f) To request technical advice and cooperation of individuals and national and international organizations;
- (g) To propose the creation of auxiliary bodies to the Committee;
- (h) To process and furnish member countries, in a systematic and updated manner, statistical information and data on foreign trade regulation systems of member countries in order to facilitate the preparation and carrying out of negotiations within the various Association mechanisms, as well as the further utilization of the respective concessions;
- (i) To analyse on its own initiative, for all countries, or at the request of the Committee, compliance of agreed commitments, and evaluate legal provisions of member countries which directly or indirectly alter concessions granted;
- (j) To call meetings of non-governmental auxiliary bodies and coordinate their operation;
- (k) To periodically evaluate the progress of the integration process and permanently follow up the activities undertaken by the Association and the commitments resulting from the agreements achieved within the framework of same;
- (l) To organize and put into operation an economic promotion unit for relatively less developed countries and carry out actions to obtain technical and financial resources, as well as studies and projects to comply with the promotion programme. At the same time, to draw up an annual report on the advantages obtained from the system in favour of the relatively less developed countries;
- (m) To prepare the Association's expenditure budget, for approval by the Committee, as well as such subsequent reforms which might be necessary;
- (n) To prepare and present to the Committee the draft annual work programmes;
- (ñ) To engage, admit and dismiss technical and administrative staff, in accordance with the regulations ruling its structure;
- (o) To comply with requests received from any of the political bodies of the Association; and

(p) To present an annual report to the Committee on the results of the application of the present Treaty and the legal provisions derived therefrom.

Article 39

The Secretary-General shall be appointed by the Council.

Article 40

In the performance of their duties, the head of the technical body, as well as the technical and administrative staff, shall not seek or receive instructions from any Government or national or international organizations. They shall refrain from any attitude not consistent with their character as international officers.

Article 41

Member countries pledge themselves to respect the international nature of the duties of the Secretary-General and Secretariat staff or of its engaged experts and consultants, and to abstain from influencing them in the performance of their duties.

Article 42

Auxiliary bodies shall be established for consultation, assessment and technical support. In particular, one body shall be set up composed of officers responsible for the integration policy of member countries.

At the same time, consultative auxiliary bodies shall be set up composed of representatives of the various sectors of economic activity of each one of the member countries.

Article 43

The Council, the Conference and the Committee shall adopt their decisions by the affirmative vote of two thirds of the member countries.

Decisions on the following matters excepted from this general rule shall be adopted by a two-thirds affirmative vote, provided there is no negative vote:

- (a) Amendments or additions to the present Treaty;
- (b) Adoption of decisions corresponding to the higher governing policy of the integration process;
- (c) Adoption of decisions executing the results of multilateral negotiations to determine and deepen the regional tariff preference;
- (d) Adoption of decisions leading to give partial scope agreements a multilateral regional level;
- (e) Acceptance of accession of new member countries;
- (f) Regulation of the Treaty provisions;
- (g) Establishment of the percentages of member countries' contributions to the budget of the Association;
- (h) Adoption of corrective measures arising from the evaluations of the progress achieved within the integration process;
- (i) Authorization of a term of less than five years regarding obligations, in case of Treaty denouncement;
- (j) Adoption of guidelines to be followed by the Association bodies in their tasks; and

(k) Establishment of basic rules governing the relations of the Association with other regional associations, international organizations or agencies.

Abstention shall not mean a negative vote. Absence at the time of voting shall be interpreted as abstention.

The Council may eliminate subjects from this list of exceptions by the affirmative vote of two thirds of the member countries, provided there is no negative vote.

CHAPTER VII

General provisions

Article 44

Any advantages, favourable treatments, franchises, immunities and privileges which member countries apply to products originating from or bound to any other member country or non-member country, pursuant to decisions or agreements not foreseen in the present Treaty or the Cartagena Agreement, shall be immediately and unconditionally extended to the other member countries.

Article 45

Any advantages, favourable treatments, franchises, immunities and privileges already granted or to be granted under agreements between member countries or between these and third countries to facilitate border traffic shall be exclusively applicable to the countries which sign or may have signed them.

Article 46

As regards taxes, charges and other internal duties, products originating from the territory of a member country shall be entitled within the territory of the other member countries to a treatment not less favourable than that applied to similar national products.

Member countries shall adopt such steps as may be required to comply with the preceding provision, in accordance with their respective national constitutions.

Article 47

In the case of products included in the regional tariff preference or in regional or partial scope agreements which are not produced or will not be produced in substantial quantities in its territory, each member country shall endeavour to avoid that taxes or other internal measures applied result in annulment or reduction of any concession or advantage obtained by any member country as a result of the respective negotiations.

If a member country considers itself at a disadvantage by the measures contained in the preceding paragraph, it may resort to the Committee so that the situation raised may be examined and pertinent recommendations issued.

Article 48

Within the territory of other member countries, capitals originating from member countries shall have the right to a treatment not less favourable than that granted to capitals coming from any other non-member country, notwithstanding the provisions set out in agreements which might be concluded on this matter by member countries under the terms of the present Treaty.