

## ENP Country Progress Report 2011 – Israel

*The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 15 May 2012 the annual “neighbourhood package”, consisting of a joint communication (“Delivering on the new European Neighbourhood Policy”) making an assessment of the first year of implementation of the new ENP adopted in 2011, a separate joint communication proposing an “Eastern Partnership Roadmap”, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean (including a roadmap for future action), an Eastern Partnership progress report, 12 country reports (on developments in 2011 and with a set of recommendations for the future), including one on Israel, and a statistical annex.*

Throughout 2011, an effort was made to infuse greater dynamism into EU-Israel relations. The Association Council met in February, and the EU and Israel agreed to further explore the opportunities still offered by the current Action Plan in a number of sectors and policy areas, as well as to pursue “technical talks” in order to identify areas for future potential cooperation.

On the basis of this year’s report and with a view to the sustained implementation of the ENP Action Plan in 2012, Israel is invited to:

- Enhance cooperation with the EU on exhausting the opportunities offered by the current Action Plan and on considering possible areas of future co-operation to be addressed when the regional situation allows.
- Continue to step up its efforts to minimise settler violence in the occupied Palestinian territory and to bring all perpetrators to justice.
- Address the excessive use of administrative detention.
- Step up efforts to reverse the trend of deteriorating conditions for the functioning of a vibrant civil society.
- Ratify the Second and the Third Protocol to the 2003 UN Convention in Transnational Organised Crime on the illicit manufacturing of and trafficking in firearms, their parts, components and ammunition.
- Take the necessary measures to ensure the independence of the Israeli Equal Employment Opportunities Commission.
- Address the control deficiencies for plants and plant products for export.
- Sign and ratify the Regional Convention on Pan-Euro-Mediterranean Rules of Origin.
- Amend the legislation on intellectual property rights in line with OECD commitments.

- Take measures to lower carbon emissions, in line with international agreements.

### Political dialogue and reform

- In the field of **deep and sustainable democracy**, a trend that became apparent in 2010 continued with an unprecedented number of bills that can be labelled as "discriminatory" or even "anti-democratic" being tabled in the Knesset. The democratic process still ensures that many of these bills do not become law, but their number, and the little effort made by their proponents to hide the fact that they were intended to benefit or target specific individuals or organisations, is worrying.
- The adoption of an amendment to the law of defamation and a certain politicization of media appointments indicate a worsening climate for investigative journalism.
- Israel has a good performance in the fight against **corruption** and continues to protect the **independence of the judiciary**.
- Progress on the situation of the Arab minority was limited. **Women's rights** have become the subject of increasing debate as a result of a more aggressive attitude on the part of the ultra-Orthodox groups.
- The EU remains one of the largest donors supporting Israeli civil society efforts to promote human rights and conflict resolution. This exposes the EU to some public and government criticism.
- The **situation in the occupied territories**, in the context of a stalled peace process and worrying developments on the ground, including increased settlement activity in East Jerusalem and the rest of the West Bank, remained tense.
- The EU continued to encourage both the Israelis and the Palestinians to return to the negotiating table while also leading efforts to reinvigorate the Quartet. In its statement on 23 September, the Quartet called for the resumption of **direct bilateral negotiations** without delay or preconditions and called upon the parties to refrain from provocative action and reiterated their obligations under the Roadmap.

### Economic and social reform

- Economic growth was 4.8% in 2011. Unemployment fell to 5.5% in Q2 (it's lowest level for 50 years) but beginning to rise again thereafter. Inflation average was 3.5%. The shekel remained strong compared to pre-crisis values.
- Despite good economic growth and low unemployment, Israel has the highest poverty rate in the OECD and remains characterised by deep socio-economic cleavages.
- "Social justice" protests highlighted concerns about the increased cost of living and the high and rising rate of relative poverty. This led the government to take steps to gradually decrease housing and commodity prices, encourage competition and limit the influence of business conglomerates in the local market.
- On **social inclusion**, the implementation of the EU twinning project with the Israeli Equal Employment Opportunities Commission continued

### Trade-related issues, market and regulatory reform

- In 2011 EU was the main trading partner for Israel with total trade amounting to approximately €29.5 billion (increase by 15%).
- On **free movement of goods and technical regulations**, the EU-Israel Agreement on Conformity Assessment and Acceptance of industrial products (ACAA), signed in 2010, still awaits European Parliament's consent.
- In the area of **customs**, Israel finished an Authorized Economic Operator (AEO) pilot project.
- In the field of **intellectual property rights**, Israel amended the data exclusivity legislation, but fell short of its OECD commitments.
- For **public procurement**, Israel decided to gradually phase out the offset requirements under the Agreement on Government Procurement (GPA), as requested by the EU.
- Israel strengthened the supervision of **financial services** in February 2011 by amending the law on Pension Counselling and Pension Marketing.
- The Government committee for **competition** recommended to the Government to take action against excessive ownership concentration in the Israeli economy.
- Israel participated in implementing the 2011-2012 industrial cooperation work programme that Euro-Mediterranean industry ministers adopted in May.

#### Cooperation on justice, freedom and security

- Concerning justice and home affairs, the committee set up in 2010 at the Ministry of Justice to formulate a proposal for a comprehensive **migration** law has not completed its work.
- In January 2011, Israel introduced more restrictive procedural regulations for the treatment of **asylum seekers**. The government seeks to deter as much as possible the entry of asylum seekers. Israel grants asylum seekers from Eritrea and Sudan "group protection from deportation" but does not provide them with medical, welfare care and employment opportunities.
- Regarding **trafficking of human beings**, Israel continues to be a destination country for labour and sex trafficking.
- In the area of **data protection**, the Twinning project on "Strengthening Data Protection in Israel" assisted in developing the operational capability of the Law, Information and Technology authority as a data protection authority.
- Concerning **police and judicial cooperation**, negotiations between Israel and Europol continued with a view to concluding an operational cooperation agreement. Contacts were established with Eurojust with a view to signing a cooperation agreement.

#### Transport, energy, environment, the information society, research and development

- **Transport:** In August a light rail tram opened in Jerusalem. In December, Israel and the EU agreed to aim at finalising the negotiations and initialling the comprehensive aviation agreement in 2012. In October, Israel and the European Commission signed a joint statement on cooperation in the area of Global Navigation Satellite Systems (GNSS).
- **Energy:** In October Israel launched work towards an energy master plan–2050, which will take full account of the recently discovered substantial off-shore

natural gas resources. The EU remains committed re-launching trilateral energy cooperation with Israel and the Palestinian Authority.

- **Climate change:** Sub-regional co-operation (Israel, Jordan, Palestine) was launched on the impact of climate change on water availability. Israel is encouraged to engage in the new carbon market mechanism to be developed following the UNFCCC COP 17, as well as to fully implement the Cancun and Durban agreement.
- **Research and innovation:** Israel participated in the 7<sup>th</sup> Framework Programme for Research and Technological Development (900 projects), in research actions run by the Joint Technology Initiatives as well as under the European Research Council (120 grants awarded).

#### People-to-people contacts, education and health

- **Education:** EU-Israel higher education cooperation continued via the Tempus IV programme (six university cooperation projects), the Erasmus Mundus programme and the Marie Curie scheme (260 researchers and 267 research organisations). In the area of EU integration studies, one Jean Monnet project from the Bar Ilan University was selected in 2011.
- **Culture:** Two projects were selected under Euromed Heritage IV in 2011, to be implemented by Arab organisations from Israel, in partnership with organisations from the occupied Palestinian territory and Europe. Israeli youth organisations continued benefitting from the exchange opportunities under the Youth in Action programme (51 projects involving more than 180 young people).
- **Health:** The Government adopted a comprehensive health policy, covering the period until 2020 as well as a national plan promoting an active, healthy lifestyle. Israel participated in the EU-supported 'Episouth Plus' project aimed at increasing health security in the Mediterranean region and South East Europe.

#### Israel in the Occupied Territories

- The exercise of **media freedom, freedom of expression** and **freedom of assembly** remained problematic in the occupied Palestinian territory in 2011. Palestinian **freedom of association** was curtailed in East Jerusalem.
- During the year, 11 Palestinians and eight Israelis were killed in Israeli-Palestinian **conflict-related incidents** in the West Bank and the Gaza Strip, and 265 Palestinians and 30 Israeli were injured. Israel has continued its widespread use of **administrative detention** of Palestinians, and there was a sharp increase in the number of administrative detainees (from 219 in January to 307 in December).
- Palestinian **economic** and **social rights** remain hampered by Israeli restrictions on the freedom of movement. Restrictions on movement and access have a negative impact on the ability of Palestinians to obtain Schengen visas. **Property rights** came under particular strain and the risk of forced displacement of Bedouin communities increased.

## EU-Israel – BACKGROUND

### THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Israel.

2000: EU-Israel Association Agreement entered into force

2005: EU-Israel Action Plan was approved. Its validity has been extended until June 2010.

2008: Launch of the Union for the Mediterranean (UfM, reinforced Euro-Mediterranean Partnership).

### FACTS AND FIGURES

2007-2010: The ENPI<sup>1</sup> financial contribution for Israel was earmarked at EUR 8 million, initially divided into four yearly EUR 2 million instalments. This was reduced in 2009 to EUR 1.5 million, reflecting problems in absorption capacity by the Israeli government

2011-2013: The European Neighbourhood and Partnership Instrument (ENPI) envelope for Israel under the National Indicative Programme (NIP) 2011-2013 has been earmarked at EUR 6 million. The NIP is geared towards supporting the achievement of key policy objectives, as outlined in the EU-Israel Action Plan, and pursues the approximation of Israeli norms and standards with those of the EU.

2012: the first meeting of the EU-Israel Sub-Committee on Economics and Financial Matters took place.

#### More info at:

[http://ec.europa.eu/world/enp/documents\\_en.htm](http://ec.europa.eu/world/enp/documents_en.htm)

[http://eeas.europa.eu/israel/index\\_en.htm](http://eeas.europa.eu/israel/index_en.htm)

[http://eeas.europa.eu/enp/index\\_en.htm](http://eeas.europa.eu/enp/index_en.htm)

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<sup>1</sup> the European Neighbourhood Partnership Instrument