



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 9.12.2004
COM(2004) 790 final

Proposal for a

COUNCIL DECISION

on the position to be adopted by the Communities and their Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-Israel Action Plan

EXPLANATORY MEMORANDUM

The 2002 Copenhagen European Council, closing accession negotiations with ten new States, recognised that enlargement presented an important opportunity to take forward relations with neighbouring countries based on shared values, and stated that the Union remained determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.

The Commission Communication “Wider Europe - Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours” of March 2003¹ proposed the establishment of Action Plans with partner countries. On 16 June 2003, the Council welcomed this Communication and invited the Commission, with the contribution, where appropriate, of the High Representative, to present proposals for Action Plans for all countries concerned as appropriate, commencing with Ukraine, Moldova, and Southern Mediterranean partners with Association Agreements.

On 14 June 2004, the Council welcomed the Commission Communication “European Neighbourhood Policy – Strategy Paper”². The Council also welcomed the Commission proposal to pursue the European Neighbourhood Policy (ENP) through Action Plans to be agreed jointly with the neighbouring countries concerned and invited the Commission to propose such Action Plans. Action Plans should have a minimum duration of three years and be subject to renewal by mutual consent. They should be based on common principles but be differentiated, as appropriate, taking into account the specificities of each neighbour, its national reform processes and its relations with the EU. Action Plans should be comprehensive but at the same time identify clearly a limited number of key priorities and offer real incentives for reform. Action Plans should also contribute, where possible, to regional cooperation. The Council also defined how to advance and monitor implementation of action plans.

The Commission, in close cooperation with the Presidency and the High Representative on issues related to political cooperation and the CFSP, has held exploratory talks with Israel which have resulted in agreement on a draft Action Plan. It covers a timeframe of three years. Its implementation will help fulfil the provisions in the Euro-Mediterranean Agreement and will contribute to an increasingly close relationship with Israel, involving a significant degree of economic integration and a deepening of political co-operation. Implementation of the Action Plan will significantly advance the approximation of Israel’s legislation, norms and standards to those of the European Union.

The Action Plan is a broad tool for economic and political co-operation, carrying to a further stage the commitments and objectives contained in the Euro-Mediterranean Agreement.

In accordance with the Council Conclusions of 14 June 2004, stipulating that the Action Plans will be approved by the Council and subsequently endorsed by the respective Association or Co-operation Councils, the Commission attaches the text of a proposal for a Council Decision on the position to be taken by the Communities and their Member States within the EU-Israel Association Council with regard to the adoption of a Recommendation on the implementation of the Action Plan in annex.

¹ COM(2003)104

² COM(2004)373

The Commission therefore requests the Council to adopt the attached proposal for a Council Decision.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Article 2 (1) of the Council and Commission Decision 2000/384/EC, ECSC of 19 April 2000 on the conclusion of a Euro-Mediterranean Agreement between the European Communities and their Member States, of the one part, and Israel, of the other part;

Having regard to the Treaty on European Union, in particular Article 15 thereof;

Having regard to the proposal from the Commission;³

Whereas:

- (1) The Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, was signed on 20 November 1995 and entered into force on 1 June 2000;
- (2) The Parties have agreed an EU-Israel Action Plan, which will support the implementation of the Euro-Mediterranean Agreement through the elaboration and agreement of concrete steps towards attainment of its objectives.

HAS DECIDED AS FOLLOWS:

Sole Article

The position to be adopted by the Communities and their Member States within the Association Council established by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, with regard to the implementation of the EU-Israel Action Plan shall be based on the draft Recommendation of the Association Council annexed to this Decision.

³ OJ C [...] [...], p. [...]

Done at Brussels,

*For the Council
The President*

ANNEX
draft
RECOMMENDATION
on the implementation of the EU-Israel Action Plan

The EU/Israel Association Council,

Having regard to the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part, and in particular Article 69 thereof,

Whereas:

- (1) Article 69 of the Euro-Mediterranean Agreement gives the Association Council the power to make appropriate recommendations, for the purposes of attaining the objectives of the Agreement.
- (2) In terms of Article 79 of the Euro-Mediterranean Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Agreement and shall see to it that the objectives set out in the Agreement are attained.
- (3) The EU-Israel Action Plan will support the implementation of the Euro-Mediterranean Agreement through the elaboration and agreement between the Parties of concrete steps which will provide practical guidance for such implementation.
- (4) The Action Plan serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties' obligations set out in the Euro-Mediterranean Agreement, and of providing a broader framework for further strengthening EU-Israel relations to involve a significant measure of economic integration and a deepening of political cooperation, in accordance with the overall objectives of the Euro-Mediterranean Agreement.
- (5) The Parties to the Euro-Mediterranean Agreement have agreed on the text of the EU-Israel Action Plan.

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

Sole Article

The Association Council recommends that the Parties implement the EU-Israel Action Plan in annex, insofar as such implementation is directed towards attainment of the objectives of the Euro-Mediterranean Agreement.

Done at [...]

For the Association Council

The President

ANNEX

EU/ISRAEL ACTION PLAN

1. Introduction

The enlargement of the European Union on 1st May 2004 has brought a historical shift for the Union in political, geographic and economic terms. The EU and Israel are now closer together than ever before and, as near neighbours, will reinforce their political and economic interdependence. Enlargement offers the opportunity for the EU and Israel to develop an increasingly close relationship, going beyond co-operation, to involve a significant measure of economic integration and a deepening of political co-operation. The European Union and Israel are determined to make use of this occasion to enhance their relations and to promote stability, security and well-being. The approach is founded on partnership, joint ownership and differentiation. It will contribute to the further development of our strategic partnership.

The European Neighbourhood Policy of the European Union sets ambitious objectives based on commitments to shared values and effective implementation of the political, economic, social and institutional actions agreed to in this Action Plan.

Israel and the EU will strive to intensify political, security, economic, scientific and cultural relations, and shared responsibility in conflict prevention and conflict resolution.

The Presidency conclusions of the Essen Council in December 1994 already stated that: “The European Council considers that Israel, on account of its high level of economic development, should enjoy special status in its relations with the EU on the basis of reciprocity and common interest ...”. The EU has concluded an Association Agreement with Israel. The EU and Israel with the other Mediterranean partners have been working together in the framework of the Barcelona process. This AP will contribute to the fulfilment of the Essen declaration as we shape the future path and framework of the EU-Israel relations.

The EU and Israel share the common values of democracy, respect for human rights and the rule of law and basic freedoms. Both parties are committed to the struggle against all form of anti-Semitism, racism and xenophobia. Historically and culturally, there exist great natural affinity and common heritage. Thus, we strive to build bridges and networks.

Israel has a functioning market economy and a well developed public administration and public services. This foundation makes Israel well placed to further develop its relationship with the EU including in the framework of the ENP.

The level of ambition of the EU/Israel relationship will depend on the degree of commitment to common values as well as the mutual interests and the capacity of each party to implement jointly agreed priorities. The pace of progress of the relationship will acknowledge fully the efforts and concrete achievements in meeting those commitments.

This Action Plan is a first step in this process. It covers a timeframe of three years. Its implementation will help fulfil the provisions in the Association Agreement (AA), build ties in new areas and will encourage and support Israel’s objectives for further integration into European economic and social structures. It will also build solid foundations for further economic integration based on the adoption and implementation of economic and trade-

related rules and regulations with the potential to enhance trade, investment and growth. It will furthermore help to devise and implement policies and measures to promote economic growth, employment and social cohesion, to reduce poverty and to protect the environment, thereby contributing to the long-term objective of sustainable development.

An important goal of the Action Plan is to encourage cooperation on non-proliferation of weapons of mass destruction and the fight against terrorism, as well as prevention and resolution of conflicts in the region and beyond.

This Action Plan will also provide the opportunity and basis for increased legislative co-operation and exchange of views, with an aim to explore the possibility of approximation of laws in appropriate areas. Israel already participates in some Community programmes notably the Sixth Framework Programme, on a similar basis as the members of the European Economic Area (EEA).

As part of this Action Plan and in preparing for its first review, the EC will undertake an overall examination of all other Community programmes and bodies, with the objective of opening them to Israeli participation. This will be subject to mutual interest, and where required, to financial contributions by Israel as well as alignment of its legislation as required to participate in the relevant programme.

Israel and the EU will co-operate closely in implementing this Action Plan.

New Partnership Perspectives

The European Neighbourhood Policy opens new partnership perspectives:

- The perspective of moving beyond co-operation to a significant degree of integration, including through a stake in the EU's Internal Market, and the possibility for Israel to participate progressively in key aspects of EU policies and programmes.
- An upgrade in the scope and intensity of political co-operation;
- The opportunity to explore the possibility of approximation of economic legislation, the opening of economies to each other, and the continued reduction of trade barriers which will stimulate investment and growth;
- Where the need to align Israeli legislation with EU norms and standards in certain areas has been identified and agreed upon, targeted support and advice will be made available through a mechanism such as TAIEX;
- The Commission is developing a new European Neighbourhood and Partnership Instrument (ENPI), which will provide targeted assistance to Israel to support, where appropriate, the actions identified in the present document and also covering cross-border and transnational co-operation between Israel and the Member States. There will also be infrastructure investment support through the European Investment Bank.
- Within the overall objective set out above, gradual opening and/or reinforced participation in relevant Community programmes, promoting, inter alia, industrial, cultural, scientific, educational, and environmental links;

- Deepening trade and economic relations, extending them to cover, inter alia, the service sector, particularly financial services, and to provide the conditions for increasing investment and exports.

The objective of this Action Plan is to build the foundations for developing EU-Israel relations further. The advisability of any new contractual arrangements will be considered in due time. The Commission has suggested that this could take the form of a European Neighbourhood Agreement. In the meantime, the Association Agreement remains the framework for cooperation, while the AP represents a declaration of mutual objectives and commitments.

Priorities for Action

This Action Plan sets out a comprehensive set of priorities in areas within the scope of the Association Agreement and beyond. Among these priorities, particular attention should be given to:

- Enhance **political dialogue and co-operation**, based on shared values, including issues such as facilitating efforts to resolve the Middle East conflict, strengthening the fight against terrorism and proliferation of Weapons of Mass Destruction, promoting the protection of human rights, improving the dialogue between cultures and religions, co-operating in the fight against anti-Semitism, racism and xenophobia
- Increase economic integration particularly with the EU, inter alia, by developing **trade** and investment flows, by liberalising trade in services, in particular financial services with a view to preparing for participation in the EU market, as well as deepening and enhancing the existing **economic dialogue** and identifying areas relevant for regulatory approximation with EU legislation based on shared objectives
- Strengthen co-operation on **migration**-related issues, fight against **organised crime**, including trafficking in human beings and **police and judicial co-operation**
- Promote co-operation in transport, energy and telecom networks: in the **transport** field, in particular co-operation in the Galileo initiative and in the areas of air, maritime and road safety; in the **energy** sector, exploring gradual convergence towards the principles of the EU internal electricity and gas markets, development of energy networks and regional co-operation; in the **Science and Technology** area, promote the information society through the use of new technologies and electronic means of communications by businesses, government and citizens, as well as strengthening scientific and business links
- Strengthen the **environmental** dimension of public policy and EU-Israel co-operation: promotion of sustainable development policies and actions, including on climate change and water pollution
- Strengthen links and co-operation in **“people-to-people”** contacts in education, culture and audio-visual, civil society and public health.

Progress in meeting these priorities will be monitored in the sub-committees to be established under the Association Agreement. On this basis, the EU and Israel, will review the content of the Action Plan and decide on its adaptation and renewal. After three years, decisions by Israel and EU may be taken on the next step in the development of bilateral relations, including the possibility of new contractual links. This could take the form of a European

Neighbourhood Agreement whose scope will be defined in the light of progress in meeting the priorities set out in the Action Plan.

2. Actions

2.1. Political dialogue and co-operation

Israel and the EU are committed to achieve closer political co-operation and dialogue on the basis of their common values: the respect for human rights and fundamental freedoms, democracy, good governance and international humanitarian law. Both parties are committed to join efforts to combat common security threats, to promote peace and stability in the Middle East, to support the work of international multilateral frameworks and co-operate in these fora. The EU and Israel are also firmly committed to promote regional co-operation, as a way to address the challenges of a trans-boundary nature.

Shared values

Democracy, human rights and fundamental freedoms

- Work together to promote the shared values of democracy, rule of law and respect for human rights and international humanitarian law
- Explore the possibility to join the optional protocols related to international conventions on human rights
- Promote and protect rights of minorities, including enhancing political, economic, social and cultural opportunities for all citizens and lawful residents
- Promote evaluation and monitoring of policies from the perspective of gender equality
- Promote a dialogue on policies for the physically and mentally disabled

Combating anti-Semitism:

Recognizing the significance of the “Berlin Declaration” of the OSCE (April 2004) and with the aim of promoting its implementation, the two sides agree to:

- Jointly review the implementation of the recommendations on combating anti-Semitism of the EUMC and other European bodies, with a view to working together on monitoring and education
- Support the work on anti-Semitism of the EUMC and of the ODIHR (Office for Democratic Institutions and Human Rights), as mandated by the OSCE Berlin Conference
- Strengthen the legal framework at all levels to combat anti-Semitism
- Combat hate crimes, which can be fuelled by anti-Semitic propaganda in the media and on the Internet
- Promote the further development of educational programmes for combating anti-Semitism
- Promote remembrance of, and education about the Holocaust

- Encourage and support international organisations and NGO efforts in combating anti-Semitism
- Encourage development of exchanges among experts in appropriate fora on best practices and experiences in law enforcement and education
- The EU will continue its efforts to ensure that the condemnation of anti-Semitism will become a part of international norms through, inter alia, appropriate UN resolutions

Fight against racism and xenophobia, including Islamophobia

- Support the work of the EUMC (European Monitoring Centre on Racism and Xenophobia)
- Promote in Europe and in Israel education about the importance of tolerance and respect for all ethnic and religious groups
- Combat hate crimes, which can be fuelled by racist and xenophobic propaganda in the media and on the Internet
- Strengthen the legal framework at all levels to combat racism and xenophobia, including Islamophobia

Regional and international issues

Co-operation under CSFP/ESDP, crisis management

While retaining the central focus of the political dialogue in the context of the Association Council, the dialogue and co-operation should also be enhanced and diversified, at all official levels, as appropriate, and should include the following issues:

- Strategic issues and regional security
- The fight against terrorism
- Non-proliferation of weapons of mass destruction and their means of delivery, both to state and non-state actors
- Regional issues in the Middle East and elsewhere
- Co-operation in the international fora
- Dialogue between cultures and religions
- Concrete measures in the fight against anti-Semitism
- Concrete measures in the fight against racism, and xenophobia, including Islamophobia
- Conflict prevention and crisis management, including cooperation on research and policy planning
- Civil protection and peace-keeping
- International development co-operation, humanitarian aid and networking to allow rapid reaction for disaster relief and other emergency situations that may arise worldwide

Situation in the Middle East

Strengthen political dialogue and identify areas for further co-operation on:

- Progress towards a comprehensive settlement of the Middle East conflicts
- Working together with the EU, on a bilateral basis and as a member of the Quartet, with the aim of reaching a comprehensive settlement of the Israeli/Palestinian conflict and a permanent two-state solution with Israel and a Palestinian state living side by side in peace and security, in accordance with the Roadmap, and the obligations of the parties set out in it
- Supporting efforts by the PA to dismantle all terrorist capabilities and infrastructure; and ensuring a complete and unconditional cessation of terrorist activities and violence
- While recognising Israel’s right of self-defence, the importance of adherence to international law, and the need to preserve the perspective of a viable comprehensive settlement, minimising the impact of security and counter-terrorism measures on the civilian population, facilitate the secure and safe movement of civilians and goods, safeguarding, to the maximum possible, property, institutions and infrastructure
- Improving economic and social conditions for all populations
- Further improving access and co-ordination to facilitate the implementation and delivery of humanitarian and other forms of assistance and facilitate the reconstruction and rehabilitation of infrastructure
- Pursuing efforts to support and facilitate reforms, transparency, accountability and democratic governance in the Palestinian Authority, and the consolidation of all security services; promote a climate conducive to the resumption of co-operation in all areas
- Taking concrete actions against incitement to hatred and the use of violence from all sources.

Non-proliferation of weapons of mass destruction and their means of delivery, including ballistic missiles

The EU and Israel will develop their dialogue and co-operation in this context on the basis respectively of the “EU Strategy against proliferation of weapons of mass destruction (December 2003)” and “Israel’s vision on the long-term goals of regional security and arms control process in the Middle East (1992)”, as appropriate. Accordingly, they will:

- Co-operate on non-proliferation of weapons of mass destruction, and their means of delivery including ballistic missiles, including through implementing UNSC resolution 1540/04, fully complying with and implementing at national level their existing international obligations and consider the promotion of adherence, implementation, accession and strengthening of other relevant international instruments, export control regimes or regional arrangements
- Further develop co-operation and co-ordination in the prevention of and fight against the illicit trafficking of WMD-related materials, including within the framework of international fora

- Co-operate on developing effective systems of national export control, controlling export and transit of WMD-related goods, including WMD end-use control on dual use technologies and effective sanctions for breaches of export controls
- Improve overall co-ordination in the non-proliferation area and the scope for co-operation in addressing this challenge
- Promote incrementally regional peace and security through inter alia the relevant provisions in the Barcelona Declaration of 1995, including those relating to CBMs and weapons of mass destruction.

Illicit trafficking of military equipment

- Further develop co-operation in the fight against transfer of military equipment to terrorists and the illicit trafficking of small and light weapons

Combating terrorism

- Strengthen EU-Israel co-operation in the fight against and prevention of terrorism
- Exchange views and experiences on means and methods used to counter terrorism and to improve counter-terrorism capacity, including in third countries
- Exchange views on the dilemmas and concerns of democracies in their fight against terrorism while ensuring the safeguarding of human rights in that pursuit, and protecting the rights of those targeted and affected by acts of terror
- Co-operate to reinforce the role of the UN in the multilateral fight against terrorism, including through the implementation of UNSC Resolutions 1373/01 and 1267/99, of the UN Convention for the Suppression of the Financing of Terrorism and of the relevant international conventions
- Enhance co-operation in all relevant international, European and regional fora to strengthen international solidarity and co-ordination in countering terrorism, including through the application of the standards laid down in the FATF recommendations on terrorist financing especially regarding the financing of groups supporting and engaging in violence and terror
- Exchange information on terrorist groups and their support networks, in particular those acting in Europe and in the Middle East and take concrete actions at all levels against such groups in accordance with international and national law
- Encourage effective implementation, at all levels, of EU decisions to act against those included on the EU list of terrorist organisations.
- Strengthen national measures and co-operate to prevent terrorists from acquiring weapons of mass destruction capabilities

International organisations

- Promote co-operation between Israel and the EU at international fora, as a way to promote effective multilateralism

- Promote co-operation on issues such as fight against impunity of authors of genocide, war crimes and any other crime against humanity
- Cooperate on UN reform and streamlining by, inter alia, working towards normalisation of Israel's status in international organisations and the reduction in number of Middle East resolutions
- Work to allow Israel to increase its contribution to effective multilateralism by means of the application of its expertise in appropriate activities of international organisations

Regional co-operation

- Promote dialogue on a range of issues of regional importance identified in this Action Plan, in particular on environment, energy, transport, science and technology and people-to-people contacts.

2.2. Economic and social co-operation and development

Identify the scope and modalities for Israel to participate in relevant EU programmes, and in this context identify the scope for legislative approximation where required by the relevant programme.

Social situation, employment, poverty reduction

Implement the provisions of the Association Agreement as regards the development of a dialogue and co-operation on social matters of mutual interests

1. Promote best practices on social problems of post-industrial societies

- Promote dialogue, co-operation and formulation of policies between relevant bodies on social issues of mutual interest such as poverty alleviation, domestic violence, drug abuse and alcoholism and social exclusion
- Exchange experience on pension and welfare policies including health care and care for the elderly
- Exchange experience on labour policies and labour relations, including disabilities issues
- Explore avenues of co-operation in international fora
- Promote the participation of Israeli experts in selected European fora

Economic co-operation and structural reforms

2. Develop co-operation on economic reforms

- Widen and deepen the economic dialogue framework existing under the Association Agreement and incorporate a platform for action where the parties jointly explore and exchange experience and views on economic and policy issues of mutual interest, both on the macro-economic and structural fronts
- Develop EU-Israel co-operation on structural economic reforms, including privatisation and pensions

Sustainable development

3. Promotion of sustainable development

- Promote the adoption of sectoral sustainable development strategies
- Exchange of information regarding role and function of a national commission for sustainable development
- Share experience between the Commission and Israel about sustainable development strategies

2.3. Trade-related issues, market and regulatory reform

2.3.1. Movement of goods

Promote trade relations

1. Establish a structured and comprehensive dialogue to promote trade and investment between Israel and the EU

- Analyse trends in trade relations between the EU and Israel and promote solutions (e.g. industrial co-operation initiatives)
- Establish a business community dialogue, including representatives of the private sector
- Progress with further liberalisation of trade
- The parties will establish a mechanism with specific procedures for dispute settlements related directly to economic and trade provisions of the Association Agreement
- The Parties will examine the evolution and structure of trade with a view to improve reciprocal market access for processed agricultural products
- Develop co-operation on e-commerce issues by tasking the relevant sub-committee with analysis and exchange of information on regulatory frameworks and development of markets. Particular attention will be given to the issue of digital signatures within the framework of Directive 99/93/EC with a view to developing the scope for co-operation and assessing the need for negotiations.

2. Develop regional trade links

- Complete all procedures necessary to enable the participation of Israel in the Pan-Euro-Mediterranean cumulation of origin
- Exchange information on the future development of rules of origin, including systems of cumulation
- Support the development of trade promotion between Israel and other Euro-Mediterranean partners, such as Jordan, and work towards the facilitation of Palestinian trade
- Continue the facilitation of customs procedures, administrative co-operation and relations with economic operators in accordance with the Palermo recommendations.

3. Customs-related issues

- Increase co-operation in the area of customs control of pirated and counterfeit goods
- Explore possible scope for co-operation and modernisation of the customs service, including on IT matters
- Promote co-operation with other agencies at the border (e.g. Border Guards, Police, veterinary and phyto-sanitary services)
- Strengthen administrative co-operation to combat irregularities and fraud in customs and related matters
- Identify ways and means to enhance co-operation within the framework of joint customs enforcement, as catered for by Protocol 5 to the Association Agreement, including improved identification of particular enforcement issues and priorities as well as a review of current working methods, with a view to upgrading co-operation and assistance to the highest possible standards
- Initiate a dialogue on technical exchanges and joint initiatives to exploit the full potential of the existing provisions, including, the early participation by Israel in joint operational exercises as foreseen in the extension to Israel, for this purpose, of the Anti-Fraud Information System (AFIS)
- Develop EU-Israel co-operation with regard to the risk-based customs control ensuring safety and security of goods imported, exported or in transit, and explore possible definitions of standards for certification of operators (exporters and transporters) intervening in commercial exchanges

Technical regulations, standards and conformity assessment procedures (EU harmonised areas)

4. Facilitate market access of industrial products

- Accelerate progress towards bilateral negotiations leading to an ACAA, taking into account the specific nature of the Israeli economy and building upon the Palermo Action Plan.
- Examine the scope for Israel's participation in relevant European networks and bodies
- Co-operation in the field of legislation on liability for defective products and general product safety, including market surveillance
- Promote co-operation in the field of consumer protection, including the modalities for possible Israeli participation in the RAPEX alert system

Elimination of restrictions and streamlined administration (EU non-harmonised areas)

5. Facilitate the movement of goods and improve administrative co-operation

- Designate a central contact point to facilitate information flows and co-operation with economic operators

Sanitary and phyto-sanitary issues

6. Improve co-operation on sanitary and phyto-sanitary matters as well as on food safety

- Explore possible areas of co-operation between Israel and the European Commission in the field of sanitary and phyto-sanitary issues (e.g. legislation, implementing practices), while taking into account of the different conditions prevailing on both sides
- Exchange of information on and, as appropriate, explore the possibility to increase convergence, of Israeli legislation with EU legislation on sanitary (live animals and animal products) and of phyto-sanitary issues (plant hygiene, plant variety and quality),
- Identify the scope for increased convergence, as appropriate, of food legislation in compliance with EU food safety principles. Exchange of views regarding foodstuff labelling requirements in order to assess the possibility of adapting Israeli legislation
- Exchange of views on the setting-up of an animal and plant identification and traceability system
- Exchange of information regarding , the placing on the market of substances dangerous to human health, including plant protection products and the ensuring of monitoring of residues of these substances in live animals, animal products and plant products for food and feed

7. Agriculture

- Explore the scope for co-operation between EU and Israeli accreditation bodies (inter alia, on issues related to organic agriculture)
- Increase co-operation in the field of international marketing standards for fruits and vegetables.

2.3.2. Right of establishment, company law and services.

1. Improve the environment for business operations

Promote greater freedom in the areas of establishment and foreign investment

- Continue to promote a suitable environment for companies,
- Widen the scope of the Association Agreement to improve the investment climate and creation of an investment framework favourable to foreign direct investment covering all economic sectors. Such framework shall examine the possibility of including new provisions on transparency, MFN/NT treatment and others

Company law

- Promote, to the extent possible, implementation of the principles in relevant international rules and standards in the fields of accounting and auditing
- Promote the mutual exchange of information on rules and standards in the fields of auditing and accounting

Services

2. Promote liberalisation of trade in services

- Promote the opening of bilateral negotiations on liberalisation of services with Israel. This will be done taking into account the specific nature of the Israeli economy, the overall objectives set in the conclusions of the Euro-Med Ministerial meetings and the objectives set in the draft Framework Protocol for Liberalisation of Services among Euro-Mediterranean partners (known as “the Istanbul Protocol”), notably mutual recognition of professional services
- Closer co-operation in policy and regulatory issues

Financial services

- Continue to ensure effective implementation of independent supervisory authorities in accordance with internationally recognised standards (e.g. G10, IAIS, IOSCO, IASB)
- Strengthen co-operation between the EU and Israel on regulation, supervision and financial stability and examine the possibility of convergence with a prudential regulatory/supervisory framework equivalent to the underlining principles of those existing in the EU while taking into account Israel’s right to maintain and set benchmark standards and regulations
- Carry out an assessment of the scope for legislative approximation with a view to inclusion of this sector in a FTA and ultimately Israel’s participation in the European Single Market for financial services.

2.3.3 Movement of persons, including movement of workers and co-ordination of social security

1. Implement the provisions under Article 64 and 65 of the Association Agreement as regards the co-ordination of social security

- Preparation for a decision of the Association Council, in line with Article 65, concerning the ways and provisions for implementation of the objectives in Article 64.

2.3.4 Other key areas

Taxation

1. Increase awareness of international and European taxation standards in order to facilitate Israeli participation in the European Internal Market

- Complete, where appropriate, the network of bilateral agreements between Israel and EU Member States on avoidance of double taxation
- Examine the scope for common definition of the transactions covered by the Directives on merger, parent subsidiary, savings, interests and royalties
- Promote exchange of views on the principles of the Code of Conduct for Business Taxation with a view to create an equitable environment for business operators

- Promote exchange of views between Member States and Israel on the application of reciprocity under the 13th VAT Directive to the Israeli zero VAT rate.

Competition policy

2. Facilitate transparency and control of state aid

- Exchange of information regarding state aid (including exploration of EU and Israeli definitions and agreement of common definition on which information-exchange will be based)
- Exchange information on state monopolies, public enterprises and enterprises with special or exclusive rights
- Support the work carried out on state aid in the framework of the Barcelona Process
- Define the modalities through which sectors, which are to participate in the Internal Market, are compatible with the EU state aid system.

Intellectual, industrial and commercial property rights

- Enhance dialogue on the promotion of IP issues, including, for example, data protection, enhancement of enforcement through a dialogue with prosecutors and other relevant entities, etc.

Public Procurement

4. Enhance access to one another's public procurement markets

- Ensure effective and regular communication by tasking the relevant sub-committee to identify obstacles to public procurement access, inter alia, through seminars and dialogue with relevant operators and authorities
- Act on the information provided in the above action aiming at improving effective access to one another's public procurement markets and expand the scope of respective commitments.

Statistics

5. Increase awareness of EU and international statistical methods in relevant statistical areas, and examine the possibility of further harmonisation

- Elaborate a strategy for increased awareness of European standards in the relevant statistical areas, including foreign trade
- Enhance co-operation with relevant Commission services
- Improve co-operation on establishment of statistics on trade in services and migration statistics

Enterprise policy

6. Creation of a suitable environment for SMEs and entrepreneurial activity

- Promote the implementation of the Euro-Mediterranean Charter for Enterprise adopted by Industry Ministers in Caserta in October 2004
- Co-operate in implementing the work programme of the Working Party on Euro-Mediterranean Industrial Co-operation for 2005-06
- Establish a structured and comprehensive dialogue on industrial and enterprise policy including the improvement of the business environment
- Facilitate enhanced industrial co-operation, in particular between businesses
- Associate Israel to EU initiative to stimulate competitiveness in the tourism sectors (e.g. exchange of information, participation in networks and studies) in accordance with Article 54 of the Association Agreement

International Development Co-operation

- International development co-operation: favourable consideration will be given to extending Israeli participation in the award of contracts under certain EC development programmes; similarly Israel will grant reciprocal access

2.4. Co-operation in Justice and Home Affairs

Overall objectives

Enhance co-operation and coordination in Justice and Home Affairs in order to respond to challenges faced by democratic societies

Identify the scope for Israel to participate in relevant EU programmes, and in this context identify the scope for legislative approximation, where required by the relevant programme

Migration issues (including legal and illegal migration and asylum)

1. Effective management of migration flows

- Exchange of information and dialogue concerning (legal) migration
- Exchange of information and dialogue concerning integration of migrants: best practices, evaluation, joint studies
- Discuss the issues of management of migration flows, and cooperate to increase the effectiveness of measures designed to prevent or curb the flow of illegal immigration, including co-operation with the Border Police
- Exchange of information concerning illegal immigration, including transit migration,
- Observation and analysis of the migratory flows; participation in the EUROMED migration research network
- Identify the conditions to invite Israel as participant/observer in the activities organised in the framework of EU programmes on migration issues (ARGO, AENEAS)

Asylum

- Exchange information and best practices in the field of asylum policy

Specific actions to combat terrorism in the JHA field

2. Strengthening co-operation to combat terrorism

- Develop co-operation to strengthen the fight against the financing of terrorism
- Develop co-operation between law enforcement agencies to combat terrorism
- Develop judicial co-operation in the context of combating terrorism

Fight against organised crime, including trafficking in human beings

3. Exchange of experience and foster mutual co-operation on the basis of relevant international instruments in the fight against organised crime

- Work towards ratification and implementation of the UN Convention on Trans-National Organised Crime and its protocols on smuggling, trafficking and firearms;
- Intensify the fight against trafficking in human beings including through an exchange of information regarding preventive measures
- Inform the consultative “Experts Group on Trafficking in Human Beings” of the interest of Israel to cooperate more closely with the EU in this area and encourage the Group to invite, where appropriate, Israeli representatives
- Exchange of information and dialogue on general standards for trafficking in human beings and explore the scope for participation of Israel in the activities under the AGIS programme
- Exchange of information on criminal offences, legislation and case law; victims' rights; Member States' and Israeli legislation and modus operandi; enhance public awareness; foster co-operation with countries of origin and transit
- Exchange of information on the patterns of organised crime involved in trafficking, the characteristics of victims, target client populations and the connections between prostitution and trafficking
- Enhance police and judicial co-operation in witness protection programmes
- Exchange of information on appropriate attitudes towards victims for policemen, border personnel, prosecutors and judges, specific training modules for personnel working in shelters for victims
- Exchange of information on fight against cyber-crime
- Identify the scope for Israel's participation in Council of Europe activities and regional working groups against economic crimes, corruption, organised crime, trafficking in human beings and cyber-crime

Drugs

4. Mutual exchange of experience and enhancement of mutual co-operation on the basis of

relevant international instruments on the fight against drugs

- Exchange of information on strategies to combat the drug phenomena
- Strengthen co-ordination between authorities competent for dealing with the different aspects of the drug phenomena

Money laundering, financial and economic crime

5. Reinforce efforts and co-operation against money laundering and financing of terrorism

- Enhance co-operation between law enforcement agencies and co-operation between Israel and relevant services of EU Member States (including specialised bodies at European level)
- Mutual exchange of information and practices between Israel and EU on supervision and monitoring methods; exchange of information and co-operation between national law enforcement authorities and agencies; combating the financing of terrorism
- Identify the scope for Israel's participation in EU and Council of Europe specialised working groups in this area (e.g. Money Val)

Police and judicial co-operation

6. Mutual exchange of knowledge and enhancement of mutual co-operation on the basis of the relevant international conventions

- Exchange of technical, operational and strategic information between the EU, EU Member States and Israeli law enforcement, including extradition and mutual legal assistance
- Data protection: explore the possibility to join the Council of Europe Convention on protection of individuals with regard to automatic processing of personal data (Strasbourg – 28th January 1981)
- Promote possibilities and conditions for co-operation and exchange of information with the European Judicial Network in criminal matters
- Explore the possibilities and conditions for co-operation and exchange of information with the European Judicial Network in civil matters
- Explore the possibility to develop co-operation between Israel and Eurojust
- Enhance co-operation between Israeli agencies and EUROPOL
- Co-operate in training for judges, prosecutors and lawyers
- Co-operation in the field of police training between Israel and European police academies and colleges, as well as with CEPOL.
- Exploring the possibilities for participation in EU initiatives in the field of prevention of organised crime, crime prevention and forensic science (ENFSI)
- Exchange of information on the use of IT and other high-tech equipment to support criminal investigations

2.5. Transport, energy, information society, environment and Science and Technology

Transport

1. Co-operation on transport and infrastructure policy

- While underlining the importance of a national sustainable transport policy, Israel will examine the possibility for further approximation of legislative and regulatory frameworks with European and international standards, in particular for safety and security
- Participate in the planning exercise for transport infrastructure in the Mediterranean
- Participate in the identification of priority regional infrastructure projects
- Participate in initiatives and programmes for sustainable transport
- Exchange information and cooperate on issues of infrastructure financing (e.g. Public/Private Partnerships, shadow-tolling, etc.); establish financing strategies for priority infrastructure projects
- Development of co-operation in the Galileo and other similar initiatives;

2. Co-operation on selected measures and reforms in the road and rail transport sector

- Explore strategies for improving road safety. Explore the possibilities for closer co-operation in area of road safety including intelligent transport systems and services and increased participation in relevant Community programmes
- Increased policy dialogue on the development of integrated inter-modal public transport systems as well as combined transport
- Exchange of views and experience on the rail regulatory framework including the setting of technical standards
- Explore the benefits of regional co-operation with a view to promote efficiency of land transport services

3. Co-operation on selected measures and reforms in the aviation sector

- Explore the possibility for adjusting bilateral aviation agreements concluded with Member States in order to include the Community designation clause; exchange of information on the possibility of an EU-Israel global aviation agreement.
- Explore the possibility for involvement in the Single European Sky and closer co-operation in the area of aviation safety
- Proceed for a mutual recognition agreement with the EU in the field of acceptance of certification findings (airworthiness)
- Co-operate on aviation security matters (common rules to combat international terrorism)

4. Co-operation on selected measures and reforms in the maritime sector

- Deepen co-operation in maritime security by focusing on the SOLAS/ISPS Code implementation requirements
- Closer co-operation on maritime safety, including port state control
- Explore the possibility for co-operation with EMSA
- Further develop co-operation with EU and Mediterranean partners in the framework of IMO and participate in the new regional project on maritime safety (SAFEMED)
- Participate in regional co-operation in the field of maritime policy, ports and short sea shipping
- Closer co-operation on statistical issues

Energy

5. Co-operation on energy policy

- Enhance the dialogue on energy policy in the context of the preparation of an Israeli Energy Master Plan (e.g. workshops)
- Taking steps towards Israel's participation in the Intelligent Energy-Europe programme

6. Further develop competitive markets through working towards the principles of the EU internal electricity and gas markets

- Explore the possibility of legal and regulatory convergence towards the principles of the EU internal electricity and gas markets
- Promote the exchange of experiences in pursuit of the electricity market reform in Israel
- Identify the scope for providing advice regarding the legal and regulatory framework in the electricity and gas sectors

7. Progress regarding energy networks

- Assess the scope for connecting Israel to the Trans-European/Mediterranean electricity, gas and oil networks, including Israel being part of inter-regional studies
- Develop gas transmission and distribution systems
- Exchange of know-how on security and safety of energy networks/infrastructure

8. Further progress on energy efficiency and the use of renewable energy

- Co-operate in sustaining current efforts to improve energy efficiency and to promote the use of renewable energy sources in pursuit of the target set by Israel i.e. by 2007 at least 2% and by 2016 at least 5% of electricity to be produced from renewable energy sources
- Identify the scope for further legal harmonisation, where appropriate, with EU energy efficiency legislation (minimum efficiency standards; labelling appliances)

- Take steps towards participation in EU activities relating to Energy Efficiency and the use of Renewable Energy (e.g. conferences and workshops)

Regional co-operation

Develop regional co-operation on, *inter alia*, electricity and gas; energy and renewable energy sources and networks (including Euro-Mediterranean, and co-operation pursuant to relevant agreements, e.g. Israel-EU-P.A)

Information society

9. Further progress in and exchange of views on electronic communications policy and regulation

- Continue the development of a comprehensive regulatory framework including licensing, access and interconnection, numbering, Universal Service and users' rights, protection of personal data and privacy, costs-orientation of tariffs
- Establish an independent regulatory authority
- Explore ways for co-operation with the working groups of the Independent Regulators Group in the EU or with regulatory authorities of EU Member States, as appropriate, on issues of common interest.

10. Further progress in the development and use of Information Society applications

- Promote the use and exchange of views on new technologies and electronic means of communications by businesses, government and citizens in areas such as e-Business (including standards for e-signatures), e-Government, e-Health, e-Learning, e-Culture
- Promote co-operation in regional and global e-Strategies, including the continuity of Israeli participation in pilot projects of the regional programme EUMEDIS and the preparation of the second phase of World Summit on the Information Society (WSIS) in Tunisia in 2005
- Exchange of views on issues such as safer use of the Internet, deployment of broadband infrastructure, introduction of third generation mobile telephony and other advanced communications technologies and services, as well as for setting-up training programmes in these fields.
- Explore the possibility of having in the framework of the recently established ENISA (Article 24 of the Founding Regulation) an exchange of views on information and network security
- Implement the joint projects under the IST part of the 6th Framework Programme and encourage the participation of Israeli entities in the next call for proposals under this programme
- Build on Israel's participation in the Minerva Plus project and its emerging experience of the National Representatives Group on Digitisation Policies in the EU Member States

Environment

11. Ensure good environmental governance

- Strengthen the administrative capacity of the Ministry of Environment and other relevant institutions
- Promote the strengthening of communication strategies and availability of environmental information to the public, inter alia through exchange of information between the Commission and Israel

12. Take action for prevention of deterioration of the environment, protection of human health, and achievement of rational use of natural resources in line with the commitments of Johannesburg Summit

- Review the national waste master plan in order to ensure an integrated approach to waste management, including prevention of waste and reduction at source and energy from waste
- Exchange of information between Israel and the Commission on air quality and air pollution issues, including the "Clean Air for Europe" Programme
- Prevent pollution of waters, in particular through enhanced water pollutant emission reporting, drawing on the experiences within the EU Water Framework Directive
- Enhance co-operation between relevant authorities on prevention of air pollution and pollution of water resources
- Exchange of information between Israel and the Commission on best practices on water re-use
- Exchange of experience on protection of biological diversity and rural landscape, with special attention to the relevant migratory species

13. Enhance co-operation on environmental issues

- Enhance co-operation to achieve the commitments by the parties with regard to provisions under the Kyoto Protocol and the UN Framework Convention on Climate Change
- Taking account of specific national circumstances, work towards ratification and acceptance of the Protocols and amendments to Barcelona Convention
- Identify possibilities with neighbouring countries for enhanced regional co-operation
- Explore the modalities for Israel's participation in relevant European Environment Agency activities
- Enhance exchange of information with Israel on issues of mutual interest, including on environmental taxes, eco-management as well as on spatial information
- Promote the involvement of environmental NGOs and exploring mechanisms to enhance their active participation, including with regard to regional co-operation
- Sharing experiences gained in the implementation of Strategic Environmental Impact Assessment

Science and technology, research and development

14. Promote further cooperation in science and technology

- Promote further integration of Israel in the European Research Area, including the approximation of Science and Technology policies
- Reinforce the participation of Israel in the regional S&T co-operation in the Euro-Med area and facilitate ties between Israeli experts and their regional colleagues
- Promote a dialogue on science and society issues, including questions related to ethics
- Promote further co-operation in the fields of bio-technologies and space. Promote further co-operation on space-related matters with European actors including ESA, where appropriate, and on specific projects of mutual interest in the space domain.

2.6. People-to-people contacts

Education, training, and youth

1. Creation of a "European Higher Education and Vocational Training Area", increased mobility of teachers and students included

- Establish a policy dialogue between the EU and Israel in the field of education and training
- Further promotion of Israel's participation in Community Programmes (Tempus, Erasmus-Mundus, promoting mobility and exchange of academic staff and students)
- Explore possibilities to extend co-operation in the areas of school education, vocational education and training, as well as adult education
- Begin talks with the aim to reach a bilateral agreement on higher education
- Developing a mechanism for coordinating the respective EU and Israeli systems of study credits, with a view to facilitating the exchange of students in the future
- Promote dialogue on special challenges in education (inter alia disabilities, gender equality issues, special needs, etc.)
- Promote dialogue on the role of ICT and IST in education and e-learning
- Explore the scope for training in the fight against racism and anti-Semitism, including issues related to Holocaust awareness and remembrance
- Promote the exchange of young professionals between Israeli and European bodies

2. Enhance co-operation in the field of Youth and Sport

- Promote youth exchanges and co-operation in the field of non-formal education and intercultural dialogue
- Promote co-operation in programmes aimed at increasing awareness among youth of the dangers of drugs and narcotics

Culture and audio-visual issues

3. Enhanced cultural co-operation

- Enhance Israel’s participation in the relevant cultural co-operation programmes of the Euro-Mediterranean partnership
- Promote exchange of views on policies promoting culture, audio-visual policy and regulatory issues
- Promote closer co-operation on inter-faith dialogue, preservation of historical institutions, religious freedom (including in observance), religious tolerance and including in the education systems
- Promote co-operation in the field of cultural and linguistic heritage, including, where possible, protection of minority languages (e.g. Yiddish and Ladino)
- Promote cultural exchanges
- Develop a dialogue on cultural diversity, including in the context of the relevant negotiation in UNESCO

Civil society co-operation

4. Promote civil society co-operation

- Development of EU-Israel links between civil society organisation and NGOs (symposia, workshops)
- Develop a work programme including the organisation of a symposium in 2005 consisting of intellectuals, politicians, experts and journalists, with a view to considering how best EU and Israel can develop civil society links, cultural contacts and “people-to-people” exchanges
- Promotion of regular dialogue on civil society issues
- Encourage the empowerment of consumers and the protection of their legitimate economic interests

Public health

5. Increase the level of health security and epidemiological safety in Israel based on global standards taking into account EU legislation and in co-operation and with the support of the WHO. Relate the information system of Israel to the health indicator process underway in the EU. Integrate Israel in the EUPHIN health information and knowledge system.

- Exchange of information and know-how on health indicators and data collection regulations
- Encourage dialogue on health policy issues
- Invite relevant Israeli authorities as observers in the meetings of the Network of Competent Authorities
- Take measures to integrate Israel in the EUPHIN system

- Examine scope for Israeli participation through umbrella organisations in the EU Health Forum

6. Communicable Disease Surveillance and Health Security

- Participation in Communicable Disease Networks and dedicated surveillance networks
- Develop laboratories networking

3. Joint review

The Action Plan will be submitted for formal adoption within the framework of the Association Council between the EU and Israel. The Action Plan will guide the work between the EU and Israel. Should the need arise, on the EU side, for specific measures necessitating legally binding decisions, the Commission will recommend to the Council the adoption of the necessary negotiating directives.

The joint bodies established under the Association Agreement will advance and monitor the implementation of the Action Plan.

A first review of the implementation of the Action Plan will be undertaken within two years of its adoption.

The Action Plan can be regularly amended and/or updated to reflect progress in addressing the priorities.