

Agreement for the Application of the Bolivarian Alternative for the Peoples of Our America and the Peoples' Trade

Presidents Hugo Chávez Frías, on behalf of the Bolivarian Republic of Venezuela, Evo Morales Ayma, on behalf of the Republic of Bolivia and Fidel Castro Ruz, on behalf of the Republic of Cuba, meeting in Havana on April 28 and 29, 2006, have decided to sign the present Agreement for the creation of the Bolivarian Alternative for the Peoples of Our America (ALBA) and the Peoples' Trade Agreements of our three countries.

General Provisions

Article 1: The governments of the Bolivarian Republic of Venezuela, the Republic of Bolivia and the Republic of Cuba have decided to take concrete steps toward implementing the process of integration, based on the principles contained in the Joint Declaration, signed on the December 14, 2004, between the Bolivarian Republic of Venezuela and the Republic of Cuba, which are hereby accepted and embraced by the Government of Bolivia.

Article 2: The countries shall elaborate a strategic plan in order to guarantee complementary products that can be mutually beneficial based on the rational exploitation of the countries' existing assets, the preservation of resources, the expansion of employment, market access and other aspects inspired in the true solidarity fostered by our peoples.

Article 3: The countries shall exchange comprehensive technology packages developed in their respective nations by the parties, in areas of common interest, which shall be provided for their use and implementation, based on the principles of mutual benefit.

Article 4: The countries shall work together, in coordination with other Latin American countries, to eradicate illiteracy in these nations, using efficient, tried and tested methods of mass application, which have been successfully used in the Bolivarian Republic of Venezuela.

Article 5: The countries agree to make investments of mutual interest which could take the form of public, binational, mixed or cooperative companies, joint management projects or any other form of association that they decide to establish. Priority shall be given to the initiatives which strengthen the capacity for social inclusion, resource industrialization and food security, in a framework of respect and preservation of the environment.

Article 6: In the case of strategic binational or trinational companies, the parties shall do everything possible, the nature and cost of the investment permitting, to ensure that the host country hold at least 51% of the shares.

Article 7: The countries may agree to the opening of branches of state banks of one country in the national territory of another.

Article 8: In order to facilitate the payments and charges relating to the commercial and financial transactions between the countries, Reciprocal Credit Agreements shall be arranged between the banking institutions appointed by the governments to this effect.

Article 9: The governments may use commercial compensation mechanisms of goods and services, if and when this is mutually convenient for the extension and reinforcement of the commercial exchange.

Article 10: The governments shall promote the development of joint cultural projects which take into account the particular characteristics of the different regions and the cultural identity of the peoples.

Article 11: The governments shall reinforce cooperation in the field of communication, by taking any action necessary to strengthen their infrastructure capacities in respect of transmission, distribution, telecommunications, etc; and in respect of their informative, cultural and educational contents production capacities. In this regard, the governments shall continue to support the space devoted to integrationist communication created by Telesur, by increasing its distribution in our countries, as well as its contents production capacities.

Article 12: The governments of Venezuela and Cuba acknowledge the special needs of Bolivia as a country whose natural resources were exploited and plundered during the centuries of colonial and neo-colonial rule.

Article 13: The Parties shall exchange scientific and technical know-how with the aim of aiding the economic and social development of the three countries.

Article 14: Taking into account all of the above, the Government of the Republic of Cuba, the Government of the Bolivarian Republic of Venezuela and the Government of the Republic of Bolivia, have agreed upon the following actions:

Actions to be implemented by Cuba as part of its relations with Bolivia in the framework of the Bolivarian Alternative for the Peoples of Our America and the Peoples' Trade Agreements

FIRST: To create a non-profit Cuban-Bolivian entity which will provide free high quality ophthalmologic surgeries to all Bolivian citizens lacking the financial resources needed to cover the high cost of this service, thus preventing tens of thousands of poor Bolivians from losing their sight or serious and often crippling limitations to their sight each year.

SECOND: Cuba shall supply the most advanced technology equipment and the ophthalmologic specialists required in the initial stage who, with the support of young Bolivian doctors trained in the Latin American School of Medical Sciences (ELAM), working as doctors in residence, or other doctors and residents from Bolivia or other countries, shall offer attentive care to the Bolivian patients.

THIRD: Cuba shall pay the wages of the Cuban ophthalmologic specialists working in the framework of this action program.

FOURTH: Bolivia shall provide the facilities necessary to render this service, be they buildings already used to provide healthcare or others adapted to this purpose. Cuba shall increase the number of ophthalmologic centres donated from three, the number initially offered in the Bilateral Agreement signed on December 30 of last year, to six.

FIFTH: The six centres shall be located in La Paz, Cochabamba, Santa Cruz, Sucre, Potosí and the town of Copacabana in the La Paz region. Together they shall have the capacity to operate on at least 100 thousand people each year. This capacity may be increased should the need arise.

SIXTH: Cuba hereby reaffirms its offer to provide Bolivia with 5 thousand scholarships to train doctors and specialists in General Integral Medicine or other areas of Medical Science: 2 000 in the first quarter of 2006, who are now receiving basic training here in Cuba; 2 000 in the second semester of this year, and 1 000 in the first quarter of 2007. Over the subsequent years the

established quota shall be replenished with new students. Included in these new scholarships are some of the 500 young Bolivians who are already studying Medicine in Schools of medical Science al over Cuba.

SEVENTH: Cuba shall prolong the stay of the 600 medical specialists who travelled to Bolivia as a result of the serious natural disaster which occurred in January of this year, affecting all the regions of the country, for as long as this sister nation deems necessary. Furthermore, it will donate 20 field hospitals equipped with surgical facilities, intensive care units, emergency services for patients suffering of cardiovascular accidents, laboratories and other medical resources, to be sent to the areas hardest hit by this disaster.

EIGHTH: Cuba shall continue to provide Bolivia with the experience, didactic material and technical resources necessary to implement the literacy program in four languages: Spanish, Aymara, Quechua and Guaraní, to be made available to all sectors of the population in need.

NINTH: With regards to the education sector, the exchange and collaboration plan shall be extended to offer help in the methods, programs and techniques of the educational process of interest to the Bolivian party.

TENTH: Cuba will share its energy-saving experiences with Bolivia and shall cooperate with this country on an energy-saving program that could yield significant convertible currency resources.

ELEVENTH: During the investment recovery period, any state investment, investments made by Bolivian mixed companies or even those made with Bolivian private capital in Cuba will be tax-exempt.

TWELVETH: Cuba shall grant Bolivian airlines the same facilities provided to their Cuban counterparts, with regard to passenger transportation, freight to and from Cuba and the use of airport services or any other facilities, as well as the internal transportation of passengers and freight within Cuba.

THIRTEEN: The exportation of goods and services from Cuba may be paid for with Bolivian products, in the national currency of Bolivia or in other currencies mutually agreed upon.

Actions to be implemented by Venezuela as part of its relations with Bolivia in the framework of the Bolivarian Alternative for the Peoples of Our America and the Trade Agreements between the Peoples

FIRST: Venezuela shall encourage extensive collaboration in the energy and mining sector, including: the institutional consolidation of the Ministry of Hydrocarbon and Energy and of the Ministry of Mining and Metallurgy of Bolivia, by way of technical and legal assistance; the increase in the supply of crude oil, refined products, LPG and asphalt, envisaged in the Energy Cooperation Agreement of Caracas, by the amount needed to satisfy the internal demand of Bolivia. Compensation mechanisms shall be established with Bolivian products so as to completely cancel all debts created by these services. Technical assistance for the Bolivian Fiscal Oilfields (YPFB) and COMIBOL shall also be established, as shall the development of projects to adapt and extend infrastructures as well as petrochemical, iron and steel and chemical and industrial projects, and any other form of cooperation agreed upon by the parties.

SECOND: During the investment recovery period, any state investment or investments made by Bolivian mixed companies in Venezuela shall be tax-exempt.

THIRD: Venezuela hereby reaffirms its offer to provide Bolivia with 5 000 scholarships in the different areas of interest for the productive and social development of the Republic of Bolivia.

FOURTH: Venezuela shall create a special fund of up to 100 million dollars for Bolivia to use to finance productive and associated infrastructure projects.

FIFTH: Venezuela will donate thirty million dollars to look after the social and productive necessities of the Bolivian people as decided by their Government.

SIXTH: Venezuela will donate asphalt and an asphalt mixing plant to contribute to road construction and maintenance.

SEVENTH: Venezuela will notably increase the imports of Bolivian products, especially those that contribute to the increase of its strategic foods reserves.

EIGHTH: Venezuela will provide fiscal incentives in her territory to projects of strategic interest to Bolivia.

NINTH: Venezuela will provide preferential facilities to Bolivian aircraft on Venezuelan territory within the permissible limits of her legislation.

TENTH: Venezuela will place at Bolivia's disposition the infrastructure and equipment for air and sea transportation in a preferential manner in order to support the economic and social development plans of the Republic of Bolivia.

ELEVENTH: Venezuela will provide facilities for Bolivian public or joint companies to establish themselves for the transformation of raw materials, down river.

TWELFTH: Venezuela will collaborate with Bolivia in research projects on biodiversity.

THIRTEENTH: Venezuela will support Bolivia's participation in the promotion of endogenous development nuclei, using the experience of Mision Vuelvan Caras.

FOURTEENTH: Venezuela will develop agreements with Bolivia in the field of telecommunications, which may include the use of satellites.

Actions to be developed by Bolivia in its relations with Cuba and Venezuela within the framework of ALBA and TCP

FIRST: Bolivia will contribute the export of her mining, agricultural, agro-industrial, livestock and industrial products as required by Cuba or Venezuela.

SECOND: Bolivia will contribute to the energy security of our nations with its available surplus production of hydrocarbons.

THIRD: Bolivia will not charge utility taxes on any state or mixed venture investments formed between Bolivia and the Venezuelan and Cuban States.

FOURTH: Bolivia will contribute its expertise in the study of native peoples, both in theory and in research methodology.

FIFTH: Bolivia will participate together with the governments of Venezuela and Cuba in the exchange of experiences in the study and recovery of ancestral knowledge in the field of natural medicine.

SIXTH: The government of Bolivia will actively participate in the exchange of experiences in the scientific research on natural resources and genetic agricultural and livestock patterns.

Actions to be jointly developed by Cuba and Venezuela in their relationship with Bolivia within the framework of ALBA and TCP

FIRST: The governments of the Bolivarian Republic of Venezuela and the Republic of Cuba will immediately proceed to remove tariffs and other non-tariff barriers that apply to all imports within the tariff universe of Cuba and Venezuela whenever the apply to products originating in the Republic of Bolivia.

SECOND: The governments of the Bolivarian Republic of Venezuela and the Republic of Cuba will guarantee the purchase of amounts of oil-based products and other agricultural and industrial products exported by Bolivia, that may not have a market as a result of the application of a Free Trade Treaty or Treaties initiated by the government of the United States or by European governments.

THIRD: The governments of Venezuela and Cuba offer financial, technical and human resource collaboration to Bolivia so that a genuine national Bolivian State airline may be established.

FOURTH: The governments of Venezuela and Cuba offer Bolivia their collaboration in the development of sports, including facilities for the organization and participation in sports competitions, and training centres in both nations. Cuba offers the use of her facilities and equipment for the control of anti-doping in the same conditions that are offered to Cuban athletes.

FIFTH: The governments of Cuba and Venezuela, in coordination with Bolivia, will promote actions needed to support the just Bolivian demand for the unconditional cancellation of her foreign debt, since it constitutes a serious obstacle to Bolivia's struggle against poverty and inequality.

New economic and social measures may be added to this present Agreement by the three signing Parties.

Bolivia, Venezuela and Cuba will struggle for the unity and integration of the peoples of Latin America and the Caribbean.

Bolivia, Venezuela and Cuba will struggle for peace and international cooperation.

Evo Morales Ayma President of the Republic of Bolivia

Hugo Chávez Frías President of the Bolivarian Republic of Venezuela

Fidel Castro Ruz President of the Council of State of the Republic of Cuba

Havana, April 29, 2006.