

# EUROPEAN EXTERNAL ACTION SERVICE



***The Executive Secretary-General***

Brussels, **09 DEC. 2013**  
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Mr. Nissim BEN-SHETRIT  
Director General  
Ministry of Foreign Affairs of the  
State of Israel  
Copy to:  
Mr. Hoshea GOTTLIEB  
Head of Cabinet of the Minister of  
Justice of the State of Israel

**Subject: arrangements for implementing Commission Notice Nr. 2013/C-205/05**

Dear Mr. BEN-SHETRIT, *Dear Director General,*

I would like to notify you hereby of EU positions and future actions relevant for the implementation of Commission Notice Nr. 2013/C-205/05<sup>1</sup> (hereinafter referred to as "the Notice") as from the 2014 financial year in the case of those EU programmes<sup>2</sup> in which the State of Israel or Israeli entities could participate. These positions and actions take into account the discussions on Israel's participation in the "Horizon 2020" programme on research and innovation that were completed on 26 November 2013, as confirmed in your letter to me of 2 December 2013, for which I would like to thank you.

## **I. Elements in agreements (MoU) to be signed with the State of Israel:**

1. In the cases where EU legislation establishing the respective EU programme requires the signature of an agreement (Memorandum of Understanding) to enable the participation of the State of Israel in this programme, the EU side will propose the following text for inclusion in the agreement (MoU):

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<sup>1</sup> *Official Journal of the EU*, C-205 of 19.07.2013, pp. 9-11.

<sup>2</sup> The reference to EU programmes in this letter includes, where appropriate, EU financial instruments, both in the case where they are integrated in an EU programme and where they are implemented autonomously.

*“In accordance with EU policy, this agreement shall not apply to the geographic areas that came under the administration of the State of Israel after 5<sup>th</sup> June 1967. This position should not be construed as prejudicing Israel's principled position on this matter. Accordingly, the Parties agree that the application of this agreement is without prejudice to the status of those areas.”*

2. The EU side will also propose to include in the agreement (MoU) a text that makes reference to the relevant legal basis of the respective EU programme (legislation, such as EU regulations, directives or decisions, as appropriate) and includes the phrase "any other rule pertaining to the implementation of the programme".

3. The EU side will attach to the agreement (MoU) a statement, which reads:

*“The provisions of this agreement shall not prevent the European Commission from implementing Commission Notice Nr. 2013/C-205/05.”*

4. We understand, as mentioned in your letter of 2 December, that the Israeli EU side will attach to the agreement (MoU) the following statement:

*“Israel notes that reference to Commission Notice Nr. 2013/C-205/05 should not be construed as prejudicing Israel's principled position against it.”*

## **II. Elements in internal EU documents:**

5. The elements below, meant to implement the Notice, will become part of internal EU documents adopted with a view to implementing the respective EU programme. Such documents include Work Programmes, Commission financing decisions, calls for proposals, rules of contests and calls for the selection of financial intermediaries or dedicated investment vehicles. These elements will be inserted in the relevant documents both in the case where the signature of an EU-Israel agreement (MoU) will be needed to enable the participation of the State of Israel in an EU programme, and in the case where Israeli entities could participate in an EU programme on the basis of the respective EU legislation and implementing rules, without the need for signing an agreement (MoU).

6. In the text of the general application form or an equivalent document, which applicants under the respective programme will be required to submit, there will be a sentence which will say:

*“I commit to comply with the relevant eligibility criteria, as defined in [the Work Programme, the call for proposals, etc.].”*

7. In the text, as appropriate, of Work Programmes, calls for proposals, rules of contests and calls for the selection of financial intermediaries or dedicated investment vehicles, the following reference will be inserted in the relevant section describing the eligibility criteria, presumably in a footnote:

*“The eligibility criteria formulated in Commission Notice Nr. 2013/C-205/05 (OJEU C-205 of 19.07.2013) shall apply for all actions under this [Work Programme, call for proposals, etc.], including with respect to third parties receiving financial support in the cases where the respective action involves financial support to third parties by grant beneficiaries in accordance with article 137 of the EU's Financial Regulation.”*

8. The exemption in point 15 of the Notice referring to protected persons is to be understood as exempting activities benefiting exclusively and entirely protected persons under the terms of article 4 paragraphs 1 and 2 of the 4<sup>th</sup> Geneva Convention of 1949 who live in the geographic areas that came under Israeli administration after 5 June 1967.
9. With regard to financial instruments, every Israeli entity established in the areas under Israeli jurisdiction prior to June 67 will be able to apply for a financial instrument. Funding will be allocated in accordance with EU policy. Applications for financial instruments will be examined depending on their compliance with the principles of money traceability and financial ring-fencing. Thus, the EU will accept the application of methods, such as the Special Purpose Vehicle, which are in conformity with these principles and relevant eligibility criteria. Additional methods, such as special bank account and trusteeship, would be examined in a constructive spirit and on a professional basis in the light of the same principles and criteria.

I would be grateful to receive your acknowledgement of the receipt of this letter.

Yours sincerely,



Pierre VIMONT