Council of the European Union

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**PROPOSAL**

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| From: | Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director |
| To: | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union |
| No. Cion doc.: | COM(2019) 361 final |
| Subject: | ANNEX to the Proposal for a Council Decision on the conclusion, on behalf of the European Union, of a Protocol to the Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part, on a Framework Agreement between the European Union and the Palestinian Authority of the West Bank and the Gaza Strip on the general principles for its participation in Union programmes |

Delegations will find attached document COM(2019) 361 final.

Encl.: COM(2019) 361 final

EUROPEAN
COMMISSION

Brussels, 2.8.2019
COM(2019) 361 final

ANNEX

**ANNEX**

**to the**

**Proposal for a Council Decision**

**on the conclusion, on behalf of the European Union, of a Protocol to the Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part, on a Framework Agreement between the European Union and the Palestinian Authority of the West Bank and the Gaza Strip on the general principles for its participation in Union programmes**

**ANNEX**

PROTOCOL
TO THE EURO-MEDITERRANEAN INTERIM ASSOCIATION AGREEMENT

ON TRADE AND COOPERATION BETWEEN THE EUROPEAN COMMUNITY, OF THE ONE PART,

AND THE PALESTINE LIBERATION ORGANIZATION (PLO) FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY OF THE WEST BANK AND THE GAZA STRIP, OF THE OTHER PART,

ON A FRAMEWORK AGREEMENT BETWEEN THE EUROPEAN UNION AND THE PALESTINIAN AUTHORITY OF THE WEST BANK AND THE GAZA STRIP

ON THE GENERAL PRINCIPLES FOR ITS PARTICIPATION IN UNION PROGRAMMES

THE EUROPEAN UNION, hereinafter referred to as 'the Union', of the one part,

and

THE PALESTINIAN AUTHORITY OF THE WEST BANK AND THE GAZA STRIP, hereinafter referred to as 'the Palestinian Authority', of the other part,

hereinafter referred to as 'the Parties',

WHEREAS:

1. The Euro-Mediterranean Interim Association Agreement on trade and cooperation between the European Community, of the one part, and the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part (the 'Interim Association Agreement'), was signed on 24 February 1997 and entered into force on 1 July 1997.
2. The European Council of 17 and 18 June 2004 welcomed the European Commission's proposals for a European Neighbourhood Policy (ENP) and endorsed the Council conclusions of 14 June 2004.
3. The Council has repeatedly concluded in favour of this policy.
4. The Council, on 5 March 2007, expressed support for the general and global approach outlined in the European Commission's Communication of 4 December 2006 to enable ENP partners to participate in Community agencies and Community programmes on their merits and where the legal bases so allow.
5. The Palestinian Authority has expressed its wish to participate in a number of Union programmes.
6. The specific terms and conditions, in particular, financial contribution as well as reporting and evaluation procedures, regarding the participation of the Palestinian Authority in each programme should be determined in a Memorandum of Understanding between the European Commission and the competent authorities of the Palestinian Authority,

HAVE AGREED AS FOLLOWS:

*Article 1*

The Palestinian Authority shall be allowed to participate in all current and future programmes of the Union opened to the participation of the Palestinian Authority in accordance with the relevant provisions adopting these programmes.

*Article 2*

The Palestinian Authority shall contribute financially to the general budget of the European Union corresponding to the specific programmes in which the Palestinian Authority participates.

*Article 3*

Representatives of the Palestinian Authority shall be allowed to take part, as observers and for the points which concern the Palestinian Authority, in the management committees responsible for monitoring the programmes to which the Palestinian Authority contributes financially.

*Article 4*

Projects and initiatives submitted by participants from the Palestinian Authority shall, as far as possible, be subject to the same conditions, rules and procedures pertaining to the programmes concerned as applied to Member States.

*Article 5*

The specific terms and conditions regarding the participation of the Palestinian Authority in each programme, in particular the financial contribution payable as well as reporting and evaluation procedures, shall be determined in a Memorandum of Understanding between the Commission and the competent authorities of the Palestinian Authority on the basis of the criteria established by the programmes concerned.

If the Palestinian Authority applies for external assistance of the Union to participate in a given Union programme on the basis of Regulation (EC) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument or pursuant to any similar Regulation providing external assistance of the Union to the Palestinian Authority that may be adopted in the future, the conditions governing the use by the Palestinian Authority of external assistance of the Union shall be determined in a financing agreement, respecting Regulation (EC)No 232/2014.

*Article 6*

Each Memorandum of Understanding concluded pursuant to Article 5, shall stipulate, in accordance with Regulation (EU, Euratom) No. 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, that financial control, audits or other verifications, including administrative investigations will be carried out by or under the authority of the European Commission, the European Anti-Fraud Office and the Court of Auditors.

Detailed provisions shall be adopted on financial control and auditing, administrative investigations, recovery, financial penalties and other administrative sanctions, granting the European Commission, the European Anti-Fraud Office, and the Court of Auditors to be

granted powers equivalent to their powers with regard to beneficiaries or contractors established in the Union.

*Article 7*

This Protocol shall apply for the period for which the Interim Association Agreement is in force.

This Protocol shall be signed and approved by the Parties in accordance with their respective procedures.

Either Party may denounce this Protocol by written notification to the other Party. This Protocol shall cease to apply six months after the date of such notification.

The termination of the Protocol following denunciation by any of the Parties shall have no influence on the checks and controls to be carried out, where necessary, under Articles 5 and 6.

*Article 8*

No later than three years after the date of entry into force of this Protocol and every three years thereafter, the Parties may review the implementation of this Protocol on the basis of the actual participation of the Palestinian Authority in Union programmes.

*Article 9*

This Protocol shall apply, on the one hand, to the territories in which the Treaty on the Functioning of the European Union is applied and under the conditions laid down in this Treaty, and, on the other hand, to the territory of the West Bank and the Gaza Strip.

*Article 10*

This Protocol shall enter into force on the first day of the month following the date on which the Parties notify each other through diplomatic channels of the completion of their procedures necessary for this purpose.

Pending its entry into force, the Parties agree to provisionally apply this Protocol from the date of its signature, subject to its conclusion at a later date.

*Article 11*

This Protocol shall form an integral part of the Agreement.

*Article 12*

This Protocol shall be drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Arabic languages, each of these texts being equally authentic.

Done at Brussels, this…day of …in the year…

*For the European Union* *For the Palestinian Authority*