COOPERATION AGREEMENT

Between the European Community and the Kingdom of Cambodia

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

THE GOVERNMENT OF THE KINGDOM OF CAMBODIA, of the other part,

Hereinafter referred to as the Parties,

WELCOMING the increase in trade and cooperation which has taken place between the European Community, hereinafter referred to as the Community, and the Kingdom of Cambodia, hereinafter referred to as Cambodia;

RECOGNISING the excellent relations and ties of friendship and cooperation between the Community and Cambodia;

REAFFIRMING the importance of further strengthening ties between the Community and Cambodia;

RECOGNISING 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;

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

RECOGNISING the desire of the Parties to create favourable conditions for the development of trade and investment between the Community and Cambodia, and the need to adhere to the principles of international trade, the purpose of which is to promote trade liberalisation in a stable, transparent and non-discriminatory manner;

CONSIDERING the need to support the current process of economic reform in order to guarantee transition to a market economy, with due regard for the importance of the social development which should go hand in hand with economic development and the common commitment to respecting social rights;

CONSIDERING the need to support the Cambodian Government's efforts to improve the living conditions of the poorest and most disadvantaged sections of the population, with a special emphasis on the status of women;

CONSIDERING the importance accorded by the Parties to the protection of the environment at all levels and to the sustainable management of natural resources, taking account of the links between the environment and development;

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

COUNCIL OF THE EUROPEAN UNION:

Hans Van MIERLO

Deputy Prime Minister and Minister for Foreign Affairs of the Netherlands,

President-in-Office of the Council of the European Union,

Manuel MARIN

Vice-President of the Commission of the European Communities,

THE ROYAL GOVERNMENT OF CAMBODIA:

KEAT CHHON Ministre d'Etat,

Minister for Economic Affairs and Finance,

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1. Basis

Respect for the democratic principles and fundamental human rights established by the Universal Declaration on Human Rights inspires the internal and international policies of the Community and of Cambodia and constitutes an essential element of this Agreement.

Article 2. Objectives

The main objective of this Agreement is to provide a framework for enhancing cooperation between the Parties, within

Their respective areas of jurisdiction, with the following aims:

(a) to accord each other most-favoured-nation treatment on trade in goods in all areas specifically covered by the Agreement, save as regards advantages accorded by either Party within the context of customs unions or free trade areas, trade arrangements with neighbouring countries or specific obligations under international commodity agreements;

(b) 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;

(c) to strengthen cooperation in fields closely related to economic progress and benefiting both Parties;

(d) to contribute to Cambodia's efforts to improve the quality of life and standards of living of the poorest sections of its population, together with measures for the country's reconstruction;

(e) to encourage job creation in both the Community and Cambodia, with priority being accorded to programmes and operations which could have a favourable effect in this respect. The Parties shall also exchange views and information on their respective initiatives in this field, step up and diversify their economic links and establish conditions conducive to job creation;

(f) to take the requisite measures to protect the environment and manage natural resources sustainably.

Article 3. Development Cooperation

The Community recognises Cambodia's need for development assistance and is prepared to step up its cooperation in order to contribute to that country's own efforts to achieve sustainable economic development and the social progress of its people through concrete projects and programmes in accordance with the priorities set out in 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.

In accordance with the abovementioned Regulation, assistance will be targeted mainly on the rehabilitation and reconstruction of the country and on the poorest sections of the population. In cooperation, priority will be given to schemes aimed at alleviating poverty, and in particular those likely to create jobs, foster development at grassroots level and promote the role of women in development. The Parties will also encourage the adoption of appropriate measures to prevent and combat AIDS and take steps to increase grassroots development and education on AIDS and the operational capacity of the health services.

Cooperation between the Parties will also address the problem of drugs to encourage and enhance training, education, health care and the rehabilitation of addicts.

The Parties acknowledge the importance of human resources development, social development, the improvement of living and working conditions, the development of skills and the protection of the most vulnerable sections of the population. Human resources and social development must be an integral part of economic and development cooperation. Appropriate consideration shall therefore be given to training objectives addressing institutional needs and specific vocational training activities aimed at enhancing the skills of the local workforce.

In view of its major contribution to mine-clearance programmes in Cambodia, the Community will, in its future

commitments, continue to concentrate on mutually agreed priorities to ensure that assistance is effective and lasting.

Community cooperation in all its areas will be concentrated on mutually agreed priorities to ensure that assistance is effective and lasting. Development cooperation activities shall be compatible with the development strategies pursued under the auspices of the institutions of the Bretton Woods Agreement.

Article 4. Trade Cooperation

1. The Parties confirm their determination:

(a) to take all appropriate measures to create favourable conditions for trade between them;

(b) to do their utmost to improve the structure of their trade in order to diversify it further;

(c) to work towards the elimination of barriers to trade, and towards measures to improve transparency, in particular through the removal at an appropriate time of non-tariff barriers, in accordance with work undertaken in this connection by other international bodies while ensuring that personal data are suitably protected.

2. In their trade relations, the Parties shall accord each other most-favoured-nation treatment in all matters regarding:

(a) customs duties and charges of all kinds, including the procedures for their collection;

(b) the regulations, procedures and formalities governing customs clearance, transit, warehousing and transhipment;

(c) taxes and other internal charges levied directly or indirectly on imports or exports;

(d) administrative formalities for the issue of import or export licences.

3. Within the areas of their respective areas of jurisdiction, the Parties shall undertake:

(a) to seek ways of establishing cooperation in the field of maritime transport leading to market access on a commercial and non-discriminatory basis, taking into account the work done in this connection by other international bodies;

(b) to improve customs cooperation between their respective authorities, especially with regard to vocational training, the simplification and harmonisation of customs procedures and administrative assistance in the matter of customs fraud;

(c) to exchange information on mutually advantageous opportunities, in particular in the field of tourism and cooperation on statistical matters.

4. Paragraphs 2 and 3(a) shall not apply to:

(a) advantages accorded by either Party to States which are fellow members of a customs union or free trade area;

(b) advantages accorded by either Party to neighbouring countries with a view to facilitating border trade;

(c) measures which either Party may take in order to meet its obligations under international commodity agreements.

5. Cambodia shall improve conditions for the adequate and effective protection and enforcement of intellectual, industrial and commercial property rights in conformity with the highest international standards. To this end, Cambodia shall accede to the relevant international conventions on intellectual, industrial and commercial property I 1) to which it is not yet a party. In order to enable Cambodia to fulfil the abovementioned obligations, technical assistance could be envisaged.

6. Within their respective areas of jurisdiction and insofar as their rules and regulations permit, the Parties shall agree to consult each other on all questions, problems or disputes which may arise in connection with trade.

Article 5. Environmental Cooperation

The Parties recognise that the way to improve environmental protection is to introduce appropriate environmental legislation, implement it effectively and integrate it into other policy areas.

The main objective of environmental cooperation is to enhance the prospects of sustainable economic growth and social development by placing a high priority on respect for the natural environment including:

(a) the drafting of an effective environment protection policy involving appropriate legislative measures and the resources needed to implement it. Proper implementation of these measures will be essential in helping put an end to illegal logging activities. Such a policy will also encompass training, capacity building and the transfer of appropriate environmental

technology;

(b) cooperation in the development of sustainable and nonpolluting energy sources, as well as solutions to urban and industrial pollution problems;

(c) refraining from activities harmful to the environment, especially in regions with fragile ecosystems, while developing tourism as a sustainable source of revenue;

(d) environmental impact assessment, which is a vital element in the preparation and implementation of any reconstruction or development project;

(e) close cooperation to achieve the objectives of environmental agreements to which both Parties are signatories;

(f) particular priority and initiatives for the conservation of existing primary forests and for the sustainable development of new forest resources.

Article 6. Economic Cooperation

Within the limits of their respective areas of jurisdiction and the financial resources available, the Parties undertake to foster economic cooperation to their mutual advantage.

This cooperation will be aimed at:

(a) developing the economic environment in Cambodia by facilitating access to Community know-how and technology;

(b) facilitating contacts between economic operators and taking other measures to promote trade;

(c) encouraging, in accordance with their legislation, rules and policies, public-and private-sector investment programmes in order to strengthen economic cooperation, including cooperation between enterprises, technology transfers, licences and subcontracting;

(d) facilitating the exchange of information and the adoption of initiatives, fostering cooperation on enterprise policy, particularly with regard to improving the business environment and encouraging closer contacts;

(e) reinforcing mutual understanding of the Parties' respective economic environments as a basis for effective cooperation.

In the above fields the principal objectives shall be:

To assist Cambodia in its efforts to restructure its economy by creating the conditions for a suitable economic environment and business climate;

To encourage synergies between the Parties' respective economic sectors, and in particular their private sectors;

Within the Parties' respective areas of jurisdiction, and in accordance with their legislation, rules and policies, to establish a climate conducive to private investment by improving conditions for the transfer of capital and, where appropriate, by supporting the conclusion of agreements between the Member States of the Community and Cambodia on the promotion and protection of investment.

The Parties will together determine, to their mutual advantage, the areas and priorities for economic cooperation programmes and activities.

Article 7. Agriculture

The Parties undertake, in a spirit of understanding, to cooperate in the agricultural sector and examine:

(a) the scope for developing trade in agricultural products;

(b) sanitary, phytosanitary and environmental measures, and the results thereof, along with assistance to avoid obstacles to trade, taking into account the Parties' legislation;

(c) the possibility of assisting the Government of Cambodia in its efforts to diversify agricultural exports.

Article 8. Energy

The Parties recognise the vital importance of the energy sector for economic and social development and are prepared to

step up cooperation by means of dialogue in the field of energy policy. This dialogue will take due account of the main objective, namely to ensure the sustainable development of Cambodia's energy resources.

Article 9. Regional Cooperation

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.

Without excluding any area, special consideration may be given to the following activities:

(a) technical assistance (services of outside consultants, training of technical staff in certain practical aspects of integration);

(b) promotion of intraregional trade;

(c) support for regional institutions, projects and initiatives for which regional organisations bear responsibility;

(d) studies concerning regional links, transport and communications.

Article 10. Science and Technology

The Parties, according to their respective policies, their mutual interest and within their respective areas of jurisdiction, may promote scientific and technological cooperation.

Cooperation will involve:

The exchange of information and experience at regional (Europe-South-East Asia) level, especially on the implementation of policies and programmes,

The promotion of lasting ties between the Parties' scientific communities,

The stepping-up of activities aimed at promoting innovation in industry, including technology transfers.

Cooperation may involve:

The joint implementation of regional (Europe-South-East Asia) research projects in areas of mutual interest, facilitating, where appropriate, the active involvement of enterprises,

The exchange of scientists to promote the preparation of research projects and high-level training,

Joint scientific meetings to foster exchanges of information and interaction and to identify areas for joint research,

The dissemination of results and the development of links between the public and private sectors;

Evaluation of the activities concerned.

The Parties' higher education institutions, research centres and

Industries will play an appropriate part in this cooperation.

Article 11. Chemical Drug Precursors and Money Laundering

Within their respective areas of jurisdiction and the legislation applicable, and taking into account work done by the relevant international bodies, the Parties will agree to cooperate in order to prevent the diversion of chemical drug precursors and will agree on the need to do all in their power to prevent money laundering.

The Parties will also consider special measures against the cultivation, production and trafficking of drugs, narcotics and psychotropic substances, and measures to prevent and reduce drug abuse.

This cooperation may include:

Measures to promote other forms of economic development;

The exchange of relevant information, subject to personal data being duly protected.

Article 12. Physical Infrastructure

The Parties recognise that the present state of Cambodia's physical infrastructure constitutes a serious constraint to private investment and to economic development in general. The Parties therefore agree to encourage specific programmes for the rehabilitation, reconstruction and development of Cambodia's infrastructure, including transport.

Article 13. Information, Communication and Culture

The Parties, within their respective areas of jurisdiction, and in the light of their policies and mutual interests, will cooperate in the fields of information, communication and culture to improve mutual understanding and strengthen existing ties between them. In view of the importance of the ancient Khmer civilization and its heritage, appropriate support may also be provided for the promotion of new initiatives in the following areas:

(a) preparatory studies and technical assistance for the conservation of the cultural heritage, notably for the purposes of tourism;

(b) cooperation in the field of the media and audio-visual documentation;

(c) the organisation of events and exchanges to improve cultural understanding.

The Parties recognise the importance of cooperation in the fields of telecommunications, the information society and multimedia. Such cooperation may include the exchange of information on the Parties' respective regulations and policies for telecommunication, mobile communications, including the promotion of Global Navigation Satellite Systems (GNSS), the information society, multimedia telecommunications technologies, networks and telematic applications (e.

g. transport, health, education and environment).

Article 14. Institutional Aspects

1. The Parties agree to establish a Joint Committee, whose tasks are:

(a) to guarantee the smooth working and proper implementation of this Agreement and of the dialogue between the Parties;

(b) to make suitable recommendations for promoting the objectives of this Agreement;

(c) to establish priorities for potential operations in pursuit of this Agreement's objectives.

2. The Joint Committee shall be composed of representatives of sufficient seniority of both Parties. It shall normally meet every other year, alternately in Phnom Penh and in Brussels, on a date fixed by mutual agreement. Extraordinary meetings may also be convened by agreement between the Parties.

3. The Joint Committee may set up specialised sub-groups to assist it in the performance of its tasks and to coordinate the formulation and implementation of projects and programmes under this Agreement.

4. The agenda for meetings of the Joint Committee shall be determined by agreement between the Parties.

5. The Parties agree that it shall also be the task of the Joint Committee to ensure the proper functioning of any sectoral agreements concluded, or which may be concluded, between the Community and Cambodia.

6. The organisational structures and the rules of procedure of the Joint Committee shall be determined by the Parties.

Article 15. Future Developments

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

2. 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 16. 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 Cambodia in the framework of economic cooperation or to conclude, where appropriate,

new economic cooperation agreements with Cambodia.

Article 17. Facilities

To facilitate cooperation under this Agreement, the Cambodian authorities will grant to Community officials and experts the guarantees and facilities necessary for the performance of their duties. The detailed provisions will be set out in a separate exchange of letters.

Article 18. Territorial Application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of Cambodia.

Article 19. Non-execution of the Agreement

If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Joint Committee 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. These measures shall be notified immediately to the Joint Committee and shall be the subject of consultations within the Joint Committee if the other Party so requests.

Article 20. Annexes

Annexes I and II to this Agreement shall form an integral part thereof.

Article 21. Entry Into Force and Renewal

1. 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.

2. This Agreement is concluded for a period of five years. It shall be renewed automatically from year to year unless one of the Parties denounces it six months before its expiry date.

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 Khmer languages, each text being equally authentic.

Done at Luxembourg, 29 April 1997.

For the European Community

For the Kingdom of Cambodia

(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 19 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 19 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 19, the other Party

may avail itself of the procedure relating to settlement of disputes.

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

Joint Declaration on the readmission of citizens

The European Community recalls the importance that its Member States attach to the establishment of effective cooperation with third countries in order to facilitate the readmission by the latter of its nationals unlawfully residing on the territory of a Member State.

The Kingdom of Cambodia undertakes to finalise readmission agreements with those Member States of the European Union which request it.