

The Significance of Convening the European Union - Israel Association Council

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On July 18, 2022, the Foreign Affairs Council of the European Union (EU) decided to move ahead with convening the EU-Israel Association Council (AC) after a decade-long hiatus. What does this mean? What opportunities does it offer, and what were the costs of not convening it so far? This paper explains what the AC is, the reasons for its suspension and for the decision to re-convene it. Assuming it will reconvene, the paper recommends future measures between Israel and the EU.

Summary

- **What is the Association Council (AC)?** It is the institutionalization of an annual dialogue at foreign ministers' level between Israel and the EU (usually represented by its High Representative for Common Foreign and Security Policy and the Council rotating Presidency). It is assisted by an **Association Committee** of senior officials. Since 2005, eight issue-specific **sub-committees** and two working groups have been formed within its framework. The AC was established by the 1995 EU - Israel Association Agreement and operated regularly since the agreement's ratification in 2000 through 2012. The AC is authorized to advance and deepen cooperation between Israel and the EU.
- **From regular meetings to AC suspension:** Between 2000-2012 the AC convened regularly despite difficulties in EU-Israel relations throughout the second intifada (2000-2004) and the faltering peace process with the Palestinians (since 2009). It even continued to convene when the EU decided in 2009 on a "linkage policy" and avoided upgrading relations with Israel (specifically refusing to ratify the second "Action Plan") pending progress in the peace process.
- In 2013, Israel declined to hold the AC meeting to protest the EU's 'differentiation policy', which introduced a territorial clause stipulating that all its agreements with Israel would apply only within the 1967 borderlines, not in the Occupied Territories. In 2014, it was the Europeans who did not convene the AC, and the disconnect continued.

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- **An Israeli effort to reconvene the AC:** about five years ago a significant number of EU member states objected to the convention of the AC. Their number has decreased significantly since then. Upon his appointment in June 2021, Foreign Minister Lapid set the resumption of the AC meetings as a major foreign policy goal.
- Following the Foreign Affairs Council decision to reconvene the AC, and its scheduling for October 6, the EU has to adopt a **Common Position** on the matter. Israel is also expected to issue a declaration.
- **The cost of suspending the AC's activity** can be divided to political and practical costs. **Politically**, the cost was a diplomatic one concerning image, perception, and public attitudes. Most Southern Mediterranean countries maintain regular ACs with the EU. Its absence with the only democracy in the Middle East, especially given the excellent practical relations between the parties and mutual value, was unusual. The loud and accusatory "megaphone diplomacy" that replaced dialogue and discourse in the decade of the AC suspension contributed to the deterioration of relations, to Israeli incitement against the EU and to the deterioration of the EU's image in Israel, and vice versa. High-level political meetings between the two sides rarely took place. Since the Abraham Accords and Normalization Agreements were signed (in 2020), the EU has not taken part in leveraging regional peace relations.
- **In terms of practical cooperation**, while other countries have signed new and updated cooperation agreements with the EU, Israel and the EU still work according to their 2004 Action Plan. During this period (since 2013), Israel has not joined new EU programs nor did the sides upgrade their trade agreement.
- **Convening the AC in the context of the Israeli-Palestinian conflict:** Convening the AC is an opportunity for the EU to rethink the framing of its policy towards the Israeli-Palestinian peace process. Biden's July 2022 visit to Israel and the Abraham Accords indicate that the US and Arab countries do not condition their relations with Israel on promoting peace with the Palestinians, leaving the EU as the main body to insist on such a stipulation. The EU's 'linkage policy' has not reversed Israeli governments' unwillingness to restart the peace process with the Palestinians since its collapse in 2014, and currently excludes it from involvement in the regional peace processes.
- **The conclusion is that Europe must reexamine the path to advance Israeli-Palestinian peace.** The EU will continue to support the two-state solution, to oppose the construction of settlements and any changes that jeopardize the two-state solution. Its differentiation policy is also expected to continue. However, the EU should examine its linkage policy, which harms trust between the parties.
- One way for Europe to promote Israeli-Palestinian peace is by helping to link the Abraham Accords and Israel's relations of peace/normalization with Arab countries in favor of promoting peace with the Palestinians.
- **Practical opportunities that may emerge once the AC is convened:** Convening the AC is not just an end in itself; rather its success is in promoting practical cooperation between the sides. Specifically, the goal of reconvening the AC is to start talks on a Partnership Priorities agreement setting a number of common goals to

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advance in the next 3-5 years. Potential cooperation goals could include **climate change** (with an emphasis on energy, food, agriculture, water, and innovation in each), **digitalization**, cyber, artificial intelligence, health (including the handling of epidemics), as well as **triangular/quadrennial cooperation between Israel, the EU, and an Arab peace/normalization state**, leveraging the Abraham Accords in these and other areas.

- In addition, Israel should conduct a more comprehensive and up-to-date review of the **20 EU programs for which it is eligible**, decide which ones to join, and consider starting negotiations on a new trade agreement that will include the **services sector** as well as an investor protection agreement, or at the very least on removing barriers and an approximation of laws to facilitate trade.
- **Conclusion: The EU is Israel's main economic partner**, with which it has **extensive strategic practical cooperation**. Convening the AC would be the political highlight of the much-improved relations between Israel and the EU over the past year. For the EU, this is an opportunity to end the unhelpful and even harmful absence of regular high-level political dialogue with Israel.
- **The AC is not an instrument to goad the other side. It is a tool for dialogue, even if critical and harsh, to clarify the parties' positions.** Its renewal is both a constructive means and a symbol of the renewal of substantive dialogue between the parties. It is a tool to **rebuild trust between two sides**, as well as to strengthen the Abraham Accords and normalization agreements to encourage every opportunity to renew the Israeli - Palestinian peace process.
- The renewal of the political dialogue should be leveraged for **practical cooperation** between Israel and the EU, which will also spill over into ties between Israelis and Europeans, between countries and citizens in the region, to promote prosperity and growth, peace, stability, and democracy, and to jointly combat regional challenges. Relations should be promoted for the benefit of both parties under any government.

A. What is the Association Council?

The Association Council (AC) was created within the framework of the November 1995 [Association Agreement](#) between Israel and the EU. The goal of the agreement was “to provide an appropriate framework for political dialogue, allowing the development of close political relations between the Parties”. This was the first time a formal, high-level, regular political dialogue had been established between Israel and the EU. The Agreement authorized the AC to chart the development and deepening of relations. The dialogue was designed “to strengthen their relations, contribute to the development of a lasting partnership and increase mutual understanding and solidarity”.

In addition to the ministerial-level AC, the agreement set up a regular high-level civil servants’ dialogue. **The Association Committee** consists of senior officials from Israel’s Foreign Ministry and other relevant government ministries, and their counterparts from the European Commission and the Council of the EU. It also includes professional theme-specific subcommittees/ working groups consisting of Israeli civil servants and European Commission officials. The Association Committee has an integrative and coordinative function. It prepares AC meetings, formulates understandings, and instructs the subcommittees. AC decisions are handed down to the subcommittees to advance concrete cooperation in various fields, and the subcommittees report back to the Association Committee on their meetings (see diagram).

In 2005, [ten subcommittees were established](#), eight of them thematic:

- (1) Law and Public Security Policy,
- (2) Economics and Financial Affairs,
- (3) Health, Immigration and Welfare,
- (4) Customs and Taxation,
- (5) Agriculture and Fisheries,
- (6) Trade and Services,

(7) Transportation, Energy and Environment, (8) Research, Innovation, Communication, Culture, and Education. An informal Human Rights Working Group and a Seminar on Combating Antisemitism were also established. All of these were supposed to convene once a year at the level of professional officials on both sides. Israel suspended the Human Rights Working Group in 2015 in response to the EU's product labeling notice, and subsequently due to the delay in reinstating the AC. The other subcommittees continued to convene even when the AC and the Association Committee did not convene. But because the aforementioned bodies did not convene, there were no formal directives by the political echelon, and due to the political deterioration and the linkage decision (see below), the



subcommittees were more concerned with preserving and regulating the existing situation rather than significantly deepening the relationship. The subcommittees do not have decision-making authority. This authority is reserved for the AC, but they can make proposals to the Association Committee and initiate specific projects. They are authorized to discuss implementation of the Association Agreement and the Action Plan (see below) as well as sectoral problems that arise and propose appropriate measures.

B. Two Decades: From Continuity to Disengagement

According to the Association Agreement, the AC is supposed to convene annually at all levels. The agreement was ratified in 2000, and the first AC was held that year. **Until 2012, the AC convened without interruptions.** This decade can be divided into three periods: (1) 2000-2003 – difficult years in the relations due to the collapse of the peace process with the Palestinians due to the second intifada, (2) 2004-2008 – "[honeymoon](#)" under the Sharon (2003-2006) and Olmert governments (2006-2009) with the end of the second intifada and after Israel's disengagement from the Gaza Strip, (3) From 2009 political relations deteriorated with Netanyahu's rise to power and the undermining of the peace process. In 2009, the Foreign Affairs Council of the EU implemented the 'linkage' resolution (adopted in June and December 2008, linking¹ progress in the Israeli-Palestinian peace process with the upgrading of EU-Israel relations), deciding not to approve the second Action Plan² with Israel. Despite this difficult decision, the AC continued to convene. Its last meeting was held in July 2012, under Avigdor Lieberman as Israel's Foreign Minister.

Although enshrined in the Association Agreement, the continuity of the political dialogue has been violated for the past decade. The AC has not convened since 2013 and up to the present (July 2022). Israel was the first to suspend the annual meetings in 2013, following implementation of the EU's "[differentiation policy](#)" between Israel within the 1967 borderlines and the Occupied Territories (the West Bank, Gaza, East Jerusalem, and the Golan Heights). In other words, the EU introduced a territorial clause stipulating that all its agreements with Israel apply only within the 1967 lines. The political crisis between the parties stemming from this policy publication in June 2013 prompted the government of Israel to cancel the AC meeting scheduled for that July.

In 2014, it was the EU that cancelled the AC meeting due to the cessation of the peace process between Israel and the Palestinians (the collapse of the Kerry talks). Operation Protective Edge in 2014 might also have played a part in this decision. In 2015, the European Commission continued its policy of differentiation, adopting the **labelling interpretive notice** of products manufactured in the Occupied Territories as made in an Israeli settlement (and not in Israel).

Since 2013, the temporary has become permanent, and Israel has been unable to renew the AC even when it sought to do so. A 2017 attempt to reconvene the AC was unsuccessful.

¹ It should be noted that this is a political stipulation that has not been exercised by the EU vis-à-vis any other association country, not even vis-a-vis Morocco on the issue of Western Sahara, and in this context, Israel's claim regarding the EU's double standard seems justified. The EU representatives attributed this to the higher threshold expected of Israel as a democratic state committed to the rule of law.

² The Action Plan is an agreement focusing on areas in which both parties have a common interest in developing or increasing and deepening cooperation. Unlike the long-term Association Agreement, Action Plans are intended to provide political guidance for the 3 to 5 years, and to be renewed at the end of this period. The first Action Plan with Israel was agreed upon in 2004 and was valid between 2005 and 2008. Due to the non-ratification of the second Action Plan, the first still remains in force to this day, and its validity is extended periodically.

[Another attempt](#) was made in 2020 under Foreign Minister Ashkenazi, who enhanced relations with the EU after the Netanyahu government's [annexation proposal](#) was removed from the agenda, but he too was ultimately unsuccessful.

Lapid, Ashkenazi's successor, succeeded to tip the European discourse on Israel toward a more positive direction. Ashkenazi emphasized the Abraham Accords, and Lapid added the return of Israel under the new government to the liberal-democratic values that it shares with the EU. The composition of the Bennett-Lapid government did not enable the renewal of the peace process with the Palestinians (and on the Palestinian side, the leadership is mired in a severe crisis). However, this is the most pro-European Israeli government in the past decade. In addition, this government has taken confidence-building measures to benefit the standard and quality of living of the Palestinians in the West Bank and even in the Gaza Strip. With Lapid at the helm (since July 2022), this is also the first time in over a decade that an Israeli Prime Minister has publicly supported the two-state solution. Even reluctant counterparts in Brussels understood that it would be better to act now to resolve the "limbo" created by suspension of the AC, and to promote functional cooperation that is important to the EU, for example in the field of energy. Lapid's normative position regarding the Russia-Ukraine war, as well as the security needs arising from this war, is another reason for the tightening of relations.

C. Israeli Effort to Reconvene the AC

Some five years ago, a significant number of EU member states opposed reconvening the AC, among them France, Sweden, Ireland, Belgium, and Luxembourg, and occasionally Portugal, Spain and others. In recent years, however, the political map has changed in Israel's favor, and this camp has [shrunk significantly](#) due to political changes in Israel and Europe, as well as multiple crises affecting the EU. Vigorous diplomatic activity on the part of Israel, which demonstrated its value to the EU (in innovation, migration, counterterrorism, cyber, COVID-19, energy, and more) also contributed to this shift.

In 2016, the Israeli Government adopted an unofficial "divide and thwart" policy, mobilizing the support of countries friendly to Israel in order to prevent EU decisions critical of Israel in the Palestinian context and thereby ease the concerns of Israeli diplomats and politicians over being "knifed in the back" (according to an Israeli source) by Brussels. The post-Netanyahu government's reversal of this policy has also contributed to this shift in EU attitudes. It should be noted that the absence of new critical EU resolutions on Israel (or any other resolutions) in recent years has not in any way changed the EU's policy and support for the two-state solution and its condemnation of construction in the settlements and of activities harmful to the Palestinians.

When Lapid visited Brussels in July 2021, a month after his appointment as Foreign Minister, Josep Borrell, the High Representative of the EU for Common Foreign and Security Policy, announced the possibility of "opening a new page" in relations. Lapid set the reconvening of the AC as a primary goal. Despite Borrell's declaration, and even though the foreign ministers of most EU member states withdrew their objections, progress toward convening the AC repeatedly stalled. Under France's presidency of the Council of the EU (January-June 2022), a number of member states – including Israel's friends and countries critical of it – informally formulated a draft of an agreed position for reconvening the AC, but the decision to move forward with holding the meeting was repeatedly postponed. Unlike other EU ministerial councils, Borrell has considerable authority over the agenda of the Foreign Affairs Council, and he appeared to be the main stumbling block to reconvening the AC.

Nonetheless, some argue that Borrell did not want to risk the prospects of such a move until he could be entirely certain it would be approved unanimously by the member states.

Three steps are required to convene the AC. At the time of writing, the first and second have been achieved: (1) the unanimous consent of the Foreign Affairs Council of the 27 Member States (as noted, the decision was made on July 18);³ (2) coordinating a date for the AC meeting (scheduled for October 6); (3) Unanimous agreement on a common position of the 27 foreign ministries of the member states. The Common Position is a several pages long text. As mentioned above, an informal draft was formulated by a small group of countries, and the European External Action Service (EEAS) will now draft a document that requires the consent of the 27 foreign ministers (or of the diplomatic hierarchy under them).⁴

The timetable for step 3 is important given the November 1 general elections in Israel, which could shut the current window of opportunity. As Borrell said, there is no telling how long it will take to form a new government in Israel after the elections. Furthermore, if a right-wing government headed by Netanyahu is formed, political relations with the EU could quite possibly deteriorate and falter once more. August is the month of summer vacations in Europe in general and in Brussels in particular, while October is packed with Jewish holidays and is also too close to the elections. Therefore, the EU must formulate its common position by the end of September.

D. The Cost of the AC Suspension

AC meetings have two objectives: to maintain a political dialogue and to promote practical cooperation. The price for not convening the AC affects both objectives. First, in terms of **the political cost**, the permanence of the AC suspension has taken **a diplomatic and public toll** on Israel's image. It should be noted that all other neighboring countries in the Southern Mediterranean and Eastern Europe maintain fairly regular AC meetings with the EU (with the exception of failed or hostile states such as Libya, Syria and Belarus). The suspension of the high-level dialogue between the only democracy in the Middle East and the EU is unusual in light of the excellent practical relations between the parties and their mutual value.

Second, maintaining a framework for regular dialogue between the parties, including the ability to disagree, is no less important, and perhaps even more so, when it comes to critical and harsh dialogue. Precisely when Israel-EU relations are rife with disagreements and mutual criticism, the **dialogue is important to convey messages**, explain the Israeli government policy, and to hear the position of "Brussels". **The substitute for such discourse inside the room was** loud, accusatory, victimized "megaphone diplomacy", which only contributed to the deterioration of relations between the parties.

Third, the deterioration of relations and the "megaphone diplomacy" contributed to the **inciting discourse towards the EU in Israel and to the deterioration of its image** among

³ The Council is supposed to regularly convene every year, so that a decision by the Foreign Affairs Council was not required. However, due to the AC's suspension for a decade, Borrell extraordinarily brought the decision to the Foreign Affairs Council.

⁴ These hierarchies include the MaMa Group (short for Maghreb & Mashrek) – diplomats from the 27 member states and the EEAS discussing the affairs of the Southern Mediterranean region. Above them the Antici – the political advisors advising the Permanent Representative of their country, and above them the COREPER II – the permanent representatives (equivalent to the ambassador) of the member states in Brussels.

the Israeli public, especially among the politically right-leaning Jewish public. A similar trend was noted in the image of Israel in the EU on the left side of the political map.

Fourth, the suspension of the AC, and the apparent deterioration in relations, exacted a price in the absence of high-level diplomatic meetings. While visits by senior European Commissioners to Israel and Israeli government ministers to Brussels continued, the President of the European Commission had not visited Israel for a decade until the June 2022 visit by Von der Leyen. The High Representative of the EU for Common Foreign and Security Policy has not visited Israel since 2015. Despite his expressed desire to visit Israel, Josep Borrell has not been invited. His invitation will likely await until the scheduled AC meeting is ascertained. This is not a desirable state of relations, but reconvening the AC should correct this.

Fifth, in the past two years, **the Abraham Accords and normalization with Arab states** have transformed the Middle East and driven regional processes. **The EU was excluded.** While welcoming them, it kept its distance from the agreements created by US President Trump.⁵ In doing so, both the EU and Israel are missing an opportunity not only to leverage regional peace to promote a warm peace politically, but also to develop practical relations in various spheres that can meet the goals of all parties (see section F below).

The non-convening of the AC has also exacted a **practical price. The AC is not just an end in itself, but a means.** It is sometimes difficult to point to the price of untapped and unrealized opportunities, or the price of delay or late entry into various EU programs. In effect, the AC's continued suspension precludes practical decisions necessitating ministerial approval unless obtained by other means. One of the highest costs of the AC's suspension was failure to reach a **Partnership Priorities agreement.** Such agreements have been in force since 2016 with six other Southern Mediterranean EU neighbors (for the potential of such an agreement, see section F below). As noted, the State of Israel continues to rely on the first Action Plan formulated in 2004. While this is a comprehensive document, it should be updated. Another unrealized potential is the inability to sign **an upgraded third-generation trade agreement** to deal with the [services sector](#), investments and energy.

The European Commission (somewhat in contrast to the EEAS) wishes to advance relations with Israel regardless of the political circumstances. According to Israeli diplomats, the problem lies more on the Israeli side than on the EU one. The EU is a complex institutional bureaucratic system, governed by cumbersome legislation and language. **Expertise is required** to understand it, and to understand the opportunities and benefits involved in strengthening cooperation with it. Developing expertise and cooperation requires effort and investment **of time, staff and even budgets** of relevant government ministries. The results are not always immediate, and a return on the investment is not always certain. So far, the existing collaboration in a variety of fields has proven itself above and beyond expectations, but the murky political relations generated growing doubt in government ministries about promoting new cooperation.

It should be noted that the **economic, scientific, and practical cooperation** with the government and its agencies **have continued and even increased in the past decade.** Negotiations that began before the linkage decision were also completed successfully: the

⁵ It should be noted that while the agreement with the UAE was presented as instrumental in scuttling the Netanyahu government's [annexation intentions](#), the normalization agreement with Morocco was enabled by the US recognition of Moroccan sovereignty over Western Sahara, in violation of international law, that is, of the liberal world order, a move that contradicts the EU's position favoring the settling of the conflict by agreement between the parties.

[ACAA agreement](#) in the pharmaceutical industry and the [Open Skies](#) agreement. Since 2004, Israel and neighboring countries have been eligible to join **various EU programs**.⁶ However, negotiations to join the [Creative Europe](#) program conducted between 2013 and 2017 fell through for political reasons, and the upgrading of relations between the Israel Police and Europol bore only partial fruit in 2018. Apart from these attempts, no other efforts were made to join a host of other EU programs. In the past year, negotiations have been underway to join the Creative Europe program and entry into additional EU programs (Digital Europe, EU4Health, and more) is also being examined.

As long as the AC and the Association Committee convened annually, preparatory discussions were held to examine previous decisions, the state of relations and ways to promote them. In the absence of these regular meetings, the **institutional engine for advancing, improving, and deepening relations has been weakened**.⁷ Holding a dialogue between the parties is a lever for mobilizing government and ministerial discussions on EU policy. The desired formula is a combination of top-down and bottom-up initiatives. On the one hand, the lack of political guidance has left the arena to initiatives by the public service, and on the other hand, murky political relations reduce the incentive for professional bureaucrats to invest time and effort in examining Israel's entry into new EU programs. Moreover, the murky relations in the 2010-2020 period not only minimized official thinking on relations with the EU and on a political outline for advancing them, but also **prompted the spread of a eurosceptic attitude** in some government ministries towards the EU and the promotion of practical cooperation with it.

E. Convening the AC in the Context of the Israeli-Palestinian Conflict

In order to move forward and convene the AC, the foreign ministers of the 27 member states will be required to adopt a Common Position.⁸ This is a document of several pages, which includes reference to the points of contention (holding peace talks with the Palestinians, Jerusalem as the capital of Israel, settlements expansion, the Temple Mount compound, etc.). The member states have not adopted a common position on Israel since [2016](#).

At [a press conference](#), following the July 18 foreign ministers' decision giving a green light to reconvening the AC, Borrell stressed that the EU's position on Israeli-Palestinian peace has not changed. The EU continues to support the two-state solution. "We know the situation on the ground in the Palestinian territories is deteriorating, and I think that the ministers agreed that this AC would be a good occasion to engage with Israel about these issues," he said. Borrell was likely referring to **increased construction in the settlements and settler violence** over the past year, as well as in **the demolitions of Palestinian homes**. If the AC convenes, the Human Rights Working Group, which Israel suspended in 2015, will likely resume its operations. The Foreign Ministry is reluctant to pay a price on these issues and will work to soften and balance the EU common position as much as possible. In any case,

⁶Such as the Horizon program for research and innovation, which Israel joined in 1996, or the Erasmus+ higher education program, which Israel joined in 2008.

⁷Although the EU is Israel's main strategic partner after the US, and surpasses it in terms of trade, cooperation programs in science and innovation, aviation and tourism, education and culture, and many others, the Israeli government is not known to have held any deliberations over the past decade on these important relations, and on where to lead them. Therefore, the importance of convening the AC also lies in holding discussions, even at the foreign minister's level, on how to advance relations with the EU.

⁸The difference between a unanimous decision and a consensus decision is that the first requires all member states to vote in favor, while the consensus process allows some to abstain and thus express certain dissatisfaction without felling the decision. The Amsterdam Treaty stipulates that up to one third of the EU member states can abstain. In practice, a vote is not held, but rather discussions continue on proposed decisions until the presidency concludes there are no opponents.

the common position is that of the EU, and the Israeli government can express its opposition to the parts with which it disagrees. However, according to [European diplomats](#), there is disagreement among the member states to what extent to put emphasis on the Israeli-Palestinian peace process.

This is **an opportunity for the EU** - its 27 foreign ministers, as well as Borrell - to **rethink the framing of its policy towards the Israeli-Palestinian peace process**. There is no expectation of the EU backstepping the two-state idea. Quite the opposite. However, Biden's July 2022 visit to Israel demonstrated that the US is not pressuring Israel to resume the peace process with the Palestinians. Over the past two years, Arab countries that have reached peace and normalization agreements with Israel have been advancing their relations with Israel regardless of the absence of a peace process with the Palestinians. Thus, the EU remains the only body (along the Saudis) that has formally adopted the linkage policy and continues to adhere to it, restricting its relations with Israel.

While Israel's left-wing political parties rarely talk about the peace process, the EU is the only one "holding its finger in the dam," continuing to warn and oppose the creeping annexation (alongside the US), in order to preserve the two-state solution as a relevant option for the future. While it is important for this opposition to remain in full force, maintaining the linkage between a peace process with the Palestinians as a condition for upgrading relations with Israel is detrimental to the EU's involvement in the new processes taking place in the region, such as the Abraham Accords and the emerging regional alliances. The EU linkage policy has not in any way changed the unwillingness of Israeli governments since 2014 to restart the peace process with the Palestinians, and at the end of the day even gave the Palestinians veto power over upgrading Israel-EU relations. Given the current weakness of the Palestinian leadership, and Israel's internal political struggle over the democratic nature of its regime, the EU should reexamine its policy in the context of the Israeli-Palestinian peace process and consider not only the most normative policy, but the most effective one in promoting peace.

During his time as Barack Obama's vice president, Biden learned that in order to push Israel into the peace process, the US should avoid preaching to it in public. Many Israelis perceive such preaching as self-righteous and pretentious, especially when it emanates from Europe, with which Israel has a charged historical relationship. Such pressure must be conducted behind closed doors (for example, within the framework of the AC). **A relationship of trust must be developed with Israel in order to encourage any opportunity when the political, leadership and public opinion in Israel and on the Palestinian side are ripe to renew the peace process**. Bilateral relations between Israel and most EU countries have improved significantly in the past two years. Israel-Brussels relations must now follow.

Given the Russia-Ukraine War, the importance of the alliance of democratic versus autocratic countries becomes clearer for both the EU, which seeks strong allies, and for Israel. In addition to being the only democracy in the Middle East, Israel is also a source of regional stability (despite the instability of its governments). However, Europe must not ignore the Israeli occupation, which violates international law and the set of democratic and liberal values that the EU promotes and on the basis of which it functions, all the more so in the face of the Russia-Ukraine war. The differentiation policy, which distinguishes between Israel within the 1967 lines and the Occupied Territories, will remain in place and continue as a strong signal to Israel over the illegitimacy of the occupation regime, and the acute dilemma that leaving the Palestinians under occupation poses for Israel: [Does it belong to](#)

[the club](#) of democratic and liberal countries? The Arab states should also adopt and apply this policy of differentiation.

The conclusion is not that the EU should abandon its desire to promote Israeli-Palestinian peace in light of international law and liberal democratic values, but that it should reexamine the way to do so. If Europe wants to promote peace, it can help by mobilizing the Abraham Accords and Israel's relations with Arab countries with which it has peace/normalization relations in favor of promoting peace with the Palestinians. This does not mean ignoring the Palestinian issue, but rather examining how the Palestinians can be linked to the developing regional relations so that they ultimately support the advancement of peace. Even if the coveted peace prize is not achieved now, it is still possible to promote and build confidence-building measures and an improved foundation of relations through practical cooperation between the parties, in preparation for a day when both sides are ready to renew the peace process. The EU can play a major part in such a process.

F. Potential Practical Opportunities of Reconvening the AC

The convening of the AC will be considered a political victory for Prime Minister and Foreign Minister Yair Lapid, and for the Foreign Ministry diplomats instrumental to this move. However, **this political victory will be limited if it fails to advance practical cooperation between Israel and the EU.** This section will deal with opportunities to promote such collaboration. Notwithstanding the considerable developments in Israel-EU cooperation in recent decades, there is still much untapped potential that can be realized for the benefit of both sides.

The main practical purpose of reconvening the AC would be to launch talks on a **Partnership Priorities** agreement, setting out the priorities of both sides for advancing their relations in the coming three to five years. As long as the linkage decision remains intact, it is not clear whether such an agreement can be signed. The 2017 attempt to do so was blocked by several member states. Hopefully, reconvening the AC will achieve a breakthrough. If such a political decision is made, the talks on the agreement will be conducted on behalf of the European Commission by the Directorate-General for Neighbourhood Policy and Enlargement Negotiations (DG NEAR), which supports advancing it and is headed by Commissioner Várhelyi (from Hungary), who holds friendly positions towards Israel. **Israel and the EU will then have to decide which policy areas to prioritize and put on the list.** This section lays out various possibilities, as well as additional steps to deepen the relationship.

- **Updating the list of potential policy areas for development.** Since the last framework agreement between Israel and the EU -the "Action Plan"- was concluded in 2004, the new agreement must be updated with new policy areas that have emerged since then and/or re-frame the existing ones. Israel can take part in the 2019-2024 agenda set by the European Commission in the field of **climate change and digitalization, with an emphasis on energy and food security** (see below), as well as regional stability in light of the regional changes that the Abraham Accords and normalization have generated. Other fields of potential mutual interest include **cyber, artificial intelligence, health, treatment of epidemics in general and the COVID-19 in particular**, and more.
- **Improving the response to climate change.** Israel is a global leader in technological innovations in the field of combating climate change (food-tech, clean-

tech, agri-tech, etc.), and its private sector attracts large foreign capital investments, but the government is far from excelling in their implementation or in setting ambitious policy targets. The EU is the world's leading body in promoting climate policy and legislation, and in directing resources to these endeavors. It can therefore advise the Israeli government on how to formulate policy on this issue in an integrated, economically viable and socially just manner. In addition, Israel should examine whether it can join European climate programs. Observer status for Israel in the European Environment Agency, based in Denmark, was considered in the past. Given the time that has elapsed since, this idea should be reconsidered.

- **Strengthening regional cooperation.** The EU is a significant regional player. The regional frameworks it provides is a distinct advantage for Israel in connecting with its neighbors in the Southern Mediterranean. However, this regional grouping, which includes countries that do not have ties with Israel (such as Lebanon, Algeria, and Tunisia, for example), is a restrictive framework for Israel. **Europe can play a role in strengthening Israel's ties with countries in the region.** In February 2021, the European Commission outlined its strategy for the Southern Mediterranean region for the coming years ([Renewed Partnership with the Southern Mediterranean](#)). The document provides for Israel to develop "regional, sub-regional, or trilateral" initiatives⁹ and cooperation with the EU and Arab states (one or more), whether from within its southern neighboring countries, such as Jordan, Egypt, Morocco, the Palestinian Authority, or from among the countries of the Abraham Accords – the United Arab Emirates or Bahrain (and perhaps in the future Sudan). If the AC convenes, it will be easier to advance these practical initiatives. The EU can be an **asset** for Israel vis-à-vis certain countries with which its relations have improved in the past year or two, but require further improvement, such as Jordan. The Jordanian Palace has great appreciation for the EU. The EU can harness cooperation between Israel and Jordan in new practical ways (such as the [water-to-electricity agreement](#) that has not progressed as quickly as expected since its 2021 signing, and [the Lower Jordan Development plan](#)).
- **Utilization of Israel's assets for Europe and the region.** The enhanced relations with the EU, expected to stem from the reconvening of the AC, will allow Israel to bring into play its many assets for the benefit of the EU and the region. Israel has a great deal of value in water management (desalination, use of wastewater, water saving campaigns, effective water uses in the agricultural sector, etc.). This knowledge and expertise can greatly serve the needs of the arid countries of the region, and the aims of the EU that longs for political, economic, and security stability in the countries of the region.
- The Russia-Ukraine war has placed **the issues of energy and food security** high on the international and European agenda. Israel's energy assets were demonstrated in late June when it signed a memorandum of understanding with the EU and Egypt to supply Israeli gas through Egyptian liquefaction facilities to the EU. Another project being considered is an electricity cable connecting the Israeli grid to that of Cyprus, Greece and possibly Italy. A forum with the EU focusing on these issues is a

⁹ The document states, "The EU will also be ready to explore further regional, sub-regional or trilateral cooperation and joint initiatives between partner countries across the board, including in light of the recent normalization of relations between Israel and a number of Arab states."

possibility, as is turning the Eastern Mediterranean Gas Forum (EMGF) into an energy forum, including renewable energies.

- Israel and the EU can examine how to cooperate in the field of **food security** for the benefit of the countries of the region, spurred by their common interest in maintaining stability and raising the quality of life in the region (which could reduce illegal immigration to the EU, for example).
- Israel can also contribute greatly to **digitalization** – an issue that the European Commission has highlighted in its intra-European and regional work plan.
- **Joining EU programs.** Talks are already underway about Israel participation in several EU programs. Whether within the framework of the Partnership Priorities Agreement or not, a more comprehensive and up-to-date review of these programs should be carried out in order to decide which are of interest to Israel. The Ministry of Finance will be required to approve a budget for Israel's participation in these programs. This decision should be made not only based on Israel's ability to "win back" its investment, but also on the basis of expanding practical cooperation into new areas and aspects.
- **A trade in services agreement, including financial services, investment protection, and energy.** These issues are referred to in various past agreements between Israel and the EU but have not been promoted. The Ministry of Economy and the Ministry of Finance should examine their desirability. These issues can be discussed within the framework of the Partnership Priorities Agreement or in the context of an approximation of laws (adopting EU regulations) and removing regulatory trade barriers. Addressing the basics of these issues is likely to require negotiations on a new trade agreement. At the present stage, a dialogue on the subject must be promoted.

G. Conclusion

While the US is Israel's foremost security partner, the EU is its main economic and practical strategic partner. Despite Israel's attempts to diversify its trade relations, the EU remains its first trade partner due to its geographical proximity, cultural affinity, similar consumer preferences, etc. This situation is not likely to change in the medium term; due to the Russia-Ukraine war it is likely to even be enhanced. Therefore, it is important to exhaust all existing options to upgrade EU - Israel relations.

The change in discourse and attitude toward the EU, which Ashkenazi and Lapid led over the past couple of years, is now being translated into a political shift that will take Israel-EU relations out of the political "hole" into which they have dug themselves for the past decade. Lapid set this as a primary goal and was the first Israeli foreign minister to visit Brussels, the capital of the EU, a month after the inauguration of the government, even before he visited Paris or Berlin. **The convening of the AC would be a political achievement for Lapid. For the EU, this is an opportunity – perhaps the last in the medium term – to end the unhelpful and even harmful absence of a regular high-level political dialogue with Israel.**

Convening the AC should not be used as a bargaining chip to pressure either side - neither by Israel nor the EU. Dialogue can be critical and harsh, and thereby help clarify the parties'

positions. Resumption of the AC is both a means and a symbol of the renewal of constructive dialogue between Israel and the EU. The Association Agreement aimed that the dialogue in the AC would strengthen relations, contribute to the development of a sustainable partnership, and increase mutual understanding and solidarity. **After the improvement of bilateral relations between Israel and most EU member states, the time has come to rebuild the trust between the EU ("Brussels") and Israel**, both as an end in itself and in order to strengthen the Abraham Accords and normalization and to encourage any opportunity to renew the peace process with the Palestinians.

Convening the AC is the main door to developing and upgrading relations with the EU. Convening the AC would be a political achievement in itself. But the work is far from complete. The next Minister of Foreign Affairs of the State of Israel and the government as a whole will face the challenge of **leveraging the renewal of the political dialogue into practical action** between Israel and the EU. This will spill over into ties between Israelis and Europeans and between countries and citizens in the region to promote prosperity, growth, peace, stability and democracy, and to work in tandem against regional challenges. **Relations must be promoted for the benefit of both parties under any government.**