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Proposal for a

COUNCIL DECISION

concerning the signature and provisional application of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel

Proposal for a

COUNCIL DECISION

concerning the conclusion of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By its Decision 2004/576/EC of 29 April 2004 the Council concluded an Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel, which entered into force on 12 May 2004.
2. The Agreement associates the State of Israel with all the activities of the specific programmes of the 6th Framework Programme of the European Community for research, technological development and demonstration activities. Article 5 (5) of the Agreement provides that "where the Community adopts a new multiannual framework programme for research and development, this Agreement may be renegotiated or renewed under mutually agreed conditions".
3. On 25 September 2005 the State of Israel submitted an official request to renew this Agreement with a view to being associated to the 7th Framework Programme for Research and Development of the European Community (FP7).
4. It is in the interest of the Community to renew this Agreement in order to associate Israel to the Seventh (EC) Framework Programme and, thus, to allow a continuation of the successful S&T cooperation between the parties and the further integration of Israel into the European Research Area.
5. Consequently, on 3 October 2006 the Commission requested the Council to authorise it to negotiate the renewal of the current Agreement. On 18 December 2006 the Council authorised the negotiations, including the possibility of a provisional application so as to allow Israeli entities to participate with the status of entities established in an Associated Country in the first calls for proposals under FP7.
6. The renewal of the Agreement has been negotiated in accordance with the directives annexed to the Council Decision of 18 December 2006. The negotiations were completed on 15 February 2007, when the authorised representatives of the two parties initialled the annexed draft Agreement.
7. The draft Agreement is based on the principles of mutual benefit, reciprocal opportunities for participating in each party's programmes and activities in the areas covered by the Agreement, non-discrimination, effective protection of intellectual property and equitable sharing of intellectual property rights.
8. In the context of the renewal of the Agreement on Scientific and Technical Cooperation associating Israel to the Framework Programme, the draft Agreement is based on the principles laid down in its predecessor, particularly with regard to Israel's contribution to the budget of the FP. However it has been adapted to the specific features of FP7:

In particular, it provides for the possible participation of Israel in the legal structures created under Articles 169 and 171 of the EC Treaty subject to the rules (Council and EP decisions and Council regulations) that will be adopted for the establishment of these legal structures and provided that these rules will become applicable in Israel. The agreement foresees that the EC/Israel Research Committee in which, according to the Article 4 of the Agreement, the Commission represents the Community shall decide on the applicability of these rules in Israel. The Commission, therefore,

invites the Council to authorise the Commission to adopt in the EC/Israel Research Committee the position of the Community on decisions according to Article 2 (1) on the applicability in Israel of the rules for the establishment of the legal structures created under Articles 169 and 171 of the EC Treaty.

Furthermore, the agreement foresees that the EC/Israel Research Committee may identify on request the regions of Israel that fulfil the criteria set out in Article 5(1) of Council Regulation (EC) No 1083/2006¹ and may therefore be eligible regions benefiting from research actions under the Work Programme "Research Potential" under the specific "Capacities" programme. The Commission invites the Council to authorise the Commission to adopt in the EC/Israel Research Committee the position of the Community on decisions according to Article 4 (2) of the Agreement on the identification of these regions.

9. Following the entry into force of FP7, in view of the fact that the associated States make annual contributions to the respective budgets and of the time needed for negotiation of this renewal, it is proposed that this Agreement should apply provisionally as of 1 January 2007 subject to conclusion at a later date.
10. Finally, the representatives of the two parties agreed to attach a Joint declaration of the contracting parties on a close dialogue in view of the implementation of new structures implementing Articles 169 and 171 of the EC-Treaty.
11. In the light of the above considerations, the Commission proposes that the Council:
 - Approves on behalf of the European Community the attached decisions;
 - Notifies the Israeli authorities that the European Community has completed the procedures necessary for the entry into force of the Agreement.

¹ OJ L 210, 31.07. 2006, p.25.

Proposal for a

COUNCIL DECISION

concerning the signature and provisional application of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 170, in conjunction with the first sentence of the first subparagraph of Article 300(2),

Having regard to the proposal from the Commission²,

Whereas:

- (1) The Commission has negotiated, on behalf of the Community an Agreement on Scientific and Technological Cooperation with the State of Israel also providing for provisional application of the renewed Agreement as of 1 January 2007. Provisional application would enable Israeli entities to participate in the first calls for proposals under the Seventh Framework Programme.
- (2) The negotiations resulted in the draft Agreement initialled on 15 February 2007 by the authorised representatives of the two parties.
- (3) It is necessary to sign the Agreement negotiated by the Commission in view of its possible conclusion at a later date.

HAS DECIDED AS FOLLOWS:

Article 1

Subject to conclusion at a later date, the President of the Council is hereby authorised to designate the person empowered to sign, on behalf of the Community, the Agreement on Scientific and Technical Cooperation between the European Community of the one part and the State of Israel of the other part and the Joint Declaration attached to the Agreement.

The text of the Agreement is annexed to this Decision.

² JO ...

Article 2

The Agreement on Scientific and Technological Cooperation between the European Community of the one part, and the State of Israel, of the other part, shall be applied provisionally.

Article 3

1. The Commission shall adopt the position of the Community to be taken in the EC/Israel Research Committee established by Article 4 of the Agreement with regard to decisions according to Annex I.I.1 of the Agreement on the applicability in Israel of the rules for the establishment of the legal structures created under Articles 169 and 171 of the EC Treaty.
2. The Commission shall adopt the position of the Community to be taken in the EC/Israel Research Committee established by Article 4 of the Agreement with regard to decisions according to Article 4 (2) of the Agreement identifying regions of Israel that may be eligible regions benefiting from research actions under the Work Programme “Research Potential” under the specific “Capacities” programme.

Article 4

The decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

*For the Council
The President*

Proposal for a

COUNCIL DECISION

**concerning the conclusion of the Agreement on Scientific and Technical Cooperation
between the European Community and the State of Israel**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 170 thereof, in conjunction with the first sentence of the first subparagraph of Article 300 (2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas

- (1) The Commission has negotiated, on behalf of the Community, the renewal of the Agreement on Scientific and Technological Cooperation with the State of Israel;
- (2) The Agreement was signed on behalf of the Community on xxxxxx in Brussels, subject to possible conclusion at a later date;
- (3) The Agreement should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement on Scientific and Technological Cooperation between the European Community and the State of Israel is hereby approved on behalf of the Community³.

³ For the text of the Agreement, see OJ L xxxxx.

Article 2

The President of the Council shall, acting on behalf of the Community, give the notification provided for in Article 5 of the Agreement.

Done at Brussels,

*For the Council
The President*

ANNEX

AGREEMENT

on scientific and technical cooperation

between the European Community and the State of Israel

THE EUROPEAN COMMUNITY,

hereinafter 'the Community',

of the one part,

and

THE STATE OF ISRAEL,

hereinafter 'Israel',

of the other part,

hereinafter referred to as the 'Parties',

CONSIDERING the importance of current scientific and technological cooperation between Israel and the Community and their mutual interest in strengthening it in the context of the establishment of the European Research Area,

WHEREAS Israel and the Community are currently implementing research programmes in fields of common interest,

WHEREAS Israel and the Community have an interest in cooperating on these programmes to their mutual benefit,

CONSIDERING the interest of both Parties in encouraging the mutual access of their research entities to research and development activities in Israel, on the one hand, and to the Community's framework programmes for research and technological development, on the other,

CONSIDERING the Euro-Mediterranean Agreement establishing an Association between the European Communities and their Member States, on the one part, and the State of Israel, of the other part, which entered into force on 1 June 2000, according to which the Parties undertake to intensify scientific and technological cooperation and agree to set out the arrangements for the implementation of this objective in separate agreements to be concluded for this purpose,

WHEREAS the Community and Israel have concluded an Agreement on scientific and technical cooperation for the duration of the sixth framework programme, which provides for its renewal under mutually agreed conditions,

WHEREAS, by Decision No 1982/2006 EC⁴, the European Parliament and the Council of the European Union adopted the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (hereinafter referred to as ‘the Seventh EC Framework Programme’)

WHEREAS, without prejudice to the relevant provisions of the Treaty establishing the European Community, this Agreement and any activities entered into under it will in no way affect the powers vested in the Member States to undertake bilateral activities with Israel in the fields of science, technology, research and development, and to conclude, where appropriate, agreements to that end,

HAVE AGREED AS FOLLOWS

Article 1

Scope

1. Israel shall be associated, under the terms and conditions established by, or referred to, in this Agreement and its Annexes, in the European Community Seventh EC Framework Programme for research, technological development and demonstration activities (2007 to 2013) (hereinafter called ‘Seventh EC Framework Programme’), as established by Decision 1982/2006/EC, Regulation (EC) No 2321/2002 modified by Regulation (EC) No 1906/2006⁵ of the European Parliament and of the Council of 18 December 2006 concerning the rules for the participation of undertakings, research centres and universities in, and for the dissemination of research results for, the implementation of the European Community Seventh EC Framework Programme (2007 to 2013), and by Council Decisions 2006/971/EC, 2006/972/EC, 2006/973 EC, 2006/974 EC and 2006/975 EC.
2. In addition to the association referred to in paragraph 1, cooperation may include:
 - regular discussions on the orientations and priorities for research policies and planning in Israel and the Community,
 - discussions on cooperation prospects and development,
 - timely provision of information concerning the implementation of programmes and research projects of Israel and of the Community, and concerning the results of work undertaken within the framework of this Agreement,
 - joint meetings,
 - visits and exchanges of research workers, engineers and technicians,
 - regular and sustained contacts between programme or project managers of Israel and the Community,
 - participation of experts in seminars, symposia and workshops.

⁴ OJ L 412, 30.12.2006

⁵ OJ L 391, 30.12.2006

Terms and conditions with respect to the association of Israel in the Seventh EC Framework Programme

1. Legal entities of Israel shall participate in indirect actions and in activities of the Joint Research Centre of the Seventh EC Framework Programme under the same conditions as those applicable to legal entities of Member States of the European Union, subject to the terms and conditions established by, or referred to, in Annexes I and II. For Israeli research entities, the terms and conditions applicable for the submission and evaluation of proposals and those for the granting and conclusion of grant agreements and/or contracts under Community programmes shall be the same as those applicable for grant agreements and/or contracts concluded under the same programmes with research entities in the Community, taking into account the mutual interests of the Community and Israel.

Legal entities of the Community shall participate in Israel's research programmes and projects in themes equivalent to those of the Seventh EC Framework Programme under the same conditions as those applicable to legal entities of Israel, subject to the terms and conditions established by Annexes I and II. A legal entity established in another country associated to the Seventh EC Framework Programme (Associated Country) enjoys the same rights and obligations under this agreement as legal entities that are established in a Member State provided that the Associated Country in which the entity is established has agreed to award legal entities from Israel the same rights and obligations.

2. Israel shall pay for every year of the duration of the Seventh EC Framework Programme a financial contribution to the general budget of the European Union. The financial contribution of Israel shall be added to the amount earmarked each year in the general budget of the European Union for commitment appropriations to meet the financial obligations arising out of different forms of measures necessary for the execution, management and operation of the Seventh framework programme. The rules governing the calculation and the payment of the financial contribution of Israel are set out in Annex III.
3. Representatives of Israel shall participate as observers in the committees of the Seventh EC Framework Programme established by Decision No 2006/512/EC of 17 July 2006⁶, amending Decision No 1999/468/EC. These committees shall meet without the presence of representatives of Israel at the time of voting. Israel will be informed of the result. Participation as referred to in this paragraph shall take the same form, including procedures for receipt of information and documentation, as that applicable to representatives from Member States of the European Union.

Israeli representatives may participate in the meetings of the Scientific and Technical Research Committee (CREST). This committee shall meet without the presence of Israeli representatives at the time of voting and otherwise only in special circumstances. Israel will be informed of the result.

⁶ OJ L 200, 22.7.2006, p.11

4. Representatives of Israel shall participate as observers in the Board of Governors of the Joint Research Centre. Participation as referred to in this paragraph shall take the same form, including procedures for receipt of information and documentation, as that applicable to representatives from Member States of the European Union.
5. Travel costs and subsistence costs incurred by representatives of Israel participating in meetings of the committees and bodies referred to in this Article, or in meetings related to the implementation of the Seventh EC Framework Programme organised by the Community shall be reimbursed by the Community on the same basis as and in accordance with the procedures currently in force for representatives of the Member States of the European Union.

Article 3

Enhancement of cooperation

1. The Parties will make every effort, within the framework of their applicable legislation, to facilitate the free movement and residence of research workers participating in the activities covered by this Agreement and to facilitate cross-border movement of goods intended for use in such activities.
2. The Parties will ensure that no fiscal charge or levy shall be imposed upon the transaction of transferring of funds between the Community and Israel, which said funds are needed for the operation of activities covered by this agreement.

Article 4

EC-Israel Research Committee

1. A joint committee called the 'EC-Israel Research Committee' shall be established, whose functions shall include:
 - ensuring, evaluating and reviewing the implementation of this Agreement,
 - examining any measure of a nature to improve and develop cooperation,
 - regularly discussing the future orientations and priorities of research policies and research planning in Israel and the Community and the prospects for future cooperation.
2. The Committee may identify on request of Israel regions of Israel that fulfil the criteria set out in Article 5 (1) of COUNCIL REGULATION (EC) No 1083/2006⁷ and may therefore be eligible regions benefiting from research actions under the Work Programme "Research Potential" under the specific "Capacities" programme.
3. The EC-Israel Research Committee, which shall be composed of representatives of the Commission and of Israel, shall adopt its Rules of Procedure.

⁷ OJ L 210, 31.7.2006, p. 25-78

4. The EC-Israel Research Committee shall meet at least once a year. Extraordinary meetings shall be held at the request of one or other of the Parties.

Article 5

Final provisions

1. Annexes I, II, III and IV shall form an integral part of this Agreement.
2. This Agreement is hereby concluded for the duration of the Seventh EC Framework Programme. It shall enter into force on the date on which both Parties have notified each other of the completion of their procedures for that purpose and shall be provisionally applied as of 1 January 2007.

This Agreement may only be amended in writing by common consent of the Parties. The entry into force of the amendments will follow the same procedure as those applicable for the Agreement itself through diplomatic channels. Either of the Parties may terminate this Agreement at any time upon 6 months written notice through diplomatic channels. Projects and activities in progress at the time of termination and/or expiry of this Agreement shall continue until their completion under the conditions laid down in this Agreement. The Parties shall settle by common consent any other consequences of termination.

3. Should a Party notify the other that it shall not conclude the Agreement, it is hereby mutually agreed that:
 - the Community shall reimburse to Israel its contribution to the general budget of the European Union referred to in Article 2(2),
 - however, funds committed by the Community in relation to the participation of Israeli legal entities in indirect actions, including reimbursements referred to in Article 2(5), shall be deducted by the Community from the abovementioned reimbursement,
 - projects and activities launched under this provisional application and that are still in progress at the time of the abovementioned notification shall continue until their completion under the conditions laid down in this Agreement.
4. Should the Community decide to revise the Seventh EC Framework Programme, it shall notify Israel of the exact content of these revisions within one week of their adoption by the Community. In case of such revision or extension of the research programmes, Israel may terminate this Agreement by giving six months' notice. The Parties shall give notice of any intention to terminate or to extend this Agreement within three months after the adoption of the Communities' decision.
5. Where the Community adopts a new multi-annual framework programme for research, technological development and demonstration activities, a new Agreement may be renegotiated or renewed under mutually agreed conditions, at the request of either of the Parties.

6. This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty and, on the other hand, to the territory of the State of Israel.
7. This Agreement shall be drawn up in duplicate in Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish, Swedish and Hebrew languages, each text being equally authentic.

TERMS AND CONDITIONS FOR THE PARTICIPATION OF LEGAL ENTITIES OF MEMBER STATES OF THE EUROPEAN UNION AND OF ISRAEL

For the purpose of this Agreement, a 'legal entity' means any natural person, or any legal person created under the national law of its place of establishment or under Community law, having legal personality and being entitled to have rights and obligations of any kind in its own name.

I. Terms and conditions for the participation of legal entities of Israel in indirect actions of the Seventh EC Framework Programme

1. Participation and funding of legal entities established in Israel in indirect actions of the Seventh EC Framework Programme shall follow the conditions laid down for 'associated countries' in Regulation (EC) No 2321/2002 modified by Regulation (EC) No 1906/2006. In case the Community makes provisions for the implementation of Articles 169 and 171 of the Treaty establishing the European Community, Israel shall be allowed to participate in the legal structures created under these provisions subject to the decisions and regulations that will be adopted for the establishment of these legal structures and provided that these decisions and regulations will become applicable in Israel. The Joint Committee shall decide on the applicability of these decisions and regulations in Israel.

Legal entities established in Israel shall be eligible for participation in indirect actions based on Articles 169 and 171 of the Treaty establishing the European Community under the same conditions as legal entities established in the Member States.

Legal entities established in Israel shall be eligible, under the same conditions as legal entities established in the Member States, for loans the EIB makes in support of research objectives set out under the 7th framework programme (Risk-Sharing Finance Facility).

2. Legal entities of Israel shall be taken into consideration, alongside those of the European Community, for the selection of an adequate number of independent experts for the tasks and under the conditions foreseen in Articles 17 and 27 of Regulation (EC) No 1906/2006 and for participation in various groups and advisory Committees of the Seventh EC Framework Programme taking into account the skills and knowledge appropriate to the tasks assigned to them.
3. In conformity with Regulation (EC) No 1906/2006 and the European Community's Financial Regulations, a grant agreements and/or contracts concluded by the Community with any legal entity of Israel in order to perform an indirect action shall provide for controls and audits to be carried out by, or under the authority of, the Commission or the Court of Auditors of the European Communities. In a spirit of cooperation and mutual interest, the relevant authorities of Israel shall provide any reasonable and feasible assistance as may be necessary or helpful under the circumstances to perform such controls and audits.

II. Terms and conditions for the participation of legal entities of Member States of the European Union in Israel's research programmes and projects

1. The participation of legal entities established in the Community, created under the national law of one of the Member States of the European Union or under Community law, in projects of Israel research and development programmes may require the joint participation of at least one Israeli legal entity. Proposals for such participation shall be submitted jointly, where required, with the Israeli legal entity/ies.
2. Subject to paragraph 1 and to Annex II, the rights and obligations of legal entities established in the Community participating in Israel's research projects within research and development programmes, the terms and conditions applicable for the submission and evaluation of proposals and for the granting and conclusion of grant agreements and/or contracts in such projects shall be subject to Israel's laws, regulations and government directives governing the operation of research and development programmes, as well as national security constraints where applicable, as applicable to Israeli legal entities and assuring equitable treatment, taking into account the nature of the cooperation between Israel and the Community in this field.

Funding of legal entities established in the Community participating in Israel's research projects within research and development programmes shall be subject to Israel's laws, regulations and government directives governing the operation of research and development programmes, as well as national security constraints where applicable, as applicable to non-Israeli legal entities participating in Israel's research projects within research and development programmes. In the case where funding is not provided to the non-Israeli legal entities, Community legal entities shall cover their own costs, including their relative share of the project's general management and administrative costs.

3. Depending on the nature of the project, proposals may be submitted to:
 - (i) the Office of the Chief Scientist in the Ministry of Industry ,Trade and Labor for joint industrial research and development projects with Israeli companies. There are no predefined fields in this research and development programme. Joint project proposals may be submitted in any field of industrial research and development. In addition, within the Magnet programme, proposals may be submitted by Israeli companies for cooperation with research entities established in the Community. Such cooperation will require the agreement of the relevant consortium and the Magnet management;
 - (ii) the Ministry of Science, Culture and Sport for strategic research, in priority topics. The topics are determined yearly and are specified in an open call for proposals;
 - (iii) the Office of the Chief Scientist in the Ministry of Agriculture — the Fund for the encouragement of agricultural research;
 - (iv) the office of the Chief Scientist in the Ministry of National Infrastructures, in the fields of energy, infrastructure development and earth sciences;

(v) the Office of the Chief Scientist in the Ministry of Health and the newly founded Medical Research Council, which included the granting Agency for Biomedical Research.

4. Israel shall regularly inform the Community and Israeli legal entities of current Israeli programmes and participation opportunities for legal entities established in the Community.

PRINCIPLES ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS

I. Application

For the purposes of this Agreement: ‘intellectual property’ shall have the meaning given in Article 2 of the Convention establishing the World Intellectual Property Organisation, done at Stockholm on 14 July 1967, ‘knowledge’ shall mean the results, including information, whether or not they can be protected, as well as copyrights or rights pertaining to such information following applications for, or the issue of patents, designs, plant varieties, supplementary protection certificates or similar forms of protection.

II. Intellectual property rights of legal entities of the Parties

1. Each Party shall ensure that the intellectual property rights of legal entities of the other Party participating in activities carried out pursuant to this Agreement, and the related rights and obligations arising from such a participation, shall be consistent with the relevant international conventions that are applicable to the Parties, including the TRIPS Agreement (Agreement on trade-related aspects of intellectual property rights administered by the World Trade Organisation) as well as the Berne Convention (Paris Act 1971) and the Paris Convention (Stockholm Act 1967).
2. Legal entities of Israel participating in an indirect action of the Seventh EC Framework Programme shall have rights and obligations on intellectual property under the conditions laid down in Regulation (EC) No 1906/2006 and in the grant agreements and/or contracts concluded with the European Community accordingly, and that shall comply with paragraph 1. Where Israel participates in an indirect action of the Seventh EC Framework Programme implemented pursuant to Article 169 of the Treaty establishing the European Community, Israel shall have the same rights and obligations on intellectual property as those of the participating Member States laid down in the relevant decision of the European Parliament and the Council and the grant agreement and/or contract concluded with the European Community accordingly, and that shall comply with paragraph 1.
3. Legal entities of the Community participating in Israel's research programme or projects shall have the same rights and obligations on intellectual property as those of legal entities established in Israel participating in such research programme or projects, and that shall comply with paragraph 1.

III. Intellectual property rights of the Parties

1. Except if otherwise specifically agreed by the Parties, the following rules shall apply to knowledge generated by the Parties in the course of activities carried out within Article 1(2) of this Agreement:
 - (a) the Party generating such knowledge shall be the owner of that knowledge. Where their respective share of the work cannot be ascertained, they shall have joint ownership of such knowledge;

- (b) the Party owning that knowledge shall grant access rights on it to the other Party for carrying out activities referred to in Article 1(2) of this Agreement. Such access rights shall be granted on a royalty-free basis.
- 2. Except if otherwise specifically agreed by the Parties, the following rules shall apply to scientific literary works of the Parties:
 - (a) in the case where a Party publishes scientific and technical data, information and results, by means of journals, articles, reports, books, including video and software, arising and relating to activities carried out pursuant to this Agreement, a worldwide, non-exclusive, irrevocable, royalty-free licence shall be granted to the other Party to translate, reproduce, adapt, transmit and publicly distribute such works;
 - (b) all copies of data and information, protected by copyright, that have to be publicly distributed and prepared under this section shall indicate the names of the author(s) of the work unless an author explicitly declines to be named. They shall also bear a clearly visible acknowledgement of the cooperative support of the Parties.
- 3. Except if otherwise specifically agreed by the Parties, the following rules shall apply to undisclosed information of the Parties:
 - (a) when communicating to the other Party information relating to activities carried out pursuant to this Agreement, each Party shall identify that information it wishes to remain undisclosed;
 - (b) the receiving Party may under its own responsibility communicate undisclosed information to bodies or persons under its authority for the specific purposes of implementing this Agreement;
 - (c) with the prior written consent of the Party providing undisclosed information, the receiving Party may disseminate such undisclosed information more widely than otherwise permitted in paragraph 2. The Parties shall cooperate in developing procedures for requesting and obtaining prior written consent for such wider dissemination, and each Party will provide such approval to the extent permitted by its domestic policies, regulations and laws;
 - (d) non-documentary undisclosed or other confidential information provided in seminars and other meetings between representatives of the Parties arranged under this Agreement, or information arising from the attachment of staff, use of facilities or indirect actions, shall remain confidential when the recipient of such undisclosed or other confidential or privileged information was made aware of the confidential character of the information communicated at the time such communication was made, according to paragraph 1;
 - (e) each Party shall endeavour to ensure that undisclosed information received by it under paragraphs 1 and 3 is controlled as provided herein. If one of the Parties becomes aware that it will be, or may be reasonably expected to become, unable to meet the non-dissemination provisions laid down in

paragraphs 1 and 3, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

RULES GOVERNING THE FINANCIAL CONTRIBUTION OF ISRAEL TO THE SEVENTH EC FRAMEWORK PROGRAMME

I. Calculation of Israel's financial contribution

1. The financial contribution of Israel to the Seventh EC Framework Programme shall be established on a yearly basis in proportion to, and in addition to, the amount available each year in the general budget of the European Union for commitment appropriations needed for the implementation, management and operation of the Seventh EC Framework Programme.
2. The proportionality factor governing the contribution of Israel shall be obtained by establishing the ratio between the gross domestic product of Israel, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union and Israel. This ratio shall be calculated on the basis of the latest statistical data pertaining to the same year from the International Bank for Reconstruction and Development, available at the time of publication of the preliminary draft budget of the European Union.
3. The Commission shall communicate to Israel, as soon as possible, and at the latest on 1 September of the year before each financial year, the following information together with relevant background material:
 - the amounts in commitment appropriations, in the statement of expenditure of the preliminary draft budget of the European Union corresponding to the Seventh EC Framework Programme ,
 - the estimated amount of the contributions derived from the preliminary draft budget, corresponding to the participation of Israel in the Seventh EC Framework Programme according to paragraphs 1, 2 and 3.

Once the general budget has been finally adopted, the Commission shall communicate to Israel, in the statement of expenditure corresponding to Israel's participation, the final amounts referred to in the first subparagraph.

II. Payment of Israel's financial contribution

1. The Commission shall issue, at the latest in January and June of each financial year, a call for funds to Israel corresponding to its contribution under this Agreement. These calls for funds shall provide, respectively, for the payment:
 - of six-twelfths of Israel's contribution not later than 60 days after receipt of the calls for funds. However, the six-twelfths to be paid not later than 60 days after receipt of the call issued in January shall be calculated on the basis of the amount set out in the statement of revenue of the preliminary draft budget: the regularisation of the amount thus paid shall occur with the payment of the six-twelfths not later than 30 days after receipt of the call for funds issued at the latest in June.

For the first year of implementation of this Agreement, the Commission shall issue a first call for funds within 30 days of its provisional application. Should this call be issued after 15 June, it shall provide for the payment of twelve/twelfths of Israel's contribution within 60 days, calculated on the basis of the amount set out in the statement of revenue of the budget.

2. The contribution of Israel shall be expressed and paid in euro. Payment by Israel shall be credited to the Community programmes as budgetary revenue allocated to the appropriate budget heading in the statement of revenue of the general budget of the European Union. The Financial Regulation applicable to the general budget of the European Union shall apply to the management of the appropriations.
3. Israel shall pay its contribution under this Agreement according to the schedule in paragraph 1. Any delay in the payment of the contribution shall give rise to the payment of default interest by Israel on the outstanding amount from the due date. The interest rate shall be the rate applied by the European Central Bank to its main refinancing operations in euro on the due date, increased by 1,5 percentage points.

In case the delay in the payment of the contribution is such that it may significantly jeopardise the implementation and management of the programme, participation in the programme of Israel for the concerned financial year will be suspended by the Commission following the absence of payment 20 working days after a formal letter of reminder sent to Israel, without prejudice to the Community's obligations according to grant agreements and/or contracts already concluded pertaining to the implementation of selected indirect actions.

4. At the latest on 31 May of the year following a financial year, the statement of appropriations for the Seventh EC Framework Programme that financial year shall be prepared and transmitted to Israel for information, according to the format of the Commission's revenue and expenditure account.
5. The Commission, at the time of the closure of the accounts relating to each financial year, within the framework of the establishment of the revenue and expenditure account, shall proceed to the regularisation of the accounts with respect to the participation of Israel. This regularisation shall take into consideration modifications which have taken place, either by transfer, cancellations, carryovers, decommitments, or by supplementary and amending budgets during the financial year. This regularisation shall occur at the time of the second payment for the next financial year, and for the last financial year in July 2014. Further regularisation shall occur every year until July 2016.

FINANCIAL CONTROL OF ISRAELI PARTICIPANTS IN THE COMMUNITY PROGRAMMES COVERED BY THIS AGREEMENT

I. Direct Communication

The Commission shall communicate directly with the participants in the EC 7th Framework programme established in Israel and with their subcontractors. They may submit directly to the Commission all relevant information and documentation which they are required to submit on the basis of the instruments referred to in this Agreement and of the grant agreements and/or contracts concluded to implement them.

II. Audits

1. In accordance with Council Regulation (EC, Euratom) No 1605/2002, amended by Council Regulation (EC, Euratom) No 1995 /2006⁸ on the Financial Regulation applicable to the general budget of the European Communities and Commission Regulation (EC, Euratom) No 1248/2006⁹ amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities and with the other rules referred to in this Agreement, the grant agreements and/or contracts concluded with participants in the programme established in Israel may provide for scientific, financial, technological or other audits to be conducted at any time on the premises of the participants and of their subcontractors by Commission agents or by other persons mandated by the Commission.
2. Commission agents, the European Court of Auditors and other persons mandated by the Commission shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form, subject to the inclusion of this right of access that shall be stated explicitly in the grant agreements and/or contracts concluded to implement the instruments referred to in this Agreement with participants from Israel.
3. The audits may be conducted after the Seventh EC and Euratom Framework Programmes or this Agreement expire, on the terms laid down in the grant agreements and/or contracts in question.
4. The competent Israeli authority designated by the Israeli government shall be informed in advance of the audits conducted on Israeli territory. Such notification shall not be a legal precondition for carrying out such audits.

III. On-The-Spot Checks

1. Within the framework of this Agreement, the Commission (OLAF) shall be authorised to carry out on-the-spot checks and inspections in the premises of

⁸ OJ L 390, 30.12.2006

⁹ OJ L 227, 19.08.2006

participants and their subcontractors from Israel, in accordance with the terms and conditions laid down in Council Regulation (Euratom, EC) No 2185/96¹⁰.

2. On-the-spot checks and inspections shall be prepared and conducted by the Commission in close collaboration with the competent Israeli authority designated by the Israeli government as stipulated in **Appendix A** of this Annex. The designated authority shall be notified a reasonable time in advance of the object, purpose and legal basis of the checks and inspections, so that they can provide assistance. To that end, the officials of the competent Israeli authorities may participate in the on-the-spot checks and inspections.
3. If the Israeli authorities concerned so wish, the on-the-spot checks and inspections may be carried out jointly by the Commission and them.
4. Where the participants in the Seventh EC Framework Programme resist an on-the-spot check or inspection, the Israeli authorities, acting in accordance with national rules and regulations, shall assist the Commission inspectors, to a reasonable extent as needed to allow them to fulfil their duty in carrying out an on-the-spot check or inspection.
5. The Commission shall report as soon as possible to the competent Israeli authority any fact or suspicion relating to an irregularity which has come to its notice in the course of the on-the-spot check or inspection. In any case the Commission shall be required to inform the abovementioned authority of the result of such checks and inspections.

IV. Information and Consultation

1. For the purposes of proper implementation of this Annex, the competent Israeli and Community authorities shall regularly exchange information, unless forbidden or unauthorized by national rules and regulations and, at the request of one of the Parties, shall conduct consultations.
2. The competent Israeli authorities shall inform the Commission within reasonable time of any fact or suspicion which has come to their notice relating to an irregularity in connection with the conclusion and implementation of the grant agreements and/or contracts concluded in application of the instruments referred to in this Agreement.

V. Confidentiality

Information communicated or acquired in any form under this Annex shall be covered by professional secrecy and protected in the same way as similar information is protected by Israeli law and by the corresponding provisions applicable to the Community institutions. Such information may not be communicated to persons other than those within the Community institutions or in the Member States or Israel whose functions legally require them to know it nor may it be used for purposes other than to ensure effective protection of the Parties' financial interests¹¹.

¹⁰ OJ L 292, 15.11.1996, p.2

¹¹ OJ L 312, 23.12.1995, p.1

VI. Administrative Measures And Penalties

Without prejudice to application of Israeli criminal law, administrative measures and penalties may be imposed by the Commission in accordance with Regulations (EC, Euratom) No 1605/2002, amended by Council Regulation (EC, Euratom) No 1995 /2006 and (EC, Euratom) No 2342/2002 amended by Commission Regulation (EC, Euratom) No 1248/2006 and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests.

VII. Recovery and Enforcement

Decisions taken by the Commission under the Seventh EC Framework Programme within the scope of this Agreement which impose a pecuniary obligation on persons other than States shall be enforceable in Israel by means of civil procedure in an Israeli Court. The relevant enforcement provisions are incorporated in the grant agreements with participants from Israel. The enforcement order shall be submitted to the Israeli Court, without any further control other than verification of the authenticity of the act, by the authorities designated by the Government of the State of Israel, which shall inform the Commission thereof. Enforcement shall take place in accordance with the Israeli rules of procedure. The legality of the enforcement decision shall be subject to control by the Court of Justice of the European Communities. Judgments given by the Court of Justice of the European Communities pursuant to an arbitration clause in a grant agreement and/or contract under the Seventh EC and Euratom Framework Programmes shall be enforceable on the same terms.

APPENDIX A

For the purposes of Article III of Annex IV, in civil or administrative issues the designated Israeli Authority shall be the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor. However, with respect to issues relating to the performance of an investigation or an inspection, the designated Israeli Authority shall be the Department of International Affairs of the Office of the State's Attorney in the Israeli Ministry of Justice.

The Plenipotentiaries

of the EUROPEAN COMMUNITY

and

of the STATE OF ISRAEL,

meeting at on for the signature of the Agreement on Scientific and Technological Cooperation between the European Community on the one hand, and the State of Israel on the other hand, have adopted the following Joint Declaration:

Joint Declaration of the Contracting Parties on a close dialogue in view of new structures implementing Articles 169 and 171 of the EC Treaty.

Done at

For the European Communities

For the State of Israel

**JOINT DECLARATION OF THE CONTRACTING PARTIES ON A CLOSE
DIALOGUE IN VIEW OF NEW STRUCTURES IMPLEMENTING ARTICLES 169
AND 171 OF THE EC TREATY**

The two Parties declare that, with a view to ensuring the proper implementation of Annex I.I.1 of this Agreement, Israel will be timely informed as appropriate about preparatory works regarding structures based on Articles 169 and/or 171 of the EC Treaty to be implemented under the 7th Framework Programmes.

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL

Proposal for a decision of the Council and of the Commission on the signature and conclusion on behalf of the European Community of the Agreement on Scientific and Technological Cooperation between the European Community of the one part and the State of Israel of the other part.

2. ABM / ABB FRAMEWORK

Policy strategy and coordination of the Directorates-General RTD, JRC, ENTR, INFSO and TREN.

3. BUDGET LINES

3.1 Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines) including headings:

- Participation in indirect action by Israeli entities, as well as costs in connection with the implementation of the Agreement (travelling expenses of European experts and of Commission officials on mission, workshops, seminars and meetings) will be charged to the specific budget headings for the specific programmes of the Framework Programme of the European Community (XX.01.05.03)

- Israeli participation

Chapter 6013 (Title 6, revenue), Articles 10.02.02, 02.04.03, 06.06.04, 08.21.04, 09.04.02, (Expenditure).

Israel's contribution to the Framework Programme budget will be proportionate to its GDP compared with that of the Union (see annex).

3.2. Duration of the action and of the financial impact:

From 1 January 2007 for the duration of the Seventh EC Framework Programme as laid down in Article 5 of the Agreement.

3.3. Budgetary characteristics:

Budget line	Expenditure type		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
xx01.05.03	Non-comp	Non-diff ¹²	NO	YES	YES	No 3

¹² Non-differentiated appropriations.

4. SUMMARY OF RESOURCES

4.1 Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2007	2008	2009	2010	2011	2012	2013	Total
------------------	-------------	--	------	------	------	------	------	------	------	-------

Operational expenditure¹³

Commitment Appropriations (CA)	8.1	a								
Payment Appropriations (PA)		b								

Administrative expenditure within reference amount¹⁴

Technical & administrative assistance (NDA)	8.2.4	c	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a + c	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099
Payment Appropriations		b + c	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099

Administrative expenditure not included in reference amount¹⁵

Human resources and associated expenditure (NDA)	8.2.5	d	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,4095
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0	0	0	0	0	0	0	

¹³ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

¹⁴ Expenditure within Article xx 01 04 of Title xx.

¹⁵ &Expenditure within Chapter xx 01 other than Articles xx 01 04 or xx 01 05.

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources	a+c+d+e	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	15085
TOTAL PA including cost of Human Resources	b+c+d+e	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	1,5085

Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		2007	2008	2009	2010	2011	2012	2013	Total
.....	f								
TOTAL CA including co-financing	a+c+d+e+f								

4.1.2 Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Inter-institutional Agreement¹⁶ (i.e. flexibility instrument or revision of the financial perspective).

4.1.3 Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

Note: All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.

N.B.:

- The calculation is based on the 2007 preliminary draft budget for EUR27, pending adoption of the definitive budget for 2007 and revision of the legal bases.

¹⁶ See points 19 and 24 of the Inter-institutional agreement.

- The proportionality factors for the years 2008 to 2013 will also be adjusted in line with GDP trends at the time of publication of each preliminary draft budget.

EUR million (to three decimal places)

Budget line	Revenue*	Prior to action [Year n-1]	Situation following action						Total	
			2007	2008	2009	2010	2011	2012		2013
601.3	a) Revenue in absolute terms	0	46,246	50,884	54,783	60,926	68,737	75,583	82,405	439,565
	b) Change in revenue	÷								

*estimated revenue

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

4.2 Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2007	2008	2009	2010	2011	2012	2013	Total
Total number of human resources	0.5	0.5	0.5	0.5	0.5	0.5	0.5	

5. CHARACTERISTICS AND OBJECTIVES

Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:

5.1. Needs to be met in the short or long term:

This decision will allow Israel, as an associated country, to be associated to the 7th EC research Framework Programme and to participate in research activities at Community level.

5.2 Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy:

Community funding is a pre-requisite for encouraging and facilitating Israel's participation in the research framework programmes.

5.3 Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The Association Agreement should enable Israel and the Community to derive mutual benefit through reciprocal access to their research programmes.

5.4. Method of Implementation (indicative)

Show below the method(s)¹⁷ chosen for the implementation of the action.

X Centralised Management

× Directly by the Commission

Indirectly by delegation to:

Executive Agencies

Bodies set up by the Community as referred to in Art. 185 of the Financial Regulation

National public-sector bodies/bodies with public-service mission.

Shared or decentralised management

With Member States

With third countries

Joint management with international organisations (please specify)

Relevant comments:

6. MONITORING AND EVALUATION

6.1. Monitoring system

(a) Performance indicators

- number of proposals put forward by Israel compared with the number of proposals selected for funding both for each specific programme and for the Framework Programme as a whole;
- number of proposals put forward under the specific programmes of the Framework Programme compared with the relative share of Israel's participation in those programmes;

¹⁷ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point.

- number of Israeli legal entities selected for funding in the specific programmes of the Framework programme compared with Israel's relative participation in those programmes.

(b) Gathering of information:

On the basis of the data on the specific programmes of the Framework Programmes.

(c) Overall evaluation:

At the end of the 7th EC Framework Programme the Commission will evaluate all cooperation activities covered by the Agreement.

7. ANTI-FRAUD MEASURES

When the implementation of the Framework Programme calls for the use of external contractors or entails granting financial contributions to third parties, the Commission will carry out financial audits. The Community's financial audits will be carried out either by its own staff or by accounting experts approved according to the law of the audited party.

In order to protect the financial interests of the European Communities, rules on checks, measures and sanctions, with reference to Regulations Nos 2988/95, 2185/96, 1073/99 and 1074/99, will be incorporated in all grant agreements and/or contracts used in the implementation of the Framework Programme.

In particular, the following points will have to be provided for in the grant agreements and/or contracts:

- the introduction of specific contractual clauses to protect the financial interests of the European Community in carrying out checks and controls in relation to the work performed;
- the participation of administrative inspectors in the field of fraud-fighting, in accordance with Regulations No 2185/96, 1073/99 and 1074/99;
- the application of administrative sanctions for all intentional or negligent irregularities in the implementation of the grant agreements and/or contracts, in accordance with Framework Regulation No 2988/95, including a black-listing mechanism;
- the fact that possible recovery orders in case of irregularities and fraud be enforceable according to Article 256 of the EC Treaty.

Local inspections will be carried out by the European Court of Auditors.

Finally, Annex IV to the Agreement provides for recognition by Israel of the Community's right to conduct on-the-spot inspections on the premises of Israeli entities receiving funds from the Framework Programme, together with recognition of the enforceability of recovery orders, the enforceability of judgments of the Court of Justice of the European Communities.

8. DETAILS OF RESOURCES

8.1 Objectives of the proposal in terms of their financial cost: NA

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 ¹⁸																
Action 1																
Output 1																
Output 2																
Action 2																
Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2																
Action 1																
Output 1																
Sub-total Objective 2																
OPERATIONAL OBJECTIVE No. n																
Sub-total Objective n																
TOTAL COST																

¹⁸

As described under Section 5.3.

8.2 Administrative Expenditure

8.2.1 Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)							
		2007	2008	2009	2010	2011	2012	2013	Total
Officials or temporary staff ¹⁹ (XX 01 01)	A*/AD	0,5	0,5	0,5	0,5	0,5	0,5	0,5	
	B*, C*/AST								
Staff financed ²⁰ by Art. XX 01 02		0	0	0	0	0	0	0	
Other staff financed ²¹ by Art. XX 01 04/05		0	0	0	0	0	0	0	
TOTAL		0,5	0,5	0,5	0,5	0,5	0,5	0,5	

8.2.2 Description of tasks deriving from the action

Management and implementation of the association of Israel to the Framework Programme will entail regular missions by EC and Israeli experts and officials.

8.2.3 Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

¹⁹ Cost of which is NOT covered by the reference amount.

²⁰ Cost of which is NOT covered by the reference amount.

²¹ Cost of which is included within the reference amount.

8.2.4 Other administrative expenditure included in reference amount
(XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	2007	2008	2009	2010	2011	2012	2013	TOTAL
1. Technical and administrative assistance (including related staff costs)								
Executive agencies ²²	0	0	0	0	0	0	0	
Other technical and administrative assistance	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099
<i>intra muros</i>								
<i>extra muros</i>								
Total Technical and administrative assistance	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099

8.2.5 Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	2007	2008	2009	2010	2011	2012	2013	Total
Officials and temporary staff (XX 01 01)	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,4095
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	0	0	0	0	0	0	0	
Total cost of Human Resources and associated costs (NOT in reference amount)	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,4095

²² Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– **Officials and Temporary agents**

Reference should be made to Point 8.2.1, if applicable

Amount given on the basis of the annual cost of an official (all categories included) i.e.:

$$117\,000 \text{ euro}/2 = 58\,500$$

Calculation– **Staff financed under Art. XX 01 02 NA**

Reference should be made to Point 8.2.1, if applicable

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	2007	2008	2009	2010	2011	2012	2013	TOTAL
XX 01 02 11 01 – Missions								
XX 01 02 11 02 – Meetings & Conferences								
XX 01 02 11 03 – Committees ²³								
XX 01 02 11 04 – Studies & consultations								
XX 01 02 11 05 - Information systems								
2. Total Other Management Expenditure (XX 01 02 11)								
3. Other expenditure of an administrative nature (specify including reference to budget line)								
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	0	0	0	0	0	0	0	

Calculation - **Other administrative expenditure not included in reference amount**

²³ Specify the type of committee and the group to which it belongs.

<p>Annex Method of calculating the effect on revenue</p>
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The financial contribution of Israel to the Seventh EC Framework Programme shall be established on a yearly basis in proportion to, and in addition to, the amount available each year in the general budget of the European Union for commitment appropriations needed for the implementation, management and operation of the Seventh EC Framework Programme.

The proportionality factor governing the contribution of Israel shall be obtained by establishing the ratio between the gross domestic product of Israel, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union and Israel. This ratio shall be calculated on the basis of the latest statistical data pertaining to the same year from the International Bank for Reconstruction and Development, available at the time of publication of the preliminary draft budget of the European Union.

For 2007, the estimated contribution to the Seventh EC Framework Programme based on 2004 GDP is (source : Worldbank):

GDP 2004 (Mio €)

GDP EUR 27	12.787.938,70
GDP Israel	117.548,40
Ratio	0,910%

Estimated Contribution (Mio €)

Year	Budget	Total estimated contribution
2007	5.082,008	46,246
Total	5.082,008	46,246