

COOPERATION AGREEMENT

Between the European Community and the Republic of Yemen

THE COUNCIL OF THE EUROPEAN UNION, of the one part, and

THE GOVERNMENT OF THE REPUBLIC OF YEMEN, of the other part,

Hereinafter referred to as the Parties,

RECOGNISING the excellent relations and links of friendship and cooperation between the Community and the Republic of Yemen;

REAFFIRMING the importance of further strengthening the links between the Community and the Republic of Yemen;

EMPHASISING the importance the Parties attach to the principles of the United Nations Charter, to the Universal Declaration of Human Rights, to the 1993 Vienna Declaration and the Plan of Action of the World Conference on Human Rights, to the 1995 Copenhagen Declaration on Social Development and the associated plan of action, and to the 1995 Beijing Declaration and the plan of action of the Fourth World Conference on Women, and to a continuing dialogue thereon;

CONSIDERING the desirability of amplifying the framework of relations between the European Community and the Middle East, and of regional cooperation between the Middle East countries, and recognising that cooperation with the Republic of Yemen forms an integral part of the European Community's policy in favour of strengthening Euro-Arab relations in both the Mediterranean and the Middle East;

REAFFIRMING the Parties common will to consolidate, deepen and diversify their relations in areas of mutual interest on a footing of equality, non-discrimination, mutual benefit and reciprocity;

CONSIDERING the desire of the Parties, within the bounds of their respective competence, to create favourable conditions for the development of trade and investment between the Community and the Republic of Yemen, and the need to uphold the principles adopted by the WTO whose purpose is to promote trade liberalisation in a stable, transparent and non-discriminatory manner which takes account of the Parties economic differences;

RECOGNISING the need to support the economic and social development of the Republic of Yemen, and particularly the Yemeni Government's efforts to improve the living conditions of the poor and disadvantaged sections of the population, with a special emphasis on the status of women;

UNDERLINING the importance attached by the Parties to the promotion of a balanced demographic growth, to the eradication of poverty, to the protection of the environment on a global as well as at national and local levels, to recognition of the links between population, economic development and the natural environment;

HAVE DECIDED TO CONCLUDE this Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN UNION,

Jacques F. POOS,

Deputy Prime Minister and Minister for Foreign Affairs, Foreign Trade and Cooperation of Luxembourg, President-in-Office of the Council of the European Union,

Manuel MARIN,

Vice-President of the Commission of the European Communities

THE GOVERNMENT OF THE REPUBLIC OF YEMEN,

Dr. Abdulkarim AL-ERYANI,

Deputy Prime Minister, Minister of Foreign Affairs

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1. Basis

Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect of democratic principles and fundamental human rights as set out in the Universal Declaration on Human Rights, which guides their domestic and international policies and constitute an essential element of this Agreement.

Article 2. Objectives

The principal objective of the Agreement is to enhance and develop, under a concept of dialogue, the various aspects of cooperation between the Parties in the areas which fall within the bounds of their respective competence including development, trade, economic and cultural cooperation, environmental protection and sustainable management of natural resources, and human resources development. Consequently, the Parties will have the following aims:

- (a) to promote and intensify trade between the Parties, and to encourage the steady expansion of sustainable economic cooperation, in accordance with the principles of equality and mutual advantage;
- (b) to strengthen cooperation in fields closely related to economic progress and benefiting both Parties;
- (c) to contribute to Yemens efforts to improve the quality of life and standards of living of the most disadvantaged and poorest groups of the population, together with measures using rural development to combat poverty in the countryside and assistance with developing human resources in a number of sectors of the economy;
- (d) to take the requisite measures to protect the world, regional and national environments and manage natural resources sustainably, taking account of the link between the environment and development;
- (e) to extend their cooperation to the field of culture, communication and information to improve mutual understanding and strengthen existing links between them.

Article 3. Trade Cooperation

- (a) Within the limits of its respective competence, the Community will conduct trade in accordance with the Agreement establishing the WTO and the Republic of Yemen will for its part seek to conduct trade accordingly.
- (b) In conformity with the provisions of the General Agreement on Tariffs and Trade (GATT 1994) and in regard to imported or exported goods, both sides will grant each other most favoured nation treatment. These provisions shall not apply to preferences accorded by either Party under any arrangement establishing a customs union, a free trade area or a preferential treatment area.
- (c) The objective of cooperation in this field will be to develop and diversify two-way EC-Yemen trade and to improve market access in line with the Parties respective economic situations.
- (d) In particular, it will include provisions on the following matters:

The Parties undertake to develop and diversify their reciprocal commercial exchanges and to improve market access, in a manner compatible with their respective economic situations and level of development,

The Parties are committed to improving the terms of access for their products to each others markets. In this context, they shall grant each other the most favourable conditions for imports and exports and they agree to examine ways and means of eliminating barriers to trade between them, notably non-tariff barriers, taking account of the work already done in this connection by international forums,

The Parties agree to promote the exchange of information concerning mutually beneficial market opportunities,

Within the limits of their respective competence, the Parties agree to improve the cooperation in customs matters between the respective authorities, especially with regard to the possibility of professional training, the simplification and

harmonisation of customs procedures, and assistance to combat customs fraud,

The Parties also undertake to give consideration, each in accordance with its laws, to exempting from duty, tax and other charges, goods admitted temporarily to their territories for subsequent re-export unaltered or for goods which re-enter their territories after processing in the other Party and where such processing is not considered sufficient for the goods to be treated as originating from the territory of that Party,

Within the limits of their respective competence, the Parties agree to consult each other in connection with trade or trade dispute related matters, including property rights and public procurement, on any dispute which may arise. They will also hold consultations in a constructive spirit on the issues of tariff, non-tariff, services, health, safety or environmental measures and technical requirements,

Insofar as their competences, regulations and policies permit, the Parties will aim to improve exchanges of information relating to public procurement,

The Government of Yemen shall take all necessary measures in order to improve the conditions for adequate and effective protection and enforcement of intellectual, industrial and commercial property rights,

To this end the Government of Yemen shall, in particular, accede as soon as practicable to the relevant international conventions on intellectual industrial and commercial property to which it is not a party, including but not limited to the Paris Convention for the protection of industrial property, the Bern Convention for the protection of literary and artistic works and the Agreement on trade related aspects on intellectual property rights (TRIPS),

The European Community, within the limits of its competences, and the Republic of Yemen, with regard to international maritime services, shall seek to ensure effective application of the principles of unrestricted access to cargoes on a commercial and non-discriminatory basis,

In order to enable the Republic of Yemen to fulfil the abovementioned undertakings and obligations, technical assistance shall be envisaged.

Article 4. Development Cooperation

The Community recognises Yemens need for development assistance and acknowledges that without a continuing rapid and sustainable reduction of poverty and population growth in the Republic of Yemen, the risk of constraints and conflicts which could undermine the countrys economic progress as well as the economic and social development of the population (particularly the weaker sections) will increase.

The Community also recognises that there is potential for its contribution to the development efforts of the Republic of Yemen to increase both in terms of size and impact, more particularly, in the strategic fields of poverty alleviation through primary education, training and improvement of working conditions, water, rural development and health, especially in the form of primary health care including planned parenthood promotion and population activities. Activities undertaken in these areas should where appropriate, promote equal opportunities and positively focus on girls and women. In this regard the Commission is anxious to develop cooperative links with local NGOs.

In light of the above and in accordance with Council Regulation (EEC) No 443/92 of 25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America, cooperation will continue to be developed within the context of a clear cooperation strategy and dialogue aimed at defining mutually agreed priorities, and pursuing effectiveness and sustainability.

The Parties will, within the limits of their available financial means and within the framework of their respective procedures and instruments, make available funds to facilitate the achievement of the aims set out in the agreement. Within its financial planning of cooperation activities, the Community will take into account the need to ensure an appropriate balance in the geographical distribution of its commitments.

The Parties will ensure that actions undertaken within the framework of development cooperation are consistent with development strategies agreed in concertation with the Bretton Woods institutions.

Article 5. Economic Cooperation

Both Parties will undertake, in accordance with their respective policies and objectives and within their available resources, to foster economic cooperation for mutual benefit and will determine together and to their mutual advantage, within the limits of their respective competences, the areas and priorities for economic cooperation programmes and activities within

the context of a clear cooperation strategy. In addition, in order further to strengthen economic relations between the Community and the Republic of Yemen, a regular economic dialogue will be set up between the two parties, covering all areas of macro-economic policy and including, within the limits of their respective competence, budgetary policy, balance of payments and monetary policy. The aim of this dialogue is to bring about closer cooperation between the authorities responsible for carrying out economic policies in their areas of competence.

Cooperation in these areas will involve the following broad fields of action:

(a) develop a creative competitive and sustainable economic environment in the Republic of Yemen by facilitating access to Community know-how and technology, inter alia, in the fields of standards, quality control and telecommunications;

(b) facilitate business to business contacts, exchange of information and other measures designed to promote and protect commercial exchanges including the promotion of Yemeni exports;

(c) create an environment propitious for the development of Yemeni SMEs and facilitate exchange of information on enterprise and SME policy, particularly in respect of improving the business environment and encouraging closer contacts not only between SMEs, with a view to promoting trade and industrial cooperation opportunities, but also between the relevant Community authorities and those Yemeni authorities responsible for the implementation of macroeconomic adjustment;

(d) conduct a dialogue on economic cooperation between the Republic of Yemen and the Community including the exchange of information on the macroeconomic situation and prospects and on development strategies;

(e) reinforce mutual understanding of their respective economic environments and business culture as a basis for effective cooperation;

(f) improve, within the limits of their respective competences, cooperation in standards and regulatory issues between the respective authorities, especially with respect to professional training, the simplification and harmonization of standards;

(g) strengthen management training in the Republic of Yemen with a view to develop business operators who are able to interact effectively with the European business environment;

(h) promote dialogue between the Republic of Yemen and the Community in the field of energy policy, transfer of technology and technology cooperation;

(i) support Yemens efforts to modernise and restructure industry through encouraging the diversification of industrial output and improving the relevant legal and administrative framework;

(j) promote the involvement of the private sector in cooperation programmes in order to strengthen economic and industrial cooperation between the Parties. To this effect, the Parties shall take measures to

Encourage the private sector of both Parties to develop business cooperation, and

Involve the private sectors in activities developed within the framework of the agreement;

(k) within the limits of their respective competence, further cooperation as regards financial services through exchanging information on financial regulations and practices and training schemes and fostering reform of the banking and financial systems and liberalisation of financial services;

(l) provide for cooperation on transport facilities and management including civil aviation and ports management, and further the use of Community standards in this sector;

(m) recognise the importance of cooperation concerning the information society and information and communications technologies that help speed up economic development and trade. Provide for a dialogue and possibly assistance concerning the regulation and standardisation of telecommunications and the development of projects, particularly concerning the application of telematics in priority areas (education, health, environment, transport, electronic trade).

Within the limits of their respective competences, the Parties will undertake to encourage an increase in mutually beneficial investment by establishing a more favourable climate for private investments through better conditions for the transfer of capital and by supporting, where appropriate, the conclusion of conventions on the promotion and protection of investments between the Member States of the Community and the Republic of Yemen on the basis of the principles of non-discrimination and reciprocity.

Article 6. Agriculture and Fisheries

The Parties undertake, in a spirit of understanding, to

Cooperate for the modernisation and restructuring of agriculture and fisheries.

This cooperation will be geared more especially to:

Assisting the Republic of Yemen in developing and implementing a national food security strategy,

The development of stable markets,

Integrated rural development including the improvement of basic services and the development of associated economic activities,

The development and improvement of private distribution channels, packaging and storage techniques, and marketing,

Support for privatisation and private sector development;

The conservation and rational management of fish stocks,

Promotion of the diversification of production and reduction of food dependency,

The promotion of environmentally friendly agriculture and fisheries,

The modernisation of infrastructure in rural areas and rural development,

The promotion of cooperation in the sectors of health, veterinary and animal plant matters, aiming at dismantling trade barriers, in accordance with the legislation of the Parties to the agreement,

Technical assistance and training.

Cooperation could take the form of transfers of know-how, promotion of agricultural research, the establishment of joint ventures, and training schemes.

Article 7. Environment Cooperation

The Parties recognise that there is a close link between poverty and environmental degradation. Thus, the principal aim of environmental cooperation between the Parties within the limits of their respective competences will be to enhance the prospects for achieving sustainable economic growth and social development, placing a high priority on the protection of the natural environment including marine environment and the reduction of environmental degradation, in particular desertification.

Cooperation will be achieved in the following ways:

Establishment of administrative, regulatory and information structures to permit rational management of the environment,

Cooperation in the development of sustainable and non-polluting energy sources, as well as solutions to urban and industrial pollution problems,

Encouraging regional cooperation and coordination,

Exchanges of information and of expertise, particularly in the context of the transfer of appropriate environmental technology,

Training and advisory schemes and the development of networks.

Article 8. Tourism

Within the limits of the Parties respective competence,

Priorities for cooperation in this sphere will be:

Intensifying training schemes in hotel management and administration and training for other related occupations,

Attracting local and foreign investment to the tourism sector,

Tourism marketing and business cooperation,

Exchange of best practice for ensuring a sustainable development of tourism.

Article 9. Regional Cooperation

Economic and other cooperation between the Parties may extend to activities under cooperation or integration agreements with other countries of the same region, provided the said activities are compatible with those agreements.

Both parties will encourage operations and give technical support to activities designed to develop cooperation between the Republic of Yemen and its neighbours. In this context a coordination with the Communitys decentralised cooperation programmes with the Mediterranean and GCC countries should be envisaged.

Article 10. Science and Technology

The Parties will endeavour to promote cooperation on scientific and technological development.

Cooperation will take the form of:

Exchanges of scientific and technological information,

Exchanges between scientists and development of inter-institutional relationships in this field,

Training activities,

Improvement of Yemeni research capabilities,

Access to regional scientific and technological cooperation networks.

The parties will determine the areas of mutual interest together. In general priority will be given to schemes to create synergy having a regional impact, such as environment, management of soil, water and health.

Article 11. Cooperation Against Drug Abuse and Control of Chemical Precursors and Money Laundering

In conformity with their respective competences and the pertinent legal provisions, the Parties will agree:

To consider special measures against the illicit cultivation, production and trade in drugs, narcotics and psychotropic substances as well as prevention and reduction of drug abuse,

To cooperate in order to prevent the diversion of drug precursor chemicals,

To make every effort in order to prevent money laundering.

Cooperation in the field of money-laundering between the Parties within the limits of their respective competences will aim at establishing suitable standards against money laundering equivalent to those adopted by the Community and international forums in this field, in particular the Financial Action Task Force (FATF).

Article 12. Social Cooperation

The Parties acknowledge the importance of social development which should go hand in hand with any economic development. They will give particular priority to respect for basic social rights.

Within the limits of their respective competence, cooperation may cover any area of interest to the parties. Taking into account their respective fields of competence and pertinent legal provisions, the Parties will give priority to measures aimed at:

The promotion of de facto equality of women in economic and social development and the balanced involvement of women and men in related decision making processes in particular through education and the media,

Improving the working conditions and social protection of mothers and children,

The improvement of the social protection system,

The improvement of the response to health requirements.

Article 13. Human Resources Development

The Parties agree that human resources development constitutes an integral part of both economic and social development. They will undertake to determine how to improve the situation of education and vocational training. To this end, access of women to education, including technical courses, higher education and vocational training

will receive special attention. In order to develop the level of expertise of senior staff in the public and private sectors, the Parties will step up their cooperation on education and vocational training and encourage cooperation between universities and firms.

Article 14. Information, Culture and Communications

The Parties, within their respective areas of competence, and in the light of their policies and mutual interests, will establish cooperation in the fields of information, culture, cultural heritage and communications, both to create a better mutual understanding and to strengthen cultural ties between them, including, inter alia, through studies and technical assistance for the preservation of cultural heritage.

Within the sphere of their respective competences, such cooperation may include:

Programmes of mutual information including the press and audiovisual media,

Conservation and restoration of monuments and buildings of architectural interest,

Education and training,

Cultural events.

Article 15. Institutional Aspects

A Joint Cooperation Committee will be established at official level to oversee the overall implementation of this agreement.

It will meet alternatively in the Community and the Republic of Yemen, normally at annual intervals. Its role will be to:

- (a) ensure the proper functioning of the Agreement;
- (b) set the priorities in relation to the aims of the Agreement;
- (c) make suitable recommendations for promoting the objectives of the Agreement.

Both parties emphasise their desire to see regular contacts established between the European and the Yemeni Parliaments.

Article 16. Evolutive Clause

The Parties may, by mutual consent and within their respective areas of competence, extend this Agreement to expand cooperation, enhance its level and add to it by means of future agreements on specific sectors or activities.

Within the framework of this Agreement, either Party may put forward suggestions for expanding the scope of the cooperation, taking into account the experience gained in its application.

Article 17. Other Agreements

Without prejudice to the relevant provisions of the Treaties establishing the European Communities, neither this Agreement nor any action taken thereunder shall in any way affect the powers of the Member States of the European Union to undertake bilateral activities with the Republic of Yemen in the framework of economic cooperation or to conclude, where appropriate, new economic cooperation agreements with the Republic of Yemen.

Subject to the provisions of the above paragraph, the provisions of this agreement shall replace provisions of agreements concluded between Member States of the European Union and the Republic of Yemen where such provisions are either incompatible with or identical to the provisions of this Agreement.

Article 18. Non-execution of the Agreement

If either Party considers that the other Party has failed to fulfil any of its obligations under this Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the other Party with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of this Agreement. Such measures shall be notified immediately to the other Party and consultation shall be held on them if the other Party so requests.

Article 19. Appropriate Conditions for Ec Experts Under Ec-funded Cooperation Activities In the Republic of Yemen

To facilitate cooperation within the framework of the Agreement, the Yemeni government will grant to EC officials and experts involved in implementing cooperation the guarantees, facilities and legal privileges usual according to international standards which are necessary for the performance of their functions. Supplies and goods imported to the Republic of Yemen in the framework of the implementation of cooperation activities should also be exempted from any kind of taxation, levies or other charges.

Article 20. Territorial Application

This Agreement shall apply, on the one hand, to the territories to which the Treaty establishing the European Community applies and under the conditions laid down in the Treaty and, on the other, to the territory of the Republic of Yemen.

Article 21. Entry Into Force

This Agreement shall enter into force on the first day of the month following the date on which the parties notify each other of the completion of the procedures necessary for this purpose.

This Agreement is concluded for an unlimited period unless one of the Parties denounces it.

Article 22. Authentic Texts

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Arabic languages, each text being equally authentic.

Article 23. Annexes

The Annexes to this Agreement shall form an integral part thereof.

Done at Brussels on the twenty-fifth day of November in the year one thousand nine hundred and ninety-seven.

The Council of the European Union

The Republic of Yemen

Annex I

Declaration on Article 18: Non-exclusion of the Agreement

(a) The Parties agree, for the purposes of the interpretation and practical application of this Agreement, that the term cases of special urgency in Article 18 of the Agreement means a case of the material breach of the Agreement by one of the Parties. A material breach of the Agreement consists in:

Repudiation of the Agreement not sanctioned by the general rules of international law,

Violation of essential elements of the Agreement set out in Article 1.

(b) The Parties agree that the appropriate measures referred to in Article 18 are measures taken in accordance with

international law. If a Party takes a measure in a case of special urgency as provided for under Article 18 the other Party may avail itself of the procedure relating to settlement of disputes.

The Parties agree for the purposes of this Agreement that intellectual, industrial and commercial property includes in particular protection of copyright and related rights, patents, industrial designs, trademarks and service marks, software, topographies of integrated circuits, geographical indications, as well as protection against unfair competition and the protection of undisclosed information of know-how.