

**ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND ISRAEL**

- Association Council -

Brussels, 24 July 2012

UE-IL 2901/12

MINUTES

of Tenth meeting of the EU-Israel Association Council
date of : 22 February 2011
in : Brussels

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The Association Council between the EU and Israel held its tenth meeting on 22 February 2011 in Brussels.

Foreign Minister of Hungary, Mr. Janos MARTONYI chaired the meeting on behalf of HR VP, Catherine Ashton. Israeli Deputy Prime Minister and Minister of Foreign Affairs, Mr Avigdor LIBERMAN led the delegation of Israel. The Commission was represented by the Commissioner for Enlargement and Neighbourhood, Mr Stefan FÜLE.

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Opening remarks

The Chairman, Mr. Janos MARTONYI, welcomed the Israeli delegation to the Association Council, which he described as the central institution of bilateral relations. The previous political dialogue meeting, which was held over breakfast, offered to both sides the opportunity to discuss the situation in the Middle East and in the region and also issues of common interest, such as how to implement and activate the Action Plan in order to strengthen and deepen their bilateral relations.

He stressed that, during the plenary session, an overview should be given to the state of play of the implementation of the Association Agreement. Israel was a crucial partner for the EU, as much as the European Union was for Israel. There are many links between both countries, links of historic, cultural and economic nature, which appeal for a continuous dialogue and an ever developing cooperation. He welcomed the present meeting as an excellent opportunity in this regard.

Deputy Prime Minister and MFA, Mr Avigdor LIBERMAN thanked the Chairman for hosting him and the Israeli Delegation. He recalled that Israel was attaching great significance to bilateral relations between the EU and Israel.

He expressed his satisfaction for taking part in this tenth meeting of the Association Council and stressed that this annual meeting would allow both sides to follow-up the developments, which occurred since the last meeting of the Association Council, and to exchange views on the future of the EU-Israel relations. In the course of the 52th year since the institution of diplomatic relations between Israel and the EU, both sides were witnessing wide-range cooperation in the fields of economy, trade, science, technology, as well as in social and cultural affairs.

Mr. LIBERMAN underlined that Israel and the EU were sharing common interests, common values and challenges, which offer a wide range of potential fields of cooperation in various areas that both EU and Israel were interested in promoting.

The process of reviewing the ENP, which is currently implemented by the EU, could represent another opportunity for enhancing the cooperation even further in the future. Israel hoped that, in the foreseeable future, its relations with the EU would reflect the tight relations that it had bilaterally with most of the EU Member States.

In spite of the time lapsed since the 9th Association Council in June 2009 in Luxemburg, quite a number of conferences, meetings, visits, signing of various cooperation agreements had taken place in that period and had contributed to enhancing and deepening the relations between the EU and Israel. Since the implementation of the Lisbon Treaty, HR Lady Ashton has visited Israel on several occasions. Together with visits from other Ministers of Foreign Affairs from Europe, one could obtain a full picture of the intensive dialogue between Israel and the EU. In spite of many delays, due to various political pressures of the Arab group within the Union for the Mediterranean in Barcelona, Prof. Ilan CHET, former President of the Weitzman Institute in Israel and laureate of the Israel Prize, was appointed as Deputy Secretary General for Education and Culture. Israel had much contributed to this Organisation during 2010 and intended to continue doing so this year, as well.

Minister LIBERMAN underlined that Israel did hope that it would be able to go beyond political stances and contribute to regional cooperation. This was even more important when Israel was witnessing current events in the area. In spite of a very impressive list of activities, taking into account the lengthy period since the meeting of the last Association Council and in view of the fact that Israel prolonged for the fourth time the current term, it would be difficult to say that the wide range of cooperation in the fields of culture, science, economy etc. really came to its full potential expression.

He expressed a certain disappointment for the delay in ratifying the Protocol of Israel's involvement in various Community programs based on the ENP since 2008 and of the ACAA Agreement by the European Parliament. Israel expected from the Commission and from the Member States to act in a pro-active manner vis-à-vis the Parliament in order to bring about verification of everything agreed between both sides. At this point, he asked from Mr. GILON, Deputy DG for Western Europe in the Israeli MFA, to give a very short overview of different cooperation initiatives that Israel had taken since the last meeting.

Commissioner Stefan FÜLE intervened at this point calling upon the adoption of the agenda first, with a view to approaching later the substance of the meeting, where the information point by the Israeli delegation would be more appropriate to take place.

The Chairman agreed with Commissioner Füle and thanked the Israeli Minister for his opening remarks.

Point 1: Adoption of the draft agenda (cf. doc. UE-IL 2902/11)

The Association Council adopted the draft agenda as outlined in doc. UE-IL 2902/11.

Point 2: EU-Israel relations

The Chairman recalled that the EU-Israel Association Agreement dates back to 2000 and the Action Plan within the European Neighbourhood Policy (ENP) framework had been agreed in 2005 and had been extended several times. He was pleased that Israel agreed to follow the same practice of extension until June 2011. A great progress had been made since then and there is potential to develop the relationship between the EU and Israel even further. He underlined that EU-Israel relations are mature and solid. However, Israel and the EU could further work on the areas agreed in the current ENP Action Plan.

The Chairman gave the floor to Mr. LIBERMAN.

Minister LIBERMAN stressed that, unquestionably, Israel is the closest partner to Europe among the Southern neighbouring countries from the point of view of their culturally shared values and also economically and technologically. These links have reached the stage where the EU and Israel could take one step further. Since the previous ENP Action Plan entered into force in 2005, Israel had devoted many efforts to implement this cooperation, believing that this is an issue of common interest for both parties.

In December 2008, the EU took a decision to upgrade relations with Israel. Unfortunately, much to Israel's regret, an internal system of conditioning had slowed down this initiative, as well as the tools for cooperation that were designed for the political and economic field. Paradoxically, even in fields in which Israel had done a lot with the guidance of the EU to promote regulation and legislation to the required standards, the agreements with Israel were delayed for political reasons. This reality made it very difficult for Israel to mobilize the various ministries to continue with the arduous tasks of subcommittee meetings. Israel was assuming that the review process of the ENP would stress the importance of differentiation and of progress on the basis of shared interests and performance-dependent actions.

At bilateral level, the EU decision to hold technical meetings in order to identify potential areas of future cooperation was important. The Israeli Minister would like to apply this practice in the foreseeable future, in order to attain a full exhaustion of cooperation, but this would also require some new instruments.

Looking ahead, Israel expected further deepening and expansion of its relations with the EU on matters of global interest, such as protecting the quality of the environment, issues of health prevention, transportation and communication. One of the ENP purposes was to bring the neighbouring countries closer to the EU and its level of legislation and regulation. The other side of the coin was to integrate these countries in the various policies of the EU, in a way which would enable them to express their views.

Israel requested finding some new models of cooperation and coordination, both at professional level and through *ad hoc* participation of Israeli Ministers in the various ministerial meetings on topics that were crucial for Israel, such as agriculture, quality of the environment, legal issues, etc. In parallel with promoting bilateral affairs, Israel accorded a lot of importance to the regional frameworks, as a means to dissipate tensions, on one hand, and increasing success in coping with matters of common interest, on the other hand.

Politically, Israel expected strengthening dialogue through an annual summit and also enhancing political and economic cooperation.

There were several examples of agreements that had been applied since the previous Association Council meeting. The agreement on agriculture was signed in 2009, which allowed for liberalisation in agricultural matters, and the ACAA Agreement was signed in 2010. Unfortunately, the signature of the Financial Agreement for cross-border programmes in the framework of the ENPI was still on the table and had not yet been signed. The agreement between the space agencies was signed in the beginning of 2011. Negotiations on the agreement on civil aviation and on the one with Europol were ongoing. Israel had held an initial meeting with Eurojust, as well.

More or less important were the various meetings, in which Israel had an exchange of information and ideas for cooperation. Several examples: the Working Group on Human Rights was convened in September 2009 and September 2010. The sub-committee on political dialogue and cooperation met in December of 2010, the Business Dialogue in October 2009 with the participation of the then Vice-President of the European Commission Mr. Günter VERHEUGEN, and the subcommittee for agriculture and fisheries in 2009. The justice subcommittee met in December 2009, the customs subcommittee in December 2009, the subcommittee for energy and quality of transportation in March 2010.

Social issues have an important place in the framework of EU-Israel joint activities. For instance, on the issue of integration of immigrants, a meeting was held in December 2009, with the participation of 17 EU representatives. Israel also participated in a study day bearing on the prevention of human slavery and in an event on fighting xenophobia and anti-Semitism. Israel was also happy to host, in December 2010, the fourth joint seminar on enforcement and legislation against hate speech and incitement, including on the Internet and in the media. As for cross-border cooperation, there were companies and public bodies that had started cooperating with EU countries and other Mediterranean countries.

Mr. LIBERMAN concluded his overview of cooperation between Israel and the EU by welcoming the decision of the EU to hold technical talks in order to identify further fields of cooperation for the future. This was an important decision and Israel would like to implement it as soon as possible. But, in his view, in order to come to a full exhaustion of bilateral relations, parties should adopt a new instrument.

Looking forward, the Israeli Minister recalled that he had already expressed, during the Association Council two years ago, as well as in a letter addressed to Lady Ashton in December 2010, the interest of Israel in participating in programmes and activities of the various EU agencies.

In the long run, Israel was looking forward to a further enhancement and deepening of relations between Israel and the EU on global issues, such as the protection of the environment, water resources, issues of immigration, prevention of diseases, energy networks and transportation. Mr. LIBERMAN had no doubt that, in all these fields, both parties had true and real interest in cooperation.

On the political level, Minister LIBERMAN proposed strengthening the dialogue *via* an annual summit between the EU and Israel, in parallel to further enhancing bilateral relations. Israel also accorded a lot of importance to the regional frameworks, as a means to prevent regional tensions, on the one hand, and to perfect and improve tackling regional challenges, on the other. He finally expressed satisfaction with Israel's accession to the OECD, which definitely recognised the high economic and scientific level of Israel.

The Chairman thanked the Israeli Minister.

The Chairman recalled that the EU Statement adopted on the eve of this meeting made a specific reference to the EU position expressed at the EU-Israel Association Council in June 2009 and in ensuing Foreign Affairs Council conclusions, including those of December 2010. The EU remained ready to continue developing bilateral relations with Israel within the current ENP framework and, more particularly, through the continuing implementation of the existing EU-Israel ENP Action Plan. In this framework, the EU was prepared to further explore with Israel the opportunities still offered by the current Action Plan in a number of sectors and policy areas, on which progress could be achieved in 2011, and pursue technical talks in order to identify areas for future potential cooperation. At the same time, the ongoing ENP review would offer to the EU the opportunity for further reflection on the terms of the EU future relations with all its partner countries, including, of course, Israel.

The Chairman invited Commissioner FÜLE to develop, in a more detailed way, subjects ahead pertaining to the areas of community competences.

Commissioner FÜLE explained that the EU Statement adopted on the eve of the current meeting was setting out in detail the extensive range of bilateral co-operation in 2010. He was aware that Min. Liberman had been at times critical of the state of EU-Israel relations during this period, but he stressed that the sheer list of common activities and projects that the EU and Israel had been able to develop gave a clear indication on how strong and vibrant their relations were, despite some occasional difficulties.

He mentioned a few of these activities. In terms of trade, Israel was among the EU's biggest trading partners in the ENP region. Bilateral negotiations on the liberalisation of trade in services and establishment had moved on and the EU was looking forward to further progress this year. He also mentioned EU concerns at the number of anti-dumping and safeguards investigations that were initiated in Israel in 2009 and 2010.

He recalled that the EU and Israel signed an Agreement on Conformity Assessment and Acceptance of industrial products (ACAA) in 2010 as a protocol to the EU-Israel Association Agreement, which was now awaiting EP consent. The EU statement noted the crucial positive impact that this protocol could have once it entered into force. He also underlined that the agreement on trade in agricultural products, which entered into force about a year ago, had already proved to be effective, as overall bilateral trade in this sector had substantially increased.

He went on by recalling a couple of substantial achievements in 2010 in the area of police and judicial cooperation. Among them were: the Commission's decision declaring Israel to be an “adequate” third country in terms of personal data protection and the elaboration of an operational cooperation agreement between Israel and Europol. The EU was looking forward to further progress on negotiations in 2011.

Commissioner FÜLE stressed that good progress was also made on negotiations on a comprehensive civil aviation agreement, as well as on cooperation between the EU and Israel in the Galileo programme and on civil space cooperation in general. The signature of a framework cooperation agreement between the European Space Agency and the Israeli Space Agency was a good example.

He took the opportunity to congratulate Israel for its OECD membership.

At this point, Commissioner FÜLE drew the attention to some domestic developments referred to in the EU statement, notably in the areas of human rights, on which the EU had had the opportunity of exchanging views with Israel several times during the year. These human rights issues of common concern included the protection of the Palestinian population, respect for children’s rights, the promotion of democracy, rule of law and respect for international humanitarian law in general. In particular, the EU would encourage Israel to increase efforts towards addressing the economic and social situation of the Arab minority and protect their rights. He recalled the importance the EU attached to support for human rights defenders and the legitimate right of Palestinians to engage in peaceful demonstrations. He took note of the recent third reading in the Israeli Parliament adopting the law on NGOs, which the EU would carefully study. Finally, he highlighted the two issues at stake: transparency and the importance of civil society for a vibrant democracy.

Commissioner FÜLE reminded that, during his meetings in Israel in November 2010, lengthy discussions were held on specific areas of co-operation, which had remained largely unexplored in the framework of the current EU-Israel Action Plan, and could be further developed in the months to come. He only mentioned a few possibilities, which were offered to both sides, including, for example, competition policy issues. In agriculture, both sides could explore cooperation on international marketing standards for fruits and vegetables and on the geographical indication of agricultural and processed agricultural products. Furthermore, Israel’s integration in the European Research Area was a field of cooperation specifically mentioned in the Action Plan, which had not been developed and, finally, participation of Israel in some EU agencies was possible within the current framework and needed to be explored.

These were concrete deliverables, on which both sides could make substantial progress in the months to come, in the context of the EU-Israel regular technical and sector dialogue. Commissioner FÜLE acknowledged that the EU’s and Israeli services had already worked together and shared some possible concrete proposals. He was looking forward to continuing this exercise and was ready to listen to the Israeli proposals, having already taken note of a number of them, as contained in the Israeli statement.

Commissioner FÜLE highlighted that he attached considerable importance in the political steering of EU-Israel relations. Both parties needed to invest into a more dynamic political and sector-specific policy dialogue within the institutional structure of the Association Agreement. In this context, sub-committees were an essential forum of discussion and exchange of expertise. The EU was looking forward to completing a full cycle of sub-committee meetings in 2011, thus building a sound basis for holding the Association Committee at the end of this year.

The Chairman thanked the Commissioner and gave the floor to Mr. Liberman.

Minister LIBERMAN thanked the EU delegation for having presented a very serious and interesting overview of EU-Israel relations. An important phase was now the perspective of an enhanced mutual bilateral cooperation. He underlined that Israel shared the same views with the EU as regards respect for human rights and NGOs, and had the same demands as the EU on transparency, the peaceful character of protests and non-violence. He highlighted that Israel had undertaken important efforts to safeguard the principle of the rule of law in its State, despite an extremely difficult situation in the whole region around the country and everyday attempts of provocation.

Minister LIBERMAN considered that the biggest problem of the region was the economic one and that of inefficient political systems. In his view, there is no alternative to economic growth but strengthening economic relations between countries in the neighbourhood. He could not see any alternative to direct talks between the EU and all countries in the region, as well as among Mediterranean countries, especially between Israelis and Palestinians. He thanked again the EU for its quite positive view and approach. He clearly expressed his hope to strengthen and further enhance EU-Israel relations and fruitful dialogue by moving as quickly as possible with a new Action Plan.

The Chairman thanked Mr. LIBERMAN and gave the floor to Commissioner FÜLE.

Commissioner FÜLE referred to the understanding reached during the first (informal) part of the Association Council, namely that both parties had agreed to an in-depth discussion later this week related to the events in the region, where the Commissioner would brief Israeli partners on the EU's approach, specifically on Tunisia and Egypt, also reflecting the HR/VP current visit to Egypt. This would give more details to the Israeli side on the EU packages to help these countries during the transition period and, at the same time, share with the Israeli partners some elements of the ENP review process, particularly with regard to the way the EU is trying to reflect on the developments in the Southern neighbourhood. This was the first element of the debate during the informal part of the Association Council.

The second element, on which both parties agreed, was that discussion should not only focus on the region itself but also on the bilateral relationship. Another meeting was to take place, so that both parties could discuss how to use the potential of the current framework provided by the Association Agreement and the current Action Plan. On the other side, partners could explore possible ways to approach the technical discussions on other elements of future cooperation and, last but not least, how both parties could strengthen their tight cooperation, both between the EU and Israel, on the one side, and with the Palestinians on the other side.

The Chairman thanked the Commissioner and agreed on the usefulness of political dialogue. During the informal meeting, most of the issues had been dealt with and both parties agreed on their interest in deepening their political dialogue and cooperation. The EU was looking forward to achieving tangible results in bilateral cooperation and in the concrete implementation of the Action Plan.

The Chairman noted that there was no point under any other business. He concluded the meeting by expressing his thanks and gratitude further and foremost to the Israeli Minister, for his contribution in making possible this meeting of the Association Council.

He also thanked all members of delegations for the preparation of this meeting and expressed his hope that this Association Council would serve as a guide for the way ahead in the future.

Point 3: Political dialogue on subjects of common interest

The political dialogue was held in the informal part of the session. The issues discussed included the Middle East Peace Process, Iran, promotion of non-proliferation of weapons of mass destruction and the fight against terrorism.

Point 4 Any Other Business

No point was raised under this item.

**ASSOCIATION
BETWEEN
THE EUROPEAN UNION
AND ISRAEL**

The Association Council

Brussels, 16 February 2011

UE-IL 2902/11

PROVISIONAL AGENDA

Meeting: Tenth session of the EU-Israel Association Council

Date 22 February 2011

in : Brussels

1. Adoption of the agenda

2. EU-Israel relations

3. Political dialogue on subjects of common interest

4. Any other business

**10th EU-ISRAEL ASSOCIATION COUNCIL
(Brussels, 22 February 2011)**

DRAFT LIST OF PARTICIPANTS OF THE EU

1. Janos Martonyi, Hungary Minister of Foreign Affairs
2. Štefan Füle, Commissioner for Enlargement and Neighbourhood Policy
3. Péter Sztáray, Political Director, Hungary MFA
4. Károly Grúber, PSC Ambassador, Permanent Representation of Hungary to the EU
5. Pavel Bouda, member of Commissioner Füle's Cabinet
6. Leonardo Schiavo, Director General, Council Secretariat
7. Andrew Standley, EEAS, Head of EU Delegation, Tel Aviv
8. John Gatt Rutter, EEAS, Chair of "Mashraq/Maghreb" Council Working Group
9. Riccardo Serri, EEAS, Political Desk Israel
10. Constantinos Tsoutsoplides, Desk Officer - "Mashraq/Maqghreb" WP - COMEP
11. Krassimir Nikolov, EEAS, co-desk Israel
12. Sandra De Waele, EEAS, Counsellor, EU Delegation, Tel Aviv

List of the Israeli Delegation in the EU-Israel Association Council

Brussels, Tuesday, 22 February 2011

1. Mr. Avigdor LIBERMAN, Deputy Prime Minister and Minister of Foreign Affairs
2. Mr. Ran CURIEL, Ambassador to the EU, Mission of Israel to the EU
3. Mr. Naor Itzhak GILON, Deputy Director General, Western Europe Division, Ministry of Foreign Affairs of Israel
4. Mr. Yossef Avraham ABEHSERA, Adviser to the Minister of Foreign Affairs, Ministry of Foreign Affairs of Israel
5. Ms. Sigalit HAHAM, Head of Bureau to the Minister of Foreign Affairs, Ministry of Foreign Affairs of Israel
6. Ms. Hagit BEN-YAAKOV, Policy Advisor to the Minister of Foreign Affairs, Ministry of Foreign Affairs of Israel
7. Mr. Tzachi MOSHE – Spokesperson/Adviser to the Minister, Ministry of Foreign Affairs
8. Mr. Ronen GIL-OR, Deputy Chief, Mission of Israel to the EU
9. Mr. Yoel MESTER, Counselor, Mission of Israel to the EU
10. Ms. Avivit BAR-ILAN, Counselor, Mission of Israel to the EU
11. Ms. Tamar RIBASHVILY, ENP Desk Officer, Mission of Israel to the EU

**TENTH MEETING OF
THE EU-ISRAEL ASSOCIATION COUNCIL
(Brussels, 22 February 2011)**

Statement of the European Union

1. The European Union warmly welcomes this tenth meeting of the EU-Israel Association Council. This meeting demonstrates the great significance the European Union attaches to its relations with the State of Israel and the importance of further developing our broad bilateral partnership. The EU reiterates the importance it attaches to the dialogue and cooperation with Israel.
2. Recalling the EU's position as expressed at the Association Council in June 2009 and in ensuing Council conclusions in December 2010, the EU remains ready to continue to develop its bilateral relations with Israel within the current European Neighbourhood Policy (ENP) framework. Both parties have actively pursued the implementation of the existing EU-Israel ENP Action Plan and [agreed on its extension until June 2011]. In this framework the EU is prepared to further explore with Israel the opportunities still offered by the current Action Plan in a number of sectors and policy areas, on which progress can be achieved in 2011, as set out in points 42 and 43, and pursue technical talks in order to identify areas for future potential cooperation.
3. The next ENP Progress Report for Israel will be published in April 2011, thoroughly assessing the progress made with regard to the implementation of the priorities that were identified by the Action Plan and have been jointly addressed since the Plan's adoption in April 2005.
4. The ongoing ENP review offers the opportunity for further reflection on the terms of the EU future relations with its partner countries, including Israel. Consultations between the EU and all stakeholders in the ENP are continuing,. The EU welcomes the useful contribution Israel has been providing so far in this debate, and looks forward to continuing the ongoing dialogue.
5. The EU remains fully committed to the Union for the Mediterranean (UfM). The UfM gives a new impetus to EU cooperation with its Mediterranean partners. Tangible progresses and joint efforts are required with regard to projects to strengthen regional integration in the Mediterranean. In this context, the EU welcomes Israel's role and engagement in developing this partnership.

6. The EU reiterates its commitment towards the security of Israel and its full integration into the region, which is best guaranteed through peace between Israel and its neighbours. As regards the Middle East Peace Process, as set out in its Council Conclusions of December 2010, the EU believes that urgent progress is needed towards a two state solution to the Israeli-Palestinian conflict. The EU wants to see the State of Israel and a sovereign, independent, democratic, contiguous and viable State of Palestine living side by side in peace and security.

The legitimacy of the State of Israel and the right of Palestinians to achieve statehood must never be called into question.

7. The EU underlines the importance of concluding negotiations between the parties by September 2011 as set out by the Quartet in its statement of February 5, 2011, and calls for the urgent resumption of negotiations on all final status issues, respecting previous agreements and understandings. To this end, the EU reaffirms its support to the US efforts in order to bring the parties back to the negotiating table. The EU welcomes the Quartet's agreement to meet again at the level of Principals in mid-March on the way ahead and at the level of envoys to meet separately with Israeli and Palestinian negotiators in Brussels as well as representatives of the Arab Peace Initiative Committee. To this end, the EU urges both Israeli and Palestinian negotiators to engage constructively with the Quartet on all core issues including borders and security.
8. The EU reiterates its views as set out in the December 2009 Council Conclusions as regards the key parameters, principles and issues of an agreed solution. The EU will not recognize any changes to the pre-1967 borders, including with regard to Jerusalem, other than those agreed by the parties. This could include agreed territorial swaps. A way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states. The EU calls for an agreed, just, fair and realistic solution to the refugee question. A negotiated settlement must allow the two States to live side by side in peace and security.
9. Developments on the ground play a crucial part in creating the context for successful negotiations. The EU notes with regret that Israel has not extended the moratorium as requested by the EU, the US and the Quartet, and reiterates its views that settlements, including in East Jerusalem, are illegal under international law and an obstacle to peace. The EU repeats its call for all parties to refrain from provocative unilateral actions and violence such as the demolition of the Shepherds Hotel and the planned construction of new settlements. The European Union calls for the reopening of Palestinian institutions in Jerusalem in accordance with the Road Map. It also calls on Israel to cease all discriminatory treatment of Palestinians in East Jerusalem.
10. The EU calls on Israel to ensure the protection and unimpeded access of all religious groups to religious sites, notably in Jerusalem.

11. The EU remains extremely concerned by the prevailing situation in Gaza. The EU reiterates its call for the immediate, sustained and unconditional opening of crossings for the flow of humanitarian aid, commercial goods and persons to and from Gaza. Despite some progress following the decision of the Israeli government of 20 June 2010 to ease the closure, changes on the ground have been limited and insufficient so far. Further efforts and complementary measures are needed to achieve a fundamental change of policy that allows for the reconstruction and economic recovery of Gaza as well as improve the daily lives of the population while addressing Israel's legitimate security concerns. The EU calls on those holding the abducted Israeli soldier Gilad Shalit to release him without delay. The EU calls for a complete stop of rocket attacks at Israel and all other forms of violence.
12. Palestinian exports are an essential component of Gaza's recovery. In this respect, the EU welcomes the announcement by the Israeli government concerning new measures to facilitate exports out of Gaza. We urge a swift implementation by Israel and are ready to work with Israel towards achieving pre-2007 levels of exports in 2011 to produce real change on the ground. Increased and accelerated imports of construction materials are another crucial component of Gaza's recovery and also for building schools and health centres.
13. The EU recalls its readiness to assist in the reconstruction and economic recovery of Gaza in close partnership with the Palestinian Authority and the Israeli government, in line with UNSC Resolution 1860 and on the basis of the 2005 Agreement on Movement and Access. As parts of a comprehensive EU approach, including CSDP missions, the EU is ready to extend its support to improvements to the crossings infrastructure, to purchase and install the necessary equipment and also to train Palestinian border and crossings management personnel to operate the crossings.
14. The EU commends the work of the Palestinian Authority in building the institutions of the future State of Palestine and reiterates its full support for their endeavours in this regard and the Fayyad Plan.
15. The EU welcomes the package of measures announced by Prime Minister Netanyahu and Quartet Representative Blair for both the West Bank and Gaza and calls for full and swift implementation and additional steps to achieve tangible progress on the ground.
16. The EU recalls that peace in the Middle East should be comprehensive and reiterates the importance of negotiations on the Israel-Syria and Israel-Lebanon tracks. Peace should lead to the full integration of Israel in its regional environment, along the lines set out in the Arab Peace Initiative.
17. As concerns Lebanon, the EU reiterates that the independent and democratic functioning of Lebanese institutions, free from any interference including from the outside, is of crucial importance. The EU expects all parties to cooperate in a spirit of dialogue and consensus and to refrain from violence or intimidation. The EU reaffirms its continuing commitment towards the Special Tribunal for Lebanon and stresses that it must continue its work without impediment and with the cooperation of the Lebanese government. Funding must be preserved. The EU and individual Member States stand ready to provide further funding.

18. The EU recalls its commitment to the full implementation of all relevant UNSC Resolutions, including 1559, 1680, 1701 and 1757. In this context, the EU takes note of the intention expressed by the Israeli government on 17 November 2010 to withdraw its troops from the Northern part of the village of Ghajar and looks forward to a swift agreement between the parties on the modalities of implementation. The EU reaffirms its support for the United Nations' efforts to make progress on the issue of the Shebaa Farms, and continues to support the option of placing them under UN trusteeship, in accordance with the seven-point plan endorsed by the Government of Lebanon on 26 July 2006. The EU calls on Israel and Syria to support the work of the UN Secretary General in this regard. The EU supports and commends the crucial role of UNIFIL, whose activities alongside the Lebanese Armed Forces continue to be essential for peace in the region.
19. The EU continues to follow closely events in the region. Recalling the European Council Declaration on Egypt and the region of 4 February 2011, the EU reiterates its support for a democratic, pluralist and stable Egypt as a key partner, mindful of its important regional role, and sharing the goal of building stability, peace and prosperity in the Mediterranean and Middle East region.
20. The proliferation of weapons of mass destruction and their means of delivery both to state and non-state actors represents one of the most serious threats to international peace and security. The EU supports multilateral cooperation as the best way to counter proliferation. We call on all parties that have not yet done so to sign, ratify and accede to all relevant non-proliferation and disarmament treaties and other international instruments. We underline the importance of full compliance with non-proliferation obligations by all states.
21. The EU continues to promote a balanced approach between the three pillars of the NPT - non-proliferation, disarmament and peaceful uses of nuclear energy. The EU is also aware of the need to progress in the implementation of the 1995 NPT Resolution on the Middle East. The EU remains ready to contribute towards achieving the Middle East zone free of weapons of mass destruction and their means of delivery and announced its intention to organise a follow-up event to the seminar "Middle East Security, WMD Non-Proliferation and Disarmament" which took place in Paris in June 2008. The preparation of the event will take place in close consultation with relevant partners, including Israel, in order to enable a broad-based participation of governmental and non-governmental experts and discussions on all relevant issues.

22. The EU remains determined to work towards a negotiated solution to the Iranian nuclear issue, and urges Iran to comply fully and without further delay with its obligations under the relevant resolutions of the UN Security Council and the IAEA. Full implementation of these resolutions and obligations is needed to find a long-term negotiated solution to which the EU remains fully committed. Were Iran to acquire a military nuclear capability, this would constitute an unacceptable threat to regional and international security. The EU calls for a constructive and responsible Iranian role in the region, notably in relation to the Middle East Peace Process, including the acceptance of a solution based on two states, Israel and Palestine, living side by side in peace and security. Iran should end its support to violent groups in the region, use its influence constructively and encourage them to follow a non-violent political approach conducive to peace and stability for the region. The EU expresses its deep concern about the continuing deterioration of human rights and political freedoms of Iranian citizens.
23. The EU condemns any attempt to deny, trivialise or minimise the Holocaust as a historical fact, either in whole or in part. The EU is committed to continuing its ongoing fruitful co-operation with Israel as regards the combat against xenophobia, discrimination and anti-Semitism, including through yearly joint seminars.
24. The EU welcomes the opportunity of a regular dialogue with the Israeli side on human rights issues of common concern, including the protection of the Palestinian population, respect for the Convention of the Rights of the Child, children affected by armed conflicts, the promotion of democracy, rule of law and respect for international humanitarian law, including in the context of the relevant informal working groups. The EU reiterates its call on Israel to establish a subcommittee on human rights, within the framework of the Association Agreement.
25. The EU encourages Israel to increase efforts to address the economic and social situation of the Arab minority, to enhance their integration in Israeli society and protect their rights. The EU also encourages Israel to take the necessary steps to implement the recommendations of the Goldberg Commission on the unrecognised Bedouin villages.
26. The EU recalls that support for human rights defenders is a long established element of the European Union's human rights external relations policy. The EU considers that in both Israel and the Palestinian territories human rights defenders play an important role in promoting the common values of democracy, peace and human rights. The EU recalls the legitimate right of Palestinians to engage in peaceful demonstrations and deplores the Israeli military court sentence against a Palestinian activist engaged in non violent protest.
27. The EU also recalls the importance of a vibrant NGO sector and civil society in general and the vital role they play in open and democratic societies. The EU notes that in the ENP Action Plan Israel and the EU have agreed to engage in a regular dialogue on civil society issues and to promote EU-Israel links between civil society organizations and NGOs. The EU calls on Israel to promote its active NGO sector and to refrain from actions which may significantly curtail its freedoms. In this context, the EU is concerned about the proposed Parliamentary enquiry committee to investigate NGO funding and the draft law on recipients of financial support from Foreign Political Entities.

28. In the Mediterranean area, Israel stands among the EU's biggest trading partners, with total trade amounting to over €20 billion in 2009. The levels of bilateral trade in goods rebounded in 2010 after the negative impact left by the global crisis. The two parties continued their successful cooperation in addressing market access problems, although some issues are still pending, including sanitary and phytosanitary questions and technical barriers to trade. The EU notes that further work is necessary on the bilateral negotiations with Israel on the liberalisation of trade in services and establishment. The EU recalls the importance of the Technical Arrangement between the EU and Israel on products originating from settlements in the framework of the Association Agreement.
29. The EU acknowledges Israel's close co-operation with the EU when trade irritants arise. However, the EU is concerned at the number of anti-dumping and safeguards investigations that were initiated in 2009 and 2010. It remains confident that the application of anti-dumping and safeguard instruments will be done in a fair and transparent manner and in full compatibility with international commitments, including WTO rules.
30. The EU welcomes the conclusions of the Trade Ministerial Conference of the Union for the Mediterranean of 11 November 2010, particularly as regards the commitment by Israel and the Palestinian Authority to organise a trilateral ministerial meeting in the first half of 2011 with a view to discussing additional measures for the facilitation of Palestinian trade and the establishment of a trade trilateral working group.
31. The EU continues to support trilateral cooperation with Israel and the Palestinian Authority as a means to build confidence between and bring economic benefits to both Israeli and Palestinian people. In this context, the EU calls on Israel to make every effort in re-invigorating trilateral initiatives in the fields of energy and transport. The EU welcomes the interest expressed by Israeli authorities in exploring the opportunities for trilateral cooperation on environmental issues.
32. In the field of free movement of goods and technical regulations, the Council of the EU and Israel signed in May 2010 a framework Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA), which has the status of a protocol to the EU-Israel Association Agreement and includes an Annex on good manufacturing practices (GMP) for pharmaceutical products. This protocol, once entered into force, can have a positive impact on bilateral relations
33. The EU and Israel signed an agreement on trade in agricultural, processed agricultural, fish and fishery products in November 2009, which entered into force on 1 January 2010. The agreement has already proved to be effective, as overall bilateral trade in these sectors has substantially increased, as compared to the previous year.
34. The EU welcomes the new phytosanitary legislation adopted by Israel, which is in line with international standards such as those laid down by the International Plant Protection Convention (IPPC) and WTO principles. The existence of clear phytosanitary legislation will ensure transparency and legal certainty for EU exporters in line with international standards.

35. The EU welcomes Israel's accession to the OECD in 2010. The EU encourages Israel to consolidate its membership by providing the agreed progress reports to OECD bodies on chemicals, environment policy, corporate governance, financial markets, insurance and private pensions, disaggregated statistical data, employment and social affairs, and trade.
36. In the field of environmental protection, the EU finds the intensification of bilateral cooperation of highest importance. The EU welcomes new legislation in Israel on packaging waste. The EU calls on Israel to ratify the Gaborone amendment to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the protocols to the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean. On climate change, the EU is fully committed to continuing negotiations with the parties with a view to concluding a legally binding international agreement. As regards the Cancun agreements, more emphasis needs to shift on implementation – domestically, in bilateral and multilateral cooperation. The EU looks forward to deepening the dialogue on climate change mitigation and adaptation issues.
37. In accordance with the current ENP Action Plan, the EU has launched preparations for the adoption of a decision by the EU-Israel Association Council on implementing Arts. 64 & 65 of the Association Agreement on the coordination of the social security regimes of EU Member States applicable to Israeli workers. The European Commission is looking forward to initiating discussions with its Israeli counterparts on this issue in 2011 with a view to submitting a draft decision to be adopted by the next EU-Israel Association Council.
38. The EU expresses its satisfaction that bilateral cooperation in the sphere of police and judicial cooperation marked significant progress. On 31 January 2011, the European Commission adopted a decision declaring Israel to be an “adequate” third country in terms of personal data protection. This decision will facilitate the approximation of Israel – and of its companies – to the EU internal market. The elaboration of an operational cooperation agreement between Israel and Europol has also advanced. The first comprehensive draft was submitted to Israel for consideration in December 2010. The necessary provisions are made for the correct territorial application of this and other instruments. The EU looks forward to further progress on negotiations in 2011.
39. The EU welcomes the positive results of bilateral cooperation on transport issues. Negotiations on a “comprehensive civil aviation agreement” started in 2010 and have made timely progress. The EU looks forward to the possibility of completing talks on this agreement promptly. Cooperation between the EU and Israel in the Galileo programme delivers very satisfactory results. Ways to adapt the relationship to the new governance of Galileo are currently being assessed.
40. The EU supports the intensification of civil space cooperation with Israel and welcomes the signature, on 31 January 2011, of a framework cooperation agreement between the European Space Agency and the Israeli Space Agency.

41. In the area of science and technology, the EU welcomes the increased cooperation with Israel under the 7th Framework Programme for Research and Development (FP7), as well as the Israeli chairmanship of EUREKA in 2010-2011.
42. Besides the main developments mentioned above, cooperation is ongoing on the basis of the current ENP Action Plan and will continue in 2011 in many other areas. Furthermore, fields of cooperation covered by the current Action Plan and which have remained unexplored so far could be further developed. The EEAS and Commission services stand ready for a joint reflection with Israel in this context. A non-exhaustive list of such fields could include competition policy issues and, more specifically, the provision of state aids, access to public procurement markets, regulatory issues related to information society, etc. In agriculture, enhanced cooperation on international marketing standards for fruits and vegetables and on the geographical indication of agricultural and processed agricultural products could be pursued. The long and successful participation of Israel in the EU's RTD framework programmes is a solid basis for starting dialogue on Israel's integration in the European Research Area, including the approximation of science and research policies. The participation of Israel in some EU agencies which is possible within the current framework, would enable the advancement of cooperation. Contacts initiated between the European Centre for Disease Prevention and Control (ECDC) in Stockholm and Israeli authorities are a good example in that respect.
43. In order to develop EU-Israel bilateral relations further in the context of the broad range of our common objectives and interests, the EU believes that both parties should invest into a more dynamic political and sectoral policy dialogue within the institutional structures of the Association Agreement. In this context, sub-committees are an essential forum of discussion and exchange of expertise. The EU looks forward to completing a full cycle of sub-committee meetings in 2011, thus building a sound basis for holding the Association Committee at the end of this year.
44. Israel continued to benefit from a yearly allocation through the European Neighbourhood and Partnership Instrument (ENPI) in the form of institutional cooperation (twinning projects). The EU encourages Israel to intensify the use of this instrument for further topics (e.g. forest fire prevention) and to further consolidate the central coordination role played by the Ministry of Foreign Affairs in order to fully exploit the potential of the twinning instrument.
45. The EU looks forward to a fruitful and constructive meeting of the EU-Israel Association Council.

TENTH MEETING OF THE ISRAEL-EU ASSOCIATION COUNCIL

Brussels 22 February 2011
Statement of the State of Israel

Introduction

1. Israel and Europe share a common cultural and social heritage, similar values, and a host of shared interests in many spheres. The relations between Israel and the European Union can be characterized by close geographic proximity, intense trade relations and shared commitment to democratic values and institutions. We can look back with great pride on the major developments and achievements during the past 52 years in the political, economic-commercial, scientific and cultural spheres.

2. In recent years, we have witnessed, significant cooperation in the political dialogue and economic partnership between Israel and member states of the EU, which has also been reflected in the many visits of European leaders to Israel. Since the last Israel-EU Association Council meeting there has been also an intensification of the political dialogue with Brussels: HR Ashton and Commissioner Füle have met the Israeli leadership several times, and the Subcommittee for Political Dialogue and Cooperation was reconvened last December. These meetings have provided an opportunity to exchange views on issues of mutual interest, including those of a strategic nature and have provided the adequate platform for an intensive political dialogue.

3. A landmark of Israel-EU relations is the EU Essen Declaration of December 1994, which recognized Israel's special status in its relations with Europe, based on shared and mutual interests. Since then the two parties have embarked on a process of upgrading their dialogue and cooperation in many diverse areas.

Israel has been fully associated with the Framework Programme for Research and Development since the fourth FP and participates in various other European programs, such as Eureka (Israel currently holds the rotating presidency), Galileo, and CIP. The Framework Protocol for Israel's participation in European Community Programmes, signed on 15 April 2008, has come to provide another opportunity to deepen these ties. Regrettably, the ratification process has not been completed by the European Parliament. Israel has also expressed its interest in participating in the activities of some of the European agencies.

The Action Plan in the framework of the ENP of 2005 paved the way for further enlargement of cooperation and a search for new instruments which would enhance the relations between Israel and the EU.

Israel-EU Bilateral Relations

4. At the EU External Relations Council meeting on 8-9 December 2008, the Council adopted conclusions on strengthening the European Union's bilateral relations with its Mediterranean partners, including guidelines for strengthening the political dialogue structures with Israel.

Israel considers the strengthening of cooperation a natural development in its relations with the EU, based on mutual interests that should not be linked to any other process. In view of achieving this aim, Israel expects the renewal of the mutual efforts for the preparation of a new instrument for cooperation that will enter into effect in due time.

5. Israel regards the human rights dialogue between Israel and the EU as an important opportunity to discuss and address issues and challenges of common concern, as well as to coordinate our preparations for the work of the Third Committee of the General Assembly and subsidiary UN bodies such as the Human Rights Council. Israel is very highly concerned by the continued ineffectiveness of many major international forums to appropriately address gross violations of human rights, and specifically by the continued tendentiousness and failure of the Human Rights Council.

The basic human rights principles of "universality, impartiality, objectivity, and non-selectivity...without distinction of any kind and in a fair and equal manner" seemingly remains at this time to be a distant dream, as was clearly demonstrated in the Human Rights Council's continued failure to convene a special session on Zimbabwe, its failure to re-nominate a special rapporteur on violations of human rights in Iran, as well as the embarrassing results of the failed special sessions on Sudan and Sri Lanka.

The HRC's inaction on these major issues of concern is matched by its blatantly disproportionate attention to one specific issue, with some half of the HRC's country-specific resolutions being devoted to Israel as well as half of the 12 country special sessions. This anomaly reflects the institutional discrimination against Israel at the HRC. The formation, mandate, style and radically distorted conclusions of the Goldstone Report are an extreme example of the lack of balance in the work of the HRC. The Report is being used as a weapon that would tremendously handicap not only Israel but many other democracies that find themselves forced to protect themselves against non-state terrorist organizations. The Secretary-General has referred to that issue in his remarks at the HRC on 25.1.2011: "It (the HRC) cannot be a place that targets some countries, yet ignores others put simply, our watchword should be: All people, all countries, all rights".

Within the context of the upcoming review in 2011 of the Human Rights Council's work and functioning, the salient expressions of institutional discrimination and bias against Israel should be addressed: including the abolition of the permanent Agenda Item 7, and the review and reform of the mandate of the Special Rapporteur, as has already been done regarding all other mandate holders. Israel expresses the hope that the EU will forcefully promote these issues, as a substantial part of the remaining review process.

6. The last two dialogues on International Organizations took place in September 2009 and September 2010. Israel attaches great importance to this dialogue, and views it as the appropriate forum to exchange views on crucial issues within the international arena: inter alia the promotion of sustainable development, the Millennium Development Goals, global peace and security, as well as the work of the UN Security Council, the work of UN forums, and the priorities and agendas in view of UNGA 66.

7. The issue of inviting Israel to join the Western European and Others Group (WEOG) and equivalent western consultation groups within the framework of the United Nations and international organizations, thereby correcting the long-enduring discriminatory status of Israel in the UN system, is high on the agenda. 2007-2009 brought some progress in this regard, with Israel being invited to join the WEOG Consultation Group in Nairobi (UNEP, UNHABITAT) and Geneva (invitation to join group B in UNCTAD, WIPO). We call on the EU, which was the driving force in inviting Israel to WEOG in New York in 2000, and later in Nairobi and Geneva, to complete the systematic mending of this wrong and allow Israel to exercise its rightful role and contribute to the work of the UN in all of its professional bodies by Israel's becoming a full-fledged member of the western consultation groups.

Israel hopes for the continued support of the EU for Israel's full membership in WEOG and looks to the EU's activity vis-à-vis its colleagues in WEOG and its equivalents, where applicable, in order to attain this goal.

8. Israel shares the EU's longstanding commitment to fundamental democratic values and institutions. Israel maintains an open society with all basic freedoms enshrined and protected by the law. Many thousands of non-governmental organizations (NGOs), representing the full spectrum of social and political opinion, operate in Israel under this protective umbrella. Steps currently under consideration regarding the transparency of foreign governmental funding to NGOs in Israel are in no way designed to limit (beyond the existing boundaries of the law already in place) the freedom of these organizations to act. The purpose of the new proposed legislation is to promote maximum transparency regarding foreign governmental funding of organizations engaged in domestic political activity in Israel.

Many concerns have been raised in recent months in the Knesset, the media and elsewhere regarding the possibility that EU funding may be inadvertently supporting politically-motivated NGO activities designed to harm and undermine fundamental interests of the State of Israel. The GOI takes these concerns very seriously and has raised the matter on various occasions with EU representatives, both in Brussels and Jerusalem, as well as in relevant capitals. The GOI looks to the EU to take all necessary steps to ensure that there is no misuse of EU funds for purposes hostile to Israel and to ensure that NGO projects and activities that the EU does fund do indeed support and promote our shared values of tolerance, peace, dialogue and reconciliation.

9. The 4th EC-Israel Seminar on Racism, Xenophobia and Anti-Semitism was held in Jerusalem on 12-13 April 2010. This seminar concentrated on current trends of racism and Anti-Semitism and ways to combat and prevent them. At the 3rd EC-Israel Seminar in 2009, Israel presented and highlighted the dangers posed by Satellite TV stations that use their platform to broadcast Anti-Semitic and xenophobic material to millions of viewers worldwide. The focus last year was on legislation and enforcement as tools in the fight against this kind of hate speech and incitement that is prevalent in certain sectors of the internet, the general media and the new social media. To underscore this threat, Israel drew upon the case study of *Al Manar TV* that targets, among others, immigrant communities in Europe.

10. Israel would like to express its major concern over the alarming rise in Anti-Semitic incidents that occurred in Europe in 2009. The Director of the European Union Agency for Fundamental Rights (FRA), Morten Kjaerum, noted in the report entitled, *Anti-Semitism: Summary Overview of the Situation in the European Union 2001-2008*, that since December 2008, there has been a marked increase in Anti-Semitic incidents in EU states. During the EC-Israel seminar, this issue was addressed by both sides.

11. At the 2nd EC-Israel Seminar on Racism, Xenophobia and Anti-Semitism that was held in Jerusalem in January 2008, Israel gave a presentation on its efforts to tackle the issue of racial discrimination within society. The presentation focused on the projects that Israel initiated to promote co-existence between the different sectors of society, such as between Muslims, Christians and Jews, and between secular and religious people. These projects also include a campaign of awareness that seeks to educate society on the dangers of prejudice.

At the 3rd EC-Israel Seminar (Brussels, 2009), a presentation was made by the Commissioner for Equal Opportunities in Employment on Israel's fight against ethnic discrimination. The presentation highlighted the efforts made through affirmative action, legislation, and case law. Israel will continue to express its desire to enlarge the discussion on the issue of minority rights.

12. Israel wishes to collaborate with the EU on further developing cooperation in combating Anti-Semitism, xenophobia, hate speech and incitement - including through education, legislation, and enforcement. In addition, Israel would like, together with the EU, to continue to enhance the cooperation between the Fundamental Rights Agency and Yad Vashem.

13. Israel and the EU held a Troika Seminar on the dilemmas and concerns of democracies in fighting terrorism, and exchanged views and experience on counterterrorism policies, on putting organizations and individuals on terror lists, and on the legal aspects of counterterrorism in both national and international law. Israel and the EU shared their respective counterterrorism legislation and policies, and exchanged information regarding best practices and lessons that were learned.

Israel and the EU also discussed the challenge posed by extremists and terrorists to the democratic process.

14. During the years 2007-09, Israel participated actively in the "European Security Research and Innovation Fund" (ESRIF) and adopted its December 2009 final report.

As an active member in the EU framework agreement for R&D (FP7) Israel attaches special importance to the projects related to counter-terrorism and home land security.

15. Senior Israeli officials held discussions with different EU institutions regarding possible bilateral cooperation in the field of transportation security, with a focus on the aviation and maritime spheres, including ports. It should be noted that Israel seeks to establish relevant formal frameworks to discuss these issues and to implement operative cooperation.

16. In September 2010 Israel and the EU Commission held a seminar on terrorist financing and money laundering with the participation of diplomats, experts from financial intelligence units (FIU's), security and intelligence agencies. The seminar included presentations on aspects relating to legislation, investigations, enforcement, private sector involvement, standardization, bilateral and multilateral cooperation.

It was agreed to examine a follow up seminar in Israel during 2011 as well as experts working groups on aspects of mutual interest.

17. Israel is working closely with European institutions on the identification of organizations and individuals in EU member states that belong to or cooperate with terror organizations, in order to counter their activities by legal means.

18. During the past meetings of the Subcommittee on Justice and Legal Matters, the dialogue between Israel and the European Union focused on identifying priority topics for cooperation in this field, and the discussions centered primarily on the following priority issues: cooperation on personal data protection; the struggle against trafficking in human beings (in this respect, it is worth mentioning that a representative from the Ministry of Justice participated in the Third EU Day Against Trafficking in Human Beings); the prevention of money laundering and terrorism financing; and police and judicial cooperation. Within this framework, a number of cooperation activities have been successfully implemented, and ways for upgrading existing cooperation have been discussed. In this context, it can be mentioned that the negotiations between Israel and Europol for an operational cooperation agreement are in their final stages and the agreement is expected to be signed during 2011. Furthermore, discussions have been held on the opening of negotiations on a cooperation agreement between Israel and Eurojust, and the negotiations are expected to commence in the coming months. In addition, it should be noted that the adequacy finding process in the field of personal data protection (in accordance with Directive 95/46/EC), launched in 2007, has been successfully concluded, and the European Commission issued a decision on behalf of the EU on the 31st of January 2011, that Israel provides adequate personal data protection in accordance with the standards provided in the Acquis Communautaire.

19. In view of the progress in cooperation between the parties in the field of justice and home affairs, and the clear potential for further development in this area, Israel has stated on a number of occasions that from its point of view, the next natural step to enhance the legal cooperation would be taking part in EU professional fora and working groups in the abovementioned areas, as well as establishing bilateral frameworks in these fields.

20. We note that during the annual meeting of the EU-Israel Association Council in May 2008, it was proposed by the EU to formulate a joint declaration underlining the common will to upgrade cooperation in justice and home affairs by covering the entire range of relevant matters of cooperation in these areas. Israel has wholeheartedly welcomed this proposal, and a draft declaration was proposed in July 2008. This issue was discussed during the 2009 EU-Israel Association Council. Israel still attaches great importance to such a declaration and is willing to make progress in this matter.

21. The EU is Israel's primary trading partner, and the total volume amounted to approximately US \$35.8 billion in 2010 – an increase of 20 percent of the trade volume (including diamonds) compared to the previous year. Israeli exports to the EU are roughly \$15.4, while EU exports to Israel are \$20.4 billion. The trade balance is approximately \$5 billion in favor of the EU. The EU represents 26 percent of the Israeli export market and 35 percent of its import market.

The situation stands in contrast to previous years, and can be attributed to the global economic crisis which had a negative impact on demand. However, it is important to mention that a positive sign of recovery, in imports as well as exports, was realized during the second half of last year, which provides grounds to assume that the former level of trade can be restored.

22. On November 4th 2009, a revised agreement on liberalization of trade in agricultural products was signed, under which 80 percent of Israeli exported fresh products and 95 percent of processed agricultural products will be totally exempt from all taxes and levies. The agreement came into force in January 1, 2010.

Moreover, a Sub-Committee meeting on Agriculture and Fisheries was convened on November 27, 2009 and issues concerning non-tariff barriers for trade were raised, some of which are now already in an advanced phase of implementation.

23. In May 2010, the Agreement on Conformity Assessment and Acceptance (ACAA) of Industrial Products was signed, enabling the mutual recognition of laboratory tests. The agreement is waiting for the completion of the ratification process by the European Parliament. Israel expects all relevant institutional actors to work towards the completion of the process as soon as possible.

24. Israel considers the convening of the Israel – EU business dialogue, which took place in Jerusalem in October 2009 with the participation of the European Commission Vice President Verheugen, to have been an important event which contributes to bringing together the private sectors from both sides. It is important to note that the fruitful visit of Commissioner Verheugen helped to strengthen the economic ties between Israel and the EU.

25. Israel's participation in the EIP sub-program of the CIP confirms and supports the mutually beneficial exchanges of Israeli and European business and innovation agencies. Israel expects to negotiate soon with the European Commission its future participation in the Intelligent Energy Europe sub-program.

26. The successful participation of Israel in the EU Framework Program for Research and Technological Development (FP7) demonstrates the high quality of Israeli R&D and its strong innovative capacity, as well as the mutually beneficial cooperation in this field. In this light, Israel would highly welcome any active involvement in the process of shaping the next 8th Framework Program.

27. Israel welcomes the signing in December 2008 of the horizontal air transport agreement, bringing bilateral air service agreements between Israel and EU member states in line with EC law. Israel also welcomes the progress made in negotiating a comprehensive EU-Israel Euro-Med aviation agreement providing for gradual market opening and a high level of regulatory convergence. The initial rounds of consultations helped to clarify reciprocal positions, and the last, fifth, round, which took place on January 26th 2011 in Brussels enabled the parties to make some progress. Also noteworthy was the successful meeting on 24 November 2009, that was a step forward in Euro-Med Aviation Space. Israel is continuing to explore ways to cooperate with EUROCONTROL.

28. The Tax and Customs Sub-Committee, which convened in Jerusalem at the beginning of December 2009, served to strengthen the technical exchange of views about various issues - ranging from "green taxation," alcohol taxation, the fight against fraud, procedure facilitation, mutual customs aid, to the pan-European accumulation.

29. The Transport, Energy and Environment sub-committee that convened in mid-March 2010 in Jerusalem helped to update information about EU legislation and policies in those various fields, examine the progress on concluding an EU-Israel aviation agreement, exchange views about aviation safety, and provide soan overview of the Israeli participation in relevant EU programs (SAFEMED, Marco Polo II, and possibly SESAR). The latest developments in electricity and gas reforms, renewable energies, energy networks and energy efficiency, and regional cooperation issues in this sector were explored. The issue of climate change received special attention, as well as sector-specific topics like air quality, water management, waste management, nature protection, industrial pollution and international environmental protocols and conventions.

30. Two twinning projects (one in the area of data protection and the other in the field of urban public transport) have been successfully concluded. A third twinning project is currently underway (on equal opportunities in the labor market), a fourth one (veterinary inspection services) will begin shortly whereas a fifth (on regulation of the communication market) is going through the evaluation process. The overall impression is positive and is highly appreciated by the Israeli beneficiaries.

31. Israel greatly appreciates the technical assistance and information exchange provided by the EC under the TAIEX ENP Instrument. Many Israeli government entities and officials have benefited from this instrument in becoming better acquainted with EU legislation, standards, and best practices.

According to the EC records, Israel is the leading country in the Mediterranean in terms of requests and organization of TAIEX events. It is important to mention the contribution of the TAIEX about EU Law that was given in Israel to a highly respected group of judges (including the Supreme Court) and we extend our appreciation to the European administrators that helped to organize this event .

32. Israel notes with great satisfaction and gratitude the substantial role of the EIB in financing infrastructure projects like the solar energy station in the Negev desert, the desalination plant in Soreq, and the granting of a loan to the Israel Electric Corporation. In this context, Israel welcomed the visit to Israel in December 2009 of the EIB Vice President, Mr. Philippe de Fontaine Vive.

33. Israel welcomes the renewal of the Israel National Tempus Office activity. In the first phase of Tempus, two Israeli projects were selected, in the second phase one Israeli project was selected and in the third phase, another two Israeli projects were selected, one of which as a lead. Based on the Joint Declaration on Cooperation and Dialogue on Education, Higher Education and Vocational Training, a second meeting of senior officials was held on 24-25 November 2010 in Jerusalem.

34. Israel welcomes the signing of the Financing Agreement of the Euro-Med Youth Program, Phase IV in September 2010, for the development of youth exchanges, the provision of informal education, and intercultural dialogue, within the context of Israel's participation in the Euro-Med Youth Program. Israel looks forward to participating in the trainings and workshops of the RCBS and SALTO, which is crucial for the appropriate implementation of the program.

35. In the field of culture, Israel actively participated in the Euromed Audiovisual II programme and plans to actively participate in the next programme, Euromed Audiovisual III. Israel actively participated in the regional project under the Euromed Heritage III programme in two projects: capacity-building and the promotion of the preservation of the shared Byzantine-Islamic cultural heritage; Rehabimed - Rehabilitation of Traditional Mediterranean Architecture. Israel plans to actively participate in the next programme, Euromed Audiovisual IV and the activities of the ENPI.

Other fields of cooperation

36. The Union for the Mediterranean (UfM): Israel has noted with satisfaction the adoption of the statutes of the Secretariat of the Union for the Mediterranean, which took place in Barcelona on 3 March 2010 and the establishment of the Secretariat in staff and technical terms, as well as the Work Program and the Budget of 2011. As Deputy Secretary General, responsible for the area of higher education and research, including EMUNI, Israel has selected Prof. Ilan Chet (former President of the Weizmann Institute and former Vice President for Research and Development of the Hebrew University of Jerusalem).

The Paris Summit for the Mediterranean (July 2008), the Euro-Mediterranean Foreign Affairs Ministers Meeting in Marseille (November 2008), as well as the various sectorial meetings at the ministerial level, have presented vast areas for regional cooperation and partnership.

We hope that the Union for the Mediterranean will be active in focusing on joint projects in the Euro-Mediterranean region.

Since the last Israel-EU Association Council meeting, some formal Ministerial Meetings as well as Senior Officials and Experts Meetings have been resumed after unjustified postponements, the political situation in the Middle East having been exploited by the Arab group as an excuse. In this context, Israel has expressed its regret at the postponement of the UfM Summit (which occurred twice, in both June and November 2010) and in light of the Arab initiatives to insert political paragraphs in the ministerial declarations.

We do hope that the UfM will be able to fulfill its objectives and challenges without manifestations of politicization.

37. ENPI-CBC: Many Israeli public institutions, private companies, and NGO's participated in October 2009 in the first Call for Proposals for Standard Projects within the framework of the "ENPI CBC Mediterranean Sea Basin Program 2007/2013."

Israel looks forward to active participation in future Calls for Proposals as well.

38. EU-BAM: The mandate of the European observer force at the Rafah Crossing Point, EU-BAM, was extended in May 2010 for 12 months, until May 2011.

39. EU POL COPPS: The European forces assisting the Palestinian Civil ("Blue") Police, EU POL COPPS, began its activity in 2007, with the agreement and active assistance of Israel. We appreciate and favorably view this activity and the ongoing coordination with the Israeli authorities, and note the expansion of its operation to law enforcement missions as agreed to in Berlin in May 2008.

Israel attaches great importance to the meetings of the four-party focal point group (Israel, the EU, the US, and the Palestinian Authority), as a follow-up to the Berlin Conference, in which coordination is monitored between the parties on matters pertaining to law enforcement and civil police in the areas ruled by the Palestinians.

The four-party focal point met in Jerusalem in November 2009 for the second time. It is our hope that the meetings of the four-party focal point will be conducted regularly and on a continuing basis. The mandate of the EU POL COPPS was extended in December 2010 for a further period of one year, to 31 December 2011.

Middle East Issues

Israel views with considerable concern the undermining of stability in the Middle East, which is being spurred on by Iran and other radical elements. The establishment of stable democracies throughout the region is the best way to guarantee long-term regional order and calm. However, this process must occur gradually, in tandem with the establishment of institutions that can undergird democratic stability. The recent developments in the region serve to underscore the key importance of adherence to regional and international agreements by all states in the Middle East.

40. Israel's Efforts for Peace with the Palestinians

- In keeping with its quest for peace since its rebirth in 1948, the State of Israel will continue to work to advance peace in our region, as we have done during the past year. Since the inauguration of our present government, we have repeatedly called for negotiations with the Palestinians. We have taken several steps, both in word and in deed, to advance peace.
- Prime Minister Netanyahu, in his speech at Bar-Ilan University, turned to the leaders of the Arab States and urged them to meet with him in order to make peace. He made a special call to the Palestinian leaders to begin immediate negotiations without pre-conditions, emphasizing that Israel wishes neither to rule them or manage their lives, nor impose upon them our flag and culture. The Prime Minister added that if Israel will receive guarantees regarding demilitarization of the areas to be ruled by the Palestinians, alongside proper security arrangements required by Israel, and that if the Palestinians will recognize Israel as the State of the Jewish People, Israel will be ready as part of a future peace settlement, to reach a solution in which a demilitarized Palestinian state will be established alongside the Jewish state. In this vein, the Government of Israel has consistently called on Israelis and Palestinians to live side-by-side in peace and security.
- Israel has worked to advance peace by removing hundreds of roadblocks and checkpoints in order to ease movement for the Palestinians and has taken concrete steps to facilitate Palestinian economic development. The Israeli Cabinet even took an unprecedented step and announced in November 2009 a ten-month moratorium on new housing construction in Judea and Samaria.

- Regrettably, notwithstanding all these steps, the Palestinian Authority has imposed preconditions for talks and waged a constant campaign to undermine Israel's very legitimacy in the international arena. The Palestinians have also completely failed to put an end to incitement against Israel in their official media: they openly honor and even name public places and squares after terrorists who murdered scores of Israeli civilians, and they broadcast programs on official Palestinian television, in which Palestinian youngsters are urged to call for the murder of Jews and express the wish to die as martyrs for the Palestinian cause.
- In his speech to the Knesset on 16 March, Prime Minister Netanyahu said, "We all know a simple rule. The only way to achieve a peace agreement is to begin negotiating a peace agreement. We are prepared to begin negotiations for peace at any time, including right now. I am not saying this only in relation to the Palestinians but also in regards to our other neighbors - to the Syrians and others. We desire peace."
- The Israeli Cabinet decision of 25 November 2009 for a ten-month moratorium on new housing construction in Judea and Samaria was a very difficult one and was intended as a goodwill gesture towards the Palestinians that would encourage them to return to the negotiating table as well as create an atmosphere conducive to the talks. The decision made clear, as stated by the Prime Minister, that the moratorium was for ten months only and that it would not include the municipal area of Jerusalem, Israel's capital.
- Jerusalem has always been at the center of the Jewish People's yearnings, its very heart and soul, and serves, therefore, as the capital of the State of Israel. To state otherwise flies in the face of the Jewish People's determination, proven time and again over history, to maintain its inalienable rights regarding the city. Therefore, Israel will continue to build in all parts of Jerusalem for the benefit of the Arab communities as well as for the benefit of the Jewish communities, taking into consideration the special needs of each community and modern urban planning principles.

At the same time, Israel has a cardinal interest in maintaining the rights of the adherents of all faiths in Jerusalem, guaranteeing tranquility in daily life, and the welfare of all the city's inhabitants – Jews and Arabs. However, extremist Islamic fundamentalist elements both in Israel and outside it have a different interest – that of stirring up intolerance and unrest. These efforts are connected to Hamas, and Israel views them with grave concern, knowing that they reflect the deliberate initiation of provocations especially related to the Temple Mount area, in order to instigate violent religious and nationalist fervor among the Arab citizens of Jerusalem, the Palestinians in Judea-Samaria and Gaza, and the Arab and Moslem world. Israel's policy, especially during the past year, has been to offset this negative trend, keep the calm, and continue to ensure that Jerusalem remains an open city accessible to all religions – where Jews and Arabs, Christians and Moslems, can live together and have freedom of religion and access to their holy shrines.

- In recent months, the government of Salaam Fayyad has made a considerable effort to obtain international recognition of a Palestinian state within the 1967 lines, in an attempt to bypass the need to hold negotiations with Israel and to reach a signed agreement with it. These efforts appear to have been directed also towards the members of the European Union. Israel views these attempts as a dangerous precedent that would further complicate the already complicated situation. There is no need for futile diplomatic measures by the Palestinians which will not change the reality on the ground, will not advance the need for a solution to the conflict, and will not create an atmosphere of good neighborliness and sustainability in the region. Such steps will lead to extremism and polarization in public opinion and among the elite, will create legal and political difficulties that do not exist today, and will make it even harder for the Palestinians to return to the negotiating table.

The European Union itself recognizes the importance of change reached through negotiations, and has even declared many times in the past that the EU would not recognize changes on the ground, rather only those that are made through mutual agreement on the basis of negotiations. We therefore call upon the European Union and its Members to bring their influence to bear on the leadership of the Palestinian Authority so that it will return to the negotiating table without preconditions and will desist from unilateral steps that would distance an agreed solution yet further.

Israel believes that unilateral declarations or political activity to prematurely recognize a Palestinian state are liable to bring about a contrary result to that which the Palestinians are hoping for, and Israel asks the members of the EU to warn their Palestinian interlocutors in this regard.

41. Israel's Support for Palestinian Economic Growth

- The Israeli government is committed to supporting Palestinian economic growth in Judea and Samaria. During the past year, as well as during the previous several years, Israel has continued to encourage economic activity, including removal of roadblocks and checkpoints (from 44 in 2008 to 16 in 2010), upgrading the commercial crossings, expanding operational hours in the commercial crossings and Allenby Bridge, expanding the number of permits to Palestinian businessmen, supporting the enhancement of industrial areas, etc, as well as training for professionals from economic-governmental sectors. These efforts directly contributed to Palestinian economic growth that reached a 9% increase in GDP in the three quarters of 2010 (Judea Samaria and Gaza).

- Israel has led efforts to support the capacity-building process in such spheres as security, various aspects of governance, the establishment of a legal and judicial system, and the strengthening of the banking system. Since mid-2007, there has been close cooperation between the ministries of finance of Israel and the Palestinian Authority. This cooperation includes the regular transfer of tax clearance revenues to the Palestinian Ministry of Finance by the Israeli Ministry of Finance, which has been carried out on a consistent monthly basis since July 2007. These revenues constitute one of the PA's primary sources of income, and are indispensable, together with budget support provided by donors and local tax collection, in enabling the PA to sustain operations, including payment of public sector salaries and private sector contracts. In addition, professional dialog is being held between the Bank of Israel and the Palestinian Supervisor of the banking system.
- Israel maintains close working ties with the Quartet's Envoy, former PM Tony Blair and with the UN Secretary-General's Special Envoy, Robert Serry. Israel cooperated with former PM Tony Blair and his team, as well as other foreign governmental representatives, to promote economic projects, for example: the French initiative for an industrial area in Bethlehem, the German project in Tul-Karem, the Japanese agro- industrial park in Jericho, the industrial area in Jalame and others.
- The Bank of Israel (BoI) has been working with the Palestine Monetary Authority (PMA) to smooth banking relations between the respective economies, subject to security concerns, Israeli and international anti-terror-financing legal requirements, and standards.
- Recently (February 4th) Israel agreed to an additional set of measures in Judea and Samaria including permits for schools and clinics in area C, additional transfer of cellular bandwidth, expansion of PA security presence in an additional 7 Palestinian cities, among others.

42. **The Situation in the Gaza Strip**

- In August 2005, Israel carried out a full disengagement from the Gaza Strip, including the uprooting of many Israeli communities and 8000 residents from the homes in which they lived for many years.
- Unfortunately, the Israeli disengagement has been responded to since then with continued firing over the last several years. Hundreds of rockets have been fired against communities inside southern Israel, causing destruction of property, injuries, and in some cases even death. The violent takeover of the Gaza Strip by Hamas, and the absolute refusal of that terrorist organization to recognize Israel's right to exist compelled Israel to take the unavoidable decision of declaring the Gaza Strip to be a hostile entity. Hamas, which is recognized by the EU as a terrorist organization and is on the EU's terrorist list, consistently refuses to accept the conditions of the Quartet and repeatedly exploits every opportunity to arm itself with the aim of attacking Israel's civilian population.

- The Israeli soldier, Gilad Shalit, was abducted by Hamas from inside Israel and has been held captive by that organization for almost 5 years. In flagrant violation of international law, Hamas is denying him visits by the International Red Cross and he is not receiving even the elementary conditions required by the Fourth Geneva Convention. Hamas is cynically and cruelly using Gilad Shalit and his condition as a pawn to achieve political objectives for the Hamas regime.
- Every government has the supreme obligation to defend its citizens and there is no democracy in the world that would tolerate living under the daily conditions of terror and rocket attacks that Israelis had to endure prior to Operation Cast Lead against Hamas. Israel's actions have never been intended to harm or target innocent civilians. Their situation stems directly from the terror regime imposed by Hamas on the Gaza Strip.
- According to the Israel Security Agency's annual report, Palestinians carried out 150 rocket launches and 215 mortar launches against Israel during the year of 2010.
- Nevertheless, Israel is committed to enabling the transfer of humanitarian goods into the Gaza Strip and is operating the crossing points to enable humanitarian movement, including businessmen and medical patients.
- Real GDP growth in the first half of 2010 (compared to the first half of 2009) was 16 percent for Gaza (IMF).
- On June 20, 2010, Israel's Security Cabinet adopted a new policy towards Gaza., based on the following elements:
 - Publication of a list of controlled items. All items that are not on the list are allowed into the Gaza Strip freely, with no need for any special permit (July 5th2010).
 - Upgrading and expansion of the capacity of the land commercial crossings. Kerem Shalom reaches the capacity of 400 trucks a day, which is far beyond the daily demand (average of 180).
 - Expansion of internationally-sponsored and monitored humanitarian projects. More than 120 were approved and are in different stages of implementation) Most of them are in health, education and housing, water and sewage.
- On December 8, 2010 the Security Cabinet approved additional measures to expedite increased transfer of goods out of the Gaza strip. Currently there is an average of 40 trucks a week carrying strawberries, carnations and peppers to European markets.
- Israel enables the transfer of cash to international organizations operating in the Gaza Strip and the transfer of shekels to pay the wages of Palestinian Authority employees (about 70,000 in number). There is no shortage of cash in the Gaza Strip.
- Recently, Israel and the PA agreed and started to implement a mechanism for transferring social security payments to beneficiaries in the Gaza Strip. More than 1,000,000 Shekels are being transferred each month to the Gaza strip as social security payments to over 600 entitled people.

- Israel recently (February 4th) agreed on an additional set of measures in Judea and Samaria and Gaza focusing on energy, water & sewage and infrastructure needs.

43. Iran

Iran's nuclear program and its support for terrorism pose a growing and immediate threat to international stability and security. It is now universally acknowledged that Iran's nuclear program is a military nuclear program, and that Iran continues its efforts at mastering technologies necessary for nuclear weapons development.

For years, Tehran has been pursuing its nuclear program while continuously and deliberately deceiving the international community, concealing the true nature of its activities, and blatantly ignoring numerous IAEA and UNSC resolutions. Iran's latest actions, including enriching uranium to a level of 20% and the intention to build ten additional enrichment sites in breach of UNSC resolutions, again demonstrate its military intentions.

A nuclear Iran would mean a cascade of instability in the Middle East and elsewhere, and would encourage other countries fearful of Iranian intervention and abuse to pursue their own nuclear weapons. This will result in the collapse of the current international non-proliferation regime.

Iran's destabilizing activities are not limited to the nuclear sphere. Iran is also seeking dominant regional and global influence by providing support to terror organizations through the Iranian Revolutionary Guard Corps. Iran is systematically arming its terrorist allies in Lebanon and Gaza, Hezbollah and Hamas, with weapons and rockets, thus promoting instability and inducing conflict. Iranian activity in support of terror is widespread not only in the Middle East, but also in regions of Latin America as well as Africa.

In addition to Iran's denial of the Holocaust, its repeated calls for the destruction of Israel, a member state of the United Nations, is tantamount to a call for genocide and should be viewed with the utmost severity.

While continuing to spread instability outward, the Iranian regime has also turned against its own people. The fallout of the June 2009 elections led to violent oppression of the opposition movement, additional multiple grave violations of human rights, the deprivation of freedom of speech, and torture and executions.

The international community has granted Iran a more than generous opportunity to achieve a negotiated settlement of the nuclear issue. Regrettably, Iran has turned down the outreached hand for negotiations, brazenly snubbing the world, and proving once again that it has no interest in allaying international concerns regarding its nuclear program.

Israel welcomes the EU decision, made on July 2010, to impose significant sanctions on Iran. This measure by the EU conveyed a determined message to the Iranian regime that it should abide by the demands of the international community. It indicates the price that Iran has to pay for continuing its current conduct, and signals that the international community will not acquiesce to Teheran's systematic disregard of international norms.

In accordance with the dual track approach set forth by members of the international community, including the EU, and after the failure of the Istanbul negotiations due to the pre-conditions posed by the Iranians, it is now time to return to the pressure track, including adopting a new UNSC resolution and EU decision in prospect of widening the sanctions against Iran. The international community must stand firmly in sending a powerful message to the Iranian leadership over its non-compliance. The Iranian regime must choose between compliance with international demands or paying of the penalty of mounting pressure and isolation.

44. Syria

Syria continues to maintain close ties and alliance with the region's radical and dangerous elements, comprised of Iran, Hezbollah and the Palestinian rejectionist factions led by Hamas. Syria provides direct assistance, including the permitting of arms transfers to the terror organizations in Lebanon, while hosting the leadership of Hamas, as well as other terror organizations, in the Syrian capital. Syria plays a significant role in the military build-up of Hezbollah, thus violating UN Security Council Resolutions 1559 and 1701 and interfering with the efforts to stabilize Lebanon and disarm Lebanese militias. Syria attempts to hold both ends of the stick. On the one hand, it projects an allegedly moderate agenda, targeted at improving its relations with the West, while on the other hand operationally assisting radical agendas and deepening its strategic and bilateral ties with Iran.

45. Lebanon

In January 2011 the elected government led by Saad Hariri fell and Najib Mikathi was asked to form a new government. It is expected that Hezbollah will exercise an increased influence over the Lebanese government. In parallel, Syria's influence over Lebanon is expected to increase as well. At this time, the government's structure, its policy platform and guidelines are unknown. However, the increased influence of Hezbollah and Syria points to further reaffirmation of the legitimacy of the "resistance", a euphemism for terrorist activities of armed groups such as Hezbollah. As widely noted, inter alia by the Secretary General of the United Nations, Security Council Resolutions 1559 (2004), 1680 (2006), and 1701 (2006) require the disarmament of all armed groups in Lebanon.

The continued inclusion of Hezbollah in the Lebanese Government and the continued affirmation of the so-called right to "resistance" are cause for deep concern as to Lebanon's future emergence as a stable, moderate, and responsible state in the region. Israel is closely monitoring the political developments out of concern for the stability of Lebanon as well as the security of its northern border.

It is incumbent upon the Government of Lebanon to ensure that Lebanon will not be used as a base for aggression against the State of Israel and against Israelis. Moreover, the Government of Lebanon must act to strengthen the country's stability and security, to stop arms smuggling into its territory, and to implement the relevant Security Council resolutions, first and foremost Resolutions 1559, 1680 and 1701. Lebanon's current membership in the Security Council as a non-permanent member underscores its responsibility to ensure that Security Council Resolutions are implemented. Concerning the Special Tribunal to Lebanon, Israel expects any government formed in Lebanon to abide by the international obligations to which it has committed itself. Israel considers the Lebanese government responsible for any military or otherwise hostile activity that emanates from its territory.

For its part, Israel continues in its commitment to advancing the full implementation of Resolution 1701, inter alia, by actively engaging with UNIFIL on the resolution of the Ghajar issue and by proceeding with the demarcation of the Blue Line. Israel attaches great importance to the regular trilateral meetings which may ultimately set the stage for a robust and positive dialogue between Israel and Lebanon.

Armed, financed, and supported by Syria and Iran, Hezbollah ignited a conflict in the summer of 2006 by an unprovoked attack against Israel across the Blue Line – the border to which Israel had withdrawn, in full and confirmed compliance with UNSC Resolution 425, six years before. Hezbollah is determined to prevent the Government of Lebanon from cooperating with the Special Tribunal to Lebanon. Hezbollah remains determined to destabilize the region on behalf of Iran's radical goals. Hezbollah is a terrorist organization which deliberately targets Israeli civilians and which exploits the weakness of the democracy in Lebanon to build its steadily expanding military and political power. Moreover, basing its weapons infrastructure within the villages of southern Lebanon, Hezbollah increasingly exposes Lebanese civilians to harm, employing them as "human shields" in clear and overt violation of the norms and principles of international law. In light of these facts, the EU should evaluate its position vis-à-vis Hezbollah and add it to the EU's list of terrorist organizations.

The nations of the region and Europe have an interest in preventing Lebanon from becoming an Iranian bridgehead in the region, which in turn undermines the stability of Lebanon. Hezbollah continues apace its militarized entrenchment in southern Lebanon and the increase of its arsenal of short, mid and long range missiles, activities which illustrate the risks in not fully implementing Security Council Resolutions 1559, 1680, and 1701. Incidents as have occurred in villages such as Sheabiyya, demonstrate ever more forcefully the need to address the issue, especially insisting on the disarming of Hezbollah and preventing arms smuggling into Lebanese territory. Full implementation of these resolutions is integral to strengthening moderate forces in Lebanon and will underscore the ability of the international community to exert a positive influence on regional dynamics. Indeed, failure to implement these resolutions could serve as a source of encouragement for extremist elements.

On August 8, two attacks by Lebanese Armed Forces on Israeli Defense Forces caused the death of Lieutenant Col. Dov Harari and critically wounded a company commander. These attacks threaten the stability, peace and security in the region. Furthermore, they are in violation of UN Security Council resolution 1701. Israel holds the Government of Lebanon responsible for these attacks and all actions conducted from Lebanese territory.

Israel welcomes Europe's role in carrying out UNSC Resolutions 1559, 1680, and 1701 and the commitment of several European states to contribute a significant number of troops to the UNIFIL force stationed in southern Lebanon. Israel reiterates its hope that Europe's troop commitment will remain unmitigated and enduring. In this context, Israel encourages UNIFIL to use all the authority granted to it under the Resolution, the Concept of Operations and the Rules of Engagement, in order to fulfill its mandate. All efforts should be exerted to enforce the arms embargo and complete the disarmament of all militias, including Hezbollah. Israel encourages EU States to continue enhancing their engagement in projects along the borders of Lebanon which aim to establish an effective border-control regime and stop arms smuggling into Lebanon. Only a determined stand of the international community calling for a full implementation of Resolutions 1559, 1680, and 1701 will prevent renewed confrontation and advance the realization of our common objectives.