EU/Chile Advanced Framework Agreement

2023/0260(NLE) - 29/02/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 358 votes to 147, with 45 abstentions, a legislative resolution on the draft 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.

The European Parliament gave its consent to the conclusion of the Agreement.

The modernisation of the existing EU-Chile Association Agreement provides for two parallel legal instruments:

- 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, comprising: a) the political and cooperation pillar and b) the trade and investment pillar (including provisions on investment protection);

- and the **Interim Agreement** on trade between the European Union and the Republic of Chile, covering the liberalisation of trade and investment, which will cease to have effect and will be replaced by the Advanced Framework Agreement as soon as the latter enters into force.

The updated Agreement:

- provides for **stronger political cooperation** on foreign and security matters, deepens cooperation on sustainable development, environmental protection, climate change, sustainable energy, rule of law, human rights, women’s rights, responsible business conduct, and labour rights. It opens the door for joint efforts in public health, state modernisation, migration, non-proliferation, money laundering, financing of terrorism and cybercrime;

- includes the EU’s first stand-alone chapter on **trade and gender**, with both sides committing to eliminating discrimination against women, and a joint commitment not to weaken existing protection levels;

- **liberalises 96% of the agricultural tariff lines not yet liberalised on Chile's side and 66% on the EU side**, over a maximum of seven years, including existing tariff rate quotas for EU cheese and for Chilean processed cereals;

- **facilitates non-discriminatory access for EU companies to the Chilean energy markets**, including hydrogen. It will allow equal investment opportunities for EU companies and fair access to electricity grids. The deal will also ensure non-discriminatory access to raw materials such as lithium and copper.

- protects 216 **geographical indications** (GIs) from the EU in Chile and 18 GIs from Chile in the EU;

- contains state-of-the-art chapters on **investment and services**, which ensure that European investors will be given the same treatment as Chilean ones when establishing and operating their businesses in Chile, and vice versa.

A comprehensive chapter on **Trade and Sustainable Development** (TSD) includes binding commitments on social, labour and environmental obligations based on International Labour Organization standards and the Paris Agreement. The parties commit in a joint statement to review the TSD provisions upon the agreements' entry into force, in order to bring them in line with the most recent standards.