

**Benita Ferrero-Waldner**

European Commissioner for External Relations and European  
Neighbourhood Policy

## **Bilateral relations between Israel and the European Union**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

The Hebrew University of Jerusalem

**Jerusalem, 27 February 2007**

Professor Magidor,  
Your Excellencies,  
Ladies and Gentlemen,

Thank you Professor Magidor for those kind words of welcome. I am truly delighted to be here. Not only because the work the Hebrew University is doing through its European Forum is immensely valuable for the future of EU-Israel relations, but also because of the links you have with my home country. The Hebrew University's Centre for Austrian Studies was established under my tenure as Foreign Minister so I am very familiar with its activities. And we are proud of the good collaboration between Austrian and Israeli academics and students.

But I am not here with an Austrian hat today – instead my task is to wear a European hat and talk to you about relations between Israel and the European Union as a whole.

Those few sentences hint at the complexity of modern European identity. As professional Europe-watchers you are familiar with the way we switch between one identity and another, reconciling them as we go. The question of “European-ness” is on the one hand fraught and uncertain; and on the other an ever-shifting, all-embracing, infinitely malleable concept.

I believe this flexibility in attaching the label “European” to different identities, while not entirely problem-free, does set us out as a model for others.

But perhaps it also makes it hard for our partners to understand us. Even when we think we have made clear our desire for deeper relations, maybe it's not so easy to decide how to work more closely with us. That, I suspect, is the point we have now reached in EU-Israel relations.

But before I come to that, let us look at where we currently stand.

Relations between us have certainly moved into a warmer era. We may not agree on everything, but there's definitely a new spirit of collaboration in the air. We have also made more effort to get to know one another; perhaps some of you saw the series "See you in my place" on Israeli TV last year? It follows the experiences of border guards, chefs and teachers from Israel and the EU as they swap jobs, homes and countries for a week. Many of the preconceptions we have of each other turn out to be wrong when we see each other close-up.

We're already seeing the results of this new rapprochement: I don't know how much is due to “See you in my place”, but according to an opinion poll published last week, 75% of Israelis would like their country to become part of the EU.

Israel's participation in the European Neighbourhood Policy has also helped give new energy and focus to our relations. The European Commission made it a priority to include Israel in the first wave of ENP Action Plans, so it was especially meaningful when Israel became the first partner to agree an Action Plan with us.

The purpose of the Action Plan is to gradually integrate Israel into European policies and programmes. Every step we take is determined by both sides and the Action Plan is tailor-made to reflect Israel's interests and priorities.

We have both been working hard to make the plan a reality. Our cooperation on areas as diverse as political dialogue, anti-terrorism, trade and investment promotion, justice and security, science and technology has significantly improved.

We offered Israel the opportunity to take part in the EU's internal programmes and agencies, and received an enthusiastic response. We are currently working on opening those programmes, dealing with issues as varied as customs, taxation, culture, youth and film. Just last week we agreed Israel's participation in the EU's 7<sup>th</sup> Framework Programme for Research and Development, making Israel an integral part of the fast-expanding European Research Area. And we will soon start work on Israel's participation in the Competitiveness and Innovation Framework Programme, one of the EU's flagship programmes.

In the field of science and technology Israel and the EU have bolstered their cooperation in the GALILEO programme for satellite radio navigation.

We have offered Israel European expertise on subjects as diverse as preventing terrorist financing and fighting trafficking in human beings. A seminar on "Managing Environmental Risks in Financial Institutions" enabled Israeli financial institutions and green organisations to learn from European experts in the field.

We have also set up a working group on human rights where we discuss subjects like minority rights, international humanitarian law and the newly established UN Human Rights Council. And a joint seminar on the "Fight against Racism, Xenophobia and Anti-Semitism" took place in Brussels last December.

As a result of the Action Plan we have stepped up our discussions on the most contentious issue of EU-Israel relations over the years, the Israeli-Palestinian conflict.

2007 has seen renewed efforts by the international community, including the revitalization of the quartet, combined with increased support from regional partners for peace and stability in the Middle East.

It is a positive development that PM Olmert and President Abbas have met and agreed to continue contacts bilaterally and facilitated by Secretary of State Rice.

We hope that a future Palestinian Government, when it is formed will respond to the principles of peace as put forward by President Abbas and called by the Quartet. We will judge this government by its actions.

Clearly, greater certainty and security for Israeli citizens will result from a Palestinian State with permanent borders. The creation of that state will defuse tension and could promote peace, stability and prosperity for both the Israeli and Palestinian people.

The EU remains firmly committed to the political goals that have been set out in the Roadmap

As a member of the international Quartet, the EU has been playing a greater role in the peace process in recent years. We launched the EU Border Assistance Mission for the Rafah crossing point to monitor its operations; we made a significant contribution to the UN's mission in Southern Lebanon; and through our Temporary International Mechanism (TIM) we have so far been able to stave off a humanitarian crisis in the Palestinian Territories. Our long term work of building up the institutions of the Palestinian Authority which should provide a democratic reliable partner for Israel has unfortunately been put on hold. But we hope that circumstances will soon allow us to resume this assistance.

Our discussions with Israel on this subject are not always easy and we continue to call for the implementation of the agreement on movement and access and the release of tax transfers to the Palestinian Authority, which we suggest could be channelled through the TIM. But the very fact that we are able to sit down together and discuss this issue is a testimony to the renewed strength of our relations.

As you can see, the Action Plan covers a broad scope of activities. But there's more to come.

Last December, in response to the demand for more and better incentives, we significantly strengthened our offer to Israel and other ENP partners.

Now we also propose more people to people contacts; deepening economic and trade relations; and stronger cooperation on energy and transport.

We want more exchanges between civil society, university researchers and local authorities; business people, artists and young people.

In addition to our Erasmus Mundus programme we have a new scholarship programme open to Israeli students. The EU will finance scholarships for students from ENP countries to attend a course at the College of Europe. I imagine some of you here may be interested in applying, so please take note that the application process through the EC's delegation in Israel will begin shortly.

The purpose of all these exchanges is to help build the kinds of friendships and professional partnerships that will cement relations between us. I firmly believe getting to know each other better is the key to more cooperation.

On the economic side we propose a deeper relationship in the areas of trade in services and agriculture. The EU is currently Israel's main trading partner; more than 30% of Israel's exports are to the EU and 40% of its imports come from us. EU-Israel trade is increasing by around 4% per year. But we want to go further. We recognise that with services representing almost 80% of Israel's GDP and employment, a more meaningful trading relationship between us would have to cover services.

There is also scope for greater cooperation on energy and transport. In January the EU issued a package of proposals on energy, addressing energy supplies, energy efficiency and climate change. We want to cooperate with Israel to improve the security of energy supplies and bolster our cooperation over research and technological development for renewable energy sources. As for transport, we want to look at aviation-security and a possible civil aviation agreement.

There is also, for the first time, a financial assistance element to our cooperation - Israel is now eligible for €14 million in European Community financial cooperation over the next seven years. And the European Investment Bank is renewing its activities in Israel, starting with €275 million of loans for environmental projects and small and medium-sized businesses.

So as you can see, there is enormous potential for the EU and Israel to come closer together. Of the 16 countries participating in the ENP, Israel is among the best placed to reap significant benefits from closer integration with the EU.

But that will require a different approach than at present.

This brings me back to my starting point – that EU-Israel relations cannot yet fulfil their potential because the path ahead is not clear. We strongly sense that Israel has not yet made up its mind how to work with us – not surprising given the EU's complexity and its multifaceted identity.

In the short run we have to focus on swift and efficient implementation of the joint Action Plan. As soon as the main objectives of the Action Plan are met we will agree on further steps - up to the eventual integration of Israel's economy in the EU's internal market. We could hardly be more ambitious.

In parallel we have to jointly identify the ways and means to deepen our political dialogue in a very pragmatic way: the possibility for you to align with EU CFSP declarations, the co-ordination of positions on international issues, and co-operation in crisis management operations.

Naturally you too are confronted with the question of identity. But does building a closer relationship with Europe really threaten Israel's identity?

I am not, of course, an impartial observer of this debate; I would like Israel to conclude that it can come closer to Europe and share its future with a bloc of nations of common values and interests. My own answer to the question, shaped by my experience as a European, is that identity in the twenty-first century is a highly fluid concept. I think it is possible to reconcile many different identities within one overarching exterior.

But this is not a question that outsiders are qualified to answer. Only Israel can decide how close it wants to move to Europe and I suspect that will require a great deal of soul-searching and debate.

All her friends in Europe can ask for is a more extensive public discussion to start the process of finding an answer.

Ladies and Gentlemen,

I know the Hebrew University's European Forum is making a huge contribution to EU-Israel relations. By hosting events like this, through your scholarship, teaching and collaboration with others, you are pushing the boundaries of debate.

As your public presentation puts it, "we live in a region with a long history of affiliation, separation and re-affiliation with Europe...our region has very actively participated in fateful formative processes in the life of Europe, in shaping its cultural and religious contents, in crystallizing basic concepts in politics and law and in establishing its social patterns."

You are making an invaluable contribution to both Europe and Israel by helping us rediscover the commonalities rooted in our shared history. I congratulate you for this effort and I encourage you to go further, extending the discussion to a broader wider audience. You can count on my whole-hearted support.

Thank you again for this invitation to speak to you and I look forward to your questions.