EU/Chile Advanced Framework Agreement

2023/0260R(NLE) - 30/01/2024 - Committee report tabled for plenary, single reading

The Committee on Foreign Affairs and the Committee on International Trade adopted the interim report jointly presented by Samira RAFAELA (Renew, NL) and María Soraya RODRÍGUEZ RAMOS (Renew, ES) on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part.

Highlighting that Chile is a **key partner** for the EU in Latin America and the Caribbean and shares democratic values and many common interests with the EU, Members believe that the modernised EU-Chile Advanced Framework Agreement promotes common values and principles, has the potential to considerably strengthen cooperation between Chile and the EU, extend it to new areas and offer mutual support for tackling new global challenges.

Political dialogue and sectoral cooperation

The report stressed the importance of, in the context of the agreement:

- fighting against all kinds of human rights violations and of effectively eradicating any discrimination against indigenous people, migrant workers, people with disabilities and LGBTI people, among others, and any other vulnerable people;

- the protection of the rights of indigenous peoples, including the respect of the free, prior and informed consent of local communities and indigenous peoples;

- respecting and upholding social and environmental standards.

The report welcomed the fact that the Agreement provides for strengthened political cooperation on foreign and security matters amid geopolitical challenges, in particular as regards countering the proliferation of weapons of mass destruction. It pointed out that the Parties agreed to cooperate and exchange views in the areas of regular and irregular migration.

Members consider it important that the Agreement contains provisions on cooperation in the fight against organised crime and drug trafficking in order to ensure an integrated, evidence-based and effective approach.

They also welcomed the commitment to strengthen cooperation in the fight against the **climate crisis** and to effectively implement the Paris Agreement on Climate Change, as well as the protection of the environment and the sustainable management of natural resources.

Trade and investment pillar

The report welcomed the ambitious and comprehensive nature of the trade and investment pillar of the Agreement, which delivers on the priorities set out in Parliament’s recommendation of 14 September 2017. It noted that **99 % of tariff lines will be fully liberalised** and over 95 % of trade between the EU and Chile will be duty-free under the Agreement.

Members welcomed the fact that the chapter on **trade and sustainable development** (TSD) contains ambitious and binding commitments on environmental and labour standards. They underlined the

importance of an ambitious review to bring the agreements into line with the objectives of the EU Green Deal and the EU's TSD reform proposals, which would add provisions to enhance the enforcement mechanism of the TSD chapter, including the possibility to apply a compliance phase, and trade sanctions as a measure of last resort in cases of failure to comply with the Paris Agreement or the ILO's fundamental principles and rights at work.

The report welcomed the Parties' commitment to promote the development of international trade in a way that is conducive to **decent work for all**, in particular women, young people and people with disabilities, in line with their respective obligations under the ILO. It also welcomed the inclusion of a stand-alone dedicated chapter on trade and **gender**, the first of its kind in an EU trade agreement.

Members acknowledged the **elimination of tariffs on EU exports**, leaving 99.9 % of exports tariff-free. They recognised the efforts made on protecting sensitive EU agricultural products such as meat (beef, poultry, pig and sheep meat), certain fruits and vegetables (e.g. garlic, apple juice, grape juice) and olive oil by imposing limited and controlled access for highly sensitive products using TRQs, and excluding sugar and bananas from any trade liberalisation, with the aim of protecting EU production.

The report recognised that the Agreement protects a **further 216 EU agricultural geographical indications (GIs) and 18 Chilean GIs**, in addition to the existing agreements on wines and spirits, which protect 1745 EU GIs for wines and 257 EU GIs for spirits and aromatised wines.

The EU and Chili are encouraged to consider bilateral or multilateral cooperation in the **development of sustainable and environmentally responsible production practices** and the exchange of best practices in research, innovation and technological development. The Commission and Member States are urged to ensure a **level playing field** for all agricultural, fishery and aquaculture products marketed in the Union regardless of their origin, including those originating in Chile. Members welcomed the fact the Agreement contains a series of actions for both the EU and Chile in support of efforts to combat illegal, unreported and unregulated (IUU) fishing practices.

Members expect that the provisions on investment liberalisation and investment protection will further boost sustainable investments in both directions. They welcomed the dedicated chapter on **SMEs**, which account for a large proportion of EU-Chile trade.

The report emphasised Chile's leading role as a major supplier of **critical raw materials**, including those that are essential for the green and digital transitions, such as lithium and copper. The Chilean partners are commended for their commitment to cooperate with the EU on critical raw material supplies.

Lastly, Members called on the Commission and on the Chilean authorities to ensure the active and meaningful involvement of **civil society**, including NGOs, indigenous representatives, business representatives and trade unions, in the monitoring of the Agreement's implementation.