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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 |
| ►M3 | Regulation (EC) No 1882/2003 of the European Parliament and of the Council of 29 September 2003 | L 284 | 1 | 31.10.2003 |
| ►M4 | Regulation (EC) No 669/2004 of the European Parliament and of the Council of 31 March 2004 | L 105 | 1 | 14.4.2004 |
| ►M5 | Regulation (EC) No 2110/2005 of the European Parliament and of the Council of 14 December 2005 | L 344 | 1 | 27.12.2005 |

NB: This consolidated version contains references to the European unit of account and/or the ecu, which from 1 January 1999 should be understood as references to the euro — Council Regulation (EEC) No 3308/80 (OJ L 345, 20.12.1980, p. 1) and Council Regulation (EC) No 1103/97 (OJ L 162, 19.6.1997, p. 1).

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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:

▼M4

*Article 1*

1. The Community shall implement financial and technical cooperation with the West Bank and the Gaza Strip with the aim of aiding their achievement of sustainable economic, political and social development. If circumstances allow, implementation shall be based on pluri-annual programmes.

2. The Commission shall provide a report reviewing this Regulation by 31 December 2005 at the latest, taking into account recent developments in the area.

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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:

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 ◄.

▼M1

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.

([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).

▼M1

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 %.

▼M2

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.

▼M4

3a. The beneficiaries of support measures may include not only States and regions but also local authorities, regional organisations, public agencies, local or traditional communities, organisations supporting business, private operators, cooperatives, mutual societies, associations, foundations and non-governmental organisations.

▼B

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. ►M5 Participation in contractual procedures implemented through an international organisation is further defined in Regulation (EC) No 2110/2005 of the European Parliament and of the Council of 14 December 2005 on access to Community external assistance ([1]). ◄

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.

▼M4

7. Invitations to tender and contract shall be open on equal terms to all natural and legal persons in the Member States and the Mediterranean partners as defined in Annex I to 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 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.

▼M2

*Article 4*

1. Financing decisions on projects and operations under this Regulation exceeding ECU 2 000 000 other than those relating to

([1]) OJ L 344, 27.12.2005, p. 1.
([2]) OJ L 189, 30.7.1996, p. 1. Regulation as last amended by Regulation (EC) No 2698/2000 (OJ L 311, 12.12.2000, p. 1).

▼M2

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

▼M1

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]).

▼M4

5. Financing decisions and any financing agreements and contracts resulting therefrom shall provide, *inter alia*, for supervision and financial control by the Commission (including the European Anti-Fraud Office (OLAF)), including on-the-spot checks and inspections in conformity with Council Regulation (Euratom, EC) No 2185/96 ([2]) and audits by the Court of Auditors, where appropriate, to be carried out on the spot. Measures shall be taken in accordance with the procedure set out in Article 5 in order to provide for adequate protection of the European Communities' financial interests in conformity with Council Regulation (EC, Euratom) No 2988/95 ([3]). Where necessary, investigations shall be conducted by the OLAF and shall be governed by European Parliament and Council Regulation (EC) No 1073/1999 ([4]).

▼M3

*Article 5*

1. The Commission shall be assisted by the MED Committee set up pursuant to Article 11 of Regulation (EEC) No 1488/96 ([5]).

2. Where reference is made to this Article, Articles 5 and 7 of Decision 1999/468/EC ([6]) shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its rules of procedure.

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*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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([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).
([2]) OJ L 292, 15.11.1996, p. 2.
([3]) OJ L 312, 23.12.1995, p. 1.
([4]) OJ L 136, 31.5.1999, p. 1.
([5]) OJ L 189, 30.7.1996, p. 1.
([6]) Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (OJ L 184, 17.7.1999, p. 23).

▼B

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.