Basic information

2023/0260(NLE) NLE - Non-legislative enactments	Awaiting final decision
EU/Chile Advanced Framework Agreement Accompanying procedure 2023/0260R(NLE) **Subject** 6.20.03 Bilateral economic and trade agreements and relations 6.40.10 Relations with Latin America, Central America, Caribbean islands **Geographical area** Chile	

Key players

European Parliament

Joint committee responsible	Rapporteur	Appointed
AFET Foreign Affairs	RODRÍGUEZ RAMOS María Soraya (Renew)	19/07/2023
INTA International Trade	RAFAELA Samira (Renew)	19/07/2023
	Shadow rapporteur MATO Gabriel (EPP) GARCÍA-MARGALLO Y MARFIL José Manuel (EPP) LÓPEZ Javi (S&D) MARQUES Margarida (S&D) CAVAZZINI Anna (Greens/EFA) VON CRAMON-TAUBADEL Viola (Greens/EFA) FRAGKOS Emmanouil (ECR) TERTSCH Hermann (ECR) LACAPELLE Jean-Lin (ID) BUCHHEIT Markus (ID) SCHOLZ Helmut (The Left) KOULOGLOU Stelios (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed

	AGRI Agriculture and Rural Development	GUERREIRO Francisco (Greens/EFA)	19/09/2023
Council of the European Union			
European Commission			

Commission DG	Commissioner
European External Action Service	DOMBROVSKIS Valdis

Key events

Date	Event	Reference	Summary
05/07/2023	Preparatory document	COM(2023)0432	Summary
14/12/2023	Legislative proposal published	11669/2023	Summary
18/01/2024	Committee referral announced in Parliament		
18/01/2024	Referral to joint committee announced in Parliament		
24/01/2024	Vote in committee		
29/01/2024	Committee report tabled for plenary, 1st reading/single reading	A9-0010/2024	Summary
29/02/2024	Decision by Parliament	T9-0114/2024	Summary
29/02/2024	Results of vote in Parliament		
29/02/2024	Debate in Parliament		

Technical information

Procedure reference	2023/0260(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Amendments and repeals	Accompanying procedure 2023/0260R(NLE)
Legal basis	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 207 Treaty on the Functioning of the European Union TFEU 091 Treaty on the Functioning of the European Union TFEU 100-p2
Stage reached in procedure	Awaiting final decision
Committee dossier	CJ38/9/12722

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary

Committee draft report		PE755.967	31/10/2023	
Committee opinion	AGRI	PE753.796	08/12/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0010/2024	29/01/2024	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0114/2024	29/02/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	11669/2023	14/12/2023	Summary

European Commission

Document type	Reference	Date	Summary
Document attached to the procedure	COM(2023)0431	05/07/2023	
Preparatory document	COM(2023)0432	05/07/2023	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
CAVAZZINI Anna	Shadow rapporteur	INTA	07/12/2023	SEBASTIAN ANDRES GOMEZ FIEDLER EU-Chile FTA negotiator
CAVAZZINI Anna	Shadow rapporteur	INTA	28/11/2023	PowerShift - Verein fuer eine oekologisch-solidarische Energie- & Weltwirtschaft e.V. Chile mejor sin TLC

EU/Chile Advanced Framework Agreement

2023/0260(NLE) - 29/01/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Foreign Affairs and the Committee on International Trade adopted the report jointly presented by Samira RAFAELA (Renew, NL) and María Soraya RODRÍGUEZ RAMOS (Renew, ES) 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 committees responsible recommended that the European Parliament **give its consent** to the conclusion of the agreement.

As a reminder, the EU and Chile started negotiations on the modernisation of the agreement in 2017 to bring the agreement in line with the most advanced standards and unlock untapped potentials. The negotiations on the trade part were concluded at technical level in October 2021. The agreement in principle on a new EU-Chile Advanced Framework Agreement (AFA) was announced on 9 December 2022.

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 AFA consists of a political and cooperation part and a trade and investment part, including investment liberalisation and investment protection provisions.

The agreed text is undergoing a two-track ratification process. Since the AFA as a whole contains provisions on policy areas for which the EU shares competence with EU Member States, such as investment protection.

As regards the **political and cooperation part**, the new EU-Chile Advanced Framework Agreement (AFA) reflects many of Parliament's recommendations issued prior to the negotiation of the Agreement and has a potential to expand political dialogue further to new areas ranging from cybercrime, fight against money laundering and the financing of terrorism, to cooperation on polar matters.

The AFA sets up an institutional framework composed of the Joint Council, Joint Committee and Sub-Committees and other bodies to assist the Joint Council.

Concerning **trade and investment**, the modernised agreement will allow both sides to strongly increase their bilateral trade and investment. The agreement will:

- liberalise 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;

- provide additional market access in the form of increased duty-free quotas for poultry meat, pork, sheep meat, beef, garlic and canned fish from Chile. New such quotas for Chile will be opened for olive oil, fruit preparations and other items;

- protect 216 geographical indications (GIs) from the EU in Chile and 18 GIs from Chile in the EU.

The AFA also 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. The agreement safeguards the right of public authorities to regulate in the public interest. This includes the right to maintain public services such as education, healthcare and water, or to return privately provided services to the public sector.

The AFA's trade pillar also includes a comprehensive chapter on **Trade and Sustainable Development** (TSD), containing ambitious and binding commitments on social, labour and environmental matters.

Furthermore, Chile and the EU have committed in a joint statement accompanying the AFA to review the agreement as soon as it enters into force in order to align it with the most up to date sustainability standards, in particular the EU's new TSD approach.

EU/Chile Advanced Framework Agreement

2023/0260(NLE) - 14/12/2023 - Legislative proposal

PURPOSE: to conclude, on behalf of the European Union, 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 (AFA).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: in accordance with a Council Decision, the Advanced Framework Agreement between the European Union and its Member States, of the one part, and Chile, of the other part was signed, subject to the conclusion of the Agreement at a later date.

In accordance with that Decision, the Joint Statement on the Provisions on Trade and Sustainable Development contained in 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, and the Joint Interpretative Declaration on the Provisions on Investment Protection contained in the Advanced Framework Agreement between the European Union and its Member States, of the one part, and Chile, of the other part, both attached to the Agreement, were approved on behalf of the Union.

It is now necessary to approve the Agreement on behalf of the Union.

CONTENT: the purpose of the draft Council Decision is to approve on behalf of the Union, 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 Advanced Framework Agreement:

- includes EU standard clauses on human rights, the International Criminal Court (ICC), weapons of mass destruction (WMD), small arms and light weapons (SALW) and the fight against terrorism;

- covers cooperation in areas such as health, environment, climate change, ocean governance, energy, taxation, education and culture, labour, employment and social affairs, science and technology, and transport;

- covers legal cooperation, the rule of law, money laundering and terrorist financing, organised crime and corruption.

The Trade part of the AFA broadens the scope of the current bilateral trade framework and adjusts it to the new political and economic global challenges, to the new reality of the EU-Chile partnership and to the level of ambition of recently concluded trade agreements and negotiations conducted by the EU and Chile.

Lastly, the Agreement sets up an institutional framework composed of the Joint Council, Joint Committee and Sub-Committees and other bodies to assist the Joint Council. The Agreement provides for a mechanism to address failure by one of the Parties to fulfil obligations assumed under the AFA.

EU/Chile Advanced Framework Agreement

2023/0260(NLE) - 05/07/2023 - Preparatory document

PURPOSE: to conclude, on behalf of the European Union, 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 (ACA).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: relations between the European Union and Chile are currently based on the Agreement establishing an Association (Association Agreement) between the European Community and its Member States, of the one part, and Chile, of the other part, which entered into force on 1 March 2005 (with provisional application from 1 February 2003).

The leaders of the EU and Chile agreed to examine possible options for modernising the Association Agreement, 10 years after its entry into force. On 13 November 2017, the Council adopted a decision authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a modernised agreement with Chile to replace the current Association Agreement.

The negotiations were officially launched on 16 November 2017. They were conducted in consultation with the Council Working Party on Latin America and the Caribbean. The Trade Policy Committee was consulted on the trade part of the agreement. The European Parliament was informed of the outcome of the negotiations.

The EU and Chile reached a political conclusion on the negotiations on 9 December 2022 in Brussels. Since the current Association Agreement was signed 20 years ago, the world has changed considerably. The ACA responds to these changes and to new global challenges. Politically, the ACA with Chile is an important step towards **strengthening the role of the European Union in South America** on the basis of shared universal values such as democracy and human rights. It paves the way for closer political, regional and global cooperation between two partners committed to the same principles.

CONTENT: the proposal constitutes the legal instrument authorising the conclusion 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 AFA creates a coherent, comprehensive, up-to-date **legally binding framework for the EU's relations with Chile**. It undertakes to establish a strengthened partnership, reinforce political dialogue and deepen and enhance cooperation on issues of mutual interest. At the same time, the AFA will foster trade and investment by contributing to the expansion and diversification of economic and trade relations.

The ACA:

- includes EU standard clauses on human rights, the International Criminal Court (ICC), weapons of mass destruction (WMD), small arms and light weapons (SALW) and the fight against terrorism;

- also covers cooperation in areas such as health, environment, climate change, ocean governance, energy, taxation, education and culture, labour, employment and social affairs, science and technology, and transport;

- also covers legal cooperation, the rule of law, money laundering and terrorist financing, organised crime and corruption.

The Trade part of the AFA broadens the scope of the current bilateral trade framework and adjusts it to the new political and economic global challenges, to the new reality of the EU-Chile partnership and to the level of ambition of recently concluded trade agreements and negotiations conducted by the EU and Chile.

The Agreement sets up an institutional framework composed of the Joint Council, Joint Committee and Sub-Committees and other bodies to assist the Joint Council. The Agreement provides for a mechanism to address failure by one of the Parties to fulfil obligations assumed under the AFA.

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.