

**Association Agreement to Horizon Europe with Israel -  
Signature ceremony with Ms Orit Farkasch Hacohen, Israeli  
Minister of Science, Technology and Space, and Mr Yair Lapid,  
Israeli Minister of Foreign Affairs**

16h00-16h30

6 December 2021

Hybrid Format

Meeting Room on the 11<sup>th</sup> Floor, BERL and Webex connection

**Scene setter**

Today, you are signing an Association Agreement to Horizon Europe with Israel.

It will be a hybrid ceremony. **Ms Orit Farkasch Hacohen, Israel's Minister of Science, Technology and Space, and Mr Yair Lapid, Israel's Minister of Foreign Affairs**, will be joining virtually. **Israel's Ambassador to the EU and NATO, Mr Haim Regev** will be joining physically with a few members of his team.

Please note that Minister Farkasch Hacohen has already signed the agreement, which Ambassador Regev will hand over to you for co-signature.

You will also exchange Notes Verbale informing each other about the completion of internal procedures on both sides. This will ensure that the agreement begins producing legal effects on the same day.

It is the first time you are meeting the Israeli Ministers as well as the new Ambassador. The Ministers were appointed as members of the new government in June 2021, following the parliamentary elections of March 2021. Minister Lapid could be the next Prime Minister of Israel. He expressed his wish to join the signing ceremony as he attributes great importance to cooperation with the EU, especially in the area of research & innovation.

Israel first associated to the EU Framework Programme (FP) for Research & Innovation in 1996 (FP4) and has become a very close partner for the EU. In Horizon 2020, Israel emerged as an extremely successful participant across different pillars, especially in the EIC and ERC.

For Israel, the EU Framework Programme is the cornerstone of the EU-Israel overall relations and is the most important public funding supporting the Israeli R&I ecosystem. It opens up networking and market opportunities for Israel.

For the EU, we benefit from Israel's excellence, top-notch innovation capacity in our key priorities areas (green, digital, public health) as well as a substantial financial contribution, which is very important under Horizon Europe in view of uncertainty around the UK's and Swiss association.

**Key Participants:**

***Israel***

Virtually:

- Mr Yair Lapid, Minister of Foreign Affairs
- Ms Orit Farkasch Hacohen, Minister of Innovation, Science and Technology

Physically:

- Haim Regev, Ambassador to EU and Nato
- Walid Abu Haya, Deputy Head of Israel's Mission to EU
- [REDACTED]

***RTD***

- [REDACTED]  
(Master of Ceremony)
- [REDACTED]

***EU Delegation to Israel***

- [REDACTED]

**ISRAEL - Signature Ceremony of the Association Agreement to Horizon Europe**  
**6 December 2021**  
**Hybrid Format**

**Israel's Association Agreement to Horizon Europe**

**SIGNING CEREMONY**

16h00 – 16h30

6 December 2021

Hybrid Format

BERL 11<sup>th</sup> Floor meeting room and Webex connection (see below)

Programme/Choreography (TBC – subject to IL comments)

16h00	Arrival of Israel's <b>Ambassador Haim Regev</b> and his team Webex connection by Mr <b>Yair Lapid</b> , Israel's Minister of Foreign Affairs and Ms <b>Orit Farkasch Hacohen</b> , Israel's Minister of Innovation, Science and Technology <i>All greeted by Commissioner Mariya Gabriel</i>
16h03	Welcome Remarks by [REDACTED] Master of Ceremony, and Introduction of Commissioner Mairya Gabriel
16h05	Celebratory remarks by <b>Commissioner Gabriel</b>
16h10	Mr <b>Yair Lapid</b> , Israel's Minister of Foreign Affairs
16h15	Ms <b>Orit Farkasch Hacohen</b> , Minister of Innovation, Science and Technology
16h20	<b>Signing of the Agreement</b> by Commissioner Gabriel <i>(Israel's Minister Farkasch-Hacohen has already signed it)</i> Exchange of <b>Notes Verbale</b> with Ambassador Regev
16h25	<b>Official Picture</b> – Commissioner Gabriel and Ambassador Regev + Minister Lapid and Minister Farkasch Hacohen on the screen
16h27	Closing remarks by [REDACTED] Master of Ceremony

Webex connection:

<https://ecconf.webex.com/ecconf/j.php?MTID=m4e3bbed28e9761ec44612e4d291dc5f6>

**Join by meeting number**

Meeting number (access code): 2740 274 4097

Meeting password: jFbhpSm@832 (53247761 from phones)

**Objectives**

- Sign the Association Agreement to Horizon Europe with the State of Israel.
- Stress the importance of our longstanding cooperation and provide examples of successful cooperation.
- Highlight our priorities for future cooperation: stronger alignment with EU strategic priorities, better synergies between the EU and Israel's innovation ecosystems, cooperation in the region.

**LTTs**

- Recall the 25th anniversary of the EU-Israel fruitful collaboration in research & innovation dating back to 1996 when Israel first associated to the EU 4<sup>th</sup> Framework Programme.
- Highlight the success of our partnership: 5000 research projects in the period of 25 years; breakthroughs in biotechnology, climate change, agriculture, new drugs etc.
- Draw attention to Israeli candidate winning the EU annual prize for Women Innovators (award ceremony took place on 25 November).
- Welcome Israel, one of the EU key industrialised partner in R&I, on board of Horizon Europe and stress the importance of our continued collaboration in efforts to address global challenges and boost innovation.
- Share your thinking on areas for improvement: a) stronger alignment of shared priorities; b) multiplying the benefits for the European innovation capacity; c) enhancing cooperation in the region, including by using science cooperation as a tool of diplomacy for greater peace and security in the region.

## Speaking Points

- Dear Minister Yair Lapid,
- Dear Minister Orit Farkasch Hacoen,
- Dear Ambassador Haim Regev,
- Ladies and gentlemen,
- Earlier this year we celebrated **25 years of successful cooperation** with Israel in research and innovation since Israel's first association to the EU 4<sup>th</sup> Framework Programme in 1996.
- It has been an incredible journey with outstanding results. We have **over 5000 projects on record** with many good stories to tell in ICT, health, advanced manufacturing, food and biotechnology, environment and energy.
- Among my personal favourites is the **new type of crop** that adapts to the effects of climate change and can be produced in high quantities for the growing population.
- Another example is **nano-packaging material** that we have jointly developed to reduce food waste.
- Allow me also to thank Israel for your active engagement in the global efforts to fight the **COVID-19** pandemic.
- In addition, in the recent hot news, **Israel's Daphne Haim Langford received this year's EU Prize for Women Innovators** for her work on disruptive medical solutions to cure specific ocular diseases.
- Thanks to the bright minds like these, our societies will be better off and I am very happy that our Framework Programmes play a role in identifying and supporting them.
- Now let me come back to today and this particular moment in time.
- Today is another **special day** in our research & innovation cooperation with Israel. We are signing the Association Agreement to Horizon Europe, which opens up new opportunities for our continued fruitful cooperation.
- I would like to take this opportunity to congratulate both Israel and my team for the **swift conclusion of the negotiations** and for accelerating internal procedures to ensure that we can sign the agreement before the end of this year.
- These efforts point to a great amount of will and eagerness on both sides to dive into new cooperation opportunities without

wasting any time and sparing an interruption in our collaborative stream.

- I would like to recall that association to Horizon Europe is the closest form of cooperation with non-EU countries. It gives Israel the rights to participate in the programme on equal terms with the EU Member States.
- Israel's association to Horizon Europe is **a win-win venture**.
- Israel gets access to probably the largest international research network and to new market opportunities.
- The EU and Horizon Europe programme, in turn, benefit from Israel's high levels of excellence and top-notch innovation capacity.
- In addition, Israel's substantial financial contribution broadens the reach and impact of the Programme.
- Cooperation with Israel has led to breakthroughs in biotechnology, climate change-related technologies, safer transportation, new drugs discovery and many more.
- As we enter a new chapter in our cooperation, it is also a good moment to see **what and how we can do even 'bigger and better'**.
- Let me share with you some of my thoughts in this regard:
- First, in our cooperation under Horizon Europe, we should strive for **stronger alignment of shared strategic priorities**, which are in fact closely linked to the key global challenges.
- Green Deal, Digital Transition and Public Health get top attention. We should build upon each other's knowledge and technologies and find effective solutions in these areas.
- Second, we would like to **multiply the benefits for the European innovation capacity** taking advantage of Israel's leading position in the disruptive and market creating innovation.
- We would both benefit from an increase in joint scale up activities, investments as well as business links between our innovation entities and enterprises.
- Finally, in view of positive international dynamics, we see a great potential for **cooperation in the region** and trilateral cooperation with specific countries.
- We should also use science cooperation as a tool of diplomacy for greater peace and security in the region.

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- In addition to using some obvious channels, such as the Partnership for Research and Innovation in the Mediterranean Area (PRIMA), we could **explore new joint initiatives** - for example, in support of the climate, energy and digital agendas in the region.
- With this in mind, I am very pleased to sign the association agreement with Israel.
- A warm welcome to Israel on board of Horizon Europe!
- Israel is a key partner for us and I am looking forward to reaching new heights in our cooperation to the benefit of our societies.

## **Defensive points**

### **Quantum and Space**

- Many thanks to Israel for providing us with the necessary information for the assessment of assurances, which was a new process for both of us.
- We assessed four conditions - the IP legislation, Reciprocity, Foreign Direct Investment and possible risks to the EU strategic interests.
- In relation to quantum, assurances were satisfactory and the new eligibility was introduced in the 12 calls on quantum research published in October.
- For space, however, there is no compliance yet with the reciprocity condition. Israeli space calls are open to EU entities but only at a subcontractor level – this cannot be accepted as reciprocal.
- Our assessment of reciprocity considers the equivalence of calls, both in terms of their thematic coverage and technology readiness.
- In the future, if we use limitations again, Israel will be made aware in the Joint Committee Meetings, as well as through the participation in programme committee configurations.

### **Regional issues – Middle East Peace Process**

- The EU and its Member States are committed to the security of Israel, which is non-negotiable. The EU shares with you the strategic interest of a stable and prosperous Middle East.
- In this context, the Israeli-Palestinian conflict remains of fundamental importance. The EU believes that the best and only way to ensure sustainable security is through the two-State solution. The EU deems that the crisis in May



proved once more that real security for Israel and Palestinians can only be achieved with a political and negotiated solution. We need to restore a political horizon towards the potential relaunching of the peace process.

- We, as EU, will always support the strengthening of Israel's relations with its neighbours. Therefore, the EU welcomes the normalisation of relations with several Arab countries (UAE, Bahrein, and Morocco). We hope that it can also have a positive impact on the relations with the Palestinians. See below.

### **On the Association Council with Israel [which has not been held since 2012]**

- We agree that the Association Council is the forum for EU-Israel high-level dialogue - on all the topics of our partnership. The EU is committed to holding it. As you know, all EU Member States need to agree on the scheduling of such a meeting.

### **On the normalisation process as a game changer for regional peace.**

- The EU welcomed the normalisation of diplomatic relations between Israel and a number of Arab countries [United Arab Emirates, Bahrein and Morocco], and considered the process as beneficial both for the countries directly involved, as well as for the stabilisation of the region as a whole.
- The new EU Agenda for the Mediterranean reaffirms our support. The EU intends to seize this opportunity and explore trilateral cooperation and joint initiatives opening up new perspective for businesses and people.
- We believe that normalisation should also have a positive effect on other countries and more broadly on regional stability - including allowing to explore new ways to revitalise the Middle East Peace Process.

## Background

### EU-Israel Bilateral Relations

The **European Union-Israel Partnership** underpins political relations and aims at strengthening economic performance, while fostering regional cooperation, with regular dialogue on issues of common interest. The **EU-Israel Association Agreement, which is in force since 2000**, is its legal framework,

The EU-Israel Action Plan, agreed in 2005, is based on shared values of democracy, respect for human rights, the rule of law and fundamental freedoms. It promotes the integration of Israel into European policies and programmes. It is in force until January 2022.

Political relations, however, have been at a standstill in view of the Israel-Palestinian conflict. A '**non-upgrade policy**' applies as per Council Conclusions adopted in 2008 and 2009, and the Association Council statement of 2012. The **Association Council has not met since 2012**. In addition, the EU has a legal obligation to include a "territorial clause" to ensure that any EU agreements and cooperation with Israel do not include territories occupied since 1967.

The HRVP is committed to work towards the holding of the Association Council. Discussions with Member States are ongoing in this respect.

At same time, trade relations have been evolving under the **Free Trade Agreement**, which is part of the EU – Israel Association Agreement of 2000. In 2019, the EU was Israel's first trading partner, representing 27.5% of Israeli trade, followed by the US (21%) and China (8.4%). Israel is the EU's 27th largest trading partner (representing 0.8% of the EU's total trade) and the 3rd largest in the Euro-Mediterranean region, behind Algeria and Morocco.


Sectoral cooperation has also continued including in **research**, transport, energy, education, culture and security with the dedicated Sub-Committees taking place a technical level. The next meeting of the EU-Israel Horizon Europe Join Committee is planned for Q2 2022.

In addition, Israel benefits from various regional programmes under the European Neighbourhood Instrument focusing on the rule of law and justice, environment and climate change, culture and youth. For example, Israel is a beneficiary of the European Peacebuilding Initiative together with Jordan and Palestine. Its overall objective is to facilitate the peace process in the Middle East by supporting civil society.

### R&I performance

#### *Israel and Horizon 2020*

Out of scope



***Israel as a strong R&I actor***

Israel has the **second highest rate of national R&D expenditure at 4.04% of GDP**, after South Korea (4.35%), Japan and Finland (both at 3.5%), Sweden (3.28%), Denmark (3%), Austria (2.98%) and Switzerland (2.97%).

Israeli R&D relies heavily on the private sector. In 2018, Israel invested USD17.2 billion in civilian R&D: **87% was from the business sector**, 12% from the government and 1% from private non-profit entities. GDP per Capita in Israel is 275% the world's average – USD 34,788.70 in 2018 (USD 8,749.10 in 1960).

There are over **390 Multi-National Companies' (MNCs) R&D centres in Israel**. 40 belong to the world's largest multinationals such as Google, Yahoo, Intel, HP, SAP and IBM. Some have been active in Israel for decades. 46% of the parent companies originate in the US; 46% in the EU; and 8% from elsewhere. MNCs act in Israel as connectors, 70% of the centres' exports are to parent companies.

While the total number of the new R&D centres has decreased from 49 in 2015 to 21 in 2019, **the number of active EU MNCs R&D centres in Israel has been consistently increasing since 49 in 2014 to 68 in 2016, 79 in 2018 and 83 in 2020**. Increased collaboration is particular with Germany, UK and France, followed by Sweden, Spain, Italy, Ireland, Finland and Hungary.

Israel's is also a strong innovator. It established itself worldwide as a start-up nation, ranking in position **number 10 out of 126 in the Global Innovation Index**. It had 5,500 start-ups and tech companies in 2020, i.e. one innovative company per every 1.600 inhabitant.

Israel has more companies listed on NASDAQ than any country besides US and China. Israel has the highest VC investment per capita (912 USD) in the world (US 414 USD, Canada 125 USD, France 65.5 USD).

**ANNEX I: CVs of the ISRAELI Counterparts**



**ORIT FARKASH-HACOHEN**

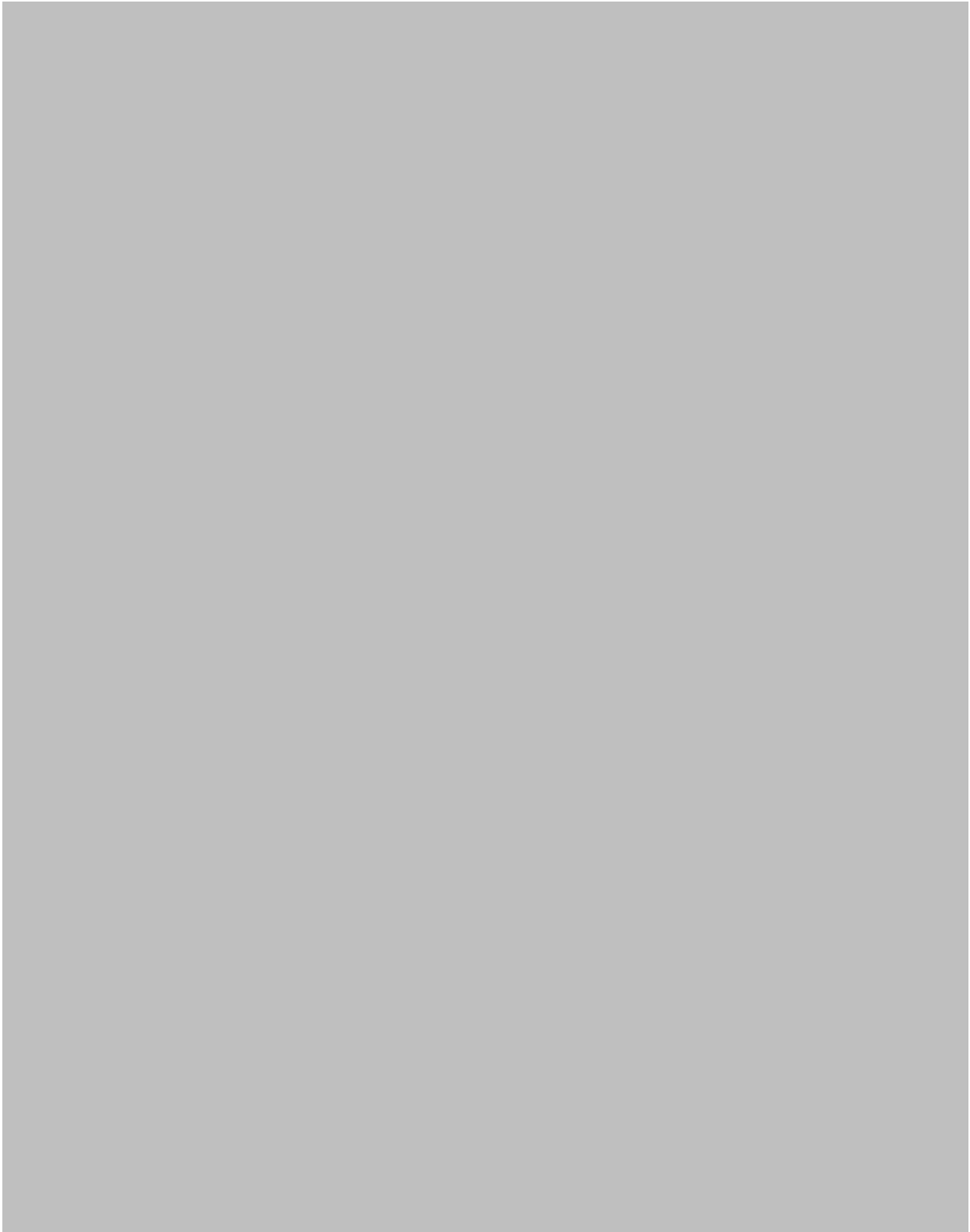
**Minister of Innovation, Science and Technology**

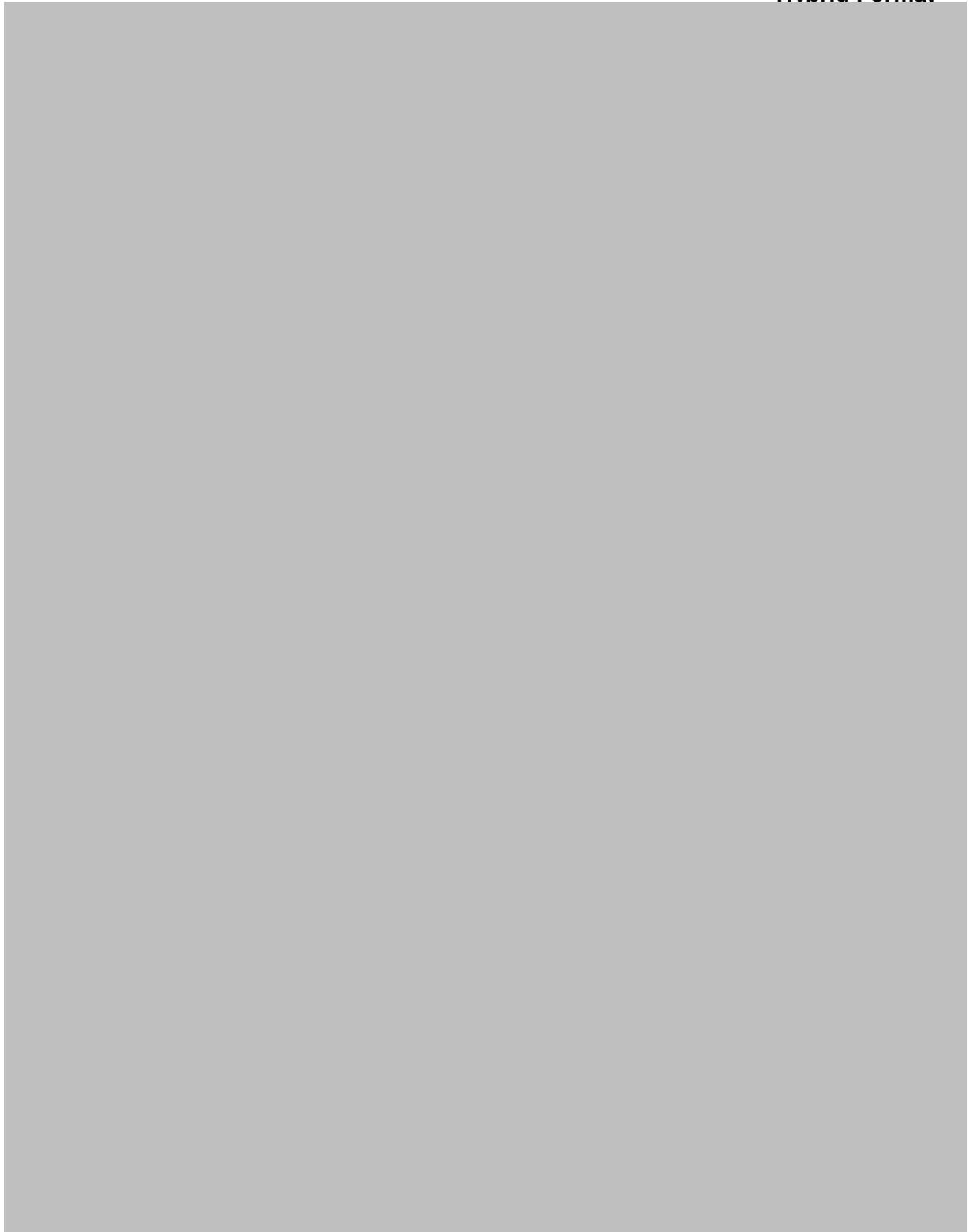
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**YAIR LAPID**

**Minister of Foreign Affairs (2021 – 2023)**

**Alternate Prime Minister of the State of Israel (2023-2025)**





**AMBASSADOR HAIM REGEV**

**Head of the Mission of Israel to the EU and NATO**



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