

TABLE OF CONTENTS

1. Foreword by Foreign Minister Pham Binh Minh.....	87
2. Foreword by Catherine Ashton - High Representative of the European Union for Foreign Affairs and Security Policy ...	89
3. Partnership and Cooperation Agreement	91
4. Annex 1: Vietnam – EU relations	158
5. Annex 2: Introduction to the European Union	166

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FOREWORD BY FOREIGN MINISTER PHAM BINH MINH

The Viet Nam – EU Partnership and Cooperation Agreement (PCA) signed on 27th June 2012 is a milestone and a vivid manifestation of the comprehensive and far reaching development of the Viet Nam – EU relations over the past 20 years, elevating the bilateral relations to a new high of equal partnership and comprehensive cooperation in commensurate with the deepened unification and enhanced role of the EU in the 21st century as well as the growing stature of Viet Nam after 25 years of successful reforms and international integration.

The Viet Nam – EU relations have seen positive and comprehensive developments in recent years. The EU has become one of Viet Nam’s leading partners in many areas, especially development cooperation, trade and investment, making worthy contribution to the cause of national development and international integration of Viet Nam.

With the signature of the Viet Nam – EU PCA, we have every reason to be optimistic about the prospects of the Viet Nam – EU relations in the future. The agreement deepens and broadens the bilateral cooperation in areas that Viet Nam needs and the EU has strengths, including development

cooperation, economics - trade, education - training, science - technology, agriculture, health and tourism. This creates favorable conditions for Viet Nam to promote mutually beneficial cooperation with the EU in the implementation of the Strategy on economic and social development for the period of 2011 – 2020. The PCA also creates important premises for Viet Nam and the EU to engage in negotiations of a Free Trade Agreement (FTA) and work closely towards early recognition of Viet Nam's market economy status.

Besides bilateral relations, the PCA also governs the cooperation between Viet Nam and the EU at regional and international fora and in addressing global challenges. In this connection, furthering relations with Viet Nam opens windows of opportunity for the EU to promote relations with countries in South East Asia given the rapid changes and evolving architecture in the region with ASEAN at the center. For Viet Nam, this is a good opportunity to continue to promote partnership with all EU's Member States both in depth and in breadth, thus effectively implementing the foreign policy of independence, self-reliance, peace, cooperation and development; multilateralization and diversification of external relations; a reliable friend, partner and responsible member of the international community.

Pham Binh Minh
Minister of Foreign Affairs
Socialist Republic of Viet Nam

FOREWORD BY CATHERINE ASHTON - HIGH REPRESENTATIVE OF THE EUROPEAN UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY

The EU has strong stakes in the success of Vietnam's reforms. The signature of the new-generation Vietnam-EU Partnership and Co-operation Agreement (PCA) is an important milestone in EU-Vietnam relations and a testimony to the rapidly growing importance of Vietnam-EU ties. It demonstrates the commitment of the EU to forge a modern, broad-based and mutually-beneficial partnership with Vietnam.

Since the establishment of diplomatic relations in October 1990, Vietnam-EU relations have developed very rapidly, moving from an initial focus on trade and aid to a broader, more diversified and more political partnership. The new PCA, which is based on shared interests and principles such as equality, mutual respect, the rule of law and human rights, will open a new era in bilateral relations. It will broaden further the scope of our cooperation in areas such as trade, the environment, energy, science and technology, good governance, as well as tourism, culture, migration, counter terrorism and the fight against corruption and organised crime.

The PCA will also allow Vietnam and the EU, which share the same interest in a strong multilateral rule-based system and strong institutions of global governance, to further enhance cooperation on global and regional challenges, including climate change, terrorism and non-proliferation of weapons of mass destruction, all issues on which Vietnam is willing to play an increasingly important role.

The PCA brings on board the EU and all its Member States, providing opportunities to increase the coherence and synergies between EU policies and between EU and individual Member States' policies. The Government of Vietnam and the EU have already identified some priorities for immediate action under the PCA. The EU for its part is committed to taking its full share in the implementation of the Agreement and to making full use of all the cooperation possibilities it opens.

We look forward to the trade and investment principles established in PCA being completed soon by a Vietnam-EU Free Trade Agreement (FTA), which will also bring two-way trade and investment to new levels.

Catherine Ashton
High Representative of the European Union
for Foreign Affairs and Security Policy

FRAMEWORK AGREEMENT ON COMPREHENSIVE PARTNERSHIP AND COOPERATION BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND THE SOCIALIST REPUBLIC OF VIETNAM, OF THE OTHER PART

THE EUROPEAN UNION, hereinafter referred to as "the Union"

and

The Kingdom Of Belgium,

The Republic Of Bulgaria,

The Czech Republic,

The Kingdom Of Denmark,

The Federal Republic Of Germany,

The Republic Of Estonia,

Ireland,
The Hellenic Republic,
The Kingdom of Spain,
The French Republic,
The Italian Republic,
The Republic of Cyprus,
The Republic of Latvia,
The Republic of Lithuania,
The Grand Duchy of Luxembourg,
The Republic of Hungary,
Malta,
The Kingdom of The Netherlands,
The Republic of Austria,
The Republic of Poland,
The Portuguese Republic,
Romania,
The Republic of Slovenia,
The Slovak Republic,
The Republic of Finland,

The Kingdom of Sweden,
The United Kingdom Of Great Britain And Northern Ireland,
Contracting Parties To The Treaty On European Union And
The Treaty On The Functioning Of The European Union,
Hereinafter Referred To As The “Member States”,
Of The One Part, and
The Socialist Republic of Vietnam,
hereinafter referred to as “Vietnam”,
of the other part,
Hereinafter jointly referred to as “the Parties”,

CONSIDERING the traditional links of friendship between the Parties and the close historical, political and economic ties which unite them,

WHEREAS the Parties attach particular importance to the comprehensive nature of their mutual relationship, as demonstrated, *inter alia*, by the Vietnamese “Master Plan for relations between Vietnam and the European Union until 2010 and orientations towards 2015” of 2005 and the ensuing discussions between the Parties,

WHEREAS the Parties consider that this Agreement forms part of a wider and coherent relationship between them through agreements to which both sides are parties together,

REAFFIRMING their commitment to the general principles of the international law and the purposes and principles of Charter of the United Nations, and the respect for democratic principles and human rights,

REAFFIRMING their respect for the independence, sovereignty, territorial integrity and national unity of the Socialist Republic of Vietnam,

REAFFIRMING their attachment to the principle of good governance and the fight against corruption,

REAFFIRMING their desire to promote economic and social progress for their peoples, taking into account the principle of sustainable development and environmental protection requirements,

CONSIDERING that the International Criminal Court constitutes an important development for peace and international justice, which aims at the effective prosecution of the most serious crimes of concern to the international community,

WHEREAS the Parties share the view that the proliferation of weapons of mass destruction (WMD) poses a major threat to international security and wish to strengthen their dialogue and cooperation in this area. The adoption by consensus of United Nations Security Council (UNSC) Resolution 1540 underlies the commitment of the whole international community to fight against the proliferation of weapons of mass destruction,

RECOGNISING the need to strengthen disarmament as well as non-proliferation commitments under international obligations applicable to the Parties,

EXPRESSING their full commitment to fighting all forms of terrorism in conformity with international law, including human rights law and humanitarian law, and to establishing effective international cooperation and instruments to ensure their eradication, and recalling the relevant UNSC Resolutions,

RECOGNISING the importance of the Cooperation Agreement of 7 March 1980 between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of South-East Asian Nations (ASEAN) - and which was extended to Vietnam in 1999, as well as the Cooperation Agreement between the European Community and the Socialist Republic of Vietnam of 17 July 1995,

RECOGNISING the importance of strengthening the existing relationship between the Parties with a view to enhancing cooperation between them, and their common will to consolidate, deepen and diversify their relations in areas of mutual interest on the basis of sovereignty, equality, non-discrimination, respect for the natural environment and mutual benefit,

RECOGNISING Vietnam's status as a developing country and taking account of the Parties' respective levels of development,

RECOGNISING the significant importance of development cooperation to developing countries, especially the low-income and lower middle-income developing countries, for their sustained economic growth, sustainable development and timely and full realisation of the internationally agreed development goals, including the United Nations' Millennium Development Goals,

RECOGNISING the progress made by Vietnam towards achieving the Millennium Development Goals and in the implementation of its Strategy for Socio-Economic Development, as well as its current level of development as a low income developing country,

WHEREAS the Parties attach particular importance to the principles and rules which govern international trade contained in the Agreement establishing the World Trade

Organization (WTO), and the need to apply them in a transparent and non-discriminatory manner,

RECOGNISING that trade plays a significant role in development and the importance of trade preferential programmes,

EXPRESSING their full commitment to promoting sustainable development in all its dimensions, including environmental protection and effective cooperation to combat climate change as well as effective promotion and implementation of internationally recognised labour standards ratified by the Parties,

UNDERLINING the importance of cooperation on migration,

CONFIRMING their desire to enhance, fully in accordance with activities undertaken in a regional framework, the cooperation between the Parties based on shared values and mutual benefit,

NOTING that the provisions of this Agreement that fall within the scope of Part Three, Title V, of the Treaty on the Functioning of the European Union bind the United Kingdom and Ireland as separate Contracting Parties or, alternatively, as part of the European Union, in accordance with the Protocol (No 21) on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union. The same applies to Denmark, in accordance with the Protocol (No 22) on the position of Denmark annexed to those Treaties,

HAVE AGREED AS FOLLOWS:

TITLE I NATURE AND SCOPE

Article 1

General Principles

1. The Parties confirm their commitment to the general principles of international law as defined in the purposes and principles of the Charter of the United Nations, reaffirmed in the UN General Assembly Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations, of 24 October 1970, and in other relevant international treaties, expressing *inter alia* the rule of law, and the principle of *pacta sunt servanda*; and to the respect for democratic principles and human rights, as laid down in the UN General Assembly Universal Declaration of Human Rights and other relevant international human rights instruments to which the Parties are Contracting Parties, which underpin the internal and international policies of both Parties and which constitute an essential element of this Agreement.

2. The Parties confirm their commitment to further cooperate towards the full achievement of internationally agreed development goals, including the Millennium Development Goals, through compliance with the existing mutual international obligations which are applicable to the Parties. This constitutes an essential element of this Agreement. They also confirm their respective commitments to the European Consensus on Development of 2005, the Paris Declaration on Aid Effectiveness agreed at the High Level Forum on Aid Effectiveness in 2005, the Accra Agenda for Action agreed at the Third High-level Forum on Aid Effectiveness, and the Hanoi Core Statement on Aid Effectiveness agreed in 2006 with a view to further improving development cooperation performance, including progress on untied aid and achieving more predictable aid mechanisms.
3. The Parties confirm their commitment to promoting sustainable development in all its dimensions, cooperating to address the challenges of climate change as well as globalisation and contributing to the internationally agreed development goals, including those contained in the Millennium Development Goals.
4. The Parties agree that the implementation of all cooperation activities under this Agreement shall take into account their respective levels of development, needs and capacity.
5. The Parties confirm that trade plays a significant role in development and that trade preferential programmes help to promote the development of developing countries, including Vietnam.
6. The Parties agree that cooperation under this Agreement will be in accordance with their respective legislation, rules and regulations.

Article 2

Aims of cooperation

With a view to strengthening their bilateral relationship, the Parties undertake to hold a comprehensive dialogue and promote further cooperation between them on all sectors of mutual interest. Their efforts will in particular be aimed at:

- (a) establishing cooperation bilaterally and in all relevant regional and international *fora* and organisations;
- (b) developing trade and investment between the Parties to their mutual advantage;
- (c) establishing cooperation in all trade and investment-related areas of mutual interest, in order to facilitate sustainable trade and investment flows and to prevent and remove obstacles to trade and investment, in a consistent and complementary manner with respect to ongoing and future regional EU-ASEAN initiatives;
- (d) working through development cooperation towards eradicating poverty, promoting sustainable development, combating emerging challenges such as climate change and communicable diseases, deepening economic reform and integrating into the world economy;
- (e) establishing cooperation in the area of justice and security, including the rule of law and legal cooperation, data protection, migration, combating organised crime, money laundering and illicit drugs;
- (f) fostering cooperation in all other sectors of mutual interest, including human rights; economic policy; financial services; taxation; industrial policy and small and medium-sized enterprises; information and

communication technologies; science and technology; energy; transport; urban and regional planning and development; tourism; education and training; culture; climate change; environment and natural resources; agriculture, forestry, livestock, fisheries and rural development; health; statistics; labour, employment and social affairs; reform of public administration; associations and non-governmental organisations (NGOs); natural disaster prevention and mitigation; gender equality;

- (g) enhancing existing and encourage new participation of both Parties within sub-regional and regional cooperation programmes open to the participation of the other Party;
- (h) establishing cooperation on countering the proliferation of weapons of mass destruction and their means of delivery; combating illicit trade in small arms and light weapons in all its aspects; remnants of war;
- (i) establishing cooperation on combating terrorism;
- (j) raising the roles and profiles of the Parties in each others' regions through various means, including cultural exchanges, use of information technology and education;
- (k) promoting people-to-people understanding *inter alia* through cooperation among entities such as think tanks, academics, business and the media in the form of seminars, conferences, youth interaction and other activities.

Article 3

Cooperation in Regional and International Organisations

1. The Parties undertake to exchange views and cooperate in regional and international *fora* and organisations, including the United Nations and its agencies and organisations, the ASEAN-EU dialogue, ASEAN Regional Forum (ARF), the Asia-Europe Meeting (ASEM), and the World Trade Organization (WTO).
2. The Parties also agree to promote cooperation in these fields between think tanks, academics, NGOs, business and the media through the organisation of seminars, conferences and other related activities, provided that such cooperation is based on mutual consent.

ARTICLE 4

Bilateral and Regional Cooperation

1. For each sector of dialogue and cooperation under this Agreement, and while giving due emphasis to matters under bilateral cooperation, the Parties agree to carry out the related activities at either bilateral or regional level or through a combination of both frameworks. In choosing the appropriate framework, the Parties will seek to maximise the impact on, and reinforce the involvement of, all interested parties, while making the best possible use of available resources, taking account of the political and institutional feasibility, and ensuring coherence with other activities involving the Union and ASEAN. Cooperation may, as appropriate, include support for ASEAN integration and community building.
2. The Parties may, as appropriate, decide to extend financial support to cooperation activities in the areas covered by the agreement or in relation to it, in accordance with

their respective financial procedures and resources. This cooperation may in particular support the implementation of Vietnam's socio-economic reforms, and may include capacity-building measures such as the organisation of training schemes, workshops and seminars, the exchange of experts, studies, and other actions agreed by the Parties in accordance with donor development assistance strategies.

TITLE II DEVELOPMENT COOPERATION

Article 5

General Principles

1. The central objectives of development cooperation are to achieve the Millennium Development Goals as well as poverty eradication, sustainable development and integration into the world economy. The objectives of development cooperation shall take account of Vietnam's socio-economic development strategies and programmes. The Parties recognise that development cooperation between them is key to addressing Vietnam's development challenges.
2. The Parties agree to promote cooperation activities in accordance with their respective procedures and resources.

ARTICLE 6

Aims of Cooperation

The development cooperation strategies of the Parties shall aim at, *inter alia*:

- (a) achieving sustained economic growth;

- (b) promoting human and social development;
- (c) promoting institutional reforms and development;
- (d) promoting environmental sustainability, regeneration and best practices, and the preservation of natural resources;
- (e) preventing and tackling the consequences of climate change;
- (f) supporting policies and instruments aimed at the progressive integration into the world economy and trade.

Article 7

Forms of cooperation

1. For each sector of cooperation under this Title, the Parties agree to carry out activities at bilateral or regional level or through a combination of both, including through tripartite cooperation.
2. The forms of cooperation between the Parties may include:
 - (a) development and technical assistance to the programmes and projects as agreed by the Parties;
 - (b) capacity building through training courses, workshops and seminars, the exchange of experts, studies, and joint research between the Parties;
 - (c) consideration of other forms of development financing as appropriate;
 - (d) the exchange of information on best practices of aid effectiveness.

TITLE III PEACE AND SECURITY

Article 8

Countering the proliferation of weapons of mass destruction and their means of delivery

1. The Parties consider that the proliferation of weapons of mass destruction and their means of delivery, both to state and non-state actors, represents one of the most serious threats to international stability and security, while reaffirming the Parties' legitimate rights to research, develop, use, trade and transfer biological, chemical and nuclear technology and related materials for peaceful purposes in accordance with the treaties and conventions to which they are parties. The Parties therefore agree to cooperate in and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of their respective existing obligations under international disarmament and non-proliferation treaties and agreements and relevant international obligations which are applicable to the Parties. The Parties agree that this provision constitutes an essential element of the Agreement.

2. The Parties furthermore agree to cooperate in and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery by:
 - (a) taking steps to sign, ratify, or accede to, as appropriate, all other relevant international treaties and agreements, and to fully implement their respective obligations;
 - (b) establishing, with due regard to each Party's capacity, an effective system of national export controls, controlling the export and transit of WMD-related goods, including a WMD end-use control on dual use technologies and containing effective sanctions for breaches of export controls in line with UNSC Resolution 1540 without affecting normal and legal import and export activities and financial transactions. This may include the provision of assistance, including capacity building.
3. The Parties agree to pursue a regular political dialogue that will accompany and consolidate these elements.

ARTICLE 9

Cooperation in Combating Illicit Trade in Small Arms and Light Weapons (SALW) in All Its Aspects

1. The Parties recognise that the illicit manufacture, transfer and circulation of small arms and light weapons, in all its aspects, including their excessive accumulation, and uncontrolled spread continue to pose a serious threat to peace and international security, while reaffirming the legitimate rights of the Parties to manufacture, import and retain small arms and light weapons for their self-defence and security needs. In this regard, the Parties recall the relevant contents of UN General Assembly Resolutions 64/50 and 64/51.

2. The Parties agree to observe and fully implement their respective obligations to deal with the illicit trade in small arms and light weapons, in all its aspects, under existing international agreements to which the Parties are contracting parties and under UN Security Council resolutions, as well as their commitments within the framework of other relevant international instruments applicable in this area, such as the UN Programme of Action to prevent, combat and eradicate the illicit trade in SALW in all its aspects.
3. The Parties undertake to establish a dialogue, as appropriate, in order to exchange views and information and develop a common understanding of the issues and problems related to illicit trade in small arms and light weapons, and to strengthen the ability of the Parties to prevent, combat and eradicate such trade.

ARTICLE 10

Cooperation in Combating Terrorism

The Parties reaffirm the importance of the fight against terrorism in full respect for the law, including the UN Charter, human rights law, refugee law and international humanitarian law. Within this framework and in accordance with the UN Global Counter-Terrorism Strategy, contained in UN General Assembly Resolution 60/288, and in the EU-ASEAN Joint Declaration of 28 January 2003 on co-operation to combat terrorism, the Parties agree to strengthen cooperation in the prevention and suppression of terrorism.

The Parties shall do so in particular:

- (a) in the framework of the full implementation of UNSC Resolution 1373 and other relevant UN resolutions, and taking steps to ratify and fully implement international conventions and instruments on fighting and preventing terrorism;

- (b) by establishing under the Joint Committee regular consultations on cooperation on countering and preventing terrorism;
- (c) by the exchange of information on terrorist groups and their support networks in accordance with international and national law and, subject to the Parties' programmes and instruments, by providing support for capacity building in countering and preventing terrorism;
- (d) by the exchange of views on means and methods used to counter terrorism and incitement of terrorist acts, including in technical fields and training, and by the exchange of experiences in respect of terrorism prevention;
- (e) by cooperating so as to deepen the international consensus on the fight against terrorism and its normative framework and by working towards an agreement on the Comprehensive Convention on International Terrorism as soon as possible so as to complement the existing UN counter-terrorism instruments;
- (f) by promoting cooperation among UN Member States to effectively implement the UN Global Counter-Terrorism Strategy;
- (g) by the exchange of best practices in the area of protection of human rights in the fight against terrorism.

ARTICLE 11

Legal Cooperation

1. The Parties agree to cooperate on legal matters, the strengthening of the rule of law and of institutions at all levels in the areas of administration of justice and law enforcement.

2. The Parties agree to cooperate on the enhancement of the judicial capacity and legal system in such areas as civil law, civil procedural law, criminal law and criminal procedural law, as well as to engage in an exchange of information concerning legal systems and legislation.
3. The Parties also agree to cooperate in the field of international criminal justice. The Parties consider that the most serious crimes of concern to the international community must not go unpunished and that their effective prosecution must be ensured by taking relevant measures at the appropriate level.
4. The Parties consider that the International Criminal Court is a progressive and independent institution operating for the purpose of international peace and justice. The Parties agree to cooperate with a view to strengthening the legal framework aimed at preventing and punishing the most serious crimes of concern to the international community and to consider the possibility of adherence to the Rome Statute. The Parties agree that dialogue and cooperation on this matter would be beneficial.

TITLE IV

COOPERATION ON TRADE AND INVESTMENT ISSUES

Article 12

General Principles

1. The Parties shall engage in a dialogue on bilateral and multilateral trade and trade-related issues with a view to strengthening bilateral trade relations and advancing the multilateral trade system.
2. The Parties undertake to promote the development and diversification of their commercial exchanges to the highest possible level and to their mutual benefit. They undertake to achieve enhanced and predictable market access conditions by working towards the elimination of barriers to trade, in particular through the timely removal of non-tariff barriers and restrictions to trade, and by taking measures to improve transparency, having regard to the work carried out in this field by international organisations of which both Parties are members.
3. Recognising that trade plays an indispensable role in development, and that trade preferences schemes,

including the Generalised System of Preferences (GSP), and the special and differential treatment as specified by WTO have proven beneficial to developing countries, the Parties shall endeavour to strengthen consultations on their effective implementation.

4. The Parties shall take into consideration their respective levels of development for the implementation of this Title.
5. The Parties shall keep each other informed concerning the development of trade and trade-related policies such as agricultural policy, food safety policy, consumer policy and environmental policy.
6. The Parties shall encourage dialogue and cooperation to develop their trade and investment relations, including the solution of commercial problems and the provision of technical assistance and capacity-building programmes to address trade issues in, *inter alia*, the areas referred to under this Title.
7. With a view to unleashing their potentials and utilising their economic complementarity, the Parties endeavour to explore and seek more opportunities and solutions to strengthen their trade and investment relations, including, where appropriate, negotiation of free trade and other agreements of mutual interest.

Article 13

Trade Development

1. The Parties undertake to develop, diversify and increase trade between them and to improve the competitiveness of their products on domestic, regional and international markets. Cooperation between the Parties towards this

end shall aim at in particular strengthening capacity building in areas such as trade development strategies, optimisation of the potential for trade, including GSP preferences, competitiveness, promotion of technology transfer between enterprises, transparency of policies, laws and regulations, market information, institutional development as well as regional networking.

2. The Parties shall make full use of the Aid for Trade and other supplementary assistance programmes for the purposes of enhancement of trade and investment between them.

ARTICLE 14

Sanitary and Phytosanitary and Animal Welfare Issues

1. The Parties reaffirm their existing rights and obligations under the WTO Agreement on Sanitary and Phytosanitary measures (SPS).
2. The Parties shall strengthen cooperation and exchange information on legislation, implementation, certification, inspection and surveillance procedures on SPS in trade between the Parties within the framework of the WTO Agreement on Sanitary and Phytosanitary measures, the International Plant Protection Convention (IPPC), the Office International des Épizooties (OIE) and the CODEX Alimentarius.
3. The Parties further agree to cooperate on SPS matters and to promote cooperation in this field between the Parties, through capacity building and technical assistance, which shall be specific to the needs of each Party and aimed at assisting them to comply with each others' legal framework including food safety, plant and animal health and the use of international standards.

4. The Parties agree to cooperate on animal welfare as necessary, including technical assistance and capacity building for the development of animal welfare standards.
5. The Parties shall designate contact points for communication on issues under this Article.

ARTICLE 15

Technical Barriers to Trade

1. The Parties shall promote the use of international standards and cooperate and exchange information on standards, technical regulations, and conformity assessment procedures, especially within the framework of the WTO Agreement on Technical Barriers to Trade (TBT).
2. The Parties endeavour to exchange information from early stages of formulating new legislation in the TBT field. To this end, the Parties shall encourage any measures aiming at bridging the gaps between them in the area of conformity assessment and standardisation and improving the convergence and compatibility between the respective systems of the Parties in this area. The Parties agree to exchange views on, and to explore the possibility to apply, third party certification with a view to facilitate the flows of trade between them.
3. Cooperation in technical barriers to trade shall be undertaken, *inter alia*, through dialogue in appropriate channels, joint projects, technical assistance and capacity-building programmes. The Parties shall designate, when necessary, contact points for communication on issues under this Article.

Article 16

Cooperation on Customs Matters and Trade Facilitation

1. The Parties shall:
 - (a) share experience and best practices in and examine possibilities for simplifying import, export and other customs procedures;
 - (b) ensure the transparency of customs and trade facilitation regulations;
 - (c) develop cooperation on customs matters, and effective mutual administrative assistance mechanisms;
 - (d) seek convergence of views and joint action in the context of relevant international initiatives including trade facilitation.
2. The Parties will pay special attention to, *inter alia*:
 - (a) increasing the security and safety dimension of international trade;
 - (b) ensuring a more effective and efficient customs enforcement of intellectual property rights;
 - (c) ensuring a balanced approach between trade facilitation and the fight against fraud and irregularities.
3. Without prejudice to other forms of cooperation, provided for under this Agreement, the Parties state their interest in considering, in the future, the conclusion of protocols on customs cooperation and mutual administrative assistance, within the institutional framework laid down in this Agreement.

4. The Parties shall endeavour to mobilise technical assistance resources to support the implementation of cooperation on customs matters and of trade facilitation regulations under this Agreement.

Article 17

Investment

The Parties shall encourage a greater flow of investment through the development of an attractive and stable environment for investment through a consistent dialogue aimed at enhancing understanding and cooperation on investment issues, exploring administrative mechanisms to facilitate investment flows, and promoting stable, transparent, open rules and a level playing field for the Parties' investors.

Article 18

Competition policy

1. The Parties shall maintain competition laws and regulations and authorities. They will apply these laws in an effective, non-discriminatory and transparent way in order to foster legal certainty in their respective territories.
2. To this end, the Parties may engage in capacity building and other cooperation activities in the development and implementation of competition laws and regulations, subject to the availability of funding under the Parties' cooperation instruments and programmes.

Article 19

Services

The Parties shall establish a regular dialogue notably aimed at exchanging information on their respective regulatory environments with a view to identify best practices, promoting

access to each other's markets, including e-commerce, promoting access to sources of capital and technology, and promoting trade in services between both regions and in third countries' markets.

Article 20

Protection of Intellectual Property Rights

1. The Parties reaffirm the great importance they attach to the protection of intellectual property rights (IPR) and the full implementation of international commitments on protection of IPR, with a view to ensuring adequate and effective protection of such rights, in accordance with the relevant international standards/agreements, such as the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and the International Convention for the Protection of New Varieties of Plants (UPOV), including effective means of enforcement.
2. The Parties agree to enhance cooperation on intellectual property protection and enforcement, including on appropriate means to facilitate protection and registration of the other party's geographical indications in their respective territories, taking into account international rules, practices and developments in this area and their respective capacity.
3. The cooperation shall be implemented in the forms agreed by the Parties, including to the exchange information and experiences on issues such as the practice, promotion, dissemination, streamlining, management, harmonisation, protection, enforcement and effective application of intellectual property rights, the prevention of abuses of such rights, and the fight against counterfeiting and piracy, including the establishment and strengthening of organisations for the control and protection of such rights.

Article 21

Enhanced Participation of Economic Actors

1. The Parties shall encourage and facilitate the operation of Chambers of Commerce and Industry as well as cooperation among professional associations of the Parties with a view to promoting trade and investment in areas of interest to both Parties.
2. The Parties shall encourage a dialogue between their respective regulatory bodies and private sector actors with a view to discussing recent developments in the trade and investment environment, exploring development needs of the private sector and exchanging views on policy frameworks for strengthening corporate competitiveness.

Article 22

Consultations

With a view to ensuring security and predictability in their bilateral trade relationship, the Parties agree to consult each other expeditiously and as quickly as possible, upon request by a Party, concerning any matters of difference which may arise in connection with trade or trade related matters under this Title.

TITLE V

COOPERATION IN THE AREA OF JUSTICE

ARTICLE 23

Combating Organised Crime

The Parties agree to cooperate combating organised, economic and financial crime as well as corruption. Such cooperation aims in particular at implementing and promoting relevant international standards and instruments, such as the UN Convention against Transnational Organised Crime and its supplementing Protocols and the UN Convention against Corruption, where applicable.

ARTICLE 24

Cooperation in Combating Money Laundering and Terrorism Financing

1. The Parties agree on the need to work towards and to cooperate on preventing the risk that their financial systems are abused and that the proceeds of any serious criminal activities are laundered, as recommended by the Financial Action Task Force (FATF).

2. Both Parties agree to promote training and technical assistance aimed at the development and implementation of regulations and the efficient functioning of mechanisms to combat money laundering and terrorism financing. In particular, cooperation shall allow for the exchange of relevant information between the competent authorities of the Parties within the framework of their respective legislation on the basis of appropriate standards to combat money laundering and the financing of terrorism equivalent to those adopted by the Parties and the international bodies active in this area, such as the Financial Action Task Force (FATF).

ARTICLE 25

Cooperation against Illicit Drugs

1. The Parties shall cooperate to ensure a comprehensive and balanced approach, through effective action and coordination between the competent authorities, including from the law enforcement, customs, health, justice and interior sectors and other relevant sectors, with the aim of reducing the supply (including illicit cultivation of opium poppies and production of synthetic drugs) and trafficking of, and demand for, illicit drugs as well as their impact on drug users and society at large, and to achieve more effective precursors control.
2. The Parties shall agree on means of cooperation to attain these objectives. Actions shall be based on commonly agreed principles along the lines of the relevant international conventions to which they are parties; the Political Declaration, the Declaration on the Guiding Principles of Drug Demand Reduction, and the Measures to Enhance International Cooperation to Counter the World Drug Problem, adopted by the 20th UN General Assembly Special Session on Drugs in June

1998; and the Political Declaration and the Plan of Action adopted at the 52nd session of the UN Commission on Narcotic Drugs in March 2009.

3. The cooperation between the Parties shall comprise technical and administrative assistance in particular in the following areas: drafting of national legislation and policies; establishment of national institutions and information and monitoring centres; training of personnel; drug related research; efforts to reduce the demand for, and the harm from, drugs; and judicial and police cooperation; and effective precursors control as it relates to the illicit manufacture of narcotic drugs and psychotropic substances. The Parties may agree to include other areas.

ARTICLE 26

Protection of Personal Data

1. The Parties agree to cooperate in order to improve the level of protection of personal data to the highest international standards, as appropriate, such as those contained in international instruments, in so far as they apply to the Parties.
2. Cooperation on protection of personal data may include, *inter alia*, technical assistance in the form of an exchange of information and expertise.

TITLE VI SOCIO-ECONOMIC DEVELOPMENT AND OTHER AREAS OF COOPERATION

ARTICLE 27

Cooperation on Migration

1. The Parties reaffirm the importance of joint efforts to manage migratory flows between their territories. With a view to strengthening cooperation, the Parties shall establish a comprehensive dialogue on all migration-related issues. Migration concerns shall be included in the national strategies for economic and social development of countries of origin, transit and destination of migrants.
2. Cooperation between the Parties shall be based on a specific needs-assessment conducted in mutual consultation between the Parties and be implemented in accordance with the relevant Union and national legislation in force. Cooperation will focus, *inter alia*, on:
 - (a) addressing the root causes of migration;
 - (b) engaging in a comprehensive dialogue on legal migration, aiming at, as mutually agreed, the setting up of mechanisms for promoting legal migration opportunities;

- (c) exchanging experiences and practices regarding the adherence to and implementation of the provisions of the Convention relating to the Status of Refugees, signed on 28 July 1951, and the Protocol thereto, signed on 31 January 1967, especially the principles of “non refoulement” and “voluntary repatriation”;
 - (d) admission rules, as well as the rights and status of persons admitted, fair treatment and integration of lawfully residing non-nationals, education and training, measures against racism and xenophobia;
 - (e) the establishment of an effective and preventive policy against illegal immigration, smuggling of migrants and trafficking in human beings, including ways to combat networks of smugglers and traffickers and protect the victims of such trafficking;
 - (f) the return, under humane and dignified conditions, of persons residing illegally including the promotion of their voluntary return, and the readmission of such persons in accordance with paragraph 3;
 - (g) issues identified as being of mutual interest in the field of visas and security of travel documents;
 - (h) issues identified as being of mutual interest in the field of border controls;
 - (i) technical and human capacity building.
3. Within the framework of the cooperation to prevent and control illegal immigration and without prejudice to the need for protection of victims of human trafficking, the Parties further agree that:
- (a) once the Vietnamese nationality of a person to be readmitted has been established by the competent

authorities of Vietnam in accordance with national legislations or relevant existing agreements, Vietnam shall readmit any of its nationals illegally present on the territory of a Member State, upon request by the competent authorities of the latter and without undue delay;

- (b) once the nationality of a person to be readmitted has been established by the competent authorities of the Member State concerned in accordance with national legislations or relevant existing agreements, each Member State shall readmit any of its nationals illegally present on the territory of Vietnam, upon request by the competent authorities of the latter and without undue delay.

The Parties will provide their nationals with appropriate identity documents for such purposes. When the person to be readmitted does not possess any documents or other proofs of nationality, the competent authorities of the Member State concerned or Vietnam shall, upon request by Vietnam or the Member State concerned, make arrangements to interview the person in order to establish nationality.

- 4. Subject to their respective laws and procedures, the Parties will enhance their cooperation on readmission issues, aiming, upon request by either Party, and as mutually agreed, at the negotiation of an agreement between the EU and Vietnam on the readmission of their respective citizens.

ARTICLE 28

Education and Training

- 1. The Parties agree to promote cooperation in education and training that duly respects their diversity in order to strengthen mutual understanding and agree to raise awareness about education opportunities in the EU and in Vietnam.

2. The Parties shall furthermore place emphasis on measures designed to create links between their respective higher education institutions and specialist agencies and to encourage the exchange of information, know-how, students, experts and technical resources, taking advantage of the facilities offered by Union programmes in Southeast Asia in the area of education and training as well as the experience that both Parties have acquired in this area.
3. Both sides also agree to promote the implementation of relevant programmes for higher education such as the Erasmus Mundus programme and conference interpreter training programmes and encourage educational institutions in the EU and in Vietnam to cooperate in joint degree and research programmes with a view to encouraging academic cooperation and mobility.
4. The Parties further agree to start a dialogue on matters of mutual interest relating to the modernisation of higher education and technical and vocational training system, which could notably include measures for technical assistance, aimed at, *inter alia*, improving the qualification framework and quality assurance.

Article 29

Health

1. The Parties agree to cooperate in the health sector with a view to improving health conditions and social welfare, in particular strengthening the health system, including health care and health insurance.
2. Cooperation shall take place mainly on:

- (a) programmes aiming at strengthening the health sector, including the improvement of health systems, health services and health conditions as well as social welfare;
 - (b) joint activities on epidemiology, including collaboration in the early prevention and control of epidemics such as avian and pandemic influenza and other major communicable diseases;
 - (c) international agreements in health, in particular the Framework Convention on Tobacco Control and the International Health Regulations;
 - (d) food safety standards, including automatic control network for food imports, as covered by Article 14;
 - (e) the exchange of information, experience on pharmaceutical and medical equipment policies and regulations, as mutually agreed;
 - (f) the prevention and control of non-communicable diseases through the exchange of information and good practices, promoting a healthy lifestyle, addressing major health determinants as well as surveillance and management of these diseases.
3. The Parties recognise the importance of further modernisation of the health sector and agree to strengthen capacity building and technical assistance in the health sector.

Article 30

Environment and natural resources

1. The Parties agree on the need to conserve and manage in a sustainable manner natural resources and biological diversity as a basis for the development of current and future generations.

2. The Parties agree that cooperation in this area shall promote the conservation and improvement of the environment in pursuit of sustainable development. The outcome of the World Summit on Sustainable Development shall be taken into account in all activities undertaken by the Parties under this Agreement.
3. The Parties agree to cooperate with a view to enhancing the mutual supportiveness of environmental policies and the integration of environmental considerations into all sectors of cooperation.
4. The Parties undertake to continue and strengthen their cooperation specifically as regards:
 - (a) promoting the active participation of the Parties in the implementation of multilateral environment agreements to which they are parties, including the Basel Convention, the Stockholm Convention and the Rotterdam Convention;
 - (b) promoting environmental awareness and enhancing local participation, including the participation of indigenous and local communities in environmental protection and sustainable development efforts;
 - (c) promoting and deploying environmental technologies, products and services, including through the use of regulatory and market-based instruments;
 - (d) preventing illegal transboundary movements of waste, including hazardous waste and ozone-depleting substances;
 - (e) improving ambient air quality, environmentally sound management of waste, chemicals safety, sustainable integrated water resource management and promoting sustainable consumption and production;
 - (f) sustainable development and protection of forests, including the promotion of sustainable forest management, forest certification, measures to combat illegal logging and its associated trade, and the integration of forestry development into local community development;
 - (g) effective management of national parks and recognition and conservation of biodiversity areas and vulnerable ecosystems, with due regards for local and indigenous communities living in or near these areas;
 - (h) protecting and preserving coastal and marine environment and promoting the efficient management of marine resources in order to achieve a sustainable marine development;
 - (i) protecting soil and preserving soil functions and sustainable land management;
 - (j) enhancing land management capacity, transparent land economics and sound operation of the real estate market, based on the principle of Sustainable Land Management and equitable rights for stakeholders, in order to ensure both effective use and environmental protection for sustainable development.
5. To these ends, the Parties shall aim at strengthening cooperation, through bilateral and multilateral frameworks, including technical assistance programmes with a view to promoting the development, transfer and utilisation of environment-friendly technologies, as well as initiatives and partnership arrangements based on the principle of mutual benefit for an early realisation of the Millennium Development Goals.

Article 31

Cooperation on Climate Change

1. The Parties agree to cooperate to accelerate the fight against climate change and its impact on environmental degradation and poverty, promote policies to help mitigate climate change and adapt to the negative effects of climate change, especially the rise of sea level, and to set their economies on sustainable low-carbon growth paths.
2. The objectives of the cooperation shall be to:
 - (a) combat climate change, with the overall goal of a transition to low-carbon economies that are safe and sustainable, through concrete mitigation actions in accordance with the principles of the United Nations Framework Convention on Climate Change (UNFCCC);
 - (b) improve the energy performances of their economies, by promoting energy efficiency, energy conservation, and the use of safe and sustainable renewable energy, and to move to climate-friendly generation that contributes to laying the foundation for a green energy revolution;
 - (c) promote Sustainable Consumption and Production (SCP) patterns in their economies, contributing to minimising pressures on the eco-systems, including soils and climate;
 - (d) adapt to the inevitable and adverse impact of climate change, including the integration of adaptation measures into the Parties' growth and development strategies and planning in all sectors and at all levels.
3. In order to achieve the objectives set out in paragraph 2, the Parties shall:

- (a) intensify policy dialogue and cooperation at the technical level;
- (b) promote cooperation on Research and Development (R&D) activities and low-emission technologies;
- (c) strengthen cooperation on nationally appropriate mitigation actions, low carbon growth plans, national programmes for adaptation to climate change and on Disasters Risks Reduction;
- (d) enhance capacity building and strengthen institutions to address climate change challenges;
- (e) promote awareness raising, especially for the most vulnerable populations and those living in vulnerable areas, and facilitate the participation of local communities in response to climate change.

Article 32

Agriculture, Forestry, Livestock, Fisheries and Rural Development

1. The Parties agree to enhance cooperation, including through strengthened dialogue and the exchange of experience, in agriculture, forestry, livestock, fisheries and rural development, in particular in the following areas:
 - (a) agricultural policy and international agricultural outlook in general;
 - (b) facilitation of trade between the Parties in plants and animals and their products, and market development and promotion;
 - (c) development policy in rural areas;

- (d) quality policy for plants, animals and aquatic products, and in particular Protected Geographical Indications and organic production; marketing of quality products, notably organic and geographical indication products (labelling, certification and control);
 - (e) animal welfare;
 - (f) development of sustainable and environmentally-friendly agriculture and on the transfer of bio-technologies;
 - (g) supporting sustainable and responsible long-term marine and fisheries policy including conservation and management of coastal and marine resources;
 - (h) promoting efforts to prevent and combat illegal, unreported and unregulated fishing practices and illegal logging and trade in forestry products through Forest Law Enforcement, Governance and Trade (FLEGT) and Volunteer Partnership Agreement (VPA);
 - (i) heredity research, variety selection of animals and plants, including high-quality livestock improvement, and research on feed and nutrition for terrestrial and aquatic animals;
 - (j) mitigation of negative effects of climate change on agricultural production and poverty reduction in remote and rural areas;
 - (k) supporting and promoting sustainable forest management, including climate change adaptation and mitigation of negative effects.
2. The Parties agree to examine possibilities for technical assistance in plant and animal productions, including but not limited to improvement of animal and plant

productivity and product quality, and further agree to consider capacity-building programmes aimed at building managerial capability in this field.

Article 33

Cooperation Related to Gender Equality

1. The Parties shall cooperate in strengthening gender-related policies and programmes, as well as institutional and administrative capacity building and supporting the implementation of national strategies on gender equality, including women's rights and empowerment, in order to ensure the equitable participation of men and women in all sectors of economic, cultural, political and social life. In particular, the cooperation shall focus on improving women's access to necessary resources for the full exercise of their fundamental rights.
2. The Parties shall promote the creation of an adequate framework to:
 - (a) ensure that gender-related issues are duly incorporated into all development strategies, policies and programmes;
 - (b) exchange experiences and models in promoting gender equality, and promote the adoption of positive measures in favour of women.

Article 34

Cooperation on Addressing Remnants of War

The Parties recognise the importance of cooperation in the clearance of mines, bombs and other unexploded ordnances and observing international treaties to which they are parties, taking into account other relevant international instruments. The Parties therefore agree to cooperate through:

- (a) experience sharing and dialogue, management capacity enhancement, and training of experts, researchers, and specialised experts, including capacity-building assistance subject to their domestic procedures to address the issues noted above;
- (b) communication and education on the prevention of accidents caused by bombs and mines, rehabilitation and community reintegration for the victims of bombs and mines.

Article 35

Cooperation on Human Rights

1. The Parties agree to cooperate in the promotion and protection of human rights, including with regard to the implementation of international human rights instruments to which they are parties.

Technical assistance will be provided to this end.

2. Such cooperation may include:
 - (a) human rights promotion and education;
 - (b) strengthening of human rights-related institutions;
 - (c) strengthening the existing human rights dialogue;
 - (d) strengthening of cooperation within the human rights-related institutions of the UN.

Article 36

Reform of Public Administration

The Parties, based upon specific needs-assessment conducted through mutual consultation, agree to cooperate with a view to restructuring and improving the effectiveness of their

public administration, *inter alia* by:

- (a) improving organisational efficiency, including decentralisation;
- (b) increasing institutions' effectiveness in service delivery;
- (c) improving the management of public finance and accountability in accordance with the Parties' respective laws and regulations;
- (d) improving the legal and institutional framework;
- (e) building capacities for policy design and implementation (public service delivery, budget composition and execution, anti-corruption);
- (f) building capacity of law enforcement mechanisms and agencies;
- (g) reforming the public service, agencies and administrative procedures;
- (h) capacity building for modernisation of the public administration.

Article 37

Associations and Non-governmental Organisations

1. The Parties recognise the role and potential contribution of associations and NGOs, including the social partners, in the cooperation process under this Agreement.
2. In accordance with democratic principles and legal and administrative provisions of each Party, organised associations and NGOs may:
 - (a) participate in the policy-making process;

- (b) be informed of and participate in consultations on development and cooperation strategies and sectoral policies, particularly in areas concerning them, including all stages of the development process;
- (c) receive financial resources, insofar as the internal rules of each Party so allow, and capacity-building support in critical areas;
- (d) participate in the implementation of cooperation programmes in the areas that concern them.

Article 38

Culture

1. The Parties agree to promote multi-faceted cultural cooperation that duly respects their diversity in order to increase mutual understanding and the knowledge of their respective cultures.
2. The Parties endeavour to take appropriate measures to promote cultural exchanges and carry out joint initiatives in various cultural spheres including cooperation in heritage conservation with respect to cultural diversity. In this regard, the Parties agree to continue cooperating within the framework of the Asia-Europe-Meeting (ASEM) supporting the activities of the Asia-Europe Foundation (ASEF). To this end, the Parties shall support and promote long-term partnership and cooperation activities between their cultural institutions.
3. The Parties agree to consult and cooperate in relevant international *fora*, such as UNESCO, in order to pursue common objectives and promote cultural diversity as well as the protection of cultural heritage. In this regard, the Parties agree to promote the ratification and

strengthen cooperation in the implementation of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which was adopted on 20 October 2005, placing emphasis on policy dialogue, integrating culture into sustainable development and poverty reduction, with a view to fostering the emergence of a dynamic cultural sector by facilitating the development of cultural industries. The Parties shall continue efforts to encourage other states to ratify that Convention.

Article 39

Scientific and Technological Cooperation

1. The Parties agree to strengthen scientific and technological cooperation in areas of mutual interest, including industry, energy, transport, environment, in particular climate change and natural resources management (e.g. fishery, forestry and rural development), agriculture and food security, biotechnologies, and human and animal health, taking account of their respective policies and cooperation programmes.
2. The aims of such cooperation shall be, *inter alia*, to:
 - (a) encourage the exchange of scientific and technological information and know-how, including on the implementation of policies and programmes;
 - (b) promote enduring relations and research partnerships between scientific communities, research centres, universities and industries;
 - (c) promote human resources training in science and technology;

- (d) strengthen the application of scientific and technological research for promoting sustainable development and improving the quality of life.
- 3. Cooperation shall take the following forms:
 - (a) joint R&D projects and programmes;
 - (b) the exchange of information, knowledge and experience through joint organisation of scientific seminars and workshops, meetings, symposia and conferences;
 - (c) the training and exchange of scientists, junior researchers through international mobility schemes and exchange programmes, providing for the maximum dissemination of the results of research, learning and best practices;
 - (d) other forms as mutually agreed upon by the Parties.
- 4. In this cooperation, the Parties shall favour the participation of their respective higher education institutions, research centres and productive sectors, in particular small and medium-sized enterprises. The cooperation activities should be based on the principles of reciprocity, fair treatment and mutual benefits, and ensure an adequate protection of intellectual property.
- 5. Specific priorities of cooperation shall be accorded to *inter alia* the following areas:
 - (a) the promotion and facilitation of access to designated research facilities for the exchange and training of researchers;
 - (b) encourage the integration of R&D in investment and official development assistance programmes/projects.

- 6. The Parties shall endeavor to mobilise financial sources to support the implementation of scientific and technological cooperation activities under this Agreement within their capacities.
- 7. The Parties agree to make all efforts to increase public awareness about possibilities offered by their respective programmes for science and technology cooperation.

Article 40

Cooperation on Information and Communication Technologies

- 1. Recognising that information and communication technologies (ICT) are key elements of modern life and of vital importance to economic and social development, the Parties agree to exchange views on the respective policies in this field with a view to promoting economic and social development.
- 2. Cooperation in this area shall, *inter alia*, focus on:
 - (a) facilitating dialogue on different aspects of ICT development;
 - (b) ICT capacity building including human resource development;
 - (c) interconnection and interoperability of the Parties' and Southeast Asian networks and services;
 - (d) standardisation and dissemination of new ICT;
 - (e) promotion of R&D cooperation between the Parties in the area of ICT;
 - (f) security issues/aspects of ICT as well as fighting cyber crime;

- (g) conformity assessment of telecommunications, including radio equipment;
- (h) cooperation and sharing experiences and best practices on introduction of information technology to the whole society and public administration;
- (i) facilitating cooperation between their relevant institutions and agents in areas of audio-visual and media sectors;
- (j) encouraging further cooperation between the Parties' ICT enterprises including technology transfer.

Article 41

Transport

1. The Parties agree to further reinforce their cooperation in relevant areas of transport policy with a view to enhancing and expanding investment opportunities, improving the movement of goods and passengers, promoting maritime and aviation safety and security, more particularly search and rescue, combating piracy, and broader regulatory convergence, reducing environmental impacts of transport, and increasing the efficiency of their transport systems.
2. Cooperation between the Parties in this area shall aim to promote:
 - (a) the exchange of information on their respective transport policies and practices, especially regarding urban, rural, maritime and air transport, urban transport planning, transport logistics, public transport development and the interconnection and interoperability of multimodal transport networks;

- (b) the exchange of information on the European global satellite navigation system (Galileo) by using appropriate bilateral instruments, with a focus on regulatory, industrial and market development issues of mutual interest;
- (c) joint actions in the field of air transport services through, *inter alia*, the implementation of existing agreements, the examination of possibilities for the further development of relations, as well as technical and regulatory cooperation in areas such as aviation safety, aviation security, and air traffic management with a view to supporting regulatory convergence and to the removal of obstacles to doing business. On this basis, the Parties will explore the possible scope for enhanced cooperation in the area of civil aviation;
- (d) a dialogue in the field of maritime transport services aiming at unrestricted access to the international maritime markets and trades on a commercial basis, commitments for the phasing out of existing cargo reservation schemes, the abstention from introducing cargo sharing clauses, the establishment within maritime transport of services including auxiliary services, national treatment and MFN clauses regarding access for auxiliary services and port services for vessels operated by nationals or companies of the other Party, and issues related to door-to-door transport services;
- (e) the implementation of security, safety and pollution prevention standards, notably as regards maritime and air transport, in line with the relevant international conventions, including cooperation in the appropriate international *fora* aiming to ensure better enforcement of international regulations. To this end, the Parties will promote technical cooperation and assistance on issues related to transport safety, including search and rescue, investigation into casualties and accidents.

Article 42

Energy

1. The Parties agree to enhance cooperation in the energy sector with a view to:
 - (a) diversifying energy supplies in order to improve energy security, and develop new innovative and renewable forms of energy, including sustainable biofuels and biomass in conformity with country-specific conditions, wind and solar energy, as well as hydro power generation, and supporting the development of appropriate policy frameworks to create favourable conditions for investment and a level playing field for renewable energy and the integration into relevant policy areas;
 - (b) achieving rational use of energy with contributions from both supply and demand sides by promoting energy efficiency in energy production, transportation, distribution and end-use;
 - (c) fostering the transfer of technology aimed at sustainable energy production and use;
 - (d) enhancing capacity-building and facilitation of investment in the field based on transparent and non-discriminatory commercial rules;
 - (e) addressing the links between affordable access to energy services and sustainable development.
2. To these ends, the Parties agree to promote contacts and joint research as well as enhance technical assistance and capacity-building projects through appropriate regional *fora* on clean production and environmental protection to the mutual benefit of the Parties. Both sides will

explore further possibilities for enhanced cooperation in nuclear safety and security within their existing legal framework and policies.

Article 43

Tourism

1. Guided by the World Tourism Organization's Global Code of Ethics for Tourism and by the sustainability principles based on the "Local Agenda 21 process", the Parties shall aim to improve the exchange of information and establish best practice in order to ensure a balanced and sustainable development of tourism.
2. The Parties agree to develop cooperation on, *inter alia*:
 - (a) safeguarding and maximising the potential of natural and cultural heritage;
 - (b) mitigating the negative impacts of tourism;
 - (c) enhancing the positive contribution of the tourism business to the sustainable development of local communities, *inter alia*, by developing eco-tourism and cultural tourism, while respecting the integrity and interests of local and indigenous communities;
 - (d) technical assistance and capacity-building, including training programmes for policy makers and tourism managers;
 - (e) encouraging the tourism industry including tour operators and travel agents of both Parties to further develop bilateral cooperation including training.

Article 44

Industrial Policy and SME cooperation

The Parties, taking into account their respective economic policies and objectives, agree to promote industrial policy cooperation in all fields deemed suitable, with a view to improving the competitiveness of small and medium-sized enterprises, *inter alia* through:

- (a) exchanging information and experiences on creating the legal framework and other conditions for small and medium-sized enterprises to improve their competitiveness;
- (b) promoting contacts and exchanges between economic operators, encouraging joint investments and establishing joint ventures and information networks notably through existing Union horizontal programmes, stimulating in particular transfers of soft and hard technology between partners, including new and advanced technologies;
- (c) providing information and stimulating innovation and exchanging good practices on access to finance and market, including auditing and accounting services particularly for micro- and small enterprises;
- (d) facilitating and supporting the relevant activities established by the private sectors and business associations of the Parties;
- (e) promoting corporate social responsibility and accountability and encouraging responsible business practices, including sustainable consumption and production. This cooperation shall be complemented by a consumer perspective such as on product information and the consumer's role in the market;

- (f) conducting joint research projects, technical assistance and cooperation on standards, technical regulations and conformity assessment procedures in selected industrial areas, as mutually agreed.

Article 45

Economic Policy Dialogue

The Parties agree to cooperate on promoting the exchange of information on their respective economic trends and policies, and the sharing of experiences with the coordination of economic policies in the context of regional economic cooperation and integration through existing bilateral and multilateral mechanisms in areas of mutual interest, including the sharing of information on the process of reform and equitisation of state-owned enterprises in conformity with the Parties' laws and regulations.

Article 46

Cooperation on Taxation

1. With a view to strengthening and developing economic activities while taking into account the need to develop appropriate regulatory and administrative frameworks, the Parties are committed to good governance in the tax area and will implement the principles of transparency and the exchange of information within the framework of bilateral tax agreements between Member States and Vietnam. The Parties further agree to strengthen their exchange of experience, dialogue and cooperation to fight against tax evasion and other harmful tax practices.
2. The Parties agree to strengthen cooperation in the tax area with a view to enhancing their regulatory and administrative capacity through, *inter alia*, the exchange of experience and technical assistance.

3. The Parties will encourage the effective implementation of bilateral tax agreements between Member States and Vietnam and support the consideration of new such agreements in the future.

Article 47

Cooperation on Financial Services

The Parties agree to hold a dialogue notably aimed at exchanging information and experiences on their respective regulatory environments, and strengthen cooperation with a view to improving accounting, auditing, supervisory and regulatory systems of banking, insurance and other parts of the financial sector including through capacity-building programmes in areas of mutual interest.

Article 48

Cooperation on Natural Disaster Prevention and Mitigation

1. The Parties agree to cooperate in preventing and responding effectively to natural disasters to minimise the losses of life, property, natural resources, environment and cultural heritage, and to mainstream disaster risk reduction in all sectors and areas of intervention at national and local levels.
2. On that basis, the Parties agree to:
 - (a) share information on monitoring, assessing, forecasting and providing early warning on natural disasters;
 - (b) enhance capacity through the sharing of experience, best practices in natural disaster prevention and mitigation;
 - (c) support each other in technology, specialised equipment

and materials needed for disaster management and emergency response;

- (d) enhance dialogue between the Parties' authorities in charge of natural disaster management and emergency response to support and strengthen cooperation in this area.

Article 49

Urban and Regional Planning and Development

1. The Parties agree to promote cooperation and partnership in this field, in recognition of the important role of urban and regional planning and development in the pursuit of economic growth, poverty reduction and sustainable development.
2. Cooperation in urban and regional planning and development may take the following forms:
 - (a) the exchange of experience in addressing issues related to sustainable urban and regional planning and development, including:
 - policies dealing with urban planning and related infrastructure, regional planning and urban expansion, conservation and development of historic townships;
 - establishment of urban networks with the participation of central and local management including municipalities, associations and NGOs, agencies, contractors and professional associations;
 - management of architecture, planning and urban space expansion with the employment of Geographic Information System (GIS) tools;

- planning and development of urban centres and city centres renewal and urban environmental planning;
 - urban-rural relations;
 - development of urban technical infrastructure, including rehabilitation and improvement of urban water supply systems, construction of sewerage and solid waste treatment systems, protection of the environment and urban landscape;
- (b) support in training and capacity building for central, regional and local level managers in regional and urban planning, architecture management and architectural heritage;
- (c) cooperation in the framework of relevant international organisations such as the UN-HABITAT and the World Urban Forum through joint research programmes and organisation of workshops and seminars to exchange information and experience in urban planning and development, including urban expansion, urban design, land development and technical infrastructure development.
3. The Parties agree to enhance cooperation, share experience and information among their regional and urban authorities to solve complex urban problems by promoting sustainable development.

Article 50

Labour, Employment and Social Affairs

1. The Parties agree to enhance cooperation in the field of labour, employment and social affairs, including cooperation on labour, regional and social

cohesion, health and safety in the workplace, gender equality, lifelong skills development, human resource development, international migration and decent work, social security with a view to strengthening the social dimension of globalisation.

2. The Parties reaffirm the need to support the process of globalisation which is beneficial to all and to promote full and productive employment and decent work as a key element of sustainable development and poverty reduction, as endorsed by UN General Assembly Resolution 60/1 and the Ministerial Declaration of the high level segment of the UN Economic and Social Council of July 2006. Cooperation between the two Parties shall be compatible with and take into account the respective characteristics and diverse nature of the economic and social situations.
3. The Parties reaffirm their commitments to respect, promote and realise internationally recognised labour standards, as laid down in International Labour Organisation (ILO) conventions to which they are parties referred to in the Declaration on Fundamental Rights and Principles at Work of the ILO. The Parties agree to cooperate and provide technical assistance with a view to promote the ratification of internationally recognised labour standards as appropriate and effectively implement labour standards ratified by the Parties.
4. Subject to laws, conditions and procedures applicable in the host country and relevant international treaties and conventions to which they are parties, the Parties shall aim to ensure that the treatment accorded to nationals of the other Party, legally employed in the territory of the host country, shall be free from any discrimination based on nationality, as regards, *inter alia*, working conditions, remuneration or dismissal as compared to the conditions applied to other third country nationals.

5. The forms of cooperation may include specific programmes and projects, as mutually agreed, as well as capacity building, policy exchange and initiatives on topics of common interest at bilateral or multilateral level, such as at ASEM, EU-ASEAN and ILO level.

Article 51

Statistics

1. The Parties agree to promote cooperation in harmonising and developing statistical methods including statistical collecting, processing, analysing, and disseminating.
2. To this end, the Parties agree to strengthen cooperation, including through regional and international *fora*, by capacity building and other technical assistance projects, including the provision of modern statistical software, with a view to enhancing the quality of statistics.

TITLE VII INSTITUTIONAL FRAMEWORK

Article 52

Joint Committee

1. The Parties agree to establish a Joint Committee, composed of representatives of both sides at the highest possible level, 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) monitor the development of the comprehensive relationship between the Parties and make recommendations for promoting the objectives of this Agreement;
 - (d) request, as appropriate, information from committees or other bodies established under other agreements between the Parties and consider any reports submitted by them;
 - (e) exchange opinions and make suggestions on any issue of common interest, including future actions and the resources available to carry them out;

- (f) resolve differences arising from the application or interpretation of this Agreement;
 - (g) examine all the information presented by a Party regarding the fulfilment of obligations and hold consultations with the other Party to seek a solution acceptable to both Parties in accordance with Article 57.
2. The Joint Committee shall normally meet annually in Hanoi and Brussels alternately, on a date to be fixed by mutual agreement. Extraordinary meetings of the Joint Committee may also be convened by agreement between the Parties. The Joint Committee shall be chaired alternately by each of the Parties. The agenda for meetings of the Joint Committee shall be determined by agreement between the Parties.
 3. The Joint Committee shall set up sub-committees and specialised working groups in order to assist it in the performance of its tasks. These sub-committees and working groups shall make detailed reports of their activities to the Joint Committee at each of its meetings.
 4. The Parties agree that it shall also be the task of the Joint Committee to ensure the proper functioning of any sectoral agreement or protocol concluded or to be concluded between the Parties.
 5. The Joint Committee shall adopt its own rules of procedure.

TITLE VIII FINAL PROVISIONS

Article 53

Resources for Cooperation

1. The Parties agree to make available the appropriate resources, including financial means, insofar as their respective resources and regulations allow, in order to fulfil the cooperation objectives set out in this Agreement.
2. The Parties shall encourage the European Investment Bank to continue its operations in Vietnam, in accordance with its procedures and financing criteria.

Article 54

Future Developments Clause

1. The Parties may by mutual consent expand the scope of this Agreement with a view to enhancing the level of cooperation, including by supplementing it by means of agreements or protocols on specific sectors or activities. Such specific agreements shall constitute an integral part of the overall bilateral relations as governed by this Agreement and shall form part of a common institutional framework.

2. 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 55

Other Agreements

1. Without prejudice to the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union, neither this Agreement nor action taken hereunder shall affect the powers of the Member States to undertake bilateral cooperation activities with Vietnam or to conclude, where appropriate, new partnership and cooperation agreements with Vietnam.
2. This Agreement shall not affect the application or implementation of commitments undertaken by the respective Parties in relations with third parties.
3. Existing agreements relating to specific areas of cooperation falling within the scope of this Agreement shall be considered part of the overall bilateral relations as governed by this Agreement and as forming part of a common institutional framework.

Article 56

Application and Interpretation of the Agreement

1. Each Party may refer to the Joint Committee any divergence in the application or interpretation of this Agreement.
2. The Joint Committee may settle the issue by means of a recommendation.

Article 57

Fulfilment of Obligations

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement and shall ensure that they comply with the objectives and purposes laid down in this Agreement.
2. If either Party considers that the other Party has failed to fulfil any of its obligations under this Agreement it may take appropriate measures.
3. Before doing so, except in cases of a material breach of the Agreement, it shall present to the Joint Committee all the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.
4. The Parties agree that for the purpose of the correct interpretation and practical application of this Agreement, the term “appropriate measures” as referred to in Article 57(2) means measures taken in accordance with international law which are proportionate to the failure to implement obligations under this Agreement. In the selection of these measures, priority must 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 within the Joint Committee if the other Party so requests.

Article 58

Facilities

To facilitate cooperation in the framework of this Agreement, both Parties agree to grant necessary facilities to officials

and experts involved in implementing cooperation for the performance of their functions, in accordance with internal rules and regulations of both Parties.

Article 59

Declarations

The Declarations to this Agreement shall form an integral part of this Agreement.

Article 60

Territorial Application

This Agreement shall apply to the territory in which the Treaty on European Union is applied under the conditions laid down in that Treaty, on the one hand, and to the territory of the Socialist Republic of Vietnam, on the other.

Article 61

Definition of the Parties

For the purposes of this Agreement, “the Parties” shall mean the Union or its Member States, or the Union and its Member States, in accordance with their respective powers, on the one hand, and the Socialist Republic of Vietnam, on the other.

Article 62

National Security and Disclosure of Information

Nothing in this Agreement shall be construed to require any Party to provide any information, the disclosure of which it considers contrary to its essential security interests.

Article 63

Entry into Force and Duration

1. This Agreement shall enter into force on the first day

of the month following the date on which the last Party has notified the other of the completion of the legal procedures necessary for this purpose.

2. This Agreement is valid for a period of five years. It shall be automatically extended for further successive periods of one year, unless either Party notifies the other Party in writing of its intention not to extend this Agreement six months prior to the end of any subsequent one-year period.
3. Any amendments to this Agreement shall be made by agreement between the Parties. Any amendments shall become effective only after the latter Party has notified the other that all necessary formalities have been completed.
4. This Agreement may be terminated by either Party by written notice of denunciation given to the other Party. The termination shall take effect six months after receipt of notification by the other Party.

Article 64

Notifications

Notifications made in accordance with Article 63 shall be made to the General Secretariat of the Council of the European Union and the Ministry of Foreign Affairs of Vietnam, respectively.

Article 65

Authentic Text

This Agreement shall be drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Vietnamese languages, each of these texts being equally authentic.

ANNEX

JOINT DECLARATION ON MARKET ECONOMY STATUS

The Parties shall enhance cooperation on moving towards the early recognition of Vietnam's market economy status as soon as possible, subject to the relevant procedures.

UNILATERAL DECLARATION BY THE EUROPEAN UNION ON THE GENERALISED SYSTEM OF PREFERENCES (GSP)

The European Union recognises the significant importance of the GSP to trade development and shall further cooperate through, *inter alia*, dialogue, exchanges and capacity-building activities, with a view to ensuring optimal use of the scheme by Vietnam in accordance with the relevant procedures of the Parties and evolving EU trade policy.

JOINT DECLARATION ON ARTICLE 24 (COOPERATION IN COMBATING MONEY LAUNDERING AND TERRORISM FINANCING)

The Parties agree that the Joint Committee will establish a list of the competent authorities responsible for the exchange of relevant information under this Article.

JOINT DECLARATION ON ARTICLE 57 (FULFILMENT OF OBLIGATIONS)

The Parties agree that, for the purposes of the correct interpretation and practical application of this Agreement, the term "material breach of the Agreement" in Article 57(3), in line with Article 60 (3) of the Vienna Convention on the Law of Treaties of 1969 ('Vienna Convention'), consists of:

- (a) repudiation of the agreement not sanctioned by the Vienna Convention; or
- (b) violation of an essential element of the Agreement, as described in Article 1(1) and (2) and Article 8.

In cases of a material breach of the Agreement, the measure shall be notified immediately to the other Party. At the request of the other Party, the Joint Committee shall hold urgent consultations within a period of up to 30 days for a thorough examination of any aspect of, or the basis for, the measure with a view to seeking a solution acceptable to the Parties.

VIETNAM – EUROPEAN UNION RELATIONS

Overview

1990: Vietnam and European Communities officially established diplomatic relations.

1992: Vietnam and European Communities signed textile agreement.

1995: Vietnam and European Community signed Vietnam – EC framework cooperation agreement.

1996: European Commission set up its Permanent Delegation to Vietnam.

1997: Vietnam joined ASEAN – EU cooperation agreement.

2003: Vietnam – EU human rights dialogue was launched.

2004: First Vietnam – EU Summit in Hanoi.

2005: Vietnam adopted a Master Plan and Action plan

in developing Vietnam – EU relations towards 2010 and orientations towards 2015.

2008: the negotiation on Framework Agreement on Comprehensive Partnership and Cooperation (PCA) was launched.

2010: Vietnam – EU PCA was initialled.

2012: Vietnam – EU PCA was officially signed and negotiation of Vietnam – EU Free Trade Agreement (FTA) was launched.

Since the establishment of diplomatic relations, and building on the bilateral relations of EU member states, Vietnam-EU relations have developed rapidly and vigorously. The EU has become one of Vietnam's key partners in many areas, especially economic, trade and investment, contributing actively to Vietnam's socio-economic development and international economic integration.

The Framework Agreement on Comprehensive Partnership and Cooperation (PCA) between Vietnam and EU:

Vietnam – EU relations have developed rapidly and vigorously, setting out the need to build a new cooperation framework in order to reflect the strongly developing partnership and create a new legal framework to replace the 1995 framework agreement.

After 9 rounds of negotiations (from June 2008 to October 2010), on the 4th October 2010, the PCA was initialled on the sidelines of the 8th ASEM Summit in Brussels with Prime Minister Nguyen Tan Dung and EC President Barroso as witnesses.

On 27th June 2012, Minister of Foreign Affairs Pham Binh Minh and EU's High Representative for Foreign and Security

Policy Catherine Ashton officially signed the PCA in Brussels, Belgium.

The Vietnam – EU PCA has marked an important milestone in Vietnam – EU relations, reflecting widening and deepening developments of the Vietnam – EU relations during the past 20 years and creating a legal foundation which ushers the bilateral relations in a new phase of deeper and broader scope of cooperation.

I. Political field:

1.1. Meetings and exchanges of high-level visits

On the Vietnamese side:

7/1993: Prime Minister Vo Van Kiet visited the EC.

2/1995: National Assembly Chairman Nong Duc Manh visited the European Parliament (EP).

1/1996: Deputy Prime Minister Tran Duc Luong visited the EC.

4/1998: Prime Minister Phan Van Khai visited the EC.

9/2002: Prime Minister Phan Van Khai visited the EC.

3/2004: General Secretary Nong Duc Manh visited the EC.

3/2005: Chairman of the National Assembly Nguyen Van An visited the EP.

9/2006: Prime Minister Nguyen Tan Dung visited the EC.

4/2010: Prime Minister Nguyen Tan Dung met with President of the European Council Herman Van Rompuy on the sidelines of the Nuclear Security Summit in Washington, USA.

7/2010: Vice Chairwoman of the National Assembly Tong Thi Phong visited the EP.

10/2010: Prime Minister Nguyen Tan Dung visited the EC.

6/2011: Deputy Prime Minister and Foreign Minister Pham Gia Kiem met with EU High Representative for Foreign Affairs and Security Policy Catherine Ashton on the sidelines of the FMM 10 in Hungary.

12/2011: Chairman of the National Assembly Nguyen Sinh Hung visited the EP.

3/2012: Prime Minister Nguyen Tan Dung met with President of the European Council Herman Van Rompuy and the EC President Barroso on the sidelines of the Nuclear Summit in Seoul, Republic of Korea.

4/2012: Foreign Minister Pham Binh Minh met with EU's High Representative for Foreign and Security Policy Catherine Ashton on the sidelines of the AEMM-19 in Brunei.

6/2012: Foreign Minister Pham Binh Minh visited the EU and officially signed the Vietnam – EU PCA. EU Trade Commissioner Karel De Gucht and Vietnamese Minister for Industry and Trade Vu Huy Hoang officially launched negotiations for a FTA between the EU and Vietnam in Brussels.

On the EU side:

7/1994: EC commissioner in charge of foreign affairs Hans van den Broek visited Vietnam.

9/1995: EC Vice-President Manuel Marin visited Vietnam.

1/2004: Member of the EC in charge of Food Safety, Public Health and Consumer Protection David Byrne visited Vietnam.

7/2004: EU Special Representative in charge of ASEM Hans van den Broek paid a working visit to Vietnam.

10/2004: EC President Romano Prodi and EC Trade Commissioner Pascal Lamy paid a working visit to Vietnam.

4/2005: EC Trade Commissioner Peter Mandelson paid a working visit to Vietnam.

10/2005: Director General for External relations of EC Eneko Landaburu visited Vietnam.

11/2005: EC Commissioner in charge of Food Safety, Public Health and Consumer Protection M. Kyprianou visited Vietnam.

4/2006: EC Commissioner in charge of foreign affairs Benita Ferrero-Waldner visited Vietnam.

5/2006: Chairman of the Committee on Civil Liberties, Justice and Home Affairs and Chairman of the EP's Delegation to the Southeast Asia and ASEAN Mr Harmut Nassauer visited Vietnam.

11/2007: EC President José Manuel Barroso officially visited Vietnam (the first official visit of the President of the EC since the two sides established diplomatic relations).

5/2009: EC Commissioner in charge of foreign affairs Benita Ferrero-Waldner met with Prime Minister Nguyen Tan Dung.

2/2010: EC Trade Commissioner Karel de Gucht paid a working visit to Vietnam.

3/2010: European Parliament delegation visited Vietnam.

2/2012: David O'Sullivan, The Chief Executive Officer of the European External Action Service (EEAS) visited Vietnam and

carried out for the first time political consultations at the level of Deputy Minister of Foreign Affairs with Vietnam.

3/2012: EC Commissioner in charge of Development Cooperation Andris Piebalgs visited Vietnam.

10/2012: President of the European Council Herman Van Rompuy visited Vietnam.

1.2. Dialogue and cooperation mechanism:

The Vietnam – EC Joint Commission (based on the 1995 Framework Agreement) contains:

- Vietnam – EC Working-Group on Trade and Investment.
- Vietnam – EC Working group on Development Co-operation.
- The EC - Vietnam Sub-committee on Cooperation in the areas of institution building, administrative reform, governance and human rights.
- EC-Vietnam Sub-committee on Scientific and Technological Cooperation.

1.3. Co-operation in multilateral and regional forums

Vietnam and EU also cooperate at multilateral fora and international organizations, especially in the framework of ASEAN – EU cooperation and of ASEM and the UN in many areas. The two sides also work together in addressing global issues such as climate change, sustainable development, energy security, fighting terrorism, non - proliferation of weapons of mass destruction, illegal migration, etc.

II. Economic fields:

The EU is one of the leading investment and trading partners of Vietnam. Trade has been increasing rapidly - and most EU member states have invested in Vietnam.

Trade is one of the important pillars in Vietnam – EU relations. Within the period 2000 – 2010, bilateral trade increased 4.3 times, from \$4.1 billion in 2000 up to \$17.75 billion in 2010¹, reaching \$24,29 billion in 2011, a 36.88% increase compared to 2010. In 2011, Vietnam exports to the EU reached \$16.55 billion, (a 45.32% increase) while imports from the EU reached \$7.75 billion (a 21.79% increase in comparison with 2010). Two-way trade in the first 7 months of 2012 reached \$15.47 billion, increasing by 20.39% in comparison to the same period of 2011 -Vietnam exports to the EU reached \$10.91 billion, increasing by 23.73% while imports from the EU reached \$4.56 billion, a 13.07% increase. At present, the EU is one of Vietnam's biggest trading partners, the second biggest export market (after the US) and a relevant market for key products of Vietnam such as leather, shoes, textiles, green bean coffee, wood products, seafood, etc. Vietnam imports mainly machines, equipments, pharmaceuticals products, fertilizer and transport vehicles from the EU member states. Bilateral trade is complementary. Vietnam's exports to the EU have been shifting from lower quality goods and raw agricultural products to higher quality products.

In the field of investment: EU is one of the leading investors in Vietnam. Until June 2012, 20 out of 27 EU member states have invested in Vietnam with 1.188 valid projects with a total registered capital over \$18 billion. Vietnamese businessmen have also invested in at least 12 EU member states (Belgium, Bulgaria, Czech Republic, France, Germany, Greece, Italy,

Netherlands, Poland, Spain, Sweden and, U.K) with a total registered capital of \$35.9 million.

Development cooperation (ODA): EU is the second largest bilateral donor of Vietnam and the biggest in term of grant development aid with a total committed ODA of more than \$11 billion between 1996 – 2010 (disbursement of over \$5 billion), making positive contributions to Vietnam's economic and social development progress.

Sectoral cooperation: The EU and its member states have close cooperation ties with Vietnam in various prioritized sectors for Vietnam and the EU such as institutional assistance, science and technology, education, law, health, banking and credit, agriculture, culture and tourism, etc.

Ministry of Foreign Affairs

1 In 2006, Vietnam – EU trade reached \$10.2 billion, about 2.5 times the trade in 2000, 5.1 times in comparison with 1999 and 7.39 times in comparison with 1995.

INTRODUCTION TO THE EUROPEAN UNION

The European Union (EU) is a unique economic and political partnership between 27 European countries (28 from 1 July 2013)¹ that together cover much of the continent.

It was created in the aftermath of the Second World War. The first steps were to foster economic cooperation: the idea being that countries that trade with one another become economically interdependent and so more likely to avoid conflict. Since then, the EU has developed into a huge single market, with the euro as its main common currency. What began as a purely economic union has evolved into an organisation spanning all policy areas, from development aid to environment.

The EU has delivered half a century of peace, stability, and prosperity, helped raise living standards, and launched a single European currency. Thanks to the abolition of border

¹ Member states of the European Union: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom. Croatia is expected to join the EU in July 2013 while other candidate countries include the Former Yugoslav Republic of Macedonia, Iceland, Montenegro, Serbia and Turkey.

controls between EU countries, people can travel freely throughout most of the continent. And it's also become much easier to live and work abroad in Europe.

The EU is based on the rule of law. This means that everything that it does is founded on treaties, voluntarily and democratically agreed by all member countries. These binding agreements set out the EU's goals in its many areas of activity.

Human dignity, freedom, democracy, equality, the rule of law and respect for human rights: these are the core values of the EU. Since the 2009 signing of the Treaty of Lisbon, the EU's Charter of Fundamental Rights brings all these rights together in a single document. The EU's institutions are legally bound to uphold them, as are EU governments.

The single market is the EU's main economic engine, enabling most goods, services, money and people to move freely. With over 500 million inhabitants, the EU accounts for more than a quarter of the world's gross domestic product, is the largest source of foreign direct investment in the global economy and represents a fifth of global trade, a key instrument for economic development. Europe is the world's largest exporter of manufactured goods and services, and is itself the biggest export market for more than one hundred countries.

The Union has a unique institutional set-up. The EU's broad priorities are set by the European Council, which brings together national and EU-level leaders. Directly elected Members represent European citizens in the European Parliament, while the interests of the EU as a whole are promoted by the European Commission, whose members are nominated by national governments in consultation with the Commission President, after approval by the European Parliament. Finally, governments defend their own countries' national interests in the Council of the European Union.

Among many other institutions and inter-institutional bodies, two play vital roles: the Court of Justice upholds the rule of European law and the Court of Auditors checks the financing of the EU's activities.

As it continues to grow, the EU remains focused on making its governing institutions more transparent and democratic. More powers are being given to the directly elected European Parliament, while national parliaments are being given a greater role, working alongside the European institutions. In turn, European citizens have an ever-increasing number of channels for taking part in the political process in any of the EU's 23 official languages.

The European Union also plays an important role in international affairs through diplomacy, trade, investment, development aid and global organisations, with increasing regional and global security interests and responsibilities to match. In particular, it shows solidarity by providing more than half of all international development aid and is the world's biggest donor of humanitarian assistance. The EU is increasingly active in conflict prevention, crisis management and peace building, through EU-led crisis management missions, as well as through EU crisis response and stabilisation instruments. Moreover, the EU is committed to supporting the multilateral system and its reform, global negotiations on trade and climate change, as well as the global governance agenda.

The EU maintains diplomatic relations with nearly all countries in the world. It has strategic partnerships with key international players, is deeply engaged with emerging powers around the globe, and has signed bilateral Association Agreements with a number of states in its vicinity. Abroad, the Union is represented by a number of EU Delegations, which have a similar function to those of an embassy. The European External Action Service (EEAS) assists the High Representative

of the Union for Foreign Affairs and Security Policy, who chairs the Foreign Affairs Council of Member States Foreign Ministers and conducts the common foreign and security policy, ensuring the consistency and coordination of the EU's external action.

Finally, the EU is recognisable by several symbols, the most well-known being the European flag, a circle of 12 yellow stars on a blue background that symbolises the ideals of unity, solidarity and harmony among the peoples of Europe. Europe Day is celebrated on 9 May, to commemorate the ideas behind the European Union that were first put forward on that date in 1950 by French foreign minister Robert Schuman. The melody of the European anthem comes from the Ninth Symphony composed in 1823 by Ludwig Van Beethoven, while "United in diversity" is the motto of the European Union. It signifies how Europeans have come together, in the form of the EU, to work for peace and prosperity, while at the same time being enriched by the continent's many different cultures, traditions and languages.

Delegation of the European Union to Vietnam