

In order to achieve the objectives of this Agreement, a financial cooperation package shall be made available to the Palestinian Authority in accordance with the appropriate procedures and the financial resources required.

These procedures shall be agreed by both Parties using the most appropriate instruments after this Agreement has entered into force.

Financial cooperation shall focus on:

- responding to the economic repercussions for the West Bank and the Gaza Strip of the gradual introduction of a free-trade area, notably by upgrading and restructuring industry;
- trade institutions which promote trading links with foreign markets;
- accompanying measures for policies implemented in the social sector;
- upgrading economic and social infrastructure;
- promoting private investment and job-creating activities in the productive sectors;
- promoting reforms designed to modernize the economy;
- services;
- urban and rural development;
- the environment;
- the setting-up and improvement of institutions necessary for the proper working of the Palestinian public administration and the advancement of democracy and human rights.

Article 62

In order to ensure that a coordinated approach is adopted to any exceptional macro-economic and financial problems that might arise as a result of the implementation of this Agreement, the Parties shall use the regular economic dialogue provided for in Title III to give particular attention to monitoring trade and financial flows in relations between them.

TITLE VI

INSTITUTIONAL, GENERAL AND FINAL PROVISIONS

Article 63

1. A joint Committee for the European Community-Palestinian Authority trade and cooperation, referred to in this Agreement as "the Joint Committee", is hereby established. It shall have the power to take decisions in the cases provided for in this Agreement as well as in other cases necessary for the purpose of attaining the objectives set out in this Agreement.

The decisions taken shall be binding on the Parties, which shall take such measures as are required to implement them.

2. The Joint Committee may also formulate any resolutions, recommendations or opinions which it considers desirable for the attainment of the common objectives and the smooth functioning of this Agreement.

3. The Joint Committee shall adopt its own rules of procedure.

Article 64

1. The Joint Committee shall be composed of representatives of the Community and of the Palestinian Authority.

2. The Joint Committee shall act by mutual agreement between the Community and the Palestinian Authority.

Article 65

1. The office of Chairman of the Joint Committee shall be held alternately by the Community and the Palestinian Authority in accordance with the conditions laid down in the rules of procedure.
2. The Joint Committee shall meet once a year and when circumstances require, on the initiative of its Chairman.

Article 66

1. The Joint Committee may decide to set up any other committee that can assist it in carrying out its duties.
2. The Joint Committee shall determine the composition and duties of such committees and how they shall function.

Article 67

1. Either Party may refer to the Joint Committee any dispute relating to the application or interpretation of this Agreement.
2. The Joint Committee may settle the dispute by means of a decision.
3. Each Party shall be bound to take measures involved in carrying out the decision referred to in paragraph 2.
4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months.

The Joint Committee shall appoint a third arbitrator.

The arbitrators' decisions shall be taken by majority vote.

Each Party to the dispute must take the steps required to implement the decision of the arbitrator.

Article 68

Nothing in this Agreement shall prevent a Party from taking any measures:

- (a) which it considers necessary to prevent the disclosure of information contrary to its essential security interests;
- (b) which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;
- (c) which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war, or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 69

In the fields covered by this Agreement and without prejudice of any special provisions contained therein:

- the arrangements applied by the Palestinian Authority in respect of the Community shall not give rise to any discrimination between the Member States, their nationals or their companies or firms;
- the arrangements applied by the Community in respect of the Palestinian Authority shall not give rise to discrimination between members of the Palestinian population, companies or firms of the West Bank and the Gaza Strip.

Article 70

1. The Parties shall take any general or specific measures required to fulfil their obligations under the Agreement. They shall see to it that the objectives set out in the Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Joint Committee with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties. In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement. These measures shall be notified immediately to the Joint Committee and shall be the subject of consultations within the Joint Committee of the other Party so requests.

Article 71

Annexes 1 to 3 and Protocols 1 to 3 shall form an integral part of this Agreement.

Declarations shall appear in the Final Act, which shall form an integral part of this Agreement.

Article 72

For the purpose of this Agreement the term "Parties" shall mean the PLO for the benefit of the Palestinian Authority and the Community, which shall each act in accordance with their respective powers.

Article 73

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

Article 74

This Agreement, drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Arabic languages, each of these texts being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union.

Article 75

1. This Agreement will be approved by the Parties in accordance with their own procedures.

This Agreement shall enter into force on the first day of the month following the date on which the Parties notify each other that the procedures referred to in the first paragraph have been completed.

2. No later than 4 May 1999 negotiations shall commence with a view to concluding a Euro-Mediterranean Association Agreement. Until such an Agreement is concluded, this Agreement shall remain in force, subject to any amendments agreed between the Parties.

3. Each of the Parties may denounce this Agreement by notifying the other Party. This Agreement shall cease to apply six months after the date of such notification.

1The Annexes and Protocols thereto have been submitted to the Secretariat for consultation by interested Members (Office 3006).

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