



COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

COUNCIL DECISION

concerning the conclusion of the Co-operation Agreement between the European
Community and the Republic of Yemen

(presented by the Commission)

SUMMARY

1. BACKGROUND

The new agreement replaces the EEC-former (Northern) Yemen Arab Republic agreement established in 1984.

Since the end of civil unrest in 1994, Yemen has consolidated its democratic process, which led to the free and fair parliamentary elections of 27th April 1997. Through an active foreign policy it has also contributed to enhancing security in the Arab Peninsular and Red Sea by the de-activation of several regional conflicts. During the last three years the government has undertaken far-reaching economic reforms including a Structural Adjustment Programme that commenced in early 1996. Its first phase has been very successful.

The Yemeni government has made the strengthening of EC-Yemen relations a high priority. It has expressed its hope that the conclusion of an extended co-operation agreement with the EC would pave the way for enhancing and upgrading the close relations that currently exist between Yemen and the Community.

Since the start of EC-Yemen co-operation in 1978 about 58 MECU have been committed by the EC for economic and development projects, 28 MECU of which has been committed since Yemeni unification in 1990. In addition to this, about 10 MECU were spent on food aid, humanitarian aid and decentralised co-operation projects. The Commission is now of the opinion that the above factors, as well as the unification of the country, Yemen's energy potential, its strategic geographic location at the junction of the Red Sea and Arabian Sea, and the extension of EC-Yemen co-operation since 1994, justify replacing the existing 1984 agreement with a new treaty. This would provide an appropriate basis for improving EC-Yemen relations and fit in the overall EU strategy of intensifying co-operation with its southern neighbours in the Mediterranean and the Gulf.

Both the Yemeni side and the EC delegation agreed in the Joint Communiqué of the 7th EC-Yemen Joint Co-operation Committee meeting in Sana'a on 19th September 1996, to start talks on a new co-operation agreement. On the strength of the negotiating directives adopted by the Council on 24th February 1997, the Commission opened the sole negotiating session on 21st April 1997. The parties initialed the agreement the same day.

2. THE INTEREST OF THE TWO PARTIES IN AN AGREEMENT

The European Community

The Commission shares the conviction of the Yemeni Government that EC - Yemeni contractual relations ought to be placed on more solid ground than the 1984 agreement and to be adapted to both the important changes that have since taken place in Yemen itself, and in the region, and those expected in the coming 10 to 15 years.

Geo-strategically, Yemen occupies a central position on the cross roads between Europe, the Indian Ocean and the Pacific. According to Yemeni plans, the port of Aden is to play a central role in intercontinental shipping, as a major container port. In early next century, Yemen's main neighbours in the East and North (GCC and Egypt) should be linked to the EC by free trade/partnership agreements, with a close political and economic Euro-Middle East interaction expected to take place. It would therefore only be normal for Yemen to be drawn into these emerging dynamics, provided its own internal development continues to keep pace.

The new agreement takes such possible developments into account and even tries to shape them in the right direction. EC strategy for upgrading EC-Yemen relations as proposed by the Commission is based on the belief that an isolated poor Yemen with a population of more than 25 million people by 2010 can neither be in the interest of the Community nor of Yemen's immediate neighbours. In the structure of this agreement future EC co-operation with Yemen will provide essential assistance for the modernisation of Yemen's economy and human resources, give critical support to the country's structural adjustment process and help alleviate social hardships resulting from this. Furthermore, it will enhance food security in Yemen, contribute to the development of democratic decision-making and strengthen business opportunities in the country which are in Yemen's and the EC's joint interest.

Yemen

The Government of Yemen has repeatedly expressed the wish to intensify and upgrade its relations with the EC. It looks to the EC and EC member countries as its main economic, political and cultural partners for the future, outside the region. In the long term, it strives to be linked to Europe in a relationship as close as that established with the Mediterranean countries; but it fully realises that this could only be achieved in stages and would require substantial progress on the social, economical and institutional front within Yemen.

EC assistance is seen as a critical factor for the successful implementation of the present Yemen reform programme and the economic, social, institutional and political modernisation of the country. This includes, for example the efforts to enhance the principles of democracy, that will continue under the new Prime Minister Mr. Faraj ben Ghanim, who was indeed elected under an improved democratic system. Yemen hopes that by strengthening relations with the EC, it would fully benefit from the full range of EC co-operation instruments including investment and business promotion schemes and help for the emerging civil society and the democratic process.

3. CONTENT OF THE AGREEMENT

The agreement is a third generation non-preferential co-operation agreement. Thus it is a Community only (first pillar) agreement.

Within this framework Yemen's character as an Arab and Middle Eastern country is emphasised, and an effort will be made to include Yemen in EC financed regional co-operation activities.

It is a non-preferential agreement providing for Most Favoured Nation treatment. CFSP issues are not touched upon and no financial protocol is foreseen.

Concerning issues related to Home and Justice Affairs which have both first and third pillar aspects, such as the fight against drug trafficking and money laundering, there is an emphasis on working within the limits of the EC and Yemen competencies.

Action specifically targeting the poorest sections of the population is founded on respect for human rights and democratic principles and will seek to achieve sustainable development.

The body of the Agreement contains provisions on the various fields of co-operation and covers:

1. Trade and commercial co-operation.
2. Development co-operation. Similar to the 1984 agreement, this forms the basis of the treaty, although a renewed emphasis will be placed on the importance of reducing poverty and population growth in order for sustainable socio-economic development to continue.
3. Economic co-operation. Following the recent economic advancements there is potential for increasingly wide ranging co-operation in this area; the article includes for example, the establishment of a regular dialogue on macro-economic policy.
4. Co-operation on environmental, cultural, scientific issues, social and human resource development.
5. Financial co-operation.

An appropriate institutional framework is set up to ensure the proper functioning and implementation of the Agreement. In particular, this involves a Joint Committee of the kind set up for other bilateral framework co-operation agreements by the Community.

The text of the Agreement initialled on 21st April 1997 is annexed.

4. CONCLUSION

The Commission considers the conclusion of a new, up-to-date co-operation agreement with Yemen of strategic importance for the EC and in line with Yemen's repeated wish to intensify and upgrade its relations with the EC.

In view of this, and in the light of a) the Member States' desire for stronger links between the Community and Yemen and b) the Commission's scrupulous compliance with the Council's directives for the negotiations, the Commission proposes that the Council approve the proposed Agreement between the Community and the Republic of Yemen, and adopt the attached proposal for a Decision.

EXPLANATORY MEMORANDUM

1. By its decision of 24th February 1997, the Council authorised the Commission to open negotiations with the Republic of Yemen with a view to concluding a co-operation agreement and adopted directives to that end.
2. The negotiations began on 21st April 1997 and were concluded by the initialling, the same day, of the Agreement between the European Community and the Republic of Yemen. The following annexes are an integral part of the Agreement:
 - a) the declaration concerning Article 19 on non-execution of the Agreement,
 - b) the joint declaration on intellectual, industrial and commercial property,
3. The Commission considers that the initialled text is in line with the negotiating directives adopted by the Council on 24th February 1997.
4. The legal basis of the Agreement is Articles 113 and 130y, in conjunction with the first sentence of Article 228 § 2 and the first subparagraph of Article 228 § 3 of the Treaty establishing the European Community: the European Parliament is to be consulted.
5. With a view to the approval of the Co-operation Agreement between the European Community and the Republic of Yemen, the Commission proposes that the Council adopt the annexed proposal for a Council Decision.

**Proposal for a
COUNCIL DECISION**

concerning the conclusion of the Co-operation Agreement between the European Community and the Republic of Yemen

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 113 and 130y, in conjunction with the first sentence of Article 228 § 2 and the first subparagraph of Article 228 § 3 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas, under Article 130u of the Treaty, Community policy in the sphere of development co-operation should foster the sustainable economic and social development of the developing countries, their smooth and gradual integration into the world economy and the alleviation of poverty in these countries;

Whereas the Community should approve, in pursuit of its objectives in the sphere of external relations, the Co-operation Agreement between the European Community and the Republic of Yemen,

HAS DECIDED AS FOLLOWS:

Article 1

The Co-operation Agreement between the European Community and the Republic of Yemen is hereby approved on behalf of the Community.

The text of this Agreement is attached to this Decision.

Article 2

The President of the Council shall on behalf of the Community give the notification provided for in Article 21 of the Agreement.

Article 3

The Commission, assisted by representatives of the Member States, shall represent the Community in the Joint Co-operation Committee provided for in Article 15 of the Agreement.

Article 4

This decision shall be published in the Official Journal of the European Communities.

Done at Brussels

For the Council

The President

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¹ The date of entry into force of the Co-operation Agreement will be published in the Official Journal of the European Communities by the General Secretariat of the Council.

**CO-OPERATION AGREEMENT
BETWEEN
THE EUROPEAN COMMUNITY
AND
THE REPUBLIC OF YEMEN**

CO-OPERATION 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 co-operation 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 4th 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 co-operation between the Middle East countries, and recognising that co-operation 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; the 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,

President

Manuel MARÍN

Vice-President of the Commission of the European Communities,

THE GOVERNMENT OF THE REPUBLIC OF YEMEN

Minister of Planning and Development,

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 co-operation between the Parties in the areas which fall within the bounds of their respective competence including development, trade, economic and cultural co-operation, 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 co-operation, in accordance with the principles of equality and mutual advantage;
- (b) to strengthen co-operation in fields closely related to economic progress and benefiting both Parties;
- (c) to contribute to Yemen's 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 co-operation to the field of culture, communication and information to improve mutual understanding and strengthen existing links between them.

Article 3

Trade co-operation

- (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 co-operation 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 other's 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 fora.
 - 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 co-operation 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 competencies, 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 competencies, 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 above mentioned undertakings and obligations, technical assistance shall be envisaged.

Article 4

Development co-operation

The Community recognises Yemen's 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 country's 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 co-operative links with local NGOs.

In light of the above and in accordance with the Council Regulation (EEC) No 443/92 on Co-operation with the ALA Countries, co-operation will continue to be developed within the context of a clear co-operation 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 co-operation 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 co-operation are consistent with development strategies agreed in concertation with the Bretton Woods institutions.

Article 5

Economic co-operation

Both Parties will undertake, in accordance with their respective policies and objectives and within their available resources, to foster economic co-operation for mutual benefit and will determine together and to their mutual advantage, within the limits of their respective competencies, the areas and priorities for economic co-operation programmes and activities within the context of a clear co-operation 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 co-operation between the authorities responsible for carrying out economic policies in their areas of competence.

Co-operation 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 co-operation opportunities, but also between the relevant Community authorities and those Yemeni authorities responsible for the implementation of macro-economic adjustment;

- (d) Conduct a dialogue on economic co-operation between the Republic of Yemen and the Community including the exchange of information on the macro-economic situation and prospects and on development strategies;
- (e) Reinforce mutual understanding of their respective economic environments and business culture as a basis for effective co-operation;
- (f) Improve, within the limits of their respective competencies, co-operation in standards and regulatory issues between the respective authorities, especially with respect to professional training, the simplification and harmonisation 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 co-operation;
- (i) Support Yemen's 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 co-operation programmes in order to strengthen economic and industrial co-operation between the Parties. To this effect, the Parties shall take measures to
- encourage the private sector of both Parties to develop business co-operation and
 - involve the private sectors in activities developed within the framework of the agreement;
- (k) Within the limits of their respective competence, further co-operation 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 co-operation 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 co-operation 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 competencies, 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 co-operate for the modernisation and restructuring of agriculture and fisheries.

This co-operation 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 co-operation in the sector 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.

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

Article 7

Environment Co-operation

The Parties recognise that there is a close link between poverty and environmental degradation. Thus, the principal aim of environmental co-operation between the Parties – within the limits of their respective competencies – 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.

Co-operation will be achieved in the following ways:

- establishment of administrative, regulatory and information structures to permit rational management of the environment;
- co-operation in the development of sustainable and non-polluting energy sources, as well as solutions to urban and industrial pollution problems;
- encouraging regional co-operation and co-ordination;
- 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 co-operation 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 co-operation;
- exchange of best practice for ensuring a sustainable development of tourism.

Article 9

Regional co-operation

Economic and other co-operation between the Parties may extend to activities under co-operation 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 co-operation between the Republic of Yemen and its neighbours. In this context a co-ordination with the Community's decentralised co-operation programmes with the Mediterranean and GCC countries should be envisaged.

Article 10

Science and technology

The Parties will endeavour to promote co-operation on scientific and technological development.

Co-operation 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 co-operation 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

Co-operation against Drug Abuse and Control of Chemical Precursors and Money Laundering

In conformity with their respective competencies 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 co-operate in order to prevent the diversion of drug precursor chemicals;
- to make every effort in order to prevent money laundering;

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

Article 12

Social Co-operation

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, co-operation 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 co-operation on education and vocational training and encourage co-operation 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 co-operation 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 competencies, such co-operation may include:

- programmes of mutual information including the press and audio-visual media;
- conservation and restoration of monuments and buildings of architectural interest;
- education and training;
- cultural events.

Article 15

Institutional aspects

A Joint Co-operation 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

Evolutionary Clause

The Parties may, by mutual consent and within their respective areas of competence, extend this Agreement to expand co-operation, 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 co-operation, 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 co-operation or to conclude, where appropriate, new economic co-operation 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 Co-operation Activities in the Republic of Yemen

To facilitate co-operation within the framework of the agreement, the Yemeni government will grant to EC officials and experts involved in implementing co-operation 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 co-operation 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, -----

The Council of the European Union

The Republic of Yemen

The Commission of the European Communities

Annex I

Declaration on Article 18 - Non-Execution 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.

Annex II

Joint Declaration on Intellectual, Industrial and Commercial Property

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.

Joint Declaration on the Re-admission of Citizens

The European Community recalls the importance which its Member States attach to the establishment of an effective co-operation with third countries with the objective of facilitating the re-admission of citizens of these latter countries who find themselves in an irregular situation in the territory of a Member State.

The Republic of Yemen accepts the engagement to finalise re-admission agreements with those Member States of the European Union which request it.

FINANCIAL STATEMENT

1. Title of Operation:

Proposal for a Council Decision to conclude a Co-operation Agreement between the Community and the Republic of Yemen.

2. Budget Headings Involved:

See Annex

3. Legal basis:

The legal basis of the Agreement is Articles 113 and 130y, in conjunction with the first sentence of Article 228 § 2 and the first subparagraph of Article 228 § 3 of the Treaty establishing the European Community: the European Parliament is to be consulted.

4. Description of Operation:

4.1 *General objective*

Framework agreement for commercial, economic and development co-operation to upgrade bilateral EC-Yemen relations.

4.2 *Period cover*

Unlimited duration.

4.3 *Target population:*

The population of Yemen.

5. Classification of Expenditure or Revenue:

5.1 *Non Compulsory expenditure*

5.2 *Differentiated appropriations*

5.3 *The projects launched under the Agreement will not engender any specific revenue*

6. **Type of Expenditure:**

- Grant up to 100%: yes

7. **Financial Impact on Appropriations for Operations**

7.1 *Method of calculating total cost of operation (relation between individual and total cost)*

To be decided on a case by case basis. Grants through co-financing with other public or private aid donors.

7.2 *Itemised breakdown of cost: not applicable*

7.3 *Schedule of commitment and payment appropriations*

On request, following approval of the project by the Commission departments and up to an amount not exceeding the appropriations to be entered under the relevant budget headings.

8. **Fraud prevention measures**

The Yemen authorities and the Commission will apply the normal control measures in the implementation of the agreement as foreseen by each Financing Agreement and contract.

9. **Elements of cost-effectiveness analysis**

9.1 *Specific and quantified objectives; target population*

To be defined on a case by case basis.

9.2 *Grounds for the operation*

To be defined on a case by case basis.

9.3 *Monitoring and evaluation of the operation*

To be defined on a case by case basis and included in each Financing Agreement and contract.

10. Administrative expenditure (Section III, Part A of the budget)

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional resources authorised by the budgetary authority. The allocation of supplementary resources is to be considered in the context of priorities to be decided by the Commission within the limits of budgetary means available in the annual budget.

10.1 *Effect of the number of posts*

Type of Post	Staff to be assigned to managing the operation		Source		Duration
	Permanent posts	Temporary posts	Existing resources in the DG or department concerned	Additional resources	
	3				
Official or A	1	-	0.5 A	0.5	
temporary B	1	-	0.5 B	0.5	
staff C	1	-	0.5 C	0.5	
TOTAL	3	-	1.5	1.5	-

10.2 Overall financial impact of additional human resources

	Amounts	Method of calculation (ecu)
Officials		
Temporary staff		
Other resources (indicate budget heading)		
TOTAL		

The costs of the human resources required will be covered by existing resources.

The estimated annual cost for titles A1, A2, A4 and A5 is 300,000 ECU/year.

10.3 Increase in other administrative expenditure as a result of the operation

Budget heading	Amounts	Method of calculation (ecu)
A 1300 (missions)	30.000	8 officials/year
TOTAL	30.000	

The costs for the managing and monitoring of the Agreement will be through missions.

FINANCIAL STATEMENT

1. Title of Operation

Conclusion of a Co-operation Agreement between the Community and the Republic of Yemen.

2. Budget Headings Involved

a) *Budget headings whose application is conditional on the existence of a Co-operation Agreement:*

- B7-870 Operations under commercial and economic co-operation agreements with third countries.

b) *Other budget headings for which the application is not conditional on the existence of a co-operation agreement:*

- B6-7211 Co-operation with Third Countries and international organisations.

- B7-20 Food-Aid and Support Operations.

- B7-210 Aid to help the population, and emergency food aid for developing countries and others, hit by disasters or serious crisis.

- B7-212 Aid towards self-sufficiency for refugees and displaced persons in Asia and Latin America.

- B7-217 Operations to help refugees and displaced persons.

- B7-300 Financial and technical co-operation with Asian developing countries (1).

- B7-301 Economic co-operation with Asian developing countries Environment in developing countries (1).

(1) In the framework of the Asia strategy to be adopted by the budgetary authority.

- B7-6000 Community contribution towards schemes concerning developing countries carried out by non-governmental organisations.
- B7-6200 Environment in developing countries.
- B7-6210 North-South Co-operation schemes in the context of the campaign against drug abuse.
- B7-631 Aid for population policies and programmes in developing countries.
- B7-641 Rehabilitation and reconstruction measures for the developing countries.
- B7-643 Decentralised co-operation in developing countries.
- B7-702 Human rights and democracy in the developing countries.
- B7-872 Promotion of Community investment in developing countries of Asia, Latin America, the Mediterranean and South Africa by economic co-operation and trade agreements.

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