

Codification of the Andean Subregional Integration Agreement (Cartagena Agreement)

(continuation)

Chapter XI: Physical Integration

Article 116. The Member Countries shall develop joint actions in order to improve the use of physical spaces, to strengthen the infrastructure and services that are necessary to promote the process of economic integration of the Subregion. This action shall be taken primarily in the fields of energy, transportation, and communications and shall cover the necessary measures for facilitating border traffic among the Member Countries.

To this end, the Member Countries shall seek to establish multinational entities or businesses when possible and desirable for assisting in the execution and administration of those projects.

Article 117. The Commission shall, at the General Secretariat's proposal, adopt programs in the fields referred to in the preceding Article in order to promote a continuous process aimed at expanding and modernizing the physical infrastructure and the transportation and communications services of the Subregion. These programs shall include insofar as possible, the following:

- a. The identification of specific projects for incorporation in the national development plans and an indication of the order of priority for their execution;
- b. The essential steps for financing the necessary preinvestment studies;
- c. The technical and financial assistance needs to ensure the execution of the projects; and
- d. The methods of joint action before the Andean Development Corporation and the international lending institutions to ensure that the required financial resources shall be provided.

Article 118. The Programs referred to in the foregoing Article, as well as the Programs and Projects of Industrial Integration, shall include measures of collective cooperation to adequately cover the essential infrastructure required for their execution and shall give special consideration to the situation of Ecuador and the landlocked situation of Bolivia.

Chapter XII: Financial Matters

Article 119. The Member Countries shall carry out actions and coordinate their policies regarding financial and payments matters, to the extent necessary to facilitate the attainment of the Agreement's objectives.

For that purpose, the Commission, at the General Secretariat's 昆納 proposal, shall adopt the following actions:

- a. Recommendations to channel the financial resources through the appropriate bodies, to meet the development requirements for the Subregion;
- b. Promotion of investments for the Andean integration programs;
- c. Financing of trade between the Member Countries and with countries outside the Subregion;
- d. Measures that facilitate the movement of capital within the Subregion and particularly the promotion of Andean multinational companies;

- e. Coordination of positions to strengthen the reciprocal payments and lending mechanisms within the framework of the ALADI;
- f. Establishment of an Andean lending and payments system that includes the Andean Reserve Fund, a common unit of accounting, lines of credit for trade, a subregional clearinghouse, and a system of reciprocal credits;
- g. Cooperation and coordination of positions with respect to external funding problems of the Member Countries; and
- h. Coordination with the Andean Development Corporation and the Andean Reserve Fund for the purposes described in the preceding subsections.

Article 120. If, as a result of the fulfillment of the Tariff Reduction Program of the Agreement, a Member Country experiences problems with its fiscal revenues, the General Secretariat may propose to the Commission, at the request of the country affected, measures for resolving those difficulties. In its proposals, the General Secretariat shall take into account the degrees of relative economic development of Member Countries.

Chapter XIII: Special Regime for Bolivia and Ecuador

Article 121. In order to gradually lessen the differences in development currently existing in the Subregion, Bolivia and Ecuador shall enjoy a special regime; this shall enable them to attain more rapid economic growth through effective and immediate participation in the benefits of the industrialization of the area and of the liberalization of trade.

To fulfill the aim of this Article, the bodies of the Agreement shall propose and take necessary measures, in accordance with its rules.

Section A. On the Harmonization of Economic Policies and the Coordination of Development Plans

Article 122. In harmonizing economic and social policies and coordinating the plans referred to in Chapter III, differential treatments and sufficient incentives shall be established to compensate for the structural weaknesses of Bolivia and Ecuador and to ensure that the essential resources for attaining the objectives envisaged for their benefit by the Agreement are mobilized and allocated.

Section B. On Industrial Policy

Article 123. When carrying out the Industrial Development Programs, Bolivia and Ecuador 錕網 situation shall be given special consideration in assigning, on a priority basis, the productions in their favor and the corresponding locations of the production facilities in their territories, specially through participation in the modes of industrial integration provided in Article 58. It shall also consider the development of a program for the integral industrialization of the natural resources of Bolivia and Ecuador.

Article 124. The Programs and Projects of Industrial Integration shall provide for exclusive benefits and effective preferential treatments for Bolivia and Ecuador to help them effectively take advantage of the subregional market.

Article 125. The General Secretariat, in proposing to the Commission the complementary measures envisaged in Article 69, shall provide for exclusive advantages and preferential treatment for Bolivia and Ecuador, when necessary.

The Commission, at the General Secretariat 錕網 proposal, shall adopt the measures that are necessary to ensure that the allocations granted to Bolivia and Ecuador, are effective and fully utilized, specially those aimed at strengthening commitments to respect the allocations made to those countries, to extend the time periods for the maintenance of the allocations, and to carry out the projects assigned in the Industrial Development Programs.

Section C. On Trade Policy

Article 126. To enable Bolivia and Ecuador to participate immediately in the benefits of the enlarged market, the Member Countries shall, in an irrevocable and exclusive manner, eliminate for them all levies and restrictions of all kinds on the importation of products originating in the territories of the two countries, in the terms provided in Articles 127 and 128.