COOPERATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE ISLAMIC REPUBLIC OF PAKISTAN ON PARTNERSHIP AND DEVELOPMENT

THE EUROPEAN COMMUNITY, of the one part,

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN,

Of the other part,

CONSIDERING the excellent relations and links of friendship and cooperation between the European Community, hereinafter referred to as "the Community", and the Islamic Republic of Pakistan, hereinafter referred to as "Pakistan", RECOGNISING the importance of further strengthening the links and enhancing the relations between the Community and Pakistan,

RE-AFFIRMING the importance which the Community and Pakistan attach to the principles of the United Nations Charter and to the Universal Declaration on Human Rights,

BEARING IN MIND the 1993 Declaration of Vienna and the Programme of Action of the World Conference on Human Rights, the 1995 Copenhagen Declaration on social development and programme of action, the 1995 Beijing Declaration and platform of action for the 4th World Conference on Women, the 1992 Rio Declaration on Environment and Development and the International Strategy for the Fourth Development Decade,

HAVING REGARD to the foundations for close cooperation between the Community and Pakistan laid by the Agreement between Pakistan and the Community signed on the 16 November 1976,

NOTING with satisfaction the achievements resulting from that Agreement,INSPIRED by their common will to consolidate, deepen and diversify their relations in areas of mutual interest on the basis of equality, non-discrimination and mutual benefit and reciprocity,

ACKNOWLEDGING the great importance of social development which should go hand in hand with economic development,

RECOGNISING the need to support Pakistans efforts for development, especially improving the living conditions of the poor and disadvantaged sections of the population,

CONSIDERING the importance attached by the Community and Pakistan to the promotion of balanced demographic growth, to the eradication of poverty, to the protection of the environment and to the sustainable use of natural resources, and recognising the link between the environment and development,

DESIROUS of creating favourable conditions for a substantial development and diversification of trade between the Community and Pakistan and enhancing cooperation in commercial, economic, investment, science and technology and cultural fields,

TAKING INTO ACCOUNT their commitment to conduct trade in accordance with the Agreement establishing the WTO,

RECOGNISING the specific needs of developing countries under the WTO,

HAVING REGARD to the need to create favourable conditions for direct investment, NOTING their common interest in fostering and strengthening regional cooperation and the North-South dialogue,BELIEVING that relations between them have developed beyond the scope of the Agreement concluded in 1986,

HAVE DECIDED, as Contracting Parties, hereinafter referred to as "the Parties", to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE EUROPEAN COMMUNITY:

Guy VERHOFSTADT

Prime Minister of the Kingdom of Belgium

Romano PRODI

President of the Commission of the European Communities THE GOVERNMENT OF PAKISTAN:

Pervez MUSHARRAF

President of the Islamic Republic of Pakistan

WHO, having exchanged their full powers, found in good and due form,HAVE AGREED AS FOLLOWS:

Article 1. Basis

Respect for human rights and democratic principles as laid down in the Universal Declaration on Human Rights underpins the domestic and international policies of the Community and the Islamic Republic of Pakistan and constitutes an essential element of this Agreement.

Article 2. Objectives

The principal objectives of this Agreement are to enhance and develop, through dialogue and partnership, the various aspects of cooperation between the Parties in the areas which fall within the bounds of their respective competences, with the following aims:

(1) to secure the conditions for and to promote the increase and development of two-way trade between the Parties in accordance with the Agreement establishing the World Trade Organisation (WTO);

(2) to support Pakistans efforts for comprehensive and sustainable development, including economic and social development policies which take account of the poor and disadvantaged sections of its population, particularly women in these sections, as well as sustainable management of natural resources;

(3) to promote investment and economic, technical and cultural links in their mutual interest;

(4) to build Pakistans economic capability to interact more effectively with the Community.

Article 3. Trade and Commercial Cooperation

1. Within the bounds of their respective competences the Parties are committed to conducting trade in accordance with the Agreement establishing the WTO.

2. Each Party agrees to inform the other Party of the initiation of anti-dumping procedures against products of the other Party.

In full respect of the WTO Agreements on anti-dumping and anti-subsidy measures, the Parties shall afford sympathetic consideration to, and adequate opportunity for consultation regarding, representations made by either Party with respect to antidumping procedures and anti-subsidy procedures.

3. The Parties also undertake to promote, within the framework of their current legislation, the expansion and diversification of trade between them. The objective of cooperation in this field is to develop and diversify two-way trade by seeking ways and means to improve market access.

4. The Parties shall seek:

(a) to work towards the elimination of barriers to trade and to implement measures to improve transparency, in particular through the timely removal of non-tariff barriers in accordance with work done in this connection by WTO;

(b) within the limits of their respective competences, to improve cooperation in customs matters between the respective authorities, especially in professional training, the simplification and harmonisation of customs procedures and the prevention, investigation and penalisation of customs offences, including fraudulent practices, consistent with work done by the World Customs Organisation (WCO);

(c) to pursue the consideration of transit/re-export matters;

(d) to exchange information about mutually beneficial market opportunities, statistical cooperation and competition matters;

(e) to work towards suitable protection of personal data.

5. (a) Pakistan shall take all necessary measures to improve the conditions for adequate and effective protection and enforcement of intellectual, industrial and commercial property rights, in conformity with international standards;

(b) By the end of the fifth year following the entry into force of this Agreement, and without prejudice to the commitments undertaken under the TRIPs Agreement, Pakistan shall accede to the following multilateral conventions on intellectual, industrial and commercial property rights to which Member States are parties or which are de facto applied by Member States, according to the relevant provisions contained in these conventions:

(i) Paris Convention for the Protection of Industrial Property as last revised at Stockholm (Stockholm Act 1967);

(ii) Madrid Agreement concerning the International Registration of Marks as last revised at Stockholm (Stockholm Act 1967);

(iii) Protocol relating to the Madrid Agreement concerning the International Registration of Marks (1989);

(iv) Patent Cooperation Treaty (PTC Union) as modified in 1984;

(c) In order to enable Pakistan to fulfil the abovementioned undertakings and obligations, technical assistance may be envisaged.

6. Within the limits of their respective competences, the Parties agree that they will work to improve exchange of information and access to their respective public procurement markets on the basis of reciprocity.

Article 4. Development Cooperation

1. The Parties recognise that there is a potential for a Community contribution to the development efforts of Pakistan in order to achieve the sustainable economic development and social progress of its people.

Projects and programmes under development cooperation will place emphasis on the health, education, human resource development, specially for women, population welfare, environment and rural development sectors and will be specifically targeted towards the poorer and disadvantaged section of the population.

In the light of the above and in accordance with Community policies, regulations and the limits of financial means available for cooperation, the Parties agree that 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.

2. The Parties acknowledge the need for enhanced attention to and cooperation in the fields of drug control and AIDS, taking into account work done in this connection by international bodies. The Parties affirm their resolve to cooperate in the prevention, monitoring and reduction of drug abuse and AIDS, in particular through the strengthening of health services capabilities and support to key health education activities.

Article 5. Environmental Cooperation

1. The Parties recognise the need to take account of environmental protection as an integral part of economic and development cooperation. Moreover, they underline the importance of environmental issues and their will to establish cooperation in protecting and improving the environment with particular emphasis on water, soil and air pollution, erosion, deforestation and sustainable management of natural resources, taking into account the work done in international fora.

Particular attention will be paid to:

(a) the sustainable management of forest eco-systems;

(b) protection and conservation of natural forests;

(c) prevention of industrial pollution;

(d) protection of the urban environment.

2. Cooperation in this area will centre on:

(a) reinforcing and improving environmental protection institutions;

(b) developing legislation and upgrading standards;

(c) research, training and information;

(d) executing studies and pilot programmes and providing technical assistance.

Article 6. Economic Cooperation

1. In accordance with their respective policies and objectives and to the extent of their available resources, the Parties undertake to foster economic cooperation for mutual benefit. They will determine together, to their mutual advantage and within the limits of their respective competences, a cooperation strategy, defining the areas and priorities for economic cooperation programmes and activities.

2. The Parties agree to cooperate in the following broad fields:

(a) developing a creative competitive economic environment in Pakistan by facilitating the use of know-how and technology from the Community, including, in the fields of design, packaging, standards, such as consumer and environmental standards, new materials and products;

(b) facilitating contacts between economic operators and other measures designed to promote commercial exchanges, market development and investment;

(c) facilitating exchanges of information on policies relating to enterprise and to small and medium scale enterprises (SMEs), particularly with a view to improving the business environment and encouraging closer contacts between SMEs, in order to promote trade and increase industrial cooperation opportunities;

(d) strengthening management training in Pakistan with a view to developing business operators who are able to interact effectively with the European business environment;

(e) promoting dialogue between Pakistan and the Community in the fields of energy policy and transfer of technology;

(f) developing and improving communication, information, technology, agriculture, fisheries, mining and tourism.

3. The Parties agree to pursue the following means to achieve their aims:

(a) exchange of information and ideas;

(b) preparation of studies;

(c) provision of technical assistance;

(d) training programmes;

(e) establishment of links between research and training centres, specialised agencies and business organisations;

(f) promotion of investment and joint ventures;

(g) institutional development of public and private agencies and administrations;

(h) access to each others existing data bases and creation of new ones;

(i) workshops and seminars;

(j) exchanges of experts.

4. Within the limits of their respective competences, the Parties 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 Pakistan.

Article 7. Industry and Services

1. The Parties shall facilitate:

(a) the identification of sectors of Industry on which cooperation will centre and the means to promote industrial cooperation;

(b) the expansion and diversification of Pakistans production base in the industrial and service sectors, including modernisation and reform of the public sector, directing their cooperative activities at small and medium-sized enterprises and taking steps to facilitate their access to sources of capital, markets and technology directed especially towards promoting trade between the Parties as well as at third country markets.

2. The parties shall facilitate within the sphere of their respective competences, access to available information and capital facilities in order to encourage projects and operations promoting cooperation between firms, such as joint ventures, sub-contracting, transfer of technology, licences, applied research and franchises.

Article 8. Agriculture, Livestock and Fisheries

The Parties agree to cooperate and develop the agriculture, livestock and fisheries sector. In this connection, they undertake to explore the possibility of joint ventures in the establishment of food processing units, increasing trade opportunities and collaborating in agricultural research.

Article 9. Tourism

The Parties agree to cooperate on tourism, through specific measures, including exchange of information and the carrying out of studies, training programmes and the promotion of investment and joint ventures in industries serving the tourism sector.

Article 10. Energy

The Parties recognise the importance of the energy sector to economic and social development and undertake to step up cooperation relating particularly to the generating, saving and efficient use of energy. Such improved cooperation will include planning concerning energy, non-conventional energy and the consideration of its environmental implications.

Article 11. Regional Cooperation

1. The Parties agree that cooperation between them may include actions undertaken under cooperation agreements with other countries in the same region, provided that such action is compatible with this agreement.

2. Without excluding any area, the Parties agree to give particular consideration to the following actions:

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

(b) promotion of intra-regional trade;

(c) support for regional institutions and for joint projects and initiatives established under regional organisations such as the South Asian Association for Regional Cooperation (SAARC) and the Economic Cooperation Organisation (ECO);

(d) support for studies on regional/sub-regional issues including, inter alia, transport, communications, environmental matters and human and animal health.

Article 12. Cooperation In Science and Technology

The Parties, in accordance with their respective policies and competences, will promote scientific and technological cooperation in areas of common interest, namely through training and joint research programmes, links between research institutions, exchange of information and seminars. The Parties will endeavour to foster the transfer of know-how and exchange of information on research projects especially in the fields of environment, information technology, telecommunications, space technology, biotechnology and marine biology.ARTICLE 13

Article 13. Drug Precursor Chemicals and Money Laundering

1. In conformity with their respective competences and the pertinent legal provisions, the Parties agree to cooperate in order to prevent the diversion of drug precursor chemicals. They also agree on the necessity of making every effort to prevent money laundering.

2. Both Parties shall consider special measures against the illicit cultivation and production of, and trade in drugs, narcotics and psychotropic substances as well as prevention and reduction of drug abuse. Cooperation in this area shall include:

(a) assistance for the training and rehabilitation of addicts;

(b) measures for alternative economic development;

(c) exchanges of relevant information, ensuring that personal data are suitably protected.

Article 14. Human Resource Development

The Parties agree that human resource development constitutes an integral part of both economic and social development.

The Parties recognise that both education and skills development as well as improving the living conditions of the poorer and disadvantaged section of the population, with special emphasis on women and child welfare in this section, will contribute to creating a favourable economic and social environment.

The Parties recall the importance of the observance of internationally recognised core labour standards set in the relevant instruments of the International Labour Organisation, which is the competent body to set and deal with these standards, as a major factor of social and economic progress. They also recognise that economic growth and development fostered by increased trade and further trade liberalisation contribute to the promotion of these standards.

They commit their support to the promotion of these standards and to the discussion between the WTO and ILO Secretariats.

The Community will provide assistance to programmes, including ILO initiated programmes, aimed at supporting Pakistans efforts in this respect.

Article 15. Information, Culture and Communication

Within the sphere of their respective competences, the Parties shall cooperate in the field of information, culture 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.

The Parties also recognise the importance of cooperation in the fields of telecommunications, the information society and multimedia applications which contribute to increased economic development and trade.

The Parties consider that cooperation in this area, within the sphere of their respective competences, may facilitate:

(a) regulation and policy for telecommunications;

(b) development of new information technologies and telecommunications including mobile communication;

(c) the information society, including the promotion of the Global Navigation Satellite Systems;

(d) multimedia technologies for telecommunication;

(e) telematic networks and applications (transportation, health, education, environment);

(f) promotion of investment and joint ventures.

Article 16. Institutional Aspects

1. The Parties agree to set up a Joint Commission whose tasks shall be to:

(a) ensure the proper functioning and implementation of this Agreement;

(b) set priorities in relation to the aims of this Agreement;

(c) make recommendations for promoting the objectives of this Agreement.

Provisions will be laid down on the chairmanship of the meetings and the setting up of subgroups.

2. The Joint Commission shall be composed of representatives of both sides, at an appropriate high level. The Joint Commission shall normally meet on an annual basis, alternately in Brussels and in Islamabad, on a date to be fixed by mutual agreement. Extraordinary meetings may also be convened by agreement between the Parties.

3. The Joint Commission may set up specialised subgroups to assist in the performance of its tasks and to coordinate the

formulation and implementation of projects and programmes in the framework of the Agreement.

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

5. The Parties agree that it shall also be the task of the Joint Commission to ensure the proper functioning of any sectoral agreements concluded or to be concluded between the Community and Pakistan.

Article 17. Evolutive Clause

The Parties may by mutual consent expand this Agreement with a view to enhancing the level of cooperation and add to it by means of agreements on specific sectors or activities.

With regard to the implementation of this Agreement, either of the Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

Article 18. Other Agreements

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

This Agreement shall not affect the application or implementation of commitments undertaken by the respective Parties in relations with third parties.

Article 19. Non-execution of the Agreement

1. If either Party considers that the other Party has failed to fulfil any of its obligations under this Agreement, it may take appropriate measures.

2. Before doing so, 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.

3. In the selection of measures, priority shall be given to those which least disturb the functioning of this Agreement. These measures shall be notified immediately to the other Party and shall be the subject of consultations if the other Party so requests.

Article 20. Facilities

To facilitate cooperation in the framework of this Agreement, the Pakistani authorities will grant to EC officials and experts involved in implementing cooperation the guarantees and facilities necessary for the performance of their functions. The detailed provisions will be set out by way of a separate Exchange of Letters.

Article 21. 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, to the territory of Pakistan.

Article 22. Annexes

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

Article 23. 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 automatically renewed on a yearly basis unless one of the Parties renounces it at least six months before its expiry date.

Article 24. Authentic Texts

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

(a) For the purposes of the interpretation and practical application of the Agreement, the Parties agree that the cases of special urgency referred to in Article 19 of the Agreement mean cases of material breach of the Agreement by one of the two parties. A material breach of the Agreement consists in:

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

- Violation of the 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 case of special urgency pursuant to Article 19, the other Party may avail itself of the dispute settlement procedure.

PROPERTY

The Parties agree for the purpose 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 protection of undisclosed information on know-how.

FINAL ACT

The Plenipotentiaries of:

THE EUROPEAN COMMUNITY,

Of the one part, and

THE GOVERNMENT OF PAKISTAN,

Of the other part,

Meeting at Islamabad on 24.11.2001 for the signature of the Cooperation Agreement between the European Community and the Islamic Republic of Pakistan on partnership and development,

Have at the time of signature of this Cooperation Agreement

- Adopted the following texts:

Cooperation Agreement between the European Community and the Islamic Republic of Pakistan on partnership and development,

"Interpretative Declarations on Article 19: non-execution of the Agreement,

"Joint Declaration on intellectual, industrial and commercial property,

- Adopted the text of the following declaration annexed to this Final Act:

Declaration by the European Community and the Islamic Republic of Pakistan,

The Plenipotentiaries of the European Community and the Islamic Republic of Pakistan have taken note of the following statements:

Statement by the Islamic Republic of Pakistan on the Declaration on readmission agreements.

Unilateral statement by the Community on the occasion of the signing of the Cooperation Agreement between the European Community and the Islamic Republic of Pakistan.

In witness whereof, the undersigned Plenipotentiaries have hereunto set their hands.

DECLARATION BY THE EUROPEAN COMMUNITY AND THE ISLAMIC REPUBLIC OF PAKISTAN

The European Community recalls the importance attached by its Member States to effective cooperation with third countries to facilitate the readmission of nationals of the latter who are present illegally in the territory of a Member State.

The Islamic Republic of Pakistan undertakes to conclude readmission agreements with the Member States of the European Union which so request.

STATEMENT BY THE ISLAMIC REPUBLIC OF PAKISTAN ON THE DECLARATION ON READMISSION AGREEMENTS

In agreeing to the undertaking "to conclude readmission agreements with the Member States of the European Union which so request", the Islamic Republic of Pakistan desires to make it clear that the undertaking exclusively represents Pakistans readiness to enter into negotiations with the objective of concluding mutually acceptable readmission agreements with the Member States of the European Union which so request. At present Pakistan does not have such readmission agreements with any Member State of the European Union. However, on the request of EU Member States, Pakistan is willing to start negotiations or intensify where such negotiations are already underway. Pakistan considers these negotiations as independent of any other bilateral or multi-lateral agreements that it has concluded or is in the process of negotiating with EU Member States or the European Commission. Also, Pakistan does not accept any non-negotiable text for such bilateral readmission agreements.

UNILATERAL STATEMENT BY THE COMMUNITY ON THE OCCASION OF THE SIGNING OF THE COOPERATION AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND PAKISTAN

"The joint declaration by the parties to the Agreement on the conclusion of readmission agreements in no way prejudices the division of competence between the Community and its Member States under the provisions of Title IV (Article 63) of Part Three of the Treaty establishing the European Community."