

## **CHAPTER 17: COOPERATION**

### **Section A General Provisions**

#### **Article 17.01 Purpose**

1. The main purpose of this Chapter is to establish guidelines in which the Government of the Republic of China (Taiwan) shall strengthen its cooperation relations with the Governments of the Republic of El Salvador and the Republic of Honduras, reaffirming its importance in the economic, financial and technical areas, as an instrument to contribute to the accomplishment of the objectives and the principles derived from this Agreement.
2. In every cooperation measure initiated under this Agreement, the Parties must take into account the need to protect, preserve, and improve their environment and natural resources.

#### **Article 17.02 Specific Purposes**

The specific purposes of this Chapter are the following:

- (a) strengthen and diversify the cooperation activities between the Parties;
- (b) strengthen the cooperation in order to develop, improve, intensify and diversify commercial relationships;
- (c) strengthen and diversify financing sorts for development;
- (d) promote a propitious environment for the development of micro, small, and medium enterprises, and for the development of exportable offer;
- (e) improve the capacity of public and private sectors to profit from the opportunities provided by this Agreement; and
- (f) contribute to the creation of trade, financial and technological flows and investment between the Parties.

#### **Article 17.03 Dispute Settlement**

None of the provisions under this Chapter shall apply to the dispute settlement mechanism established in Chapter 15 (Dispute Settlement).

### **Section B Cooperation**

#### **Article 17.04 Cooperation Activities**

1. The Parties may initiate and carry out various types of cooperation activities, including the participation of experts, national and international institutions, as considered appropriate, to promote the accomplishment of the purposes and to fulfill the obligations under this Agreement.
2. Nothing under this Chapter, shall preclude the Parties from establishing bilateral cooperation relations and cooperation linkages in other areas.
3. The cooperation activities shall be carried out taking into account:
  - (a) the economic, financial, environmental, geographical, social, technological, cultural, and legal differences between the Parties;
  - (b) national priorities agreed upon by the Parties;
  - (c) the advisability to prevent duplication of existing cooperation activities; and
  - (d) the intention of the Parties to develop and implement cooperation activities through different initiatives.

#### **Article 17.05 Commercial and Industrial Cooperation**

1. The Parties shall support and encourage measures to develop and strengthen actions aiming to institute a dynamic and integrated management of the commercial and industrial cooperation in order to create favorable conditions for economic development while acknowledging the mutual interests of the Parties.
2. Such cooperation shall focus particularly on the following:
  - (a) promote trade flows and investments among companies of the Parties;
  - (b) promote cooperation projects in areas of market information and market research; technological information, creation of technological and competitiveness databases in the fields of quality and technology; production, administration, and commercialization of exporting companies and companies with exporting potential; as well as the promotion of technology transfer;
  - (c) support the education and training of human resources on international trade, quality, productivity, innovation, and technological development; and free trade zones management; and
  - (d) strengthen contacts among economic agents of the Parties, to detect commercial and technical opportunities, with the purpose of identifying and exploring areas of mutual commercial interest to increase trade, investment, industrial cooperation, and projects of technology transfer and the improvement of quality and

productivity.

#### **Article 17.06 Cooperation in the Micro, Small-and-Medium Enterprises Sector**

1. The Parties will promote a propitious environment for the development of the micro, small-and-medium enterprises.
2. This cooperation will focus on the following:
  - (a) promote business partnership and the creation of information networks to enable the development of the micro, small-and-medium enterprises;
  - (b) support research and studies that extend, promote, and facilitate the financing and operating of programs and projects for the development of competitiveness of the micro, small-and-medium enterprises, with the purpose of increasing the commercial trade;
  - (c) support the improvement of business environment, especially related to aspects of policies and norms that aim for the competitive development of the micro, small-and-medium enterprises; and
  - (d) promote the adoption of new technologies in micro, small-and-medium enterprises to update their company management, extend their markets, and facilitate the fulfillment of their obligations.

#### **Article 17.07 Cooperation in the Matter of Exportable Offer**

1. The Parties will create a cooperation program, aiming to carry out studies on exportable offer and on inactive production capabilities, as well as identifying potential investment areas, joint investments, and strategic alliances that shall enable and diversify the trade flows between the Parties and towards other markets.
2. The Parties will also create cooperation programs in exportable offer and on potential export capabilities, taking into account:
  - (a) support to diversify, reconvert, and strengthen productive sectors, exporters and sectors with potential export capabilities for technology transfer;
  - (b) support projects and/or programs to strengthen innovation, competitiveness, and development of the productive sectors, exporters, and those with potential export capabilities; and
  - (c) the cooperation for the execution of strategies, programs, and projects that contribute to increasing, diversifying, and improvement of product quality and harmlessness of products, through technical training, consulting services, and technology transfers.

### **Article 17.08 Cooperation in the Matter of Tourism**

1. The main objective for the cooperation between the Parties in the matter of tourism is to improve the exchange of information, in order to adjust practices in this topic to achieve a balanced and sustainable development of tourism.
2. For the purposes of this Article, the Parties will focus particularly on the following:
  - (a) respecting the integrity and interests of the local communities;
  - (b) promoting investment and joint investments that may allow the expansion of tourism;
  - (c) exchanging of information regarding tourism development;
  - (d) providing support in the fields of statistics and information technology, as well as for the creation of business databases;
  - (e) education and training;
  - (f) organization of activities and events and the participation in tourism trade fairs;
  - (g) cooperation on feasibility studies; and
  - (h) support for the commercial promotion agreed by the Parties for the micro, small-and-medium enterprises in the tourism sector.

### **Article 17.09 Cooperation in the Matter of Energy**

1. The objective of the cooperation between the Parties will be the development of their corresponding energy sectors, focusing on the promotion of technology transfer and sectorial regulation.
2. The cooperation in this field will be carried out, mainly, by means of exchanges of information, training of human resources, technology transfers, and joint projects for technological development and infrastructure projects agreed upon by the Parties; as well as the design of more efficient energy generation processes, the rational use of energy, support for the use of alternative and renewable energies that protect the environment, and the promotion of recycling projects and waste treatment for energy use.
3. Grant cooperation to the institutions in charge of energy issues and formulation of energy policies.

### **Article 17.10 Cooperation in the Matter of Transportation, Logistics, and Distribution**

1. The cooperation between Parties regarding transportation matters will seek to:
  - (a) support the improvement and update of the systems of transportation, logistics, and distribution, according to the ability of the Parties;
  - (b) promote management norms; and
  - (c) promote operational norms.
2. For the purposes of this Article, the Parties will give priority to:
  - (a) the exchange of information between experts regarding the respective transportation, logistics, and distribution policies and other topics of common interest;
  - (b) cooperation to support the improvement and update of any type of transportation system; and
  - (c) technology transfers as essential support for the update and improvement of the transportation system.
3. The Parties will study all aspects regarding the exchanges of information on registries and the different types of international services of maritime transportation, logistics, and distribution, in order to prevent them from becoming barriers to mutual trade expansion.

**Article 17.11 Cooperation in the Matter of Agriculture, Forestry, Aquaculture, and Fishing**

1. The objective of the cooperation in this field is to support and promote strategies, actions, and policy measures in the areas of agriculture, forestry, aquaculture, and fishing and animal and plant health inspection, that allow the consolidation of the efforts of the Parties in the achievement of extensive rural development.
2. Each Party could facilitate the other Parties, in providing counseling, information and technical cooperation, in terms and conditions mutually agreed, to strengthen the communication of the application, administration and regulation of the sanitary and phytosanitary measures, as well as the procedures and systems on these matters.
3. For the purposes of this Article, the Parties will make efforts in the following areas, but not limited thereto:
  - (a) diversification, adjustment, and improvement of the competitiveness of the agricultural, aquaculture, forestry, and fishing subsectors;
  - (b) mutual information exchanges, including reference to the development of

policies in farming, forestry, animal and plant health inspection;

- (c) cooperation to support the process of technological innovation, subsectorial competitiveness, productivity, and the exchange of alternative agricultural technologies;
- (d) technical and scientific experiments;
- (e) measures intended to increase the quality of farming and agricultural products, and to support trade promotion;
- (f) cooperation to strengthen the application, administration, and regulation of the standards related to sanitary, phytosanitary and food safety; and
- (g) cooperation to support development activities in human and technical resources in institutions.

#### **Article 17.12 Cooperation in the Matter of Quality, Productivity, Innovation, and Technological Development**

Each Party shall promote the cooperation to improve the institutional capacities and the competitiveness of the micro, small-and-medium enterprises in the fields of quality, productivity, innovation, and technological development, considering, but not limited to, the following topics:

- (a) technological strengthening for testing laboratories and industrial metrology;
- (b) assistance for updating academic curricula of technical careers (middle level education, technical education, and higher education);
- (c) support with internships related to the fields of quality and productivity, technological innovation, and development, for private enterprises, academic and public sector employees; and
- (d) strengthen the capacities of human resources of the public sector, in fields related to quality, productivity, innovation, and technological development.

#### **Article 17.13 Ministerial Committee for Economic and Commercial Cooperation**

1. The Parties hereby establish the Ministerial Committee for Economic and Commercial Cooperation (“the Committee”), comprising the Minister of Foreign Affairs and the Minister of Economic Affairs or their designees for the Republic of China (Taiwan); the Ministro de Economía or its designee in the case of the Republic of El Salvador; and the Secretario de Estado en los Despachos de Industria y Comercio or its designee in the case of the Republic of Honduras.

2. The Committee shall have the following functions:
  - (a) promote activities that foster cooperation;
  - (b) review in a timely and expeditious manner, any matter of mutual interest that the Parties decide to consider;
  - (c) follow up the cooperation programs included in this Chapter; and
  - (d) create, in addition to what has been established in this Chapter, the instruments and technical mechanisms to support its implementation and solve the differences that might arise in its prosecution.
3. The Parties agree that in the meetings of the Committee, the representatives of their corresponding private sectors may participate, prior to consultations among them on this matter and by mutual agreement.
4. The Committee will meet within the first year following the entry into force of this Agreement and, unless otherwise agreed, annually, thereafter alternatively in the Republic of China (Taiwan) or in the Republics of El Salvador or Honduras, in order to review the implementation of this Chapter and its progress, as well as to consider the status of the cooperation activities developed under this Chapter. Upon request by one of the Parties, extraordinary meetings of the Committee may be convened.
5. The chairmanship of the Committee shall be alternated annually among the Parties, and all the decisions will be adopted by consensus.

#### **Article 17.14 Points of Contact**

1. The Parties shall designate points of contact in order to implement the decisions adopted by the Committee, as well as for following up the cooperation programs agreed upon by the Committee for the purpose of fulfilling the objectives of this Chapter. The points of contact will be able to make publicly available the cooperation activities carried out according to this Chapter.
2. The designation of these points of contact must be notified between the Parties within three (3) months after this Agreement enters into force.

#### **Article 17.15 Work Plan**

The Parties shall develop a work plan that reflects the national priorities regarding cooperation activities to be agreed by the Committee. The work plan may include short, medium, and long term activities. The Committee shall also be in charge of supervising the effective implementation of this work plan.