

European BACKGROUND INFORMATION Community

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BACKGROUND NOTE

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ISRAEL AND EUROPEAN COMMUNITY INITIAL FINANCIAL AND COOPERATION PROTOCOLS

The European Community and Israel initialed financial and cooperation protocols yesterday in Brussels, rounding out and extending a commercial cooperation agreement in force since May 11, 1975.

The protocols will result in an alignment of the agreement with Israel with those recently concluded or initialed with Algeria, Tunisia, Morocco, Egypt, Syria, and Jordan. These agreements which are tailored to each country's stage of development and particular needs, are part of the Community's Mediterranean policy.

The cooperation protocol extends commercial cooperation, provided for in the 1975 agreement, into the areas of industrialization, trade commercial promotion, agriculture, fishing, science and technology, and the encouragement of private investments. Institutionally, it will be administered by a Cooperation Council. This protocol, like the agreement itself, will have an unlimited duration.

The financial protocol will make available 30 million units of account (UA)* for loans on normal terms through the European Investment Bank. The Community proposes to make this sum available over a five-year period beginning with the entry into force of the protocol. Israel asks for a three-year duration, starting with the date of signature.

*One UA was equivalent to \$1.107 on November 5, 1976.

Both parties now take the results of the negotiations back to their principals for final approval or ammendment.