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REPORT

on the proposal for a Council decision on the conclusion of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel
(COM(2003) 568 – C5-0478/2003 – 2003/0220(CNS))

Committee on Industry, External Trade, Research and Energy

Rapporteur: Godelieve Quisthoudt-Rowohl

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

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PROCEDURAL PAGE

By letter of 15 October 2003 the Council consulted Parliament, pursuant to Article 300(3), first subparagraph, of the EC Treaty, on the proposal for a Council decision on the conclusion of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel (COM(2003) 568 – 2003/0220(CNS)).

At the sitting of 20 October 2003 the President of Parliament announced that he had referred the proposal to the Committee on Industry, External Trade, Research and Energy as the committee responsible and the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the Committee on Budgets for their opinions (C5-0478/2003).

The Committee on Industry, External Trade, Research and Energy appointed Godelieve Quisthoudt-Rowohl rapporteur at its meeting of 20 October 2003.

The committee considered the Commission proposal for a Council decision and the draft report at its meetings of 26 November 2003 and 27 January and 24 February 2004.

At the last meeting it adopted the draft legislative resolution by 40 votes to 5, with no abstentions.

The following were present for the vote: Luis Berenguer Fuster, (chairman), Peter Michael Mombaur (vice-chairman), Godelieve Quisthoudt-Rowohl (rapporteur), Gordon J. Adam (for Gary Titley), Bastiaan Belder (for Yves Butel), Ward Beysen (for Gian Paolo Gobbo), Guido Bodrato, David Robert Bowe (for Norbert Glante), Marco Cappato, Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Dorette Corbey (for Harlem Désir), Marie-Hélène Descamps (for Elizabeth Montfort), Concepció Ferrer, Francesco Fiori (for Umberto Scapagnini), Jacqueline Foster (for Sir Robert Atkins), Cristina García-Orcoyen Tormo (for Angelika Niebler), Neena Gill (for Myrsini Zorba), Alfred Gomolka (for John Purvis), Michel Hansenne, Hans Karlsson, Hedwig Keppelhoff-Wiechert (for Werner Langen, pursuant to Rule 153(2)), Bashir Khanbhai, Dimitrios Koulourianos (for Konstantinos Alyssandrakis), Helmut Kuhne (for Massimo Carraro), Rolf Linkohr, Caroline Lucas, Marjo Matikainen-Kallström, Eryl Margaret McNally, Ana Miranda de Lage, Giuseppe Nisticò (for W.G. van Velzen), Reino Paasilinna, Paolo Pastorelli, Samuli Pohjamo (for Willy C.E.H. De Clercq), Imelda Mary Read, Mechtild Rothe, Christian Foldberg Rovsing, Paul Rübzig, Herman Schmid (for Marianne Eriksson, pursuant to Rule 153(2)), Konrad K. Schwaiger, Esko Olavi Seppänen, Geoffrey Van Orden (for Dominique Vlasto, pursuant to Rule 153(2)), Alejo Vidal-Quadras Roca and Olga Zrihen Zaari.

The Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy decided on 4 November 2003 not to deliver an opinion. The Committee on Budgets decided on 4 November 2003 not to deliver an opinion.

The report was tabled on 25 February 2004.

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a Council decision on the conclusion of the Agreement on Scientific and Technical Cooperation between the European Community and the State of Israel (COM(2003) 568 – C5-0478/2003 – 2003/0220(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal for a Council decision (COM(2003) 568)¹,
 - having regard to Articles 170 and 300(2), first subparagraph, of the EC Treaty,
 - having regard to Article 300(3), first subparagraph, of the EC Treaty, pursuant to which the Council consulted Parliament (C5-0478/2003),
 - having regard to Rules 67 and 97(7) of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, External Trade, Research and Energy (A5-0115/2004),
1. Approves the Commission proposal for a Council decision and agrees to the conclusion of the Agreement;
 2. Instructs its President to forward its position to the Council and Commission and the governments and parliaments of the Member States and the State of Israel.

¹ OJ C ... / Not yet published in OJ.

EXPLANATORY STATEMENT

1. Introduction

On 20 November 1995 a Euro-Mediterranean Association Agreement was concluded between the European Union and Israel by which Israel became associated with the EU in the following fields: the movement of goods and services, the right of establishment, the movement of capital and economic and cultural cooperation. It also institutionalised a regular political dialogue with Israel. Comparable Euro-Mediterranean Agreements have been concluded with 11 other partners: Algeria, Cyprus, Egypt, Jordan, Lebanon, Malta, Morocco, the autonomous Palestinian Authority, Syria, Tunisia and Turkey. Not all these partners have the same status: Cyprus and Malta are applicant countries due to accede to the European Union on 1 May 2004. The European Union has special relations with the Palestinian Authority and is a partner in the Middle East peace process.

Since 1975 Israel and the European Union have been cooperating in the field of research and development. In 1983 they began jointly to finance research projects in the material sciences, optoelectronics and neurosciences. Following the general Euro-Mediterranean Agreement (see above) research cooperation was also institutionalised. Since 1996 cooperation has been regulated by a scientific and technical cooperation agreement under which Israel has been able to take part in the Fourth Framework Research Programme. A second such agreement was concluded on 11 February 1999 for Israeli participation in the Fifth Framework Research Programme (5th FRP). These agreements are a recognition of the international nature of research at the end of the 20th century. They also recognise that to limit research to EU territory would frequently be contrary to the interests of research.

The EU is linked by close ties to Israel not only in the field of research, but also in trade. 40% of Israeli imports come from the EU, while some 30% of its exports are exported to the EU. Israel and the EU have undertaken to open their public tender procedures to each other (within the framework of the Singapore negotiations in the WTO). In this way markets in the field of public transport, services, medical equipment etc. have been opened in the medium term. In the field of telecommunications, there is a bilateral agreement between the EU and Israel involving the reciprocal opening of markets.

2. Research cooperation between the EU and Israel

There is a very innovative research climate in Israel, and Israel still spends more money on research in relation to its GDP than the EU. Israel is a world leader as regards the number of scientific publications per capita. Israel is very advanced in the following fields:

- biotechnology - both in agriculture and the environment, but also in neurobiology and stem cell research,
- optoelectronics,
- medical research,
- space travel,
- information technology,
- telecommunications and
- the development of software.

Both sides benefit from cooperation: Israel gains access to a more extensive network of research institutes, while the EU is able to tap Israel's innovative potential. In the Fifth Framework Research Programme Israeli institutions were involved in some 600 projects. The following table shows how these projects are distributed:

Table: Israeli participants in the Fifth Framework Research Programme

Specific Programme	Israeli participants	Contracts with at least one Israeli participant	Total participants in contracts with at least one Israeli partner	EU financial involvement in projects with at least one Israeli partner (in euros)	EU contributions paid to Israeli participants (in euros)
Quality of Life	206	159	1495	234 343 567	31 271 018
Information society	211	167	1428	389 740 329	67 523 311
GROWTH ¹	120	94	1137	233 275 667	24 556 483
EESD ² ENVIRO	56	45	612	73 337 664	9 281 643
EESD Energy	34	28	264	30 415 306	6 505 458
INCO ³	17	13	92	9 375 980	2 331 215
IHP ⁴	80	79	537	75 089 869	12 880 013
INNO ⁵	15	6	44	5 768 600	2 887 270
Euratom	-	-	-	-	-
Total	739	591	5609	1 051 346 982	157 236 411

A complete account with descriptions of all projects can be called up on the Commission research server: <http://www.cordis.lu>.

Some projects have partners not only from Israel, but from the entire Mediterranean. Research in water treatment is thus conducted jointly with researchers and institutions from Egypt and Jordan and also the Palestinian Authority.

As in previous programmes, research cooperation in the field of military research is neither possible nor desirable. The Euratom Programme does not form part of cooperation either.

3. Finances

As in the two previous Agreements, Israel is expected to contribute financially to the Sixth FRP in proportion to its GDP. It participates in the programme as a partner with the same rights and obligations as EU Member States: the only exception is the Scientific and Technical Research Committee (CREST), in which it is only an observer. In the four years from 2003 to 2006 it is expected to make a financial contribution totalling €191.9 million. This compares with the EU's contribution to the programme amounting to €16 270 million. There are no additional personnel costs for the EU, only travel expenses amounting to €2 640 000 for the entire period of the programme. Such costs arise when EU experts and officials

¹ Competitive and sustainable growth.

² Energy, environment and sustainable development.

³ Confirming the international role of community research.

⁴ Improving human research potential.

⁵ Promotion of innovation and encouragement of SME participation.

travel to Israel to evaluate projects.

Israel's contribution to research funds and the know-how of Israeli institutes can only be seen as positive for EU participants.

4. Extending the Agreement

Cooperation between Israeli and European research institutions and firms has so far worked well, as the large number of projects involving Israelis would indicate. In implementing the Agreement a joint committee will be set up, ensuring the involvement of Israeli officials in administrative committees and the participation of experts to give their expertise and in programme committees

From a research point of view, there is no reason why the Agreement should not be extended. However, it comes at a politically critical time in which the Middle East peace process is floundering. The position of the Commission and Council in this crisis is perfectly clear. The EU continues to support the Middle East Peace Process. It enjoys economic and political ties both with Israel and the Palestinian Authority. In order to support the peace process, these ties are very important since they help ensure that normal life continues and allow the EU to be a partner in the peace process.

The general Association Agreement concluded in 1995 as part of Euro-Mediterranean cooperation is still in force. The Commission has successfully concluded negotiations on the conclusion of a new agreement on research cooperation and has submitted the results to the Council for ratification.

Your rapporteur is fully aware of the difficult political situation. It is precisely because of this that she supports the Agreement. Political decisions should not be taken in the framework of research policy, but as part of general political agreements and guidelines.

From the point of view of research policy, the Agreement is warmly to be welcomed. Researchers and research institutes in the European Union and undertakings stand to benefit from cooperation. As regards the political situation, it may help ease the tensions, since it will also enable Palestinian researchers and institutions to work together with Israeli and European institutes. Your rapporteur therefore recommends that the agreement be adopted.