

EUROPEAN PARLIAMENT

# Working Documents

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12 October 1983

DOCUMENT 1-785/83/ANNEX

OPINION

of the Committee on Budgets

on the recommendation from the Commission of the  
European Communities to the Council (Doc. 1-598/83 - 6677/82)  
for a regulation concerning the conclusion of a protocol  
relating to financial cooperation between the European Economic  
Community and the State of Israel

Letter from the Chairman to Sir Fred CATHERWOOD, Chairman of the Committee  
on External Economic Relations

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Strasbourg, 12 October 1983

Subject : Opinion of the Committee on Budgets on a recommendation  
for a regulation concerning the conclusion of a new  
financial protocol between the EEC and Israel (Doc. 598/83)

Dear Mr Chairman,

The Committee on Budgets considered the abovementioned proposal  
for a regulation at its meeting of 29 September 1983.

The Committee on Budgets noted that this proposal had already  
been embodied in the recommendations for Council regulations  
concerning the conclusion of new financial protocols between the  
European Economic Community and the countries south of the Mediterranean  
(COM (82) 116 final). On the subject of the present proposal for  
the conclusion of the financial protocol with Israel, it reaffirmed  
the favourable opinion it expressed in Doc. 1-846/82, while drawing  
attention to the need for the conciliation procedure to be resumed  
in respect of the measures implementing the financial protocols.

Yours sincerely,

Erwin LANGE

Present: Mr LANGE, chairman; Mr NOTENBOOM, vice-chairman;  
Mr ROSSI, vice-chairman; Mr ARNDT, Mrs BOSERUP, Mr LOUWES,  
Mr SABY, Mrs SCRIVENER and Mr SIMONNET.

PE 86.442/fin/Ann.

By letter of 11 July 1983, the President of the Council of the European Communities consulted the European Parliament on the recommendation from the Commission of the European Communities to the Council for a regulation concerning the conclusion of a Protocol relating to financial cooperation between the European Economic Community and the State of Israel (Doc. 1-598/83 - 6677/82).

On 12 September 1983, the President of the European Parliament referred the proposal to the Committee on External Economic Relations as the committee responsible and the Committee on Budgets for its opinion.

At its meeting of 28 September 1983, the committee appointed Sir Fred CATHERWOOD draftsman.

It considered the Commission proposal and the draft report at its meeting of 28 September 1983 and approved them unanimously.

The following took part in the vote: Mr van AERSSSEN, acting chairman; Mr ALMIRANTE, Mr COHEN, Mr JONKER, Mr MOMMERSTEEG, Mrs PAUWELYN, Mr RIEGER, Mr SEELER and Mr SPENCER.

The opinion of the Committee on Budgets will be published separately.

This report was tabled on 30 September 1983.

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The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council on the recommendation from the Commission of the European Communities to the Council for a regulation concerning the conclusion of a Protocol relating to financial cooperation between the European Economic Community and the State of Israel

The European Parliament,

- having regard to the recommendation from the Commission to the Council,
  - having been consulted by the Council pursuant to Article 238 of the EEC Treaty (Doc. 1-598/83 - 6677/82),
  - having regard to the report of the Committee for External Economic Relations and the opinion of the Committee on Budgets (Doc. 1-785/83),
  - having regard to the result of the votes on the Commission's proposal,
1. Approves the recommendation;
  2. Welcomes the signing of the new financial protocol in Brussels on 24 June 1983 and hopes that the procedure laid down for using the funds specified in the protocol will be implemented forthwith so as not to jeopardize the continuity of financial cooperation between the two sides;
  3. Instructs its President to forward to the Commission and the Council, as Parliament's opinion, the Commission's recommendation as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENT

The European Community and Israel have been linked by a trade agreement since June 1964.

In May 1975, the Nine concluded a new agreement with Israel as part of the overall approach to Mediterranean policy.

The distinguishing feature of the agreement, which entered into force on 1 July 1975, is its dynamic nature. The signatories declared themselves prepared to reconsider it and broaden its scope should such appear appropriate and to extend it to cover further sectors.

Article 1 of the agreement states its objectives:

- to promote through the expansion of reciprocal trade the harmonious development of economic relations between the EEC and Israel and thus to further in the Community and in Israel dynamic economic activity, the improvement of living and employment conditions, increased productivity and financial stability,
- to promote cooperation in areas of reciprocal interest to the contracting parties,
- to ensure fair conditions of competition for trade between the contracting parties,
- to contribute, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

Financial cooperation is an integral part of the Community's relations with Israel.

The financial protocols are in fact intended to set in train cooperation that will contribute to Israel's economic development and the strengthening of relations between the two parties.

A first financial protocol, covering 30 million ECU, expired on 1 October 1981. Following a European Council decision, it was decided to postpone the signing of a second financial protocol, but this eventually took place in Brussels on 24 June 1983.

The second financial protocol makes 40 million ECU available to Israel. This amount may be committed, for a period expiring on 31 October 1986, in the form of loans granted in accordance with the conditions, rules and procedures laid down by the Statute of the European Investment Bank.

Capital projects helping to increase productivity and to achieve complementarity between the contracting parties' economies and promoting, in particular, the industrialization of Israel, which have been submitted to the Bank by the State of Israel, or, with the latter's agreement, by public or private undertakings having their seat or a place of business in Israel are eligible for financing.

In conclusion, the European Parliament welcomes the signing of the second financial protocol and hopes that the procedure laid down for using the funds specified in the protocol will be implemented forthwith so as not to jeopardize the continuity of financial cooperation between the two parties.

Parliament is of the opinion that it would be advisable when the protocol is renewed, to consider and assess the possibility of implementing other forms of cooperation and scientific research between the two sides as was proposed during the negotiations on the signing of the second financial protocol.

