



# The Future of CAN - EU Relations: an Andean Perspective

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*2005 Conference on the Future of EU – Andean Community Relations*  
*Brussels, 13 May 2005*

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# Evolution of Birregional Cooperation

- **First stage - 1973 to 1983**
  - International context of market protectionism
  - Grouping of developing countries into two categories: ACP and ALA
  - Regional cooperation for the development of productive sectors with a bilateral approach
- **Second stage - 1983 to 1993**
  - Trend towards “Open Regionalism”
  - Second Generation Cooperation Agreement (1983)
  - Generalized System of Preferences – Drugs Regime - 1990
- **Third stage – 1993 to 2002**
  - The 1992 Cooperation Agreement - Third Generation
  - Specialized Dialogue on Drugs - 1995
  - The Political Dialogue Mechanism – Rome, 1996
- **Fourth stage: from Political Dialogue to Association 2002 - 2004**
  - From Madrid (2002) to Guadalajara (2004): towards an Association Agreement
  - The Political Dialogue and Cooperation Agreement – Rome, 2003
  - Restructuring of the Generalized System of Preferences – 2006/2015



# Toward an Association and Free Trade Agreement

## Phases:

- Definition of bloc-to-bloc negotiations – Guadalajara 2004
- Joint valuation of the integration process – 2005
- Launching of free trade negotiations– Vienna 2006?



# Joint Valuation

## Agreed criteria:

- Customs Union compatible with GATT Article XXIV and reported to the WTO
- Reduction of unnecessary obstacles to intra-regional trade
- Fully operational Institutional Framework



# Customs Union and Trade Regulations

- **Free Trade Area:**  
Elimination of tariff and non-tariff barriers to trade as well as obstacles to trade in services.
- **Common External Tariff:**  
In effect between four countries since 1995. Searching for CET among the five.
- **Community customs administration:**  
Common tariff classification and Community regulations on customs valuation, transit and customs control and procedures.
- **Rules of Origin:**  
Rules of origin for intraregional trade.
- **Enlarged Market Regulation Mechanisms:**
  - **Trade Defense Measures:** Community regulations on dumping and subsidies and intra-community safeguards and safeguards against third party goods .
  - **Competition:** Community legislative framework to offset practices restraining free competition.
- **Trade in Services**
  - Regulatory framework liberalizing service transactions in all sectors and identifying restrictions to be removed
  - Sector-by-sector removal of restrictions.

“Acid test”: free circulation of goods and services  
within the Community



# Institutional Framework

- **Andean Integration System**  
Coordination of Andean bodies and institutions in order to deepen Subregional integration, further its external projection and consolidate the process
- **Supranational nature of Community provisions**
  - Binding and directly applicable Decisions
  - Supremacy of Andean legal provisions over domestic law
- **Binding nature of Andean Community legal provisions**  
For Andean Community bodies, for Member Countries, for officials who exercise power pursuant to these provisions, and for individuals.
- **Dispute settlement system**
  - Permanent Court of Justice guaranteeing respect for and standard interpretation of Community provisions.
  - Legality control
  - Control of the performance of obligations



# Outlook for CAN – EU relations

- **Relaunching of the Specialized Dialogue on drugs**
- **Effectiveness of the GSP “plus” for the five Andean countries**
- **Negotiation of the Association and Free trade Agreement**
- **Biregional cooperation with a partnership approach**
  - **Social cohesion**
  - **Drug control**
  - **Energy**
  - **Biodiversity and the environment**
  - **Information society**

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