EC/Palestine Liberation Organisation PLO agreement: Euro-Mediterranean interim association agreement

1997/0036(AVC) - 02/06/1997 - Final act

OBJECTIVE: conclusion of a Euro- Mediterranean Interim Association Agreement on trade and cooperation between the European Community and the PLO for the benefit of the Palestinian Authority. COMMUNITY MEASURE: Council Decision 97/430/EC concerning the conclusion of a Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip. SUBSTANCE: .General principle: the agreement is concluded for an interim period of 5 years, and has the aim of strengthening relations between the Palestinian entity and the European Union. It respects the terms of the Israeli-Palestinian interim agreement of 28 September 1995 on the West Bank and the Gaza Strip, under which the PLO may conclude international agreements for the benefit of the Palestinian Authority only in certain areas. The agreement covers matters of trade and cooperation falling under Community competence, and has the purpose of establishing a free-trade area for a period not extending beyond the year 2001. No later than 4 May 1999 the Parties are to start negotiations with a view to concluding a Euro-Mediterranean association agreement (until which time the present agreement will remain in force). .Democracy clause: respect for democratic principles and human rights is a basic element in the agreement; .Main elements : - establishment of a free-trade area between the Community, the West Bank and the Gaza Strip (31.12.2001): this is to be established gradually in accordance with the provisions of the WTO. In practice, despite the relatively small volume of trade between the EC, the West Bank and Gaza, this trade has been free for a long time. By Regulation (EEC) No 1134/91, the Community granted free access to the Community customs area to industrial goods produced in the West Bank and the Gaza Strip. The same Regulation and Regulations (EC) Nos 1981/95 and 539/96 likewise guarantee free access to Community markets for 22 Palestinian agricultural products (subject to reference quantities or, in certain cases, tariff quotas). Moreover, in the case of processed agricultural products, only the agricultural part of the duties is levied. In parallel, as Israel has concluded free-trade agreements with the Community, based on its association agreement with the Community, and as the Economic Protocol to the Interim Agreement between Israel and the Community stipulates that, in the case of most products, Israel and the Palestinian Authority are to maintain the same policy on imports, trade between the Union and the West Bank and Gaza Strip is already free. The agreement serves only to formalize the situation between the Community and the Palestinians; - specific provisions on agriculture and fisheries: the agreement lays down that the two parties will review the situation in order to determine what measures should apply from 1.1.2000 in the interests of greater liberalization of trade in agricultural and fishery products. The agreement also provides for the possibility that the parties may reach mutual agreement on additional concessions product by product during the lifetimes of the agreement; - financial and development cooperation: the Community is already carrying out a huge development aid programme in the territories of the West Bank and the Gaza Strip. The agreement confirms that the Palestinian Authority will be granted a financial cooperation instrument. Specific annual amounts will be allocated for Community operations associated with the peace agreement between Israel and the Palestinians and through the internal procedure provided for by the MEDA Regulation (Regulation (EC) No 1488/96). The agreement also specifies the fields in which economic cooperation between the Palestinian Authority and the Community is possible; - other types of cooperation: provisions are included concerning the audiovisual and cultural sectors and in the fields of information and communication; - specific provisions: the parties undertake not to impose any restriction on current payments of capital associated with direct investment in the West Bank and Gaza Strip, while seeking to protect intellectual property and ensure fair

competition. In the institutional sphere, the agreement provides for the setting-up of a joint committee on trade and cooperation between the Community and the Palestinian Authority to implement the agreement. ENTRY INTO FORCE: 01.07.1997.