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Summit Communique of the Presidents of the State Members of MERCOSUR

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SUMMIT COMMUNIQUÉ OF THE PRESIDENTS OF THE STATE MEMBERS OF MERCOSUR*

1. On July 20-21, 2006, in the city of Cordoba, the Common Market Council of MERCOSUR held its Thirtieth Ordinary Meeting, with attendance by the President of Argentina, Néstor Kirchner; the President of Brazil, Luiz Inácio Lula da Silva; the President of Paraguay, Nicanor Duarte Frutos; the President of Uruguay, Tabaré Vázquez Rosas; and the President of Venezuela, Hugo Chávez Frías.
2. The Presidents greeted the participation of the President of Bolivia, Evo Morales; the President of Chile, Michelle Bachelet; the Vice President of Ecuador, Alejandro Serrano Aguilar; the Chancellor of Peru, Oscar Maurtua; and the representative of the President of Colombia, as an indication of interest and political desire of MERCOSUR and its Associated States to strengthen political, commercial, and economic integration.
3. They also expressed their satisfaction for the presence of the President of the Counsels of State and Ministers of Cuba, Fidel Castro Ruiz; Chancellor of Mexico, Luis Ernesto Derbez; and Minister of Trade of Pakistan, Humayun Katar, as special guests.
4. They greeted the presence of the General Secretary of the Latin American Integration Association, the Executive President of the Andean Development Corporation, and the representatives of the Andean Counsel and Inter-American Development Bank.
5. They confirmed their commitment with the objectives and principles of the Treaty of Asunción and with the realization of its goals.
6. They were pleased with the July 4, 2006, signing of the Adhesion Protocol of the Bolivarian Republic of Venezuela to MERCOSUR. They emphasized that the incorporation of Venezuela as a full member constitutes a historic milestone in the consolidation of the process of integration, reaffirming the character of the block as both an instrument to promote development, to face poverty, and to face social exclusion, based on the complementation, solidarity, and cooperation, and as a way to promote the productive integration and the insertion of its economies in the international context.
7. They agreed that the incorporation of Venezuela as a full member of MERCOSUR will contribute to invigorating the block's

* Source: Brazilian Ministry of External Relations, *available at* http://www.mre.gov.br/portugues/imprensa/nota_detalhe.asp?ID_RELEASE=3888 (Original in Spanish). Translated into English by Nara Galeb Porto, LL.M. International and Comparative Law (SMU), LL.B. (PUC/SP, Brazil), licensed to practice law in Brazil and New York.

agenda, constituting a catalyst of debates and agreements on important themes that represent pending challenges for the process of regional integration and the achievement of greater welfare and progress for our people.

8. They expressed their endorsement of the candidacy of the Bolivarian Republic of Venezuela as a non-permanent member of the United Nations Security Council for the 2007-2008 period, with the conviction that it will promote the principles and rules of international law and contribute to the necessary equilibrium in the treatment of matters of its competence.
9. In harmony with the guidelines of the 2004-2006 Work Program, they evaluated high-priority issues during this semester related to the improvement of MERCOSUR in the economic-commercial, institutional, social, cultural, political, and energy environments.
10. With respect to the improvement of the Customs Union, they expressed their satisfaction by implementing the first phase of Decision CMC No. 54/04, related to eliminating double collection of the Common External Tariff. Taking into account the objectives for the rule's second phase, they instructed to continue working toward the distribution mechanism of customs income according to the terms and timeline of this rule.
11. In that same framework, they were pleased with the agreements with respect to the definitions and guidelines of the MERCOSUR Customs Code, which constituted significant steps toward editing the Code's text during the second semester of 2006.
12. They expressed their satisfaction with the advances verified in the special customs of the importing regime by approving two Decisions that, respectively, define the national regimes that will remain in force because of their limited economic impact and non-commercial purpose and identify sectors for establishing common regimes.
13. They declared the need to define mechanisms for analyzing the impact of public policies on trade among MERCOSUR and investment locations.
14. They emphasized the progress of tasks prior to the implementation of the MERCOSUR Structural Convergence Fund (FOCEM), which constitutes a significant advance in correcting the asymmetries, promoting social cohesion, and strengthening the process of integration. In this regard, they recognized the advances by elaborating the draft that will consider resources directed at executing pilot projects with great impact to the citizens of MERCOSUR. They also promised to carry out greater efforts to launch the FOCEM during 2006, and they urged the Parliaments to complete the process of legislative approval of Decision CMC No. 18/05.
15. They expressed their interest for prompt implementation of the MERCOSUR Foot-and-Mouth Disease Free Action Program that will contribute to improving the situation of animal health and will bring about more favorable commercialization condi-

tions for farm products of MERCOSUR. In this same framework, they took note of the recorded progress in the Pilot Project to be financed through the FOCEM.

16. They positively valued the progress verified in the matter of public contracting in MERCOSUR through adoption of the Protocol of Public Contracting, which will permit businesses in the region to receive a non-discriminatory treatment in public tenders.
17. They consented to the conclusion of the Sixth Round of Negotiations for the Liberalization of Trade in Service, which increases transparency and improves conditions of accessing trade in services. In the same framework, they valued advances in harmonizing the rules that facilitate trading, particularly those that enable registration of one State Party's companies in another State Party and those that expedite the movement of natural persons.
18. They received with pleasure the proposal of Argentina, presented at the Meeting of Ministers of Economy and Presidents of Central Banks, to create the MERCOSUR Development Bank, in order to finance projects of infrastructure and, at the same time, to consolidate a financial strategy for the region. In that regard, they encouraged continuing to work toward that initiative.
19. Also, they were pleased with the advances reached in the gas interconnection project, the Great Gas Pipeline of the South, which was an alliance proposal among the national energy operators in the framework of the Petrosur initiative. In that matter, they declared their consent by incorporating Uruguay, Paraguay, and Bolivia to this project, as well as by implementing all those initiatives that seek to consolidate the network of South-South gas pipelines that will serve as platforms for social, political, and energy integration for the people of that region.
20. They took note of the works executed by the High Level Group on Institutional Reform in the framework of the process of institutional reform of MERCOSUR, and they declared their commitment to continue advancing in this task, with the purpose of endowing MERCOSUR with greater institutionalality, parallel to the integrational progress toward the objectives of the Treaty of Asunción.
21. They emphasized the efforts carried out by the State Parties to accelerate the process of incorporating the norms of MERCOSUR into their national legal codes. They also recognized that continuing with that task deserves priority attention, which is essential for the economic, political, and legal consolidation of MERCOSUR.
22. Considering the commitments adopted in the Ushuaia Protocol, they declared their satisfaction with the consolidation of the democratic processes in the region, which is a favorable framework for better coordination of politics and surpassing challenges, complying with the expectations of our people with respect to MERCOSUR.

23. They expressed satisfaction with the work done by the Joint Parliamentary Commission during the first semester, with respect to the creation of the Parliament of MERCOSUR. In this regard, they agreed that the Parliament constitutes a fundamental milestone for consolidating the integration and the validity of the democratic values of MERCOSUR, contributing to the generation of an extensive base of civic participation and to the reaffirmation of the legitimacy, plurality, and institutional equilibrium of the block. They also encouraged the Joint Parliamentary Commission to continue working toward complying with the objective that the MERCOSUR Parliament be installed before December 31, 2006, as has been established in its Constituent Protocol.
24. They celebrated the signing of the Declarative Minutes between the Joint Parliamentary Commission and the European Commission on the Support Project for the Installation of the MERCOSUR Parliament, which constitutes an initiative of technical cooperation directed to support the establishment of the MERCOSUR Parliament. Also, they valued the importance of Japan's cooperation with MERCOSUR, and they urged that it continues diversifying and growing in favor of the regional integration. They also expressed their satisfaction by the Inter-American Development Bank's approval of the Projects of Cooperation requested by MERCOSUR.
25. They expressed their satisfaction with the advances obtained in the political MERCOSUR, in areas such as culture, social development, migrations, public security, education, health, environment, and promotion of human rights, in order to produce policies aimed at favoring the progress and the welfare of the people of MERCOSUR.
26. Considering the results that occurred at the Fifth Environmental Ministers Meeting of MERCOSUR, they emphasized the importance of continuing coordination and harmonization of policies that guarantee protection of the environment and natural resources in the region.
27. They reaffirmed the priority of defining a Productive and Social Agenda, oriented toward developing initiatives and active policies in order to reduce the social deficit, promoting integral human development and productive integration. In this regard, they recognized the importance of elaborating a Strategic Plan of Social Action to identify measures impelling social inclusion and to assure better living conditions for our people. To those effects, they competently instructed the Ministers in the social theme to elaborate strategic guidelines to such Plan.
28. Also, they reaffirmed their desire to advance toward a productive regional integration with social development emphasizing the promotion of productive regional undertakings that include integrated networks, especially by small and medium enterprises and cooperatives. Under this concept, the Presidents instructed the Ministers related with the areas of production to define guidelines that will conform to the Development and Productive

Regional Integration Plan. They recognized the urgency of MERCOSUR developing an articulated action to promote the social and productive development and, therefore, they instructed their Ministers to present their contributions during the next Summit of MERCOSUR.

29. They were pleased with the adoption of the Strategy for Employment Growth in the region, elaborated within MERCOSUR's High Level Strategy Group for Employment Growth, which comprises the Ministers responsible for the social, labor, industrial, and economic policies of the State Parties and includes the contribution of economic and social organizational members of the Economic and Social Consultative Forum and the Social and Labor Commission of MERCOSUR. This Strategy will permit placing the question of employment on all institutional levels, whose decisions have implication in this matter.
30. They emphasized the necessity of adopting concrete actions to incorporate the use of new information and communication technologies for construction of a digital MERCOSUR. In that regard, they were very glad about the approval of the rules that consecrated the desire of MERCOSUR to advance toward the creation of a top-level internet domain and the recognition of the legal efficacy of the advanced electronic signature, which constitute important tools in the promotion and reaffirmation of the technological identity of the block and in the guarantee of the authorship and integrity of the digital documents in MERCOSUR.
31. They celebrated the advances in the tasks of the Specialized Meeting on Trade Promotion of MERCOSUR, with the objective of increasing the export of products from MERCOSUR to the diverse external markets. In this regard, they declared their full support to the extensive predicted work agenda for the current year.
32. They stressed the commitment of MERCOSUR in expanding and intensifying its commercial relations with different countries and groups of countries of other regions as a way to obtain new markets and greater projection of the block in the international scene and to contribute to their respective development projects. Such negotiations should implicate real benefits in commercial terms, with special attention on the interests of the smaller economies of MERCOSUR.
33. They considered the evaluation formulated at the Ministerial level in Vienna, in May of 2006, regarding the state of the negotiations for an Agreement of Association between MERCOSUR and the European Union (EU). In this regard, they reiterated the need that the EU take into consideration the demands of the block in the matter of flexibility and more favorable treatment, in order to take up again the negotiating process, with the objective of reaching an Agreement that results beneficially for both blocks.
34. Yesterday in the city of Cordoba, they celebrated the signing of the Economic Complementation Agreement between

MERCOSUR and Cuba, which establishes a program of trade liberalization based on the multilateral agreements of tariff preferences that the countries of the block maintain in force with Cuba and regulations related to access to the markets, in order to give security to the trade users.

35. They expressed their consent for the signing, also formalized in this Summit, of the Framework Agreement on Trade between MERCOSUR and the Islamic Republic of Pakistan, which establishes the bases for initiating trading negotiations aimed at increasing bilateral flows of commerce through an effective access to the markets, through mutual concessions.
36. They took note of the progress verified during the past semester in the negotiations for the free trade agreement between MERCOSUR and Israel, which permitted advancement of discussion about and definition of the normative aspects of the agreement and the list of the products to be exchanged.
37. They indicated the desire to conclude, in a short time limit, the negotiations for a Free Trade Agreement with the Counsel of Cooperation of the Arab Gulf States. Likewise, they emphasized the importance of the understandings for the expansion of the preferential agreement with India and the enlargement of the agreement with the Southern Africa Customs Union, as well as the interest to examine, with both counterparts, the modalities of a future trilateral free trade area.
38. They emphasized the importance of the Multilateral Trade System regulated by the World Trade Organization (WTO) and the successful conclusion of the present Development Round. They reaffirmed the need to reach an ambitious result in agriculture that contemplates a substantial reduction of domestic subsidies, the elimination of export subsidies, and access to the markets of developed countries. They expressed that at the same time it is necessary to assure that the commitments taken on in the other areas are balanced and facilitate the sustainability of the economic and industrial policies of developing countries.
39. They indicated their concern for the lack of common ground up to this moment to reach those objectives. They urged the developed countries to show the necessary political will and flexibility in order to surpass the differences and to conclude the negotiations before the end of 2006.
40. They marked the successful conclusion of the examination of MERCOSUR to the extent of the Regional Trade Agreements Committee of WTO, where the Argentine President Pro Tempore, representing MERCOSUR, stated the advances in the process of integration since 1997.
41. They emphasized the task developed by the Commission of Permanent Representatives of MERCOSUR (CRPM) and took note of the passing of the Decisions proposed by the CRPM President, which contemplate the creation of the Social Institute of MERCOSUR and the establishment of a High Level Group for the design of the MERCOSUR Institute for the training of Public Administration Officials.

42. They recognized the importance of the cooperatives and other businesses and organizations of the social economy, whose promotion established Recommendation 193 of the International Labor Organization, in countries' development and in the search of social cohesion. In this regard and to contribute to cooperative development, they declared their commitment to promoting internalization of this mentioned Recommendation in the respective national legal codes.
43. They celebrated the consolidation of the Program WE ARE MERCOSUR and they emphasized the importance of social participation to deepen the process of integration. They also declared their consent for the execution of the First Meeting for a Productive and Social MERCOSUR, developed in the framework of this Summit, and they indicated the importance of the necessary continuity of this initiative to promote social participation. At the same time, they marked the importance of fortifying the strategies of diffusion and training about the positive aspects of the regional project.

