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►B ►M2 **COUNCIL REGULATION (EC) No 1734/94**
of 11 July 1994
on financial and technical cooperation with the West Bank and the Gaza Strip ◄

(OJ L 182, 16.7.1994, p. 4)

Amended by:

		Official Journal		
		No	page	date
►M1	Council Regulation (EC) No 2824/98 of 21 December 1998	L 351	13	29.12.1998
►M2	Council Regulation (EC) No 2840/98 of 21 December 1998	L 354	14	30.12.1998

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COUNCIL REGULATION (EC) No 1734/94

of 11 July 1994

on financial and technical cooperation with the West Bank and the Gaza Strip

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission,

Acting in accordance with the procedure referred to in Article 189c of the Treaty ([1]),

Whereas, having regard to the greater requirements that will be generated in the territories of the West Bank of the Jordan and the Gaza Strip, hereinafter referred to as the 'Occupied Territories', as a result of recent developments in the Middle East peace process, new measures in the form of economic and social cooperation should be implemented in the said Territories in order to foster sustainable economic and social development, taking account of the experience acquired by the Community as a major provider of aid to the Palestinian people;

Whereas to this end there should be a five-year programme (1994 to 1998); whereas this programme should be implemented with financing from the Community budget in the form of grants;

Whereas it is necessary to lay down the detailed arrangements and rules for administering the operations financed from the budget,

HAS ADOPTED THIS REGULATION:

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Article 1

1. The Community shall implement financial and technical cooperation with the West Bank and the Gaza Strip under a five-year period (1999 to 2003) with the aim of aiding their achievement of sustainable economic, political and social development. Should new financial perspectives be adopted for the period after 2000, the amount of this cooperation shall be determined in accordance with the financial perspectives and conditional upon the budgetary authority deciding the amount in the annual budgetary procedure.

2. Within two years and not later than 31 December 2000, the Council shall review this Regulation on the basis of an independent evaluation of the programmes as envisaged in Article 6. This review shall also take into account recent developments in the area and might also consider bringing the Regulation into line with Council Regulation (EC) No 1488/96 of 23 July 1996 on financial and technical measures to accompany (MEDA) the reform of economic and social structures in the framework of the Euro-Mediterranean partnership ([2]).

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Article 2

1. The priority areas for projects and measures implemented under the programme referred to in Article 1 shall be:

([1]) Opinion of the European Parliament of 11 February 1994 (OJ No C 61, 28. 2. 1994). Council common position of 4 March 1994 (OJ No C 137, 19. 5. 1994, p. 85) and Decision of the European Parliament of 4 May 1994 (not yet published in the Official Journal).

([2]) OJ L 189, 30.7.1996, p. 1. Regulation as amended by Regulation (EC) No 780/98 (OJ L 113, 15.4.1998, p. 3).

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infrastructure, production, urban and rural development, education, health, the environment, services, foreign trade, the setting-up and improvement of institutions necessary for the proper working of the public administration and the advancement of democracy and human rights ►M2 and the development of civil society ◄.

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2. Community aid may be given for investment projects, feasibility studies, technical assistance and training, and for temporary support for the recurrent costs of the Palestinian public administration.

3. Community financing for projects and operations covered by this Regulation shall be in the form of grants or interest rate subsidies on lending by the Bank out of its own resources. The subsidy rate shall be 3 %.

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The said projects and operations shall aim *inter alia* at the promotion of employment and the creation of employment by improving the social services and combating poverty.

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4. In order to ensure consistency of cooperation and to improve complementarity between operations, Member States, the Commission and the European Investment Bank, hereafter referred to as the 'Bank' shall exchange any relevant information on financing that they envisage granting.

Possibilities for co-financing shall be sought when information is exchanged.

5. Member States, the Commission and the Bank shall also communicate, within the framework of the Committee referred to in Article 5, information in their possession on other bilateral and multilateral aid for ►M2 the West Bank and the Gaza Strip ◄.

6. At least once a year, the Commission and the Bank shall send the Member States the information collected from the administration of ►M2 the West Bank and the Gaza Strip ◄ concerning the sectors and projects already known which could be supported under this Regulation.

Article 3

The aid referred to in this Regulation may be combined with the Bank financing from own resources and may be used for co-financing with Member States, non-member countries in the region, multilateral bodies or ►M2 the West Bank and the Gaza Strip ◄ themselves. Wherever possible, the Community nature of the aid shall be preserved.

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Article 4

1. Financing decisions on projects and operations under this Regulation exceeding ECU 2 000 000 other than those relating to interest-rate subsidies on bank loans shall be adopted in accordance with the procedure laid down in Article 5.

2. Financing decisions on overall allocations for technical cooperation, training and trade promotion shall be adopted in accordance with the procedure laid down in Article 5. Within an overall allocation, the Commission shall adopt financing decisions not exceeding ECU 2 000 000.

The Committee referred to in Article 5 shall be informed systematically and promptly, and in any event before the next meeting, of financing decisions for measures not involving more than ECU 2 000 000.

3. Decisions amending financing decisions adopted in accordance with the procedure laid down in Article 5 shall be taken by the Commission where they do not entail any substantial amendments or additional commitments in excess of 20 % of the original commitment.

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The Commission shall inform the Committee referred to in Article 5 immediately of any such decisions.

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4. Financing decisions on interest rate subsidies shall be adopted in accordance with the procedure laid down in Article 12 of Regulation (EC) No 1488/96 ([1]).

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Article 5

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1. The Commission shall be assisted by the MED Committee set up pursuant to Article 11 of Regulation (EC) No 1488/96.

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2. The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of the decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

3. (a) The Commission shall adopt the measures envisaged if they are in accordance with the opinion of the Committee;

(b) if the measures envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, submit to the Council a proposal relating to the measures to be taken. The Council shall act by a qualified majority.

If within three months from the date on which the matter was referred to the Council, the Council has not acted, the proposed measures shall be adopted by the Commission.

Article 6

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1. The Commission shall examine the state of implementation of cooperation under this Regulation and shall report annually in writing to the European Parliament and the Council.

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2. The Commission shall evaluate the main projects completed in order to establish whether the objectives fixed during the appraisal of these projects have been achieved and to establish guidelines for making future aid more effective. These evaluation reports shall be sent to the Member States and to the European Parliament.

Article 7

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

([1]) OJ L 189, 30.7.1996, p. 1. Regulation as amended by Regulation (EC) No 780/98 (OJ L 113, 15.4.1998, p. 3).