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European Parliament Rue Wiertz 60 B-1047 Brussels JOSEP BORRELL FONTELLES High Representative Vice-President of the European Commission A Stronger Europe in the World

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Brussels, 2 2 DEC. 2021

Dear Honourable Members,

We would like to thank you for your letter dated 12 October 2021 in which you express concerns about the possible conclusion of the negotiations on the modernisation of the EU-Chile Association Agreement ahead of the forthcoming presidential and parliamentary elections in Chile and before the Constitutional process in Chile is completed.

It is normal for a negotiating process to be carried out by more than one government. The current negotiation with Chile was launched under the previous government, led by President Michelle Bachelet, with which we drafted the scoping paper. The next government will have an opportunity to review the text before deciding on its ratification. This will also allow scrutiny in light of the results of the constitutional process. The conclusion of the technical negotiations allows for the necessary procedures such as translations and legal scrubbing to begin. There is scope to review certain aspects of the agreement even before the signature, should both Parties have an interest in doing so.

With regards to your concern that concluding the agreement before the elections in Chile would undermine Chile's constitutional process, we believe that the draft agreement does not contain provisions that could undermine the objectives of this process in Chile. The Commission has expressed on many occasions its support for this process, which it considers as a possible example for other countries in the region. We believe that the modernised agreement will only reinforce the objectives of this process with the elements that it will introduce.

The agreement strongly promotes democratic values, principles and a political framework, both nationally and internationally. The political and cooperation pillar of the agreement will allow for increased and strengthened cooperation between the EU and Chile in a wide range of areas of EU interest such as human rights, sustainable development, cybercrime, migration, public health, tax issues, money laundering and transnational organised crime, digital economy and others.

The agreement will have sustainable development as an overarching objective. It will bind the Parties to effectively implement international labour and environmental standards and commitments as well as the Paris Agreement. It will foster cooperation on gender equality, sustainable food systems and it will contain disciplines on non-discriminatory access to mining and compulsory impact assessment for any mining (and not only) project of a certain size. At the same time, in line with previous recent EU agreements, it explicitly protects the Parties' right to regulate legitimate policy interests.

Concerning the possibility of integrating in the agreement the new elements from the ongoing TSD review, the conclusion of an agreement in principle does not prevent the Parties from rediscussing some aspects, provided that both Parties agree. The agreement will also include a review clause that would allow the EU to revise the chapter in light of the outcome of the TSD review. This will also represent an opportunity for Chile to include stricter rules on sustainable development, should that be the will of the future government. The Commission is ready to commit to trigger it as soon as the agreement enters into force.

It is also important to underline that our trade policy needs to support other EU policies, notably the Green Deal. Non-discriminatory access to the Chilean market of raw materials will be relevant in this context. For instance, as Chinese and American companies have obtained concessions or have invested in companies with concessions in the lithium market, a few years delay in securing EU non-discriminatory access could be fatal for our chances to obtain a meaningful presence in this field.

In conclusion, we believe that the Commission has the opportunity to secure a good agreement that will deliver important benefits for EU citizens and businesses and that is in line with the mandate received from the Council, the directions set by the Joint Communication on strengthening relations between the EU and Latin America and Caribbean of April 2019, as well as the Commission Communication on the Trade Policy Review of February 2021.

Yours faithfully,

V. DL

Valdis Dombrovskis

Josep Borrell Fontelles