



EU-ISRAEL ASSOCIATION AGREEMENT UPGRADED?

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EU-Israel Association Agreement upgraded?

The EU-Israel Association Agreement is the legal framework upon which relations between Israel and the European Union are based. It was signed in 1995 and came into effect in 2000, allowing Israel preferential access to EU markets. Today, the EU remains Israel's largest trading partner. The Agreement was due to be upgraded but was put on hold after Israel's 2008-09 attack on the Gaza Strip during which 1,400 Palestinians were killed, one-third of them children. Since 2009, there have been numerous calls for the Agreement to be completely abrogated, or at the very least downgraded. However, following a meeting of the Association Council on 24th July, the EU confirmed that it has moved to upgrade relations with the State of Israel.

EU policy towards Israel

- The EU-Israel Association Agreement began a liberalisation of trade process which would open up the markets of Israel and the EU to one another.
- The Agreement which was then put into force in 2000 was to provide a framework for political dialogue and economic cooperation.
- With the EU being Israel's largest trading partner, preferential agreements between the two parties were seen as an important step in their economic development and prosperity; in 2011 EU-Israel trade totalled €29.4 billion – with exports from the EU to Israel at €16.8 billion and imports at €12.6 billion.
- In 2010 Foreign Direct Investment in Israel by the EU totalled €3.8 billion Euros, a growth of 22.1 per cent compared to the previous year; Israel's FDI into the EU increased by 394 per cent in the same period.
- The burgeoning relationship between the two parties could suggest an easy relationship, but the EU has not neglected the political sensibilities of the link.

- In 2005 the EU adopted the EU-Israel Action Plan and highlighted the following priorities:
 - i) enhance political dialogue and co-operation,
 - ii) increase economic integration, particularly with the EU, by, inter alia, developing trade and investment flows and liberalising trade in services;
 - iii) promote cooperation in transport, energy and telecom networks.The EU-Israel Action Plan first expired in 2008 though it has been extended since then, the last time being in 2010.¹
- The EU-Israel Action Plan was part of the wider European Neighbourhood Policy established in 2004 to develop an area of peace, stability and security between the EU and its neighbours, but was in addition to the Association Agreement
- Article 2 of the Association Agreement referred explicitly to Israel's human rights obligations under the Agreement: *"Relations between the Parties, as well as all the provisions of the Agreement itself, shall be based on respect for human rights and democratic principles, which guides their internal and international policy and constitutes an essential element of this Agreement."*² Article 83 refers to the State of Israel only, thereby excluding products from illegal settlements on land which is occupied by Israel.
- Despite calls for the respect for human rights the EU has noted on numerous occasions the violations committed by Israel.
- The EU has condemned widely Israeli settlement activity, with Baroness Cathy Ashton (EU High Representative for Foreign Affairs) commenting recently, in response to Benjamin Netanyahu's announcement of the development of a further 800 new settlements, that *"(s)ettlement activity is detrimental to current peace efforts, including by the Quartet [the UN, EU, US and Russia], and puts those efforts at risk"*.³
- In May 2012 the EU released a statement condemning the demolition of Palestinian homes, illegal settlement activity and the rise in settler violence.
- The EU made it clear that Israel must be supportive of working towards a two-state solution as part of the agreement; with the Gaza War being in direct contradiction to that, the EU suspended talks about an upgrade.

¹ <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/israel/>

² <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2000:147:0003:0156:EN:PDF>

³ <http://www.guardian.co.uk/world/2012/jul/23/israel-eu>

- It should be noted that the EU has attempted to adopt a similar agreement with the Palestinian Authority; as part of the European-Mediterranean Association an EU-PA agreement was signed. However, a comparison of figures shows that EU-Palestine trade amounts to just €99 million dollars, 3.3 per cent of EU-Israel trade. In 2011 EU-Palestine trade contracted by 14 per cent.
- The EU noted that *“(d)ue to difficult economic situation and restrictions on movement and access, trade with the EU is very limited”*.⁴

The Agreement – what happened?

- Prior to the upgrade announcement on 24 July, the Guardian newspaper revealed that a diplomatic source from Brussels had revealed a plan to upgrade relations and cooperation between the EU and Israel.
- The agreement was discussed at the meeting of the EU-Israel Association Council meeting, which was led by Erato Kozakou-Marcoullis, the Cypriot Foreign Minister.
- Stopping just short of a full upgrade, the EU and Israel worked through a number of points to expand links further between the two parties.
- Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) and an enabling protocol on Israel’s participation in EU programmes were agreed upon; this was as an extension to the 2005 EU-Israel Action Plan and technically not an upgrade of the Association Agreement. Nonetheless, it strengthens relations between the two parties significantly.
- In a statement at a press conference following the meeting, it was confirmed that the EU and Israel would further develop cooperation, *“60 concrete actions in 15 fields”*.⁵
- EU Commissioner Štefan Füle commented on the strength of EU-Israel relations, saying that they are *“ranging from trade relations, to agriculture, Israel’s participation in the EU internal market, transport and social affairs, besides of course our strong on-going partnership on scientific research and development.”*
- The EU will work to ensure easier access for Israel to European controlled markets.
- The EU also outlined cooperation between Israel and European agencies such as Europol and the European Space Agency, and expressed satisfaction at increasing cooperation in the fields of policing and the judiciary.
- The agreement went on to note that success on bilateral cooperation on transport issues had already been met, when in March 2012 a civil aviation agreement was completed.

⁴ <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/palestine/>

⁵ <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/12/594&format=HTML&aged=0&language=EN&guiLanguage=en>

- The EU went on further to note cooperation in the fields of science and technology through the 7th Framework Programme for Research and Development (FP7).
- Significantly, the EU pointed to Israel as one its most important trading partners and confirmed that trade relations between the two parties are thriving.
- However, the EU did point to some concerns over the situation of the Arab minority and Bedouin community in Israel and *“the need (of Israel) to refrain from actions which may complicate the space in which civil society organisations operate or which could curtail freedom of association and freedom of speech”*.⁶
- The EU did refer to concerns *“about developments on the ground which threaten to make a two state solution impossible, such as, inter alia, the marked acceleration of settlement construction, on-going evictions of Palestinians and the demolition of their housing and infrastructure in the occupied Palestinian territory (oPt), including East Jerusalem, the worsening living conditions of the Palestinian population and serious limitations for the Palestinian Authority to promote the economic development of Palestinian communities, in particular in Area C.”*⁷

International responses to the EU position

- Despite EU concerns, the plans to strengthen and develop relations between the two parties went ahead.
- The Brussels-based diplomatic source who spoke to the Guardian said: *“I was struck by the fact that a whole range of relations was offered to Israel – at the request of Israel – as if nothing is happening on the ground.”* He noted that, *“The only possible tool for the EU to make Israel change its behaviour is to use the weight and power of these relations... We should be using [Tuesday's] dialogue to get what we want, which is Israel's compliance with its obligations under international law.”*
- A British Member of the European Parliament, David Martin, responded to the news with ‘outrage’ noting that *“(it was a)clear upgrade of trade relations with Israel and incompatible with international law and recent European parliament declarations denouncing the abuse of human rights in the occupied territories.”*⁸

⁶ ibid

⁷ http://www.eeas.europa.eu/statements/docs/240712_euil-assoc_council2012-eustatement-published.pdf

⁸ <http://www.guardian.co.uk/world/2012/jul/24/eu-israel-occupied-territories>

- Dr Hanan Ashrawi, of the Palestinian Liberation Organisation Executive Committee, released a statement calling on the EU to reconsider its relations: *"The European Union should compel Israel to comply with item No. (2) of the Euro-Mediterranean agreement, which conditions Israel's membership to its respect for the principles of human rights and democracy, and item (83), which prevents its application of the agreement on the areas occupied by Israel, and therefore excludes settlement products from them."*⁹

Although the latest meeting of the EU-Israel Association Council did stop short of a full upgrade of the Association Agreement, the expansion of the terms of the EU-Israel Action Plan stands to strengthen Israel's position despite its disrespect for human rights and democratic principles. By doing so it allows Israel to continue its violations with impunity, despite the EU having made a commitment to human rights and international law which both parties have signed up to, and being in a position to hold Israel to account.

⁹ <http://www.middleeastmonitor.com/news/middle-east/4040-ashrawi-calls-on-eu-to-reconsider-relations-with-israel>