

How Did Israel-EU Relations Evolve During Germany's Presidency of the Council of the EU?

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January 2021

Between July to December 2020 Israel had a political window of opportunity: Germany's six-month period at the Presidency of the Council of the EU. It handed Israel an opportunity to improve its deteriorated relationship with the EU by harnessing its unique relations with Germany. During this period Israel perhaps could have reached an agreement with the EU to [resume the annual EU-Israel Association Council meetings](#), which in turn could have advanced and upgraded the contractual relationship which are stuck since 2009. As Germany's Presidency ends, let us review Israel's achievements during this time frame.

The opening point seemed rather grim. The past decade includes the linkage policy by the EU, conditioning in 2008-09 the upgrading to a new contractual Action Plan with Israel to an advancement in the Israeli-Palestinian peace process. The relationship took another blow in 2013 after the EU introduced [the differentiation policy](#), explicitly excluding territories beyond Israel's 1967 lines from all Israel-EU agreements. Since, no Association Council convened (first due to Israel, but since 2014 due to the EU). Labelling settlements products came next.

The Israeli government marked July 1st, the first day of Germany's Presidency, as the date the government can begin annexing territories in the West Bank. During the first half of 2020, the EU and about half of its member states, including Germany, were engaged in a diplomatic offensive against Israel to deter against any annexation. Some member states, excluding Germany, even threatened Israel that the annexation will result in punitive "sticks", ordering the European External Action Service (EEAS) to prepare a list of possible measures to be taken against Israel if push comes to shove. While Germany warned Israel from the ramifications of annexation, chiefly the damage it will further cause to Israel's relationship with the EU, the Israeli government relied on Germany (and others) to block the more severe measures against Israel.

The turn started on 13 August, when Netanyahu announced the postponement of annexation for signing a peace accord with the United Arab Emirates (UAE). This radical shift from annexation to normalization came as a surprise to the EU. In its DNA, the EU supports regional peace processes, but the peace process it aspires for first and foremost is between Israel and the Palestinians, and based on the 1967 line, not on the Trump plan.

Netanyahu's remarks in the Israeli media that the annexation was not cancelled but rather postponed, kept the EU's suspicion towards Netanyahu's government in place. And indeed, in November, before Biden's inauguration, the Israeli government announced it will advance the construction of 1,257 housing units in the controversial Givat Hamatos (neighbourhood in south Jerusalem). The US and the EU had tried to prevent this construction over the last

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six years, believing it would harm the two-states solution. They consider such construction to be a de-facto annexation, which will also further drive a wedge between East Jerusalem and Bethlehem, preventing a territorial continuum for the future Palestinian state in the West Bank.

Most of the Israeli public [conceives the EU as a foe](#), not as a friend; as a critical body towards Israel, siding with the Palestinians. The political disagreements between Israel and the EU and the EU's criticism of Israeli policy in the West Bank reach the headlines and receive most of the Israeli public attention, overshadowing the wide economic, research and innovation and civilian cooperation among the two. Israeli knowledgeable representatives are aware that in many areas the EU is of greater strategic importance, in some fields even more significant than the United States. The EU is Israel's most important trading partner, the biggest external source of funding to Israeli research and innovation, most significant in FDIs and greatly contributes to Israel's higher education, tourism, agriculture, culture and overall economic growth. Therefore, it is important to resume the high-level dialogue between the sides to open the way to upgrade the relationship.

Once in thirteen-and-a-half years, an EU member state receives a modest influential position for six months at the presidency of the Council of the EU. The position entitles chairing the member states' ministerial summits (e.g. meetings between all the member states' ministers of economy, or of tourism, or agriculture etc.). The presidency has the power to set the meetings' agenda and is expected to be an honest mediator between the member states, to reach agreements and forward resolutions. The Treaty of Lisbon, ratified in 2009, reduced the presidency's importance in foreign policy. The foreign affairs council is chaired by the EU High Representative for Foreign Affairs and Security Policy (currently Josep Borrell) and it is the European External Action Service who sets this council's agenda.

Germany has a leading position in the EU and a great deal of influence over it, but despite its honest efforts, it ran into the EU's structural limitation, unable to overcome the politically difficult Israeli-EU relationship. The formal procedures governing the EU foreign policy decision-making process require a consensus among all member states. Under these procedures, any state can veto a proposition and all states are equal, hence a vote by small member states, such as Luxemburg, Ireland or Sweden, is equal to Germany, Austria or the Czech Republic.

The special relationship between Israel and Germany was strengthened by the warm relationship that was forged between the German Foreign Minister, Heiko Maas, and his Israeli counterpart Gabi Ashkenazi. Germany did a great service to Israel by inviting Ashkenazi to an informal meeting of the EU's foreign ministers (known as a Gymnich meeting, which does not have the authority to make formal decisions). Ashkenazi was the only non-EU foreign minister invited to the summit. He developed good relations with other foreign ministers, including Borrell. The good personal relationships between Ashkenazi and his European counterparts, together with actions taken before and after the summit, had a positive influence on the tone of the relationship between Israel and Europe/the EU. Nevertheless, this did not translate into a formal decision by the Foreign Affairs Council to resume the Association Council meetings with Israel or opening the possibility of promoting and upgrading the relationship. Still, the Israeli foreign ministry deserves all the credit for attempting and partially succeeding to reverse the negative political tensions with the EU. Though no significant change occurred yet, important steps were taken and laid a much more positive infrastructure for the relations.

The Foreign Affairs Council always has a busy schedule, and it is difficult to put a topic that isn't burning on the agenda, let alone a subject lacking consensus. Ashkenazi's participation in the informal summit, held on August 27th-28th, was held only two weeks after Israel and the UAE announced their normalization agreement. Even the later normalization with Bahrain, Sudan and Morocco did not change the EU's policy towards Israel. Among other things, the fact that Ashkenazi (and Minister of Defense Gantz) was kept in the dark regarding the talks with the UAE, made it much more difficult for the foreign ministry to utilize the historic achievement into further diplomatic achievements on the European front. Indeed, the EU is a tough nut to crack, cumbersome and slow to change, adhering to its principles and policies - advancing the Israeli-Palestinian peace process.

The presidency's baton has passed into Portugal's hands at the beginning of the new year, and thereafter to Slovenia in July 2021. Ashkenazi already asked Portugal to act in favor of reconvening the Association Council meetings with no preconditions and said: "we identify a real need to adopt a new approach and model for cooperation between Israel and the EU institutions and we are convinced that Portugal, the current chair of the presidency of the Council of the EU, will act to do so". The ball is in Portugal's hands. Yet, bearing in mind Israel is entering another elections, a real change between Israel and the EU is not expected to happen before the second half of 2021. As things stand today, the almost complete erase of the Israeli peace camp from the electoral landscape, makes it is unexpected that even towards the end of Portugal's presidency the next Israeli government will bring good news in this context.

In recent weeks, the EU passed its largest-ever budget (of €1.8 trillion) for 2021-2027. The budget is almost twice as big as the previous budget and it intends to help the EU market recover faster from the Coronavirus economic crisis. The budget may entail new opportunities for Israel that are not yet clear, but various government ministries in Israel are working on mapping them out. The Israeli government can find itself in a better position to take advantage of those opportunities if it continues the positive trend towards the EU that Ashkenazi initiated and expand it into a comprehensive government policy.