

No. 1026

**UNITED NATIONS
(ECONOMIC COMMISSION FOR LATIN AMERICA
AND THE CARIBBEAN)**

and

LATIN AMERICAN INTEGRATION ASSOCIATION

**Agreement on technical cooperation for the implementation
of a research project on industrial complementarity
(with annexes). Signed at Brasília on 5 July 1989**

Authentic text: Spanish.

Filed and recorded by the Secretariat on 5 July 1989.

**ORGANISATION DES NATIONS UNIES
(COMMISSION ÉCONOMIQUE POUR L'AMÉRIQUE
LATINE ET LES CARAÏBES)**

et

**ASSOCIATION LATINO-AMÉRICAINNE
D'INTÉGRATION**

**Accord de coopération technique relatif à l'exécution d'un
projet de recherche de compatibilité industrielle (avec
annexes). Signé à Brasília le 5 juillet 1989**

Texte authentique : espagnol.

Classé et inscrit au répertoire par le Secrétariat le 5 juillet 1989

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE LATIN AMERICAN INTEGRATION ASSOCIATION AND THE ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN ON TECHNICAL COOPERATION FOR THE IMPLEMENTATION OF A RESEARCH PROJECT ON INDUSTRIAL COMPLEMENTARITY

Whereas in 1981 the Latin American Integration Association, hereinafter referred to as "LAIA", and the Economic Commission for Latin America and the Caribbean, hereinafter referred to as "ECLAC", signed a Basic Cooperation Agreement² to regulate various cooperation programmes and projects in the context of regional cooperation and integration;

Whereas LAIA requested ECLAC, within the framework of that Basic Cooperation Agreement, to cooperate in implementing a research project to identify industrial complementarity projects between Brazil and countries considered to be the relatively less developed members of LAIA, as indicated in the terms of reference in annex I which form an integral part of the said Agreement;

Now therefore, LAIA and ECLAC agree to sign the present Agreement on Technical Cooperation.

Article 1

1. In order to contribute to the implementation of the project, LAIA shall place at the disposal of ECLAC, in the manner referred to in paragraphs 2 and 3 below, the sum of US\$50,000 (fifty thousand United States dollars) which ECLAC shall use exclusively to meet the costs of the project.
2. The aforesaid funds shall be deposited in dollars in the following account:
ECLAC Projects Trust Fund Account
No. 015-001784
Chemical Bank
United Nations Branch
New York, NY 10017
3. LAIA shall make that deposit as soon as the present Agreement is signed.
4. ECLAC shall establish a trust fund for technical cooperation with those funds and shall administer it in accordance with the administrative, financial and personnel rules and regulations of the United Nations.
5. This trust fund shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and Directives of the United Nations.

¹ Came into force on 5 July 1989 by signature, in accordance with article 5.

² United Nations, *Treaty Series*, vol. 1519, No. II-1023.

Article 2

1. On completion of the activities envisaged in the present Agreement on Technical Cooperation, ECLAC shall provide LAIA with a duly certified financial report showing that the funds provided by LAIA were used in accordance with the terms of reference laid down in annex I to this Agreement.

2. All financial accounts and statements shall be expressed in United States dollars.

Article 3

ECLAC shall not make any commitments above the amount available to cover the project expenditures specified in article 1 of this Agreement.

Article 4

1. Any change to this Agreement must have the mutual consent, in writing, of the signatory parties or their authorized representatives.

2. Any matter not covered in this Agreement shall be resolved by joint agreement between the parties.

Article 5

The present Agreement shall enter into force on the date of its signature by both parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in three equally authentic copies.

For the Latin American Integration Association (LAIA):

[NORBERTO BERTAINA]

Date: 5 July 1989

For the Economic Commission for
Latin America and the Caribbean (ECLAC)

[*Signed*]

LUIZ CLÁUDIO MARINHO
Director
ECLAC Office at Brasília

Date :

ANNEX I

IDENTIFICATION OF OPPORTUNITIES FOR INDUSTRIAL COMPLEMENTARITY BETWEEN BRAZIL AND THE COUNTRIES THAT ARE RELATIVELY LESS DEVELOPED ECONOMICALLY

*Terms of reference*I. *Objectives*

To propose a range of industrial complementarity projects — capable of being brought to the prefeasibility stage — in which Brazil and the countries that are relatively less developed economically are able to develop their economic relations and to increase the share of manufactured products in trade originating in Bolivia, Ecuador and Paraguay.

II. *Activities to be carried out*

The Consultant shall, *inter alia*, be expected to:

(a) Analyse the fundamental characteristics of the industrial sector of each of the countries that are relatively less developed economically in order to identify activities with the potential for complementarity;

(b) Evaluate opportunities for carrying out new industrial activities in which Brazilian entrepreneurs might wish to invest in the countries that are relatively less developed economically;

(c) Evaluate opportunities for the coproduction of certain goods, incorporating parts and components that are already being manufactured either in Brazil or in the countries that are relatively less developed economically;

(d) In all the studies and evaluations which he carries out in order to achieve the desired objective, use as points of reference the availability of resources in the countries that are relatively less developed economically and the tariff concessions that have been granted to them by member countries and, particularly, by Brazil.

III. *Background*

The countries that are relatively less developed economically are interested in improving the composition of their exports to Brazil by including products with greater added value and in improving or stabilizing their trade balances with Brazil, which are traditionally in deficit.

Given the level of development of the industrial sector in Brazil and the existence of commitments within LAIA, it is believed that industrial complementarity could be one way of achieving these objectives.

IV. *Time-frame of implementation*

The operations envisaged in this project shall have a time-frame for implementation of six (6) months following the date of signature of the agreement on technical cooperation approved for the purpose of their implementation.

ANNEX II

BUDGET FOR THE PROJECT

(a) *Contribution of LAIA*

Personnel:		
1101	Coordinator 5 work-months	US\$15 000
1151	Principal consultant 4 work-months	12 000
1152	Country consultants 3 work-months	7 500
1516	Mission costs	6 000
5300	Miscellaneous expenses	3 748
5900	Administrative support costs	5 752
	TOTAL	US\$50 000

(b) *Contribution of ECLAC (in kind)*

	Orientation and supervision	US\$15 000
	Official travel	4 000
	Officials for economic matters	10 000
	Secretarial support	6 000
	Miscellaneous expenses	5 000
	TOTAL	US\$40 000
