



Brussels, 12.12.2012  
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2012/0346 (NLE)

Proposal for a

## **COUNCIL DECISION**

**on the Union position within the Joint Committee established by the Euro-Mediterranean Interim Association Agreement on Trade and Co-operation between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority (PA) of the West Bank and the Gaza Strip, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-PA ENP Action Plan**

## EXPLANATORY MEMORANDUM

The Palestinian Authority (PA) and the European Community (EC) first established contractual relations in 1997 when the EC and the Palestine Liberation Organisation (PLO), for the benefit of the PA, concluded an Interim Association Agreement on trade and cooperation. On the basis of this agreement, the EU-PA European Neighbourhood Policy (ENP) Action Plan was signed in May 2005 for a period of three to five years.

Within this framework, EU-Palestinian relations have developed significantly in recent years, with the resumption of the activities of the Joint Committee, the establishment of initially four subcommittees and the launching of the political dialogue. On the Palestinian side, the PA has proven its ability to be a full partner within the European Neighbourhood Policy (ENP) through active participation and fruitful exchanges. On the EU side, the landmark Foreign Affairs Council Conclusions of 8 December 2009 set out the path for renewed EU engagement with the Palestinian Authority by expressing the EU's commitment to "further develop its bilateral relations with the PA reflecting shared interests, including in the framework of the ENP." This development is a result of the increased capacity demonstrated by the Palestinian side in implementing its reform agenda and within the ENP.

The validity of the current Action Plan expired on 30 June 2012 and hence a new Action Plan, building on the EU's long-standing support to the PA's statebuilding efforts is appropriate. In order to prepare for this new Action Plan, the number of ENP subcommittees was increased from four to six to enable a better monitoring of the Action Plan. The new subcommittees are fully aligned with the new Action Plan.

EU-Palestinian relations take place in the context of the overall changing political situation in the region and in the paradigm of the EU's defining role and added value in global governance.

The Joint Communication to the Parliament and the Council entitled *A new response to a changing neighbourhood: A review of European Neighbourhood Policy*, outlined a new approach which aims at a higher level of differentiation, allowing for each partner to develop its links with the EU based on its own aspirations, needs and capacities, but also on mutual accountability and the degree of commitment to the universal values of human rights, democracy and the rule of law, as well as the capacity to implement jointly agreed priorities. As outlined in the above-mentioned Communication, the EU will aim for a more simplified and coherent policy and programme network through focusing ENP Action Plans and EU assistance on a smaller number of priorities, backed with more precise benchmarks. This new Action Plan clearly outlines the priority objectives of the privileged EU-PA partnership fully cognisant of the special circumstances of the PA and the limitations within which it operates.

The European External Action Service (EEAS), in close co-operation with Commission services and EU Member States, has held exploratory talks with the PA which has resulted in agreement on the draft Action Plan. It covers a timeframe of three to five years. In the course of the recent EU-PLO Joint Committee which took place on 13 February 2012, the parties took note of the ongoing technical negotiations for a new joint EU-PA ENP Action Plan. The finalisation of technical consultations on each side was notified through an exchange of letters.

The EU-PA ENP Action Plan shall be the essential reference tool that will guide our bilateral relations with the Palestinian Authority in the coming years. The ENP will continue to act as a

catalyst as a single policy framework, based inter alia on partnership and joint ownership, as well as performance-driven differentiation and tailor-made assistance.

The Commission attaches the text of a proposal for a Council Decision on the position to be taken by the European Union within the EU-PLO Joint Committee with regard to the adoption of a recommendation on the implementation of the Action Plan in annex.

The Commission therefore requests the Council to adopt the attached proposal for a Council Decision.

Proposal for a

## **COUNCIL DECISION**

**on the Union position within the Joint Committee established by the Euro-Mediterranean Interim Association Agreement on Trade and Co-operation between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority (PA) of the West Bank and the Gaza Strip, of the other part, with regard to the adoption of a Recommendation on the implementation of the EU-PA ENP Action Plan**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to Council Decision 97/430/EC of 2 June 1997 concerning the conclusion of a Euro-Mediterranean Interim Association Agreement on Trade and Co-operation between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority (PA) of the West Bank and the Gaza Strip, of the other part, and in particular the second subparagraph of Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Euro-Mediterranean Interim Association Agreement on trade and co-operation between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority (PA) of the West Bank and the Gaza Strip, of the other part (“the Agreement”) was signed on 24 February 1997 and entered into force on 1 July 1997,
- (2) The Parties intend to agree on the new EU-PA European Neighbourhood Policy (ENP) Action Plan, which reflects the privileged EU-PA partnership, and which will support the implementation of the Euro-Mediterranean Interim Association Agreement through the elaboration and agreement of concrete steps towards attainment of its objectives,

HAS ADOPTED THIS DECISION:

### *Article 1*

The Union position within the Joint Committee established by the Euro-Mediterranean Interim Association Agreement on Trade and Co-operation between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority (PA) of the West Bank and the Gaza Strip, of the other part, with

regard to the implementation of the EU-PA ENP Action Plan shall be based on the draft Recommendation of the Joint Committee attached to this Decision.

*Article 2*

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council  
The President*

**Draft**

**RECOMMENDATION**

**on the implementation of the EU-PA ENP Action Plan**

The Joint Committee,

Having regard to the Euro-Mediterranean Interim Association Agreement establishing an association between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part, (“the Agreement”) and in particular Article 63(2) thereof,

Whereas:

- (1) Pursuant to Article 70 of the Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Agreement and shall see to it that the objectives set out in the Agreement are attained.
- (2) The Parties to the Agreement have agreed on the text of the European Union – Palestinian Authority European Neighbourhood Policy Action Plan (“the EU-PA ENP Action Plan”).
- (3) The EU-PA ENP Action Plan will support the implementation of the Agreement through the elaboration and agreement between the Parties of concrete steps which will provide practical guidance for such implementation.
- (4) The Action Plan serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties’ obligations set out in the Agreement and of providing a broader framework for further strengthening EU-PA relations.

HAS ADOPTED THE FOLLOWING RECOMMENDATION:

*Sole Article*

The Joint Committee recommends that the Parties implement the EU-PA ENP Action Plan set out in the Annex, insofar as such implementation is directed towards attainment of the objectives of the Euro-Mediterranean Interim Association Agreement establishing an association between the European Community, of the one part, and the Palestine Liberation Organisation (PLO) for the benefit of the Palestinian Authority of the West Bank and the Gaza Strip, of the other part,

Done at [...]

For the Joint Committee

The President

## ANNEX

### EUROPEAN UNION -PALESTINIAN AUTHORITY ACTION PLAN

#### POLITICAL CHAPEAU

##### **A new Action Plan**

The Palestinian Authority (PA) and the European Community (EC) first established contractual relations in 1997 when the EC and the Palestine Liberation Organisation (PLO), for the benefit of the PA, concluded an Interim Association Agreement on trade and cooperation. On the basis of this agreement, the EU-PA European Neighbourhood Policy Action Plan was signed in May 2005. Within this framework, EU-Palestinian relations have witnessed in recent years a significant development, with the resumption of the activities of the Joint Committee, the establishment of initially four subcommittees and the launching of the political dialogue. On the Palestinian side, the PA has proven its ability to be a full partner within the European Neighbourhood Policy (ENP) through active participation and fruitful exchanges. On the EU side, the landmark Foreign Affairs Council Conclusions of December 2009 put forth the path for renewed EU engagement with the Palestinian Authority by expressing the EU's commitment to "further develop its bilateral relations with the Palestinian Authority reflecting shared interests, including in the framework of the ENP."<sup>1</sup> This development is a result of the increased capacity demonstrated by the Palestinian side in implementing its reform agenda and within the ENP. The first step was to increase the number of ENP subcommittees to enable a more effective and policy-driven dialogue with full involvement of civil society. As our dialogue deepens and our partnership matures, this new Action plan, building on EU's long standing support to the PA's statebuilding efforts, is the appropriate framework to define the way forward.

##### **A privileged EU-PA partnership**

In recent years, EU-PA relations have focused primarily on supporting PA's state-building efforts, as defined within the framework of its two-year Government plan from 2009 *Palestine-Ending the occupation, Establishing the State and the Palestinian Reform and Development Programme (PRDP) 2008-2010*, both of which the EU has supported politically and financially. The Palestinian *National Development Plan (NDP) 2011-2013* consolidates the achievements of the previous programmes. The Palestinian side has been working on an ambitious reform agenda making a strategic choice to anchor its socio-economic development with that of the EU. As the major and most predictable donor to the Palestinian people, the EU has responded and been instrumental in the successful institution-building effort of the PA. In this regard the EU has concurred with the assessment of the World Bank and other international financing institutions that "if the Palestinian Authority maintains its current

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<sup>1</sup> Foreign Affairs Council Conclusions, 8 December 2009

performance in institution building and delivery of public services, it is well positioned for the establishment of a State at any point in the near future". This assessment was reiterated by the donors at the Ad Hoc Liaison Committee (AHLC) meeting hosted by HRVP Ashton on 13 April 2011 in Brussels and once again in September 2011. On the basis of the reports of the United Nations (UN), the International Monetary Fund (IMF) and the World Bank, the participants acknowledged that "the PA is above the threshold for a functioning state in the key sectors they studied, and that Palestinian institutions compare favorably with those in established states"<sup>2</sup>. The donors reconfirmed their assessment of the state readiness of the PA regarding the institutions studied at the AHLC held on 21 March 2012 in Brussels.

### **The EU as a global player in a changing neighbourhood/world**

EU-Palestinian relations take place in the context of the overall changing political situation in the region and in the paradigm of the EU's defining role and added value in global governance, "which is reflected in its active support for democracy, the rule of law, the protection of human rights and human security alongside compliance with international environmental and social conventions, open trade as well as decent work agenda."<sup>3</sup> As the EU responds to its changing neighbourhood especially the Arab Spring through a review of its European Neighbourhood Policy, it has a particular interest and responsibility in proactively promoting democratisation leading to stability and prosperity in the region. In particular, recent events in the Neighbourhood have shown "the necessity of heeding the legitimate aspirations of the peoples in the region, including those of Palestinians for statehood."<sup>4</sup> The EU continues to follow closely developments regarding the Palestinian initiative at the UN.<sup>5</sup>

The Palestinian Authority will be among the first partners to have a new Action Plan reflecting the new response to a changing neighbourhood based on differentiation, mutual accountability and a shared commitment to universal values, international law, international human rights standards, democracy and the rule of law. The new EU approach entails closer political association and progressive economic integration into the EU Internal Market for those partners who are willing and able to move further in their reform objectives. It aims at a higher level of differentiation, allowing for each partner to develop its links with the EU based on its own aspirations, needs and capacities, but also on mutual accountability and the degree of commitment to the above-mentioned universal values, as well as the capacity to implement jointly agreed priorities.<sup>6</sup> The subcommittees are the ideal tool to monitor the implementation of these priorities and their conclusions will be reflected in the work of the Joint Committee, as well as in the EU annual progress report.

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<sup>2</sup> Chair's summary, AHLC meeting, 13 April 2011

<sup>3</sup> Global Europe: A New Approach to Financing External Action

<sup>4</sup> Foreign Affairs Council Conclusions, 23 May 2011

<sup>5</sup> Foreign Affairs Council Conclusions, 10 October 2011

<sup>6</sup> Joint Communication: *A new response to a changing neighbourhood: A review of European Neighbourhood Policy*

In parallel, the EU is increasingly seeking to target its resources where they are most needed and where they could make the most difference. Hence, its external instruments, of which the Palestinian people will be a beneficiary, will be more closely linked to progress in implementing reforms. In this regard, the EU's financial assistance to the Palestinian people shall be closely aligned with this Action Plan's key policy objectives. In line with best practices in development co-operation, the EU and Member States will consult with each other and co-ordinate their programming.

Achieving the objectives outlined in this Action Plan is linked to the capacity to address the challenges imposed primarily by the occupation, as well as by the current division between the West Bank and the Gaza Strip, the current uncertainties surrounding the PA fiscal sustainability as well as by the ongoing lack of progress in the Israeli-Palestinian peace negotiations. These factors seriously jeopardise the achievements of the PA.

### **A commitment to a two-state solution**

The EU reaffirms its commitment to a two-state solution through the creation of an independent, democratic, contiguous and viable State of Palestine, living side by side with Israel. EU support to the prospect of a Palestinian state and to the legitimate rights of the Palestinian people is a concrete translation of the EU's long standing commitment to the two-state solution.

The two sides reiterate their commitment to contribute to their mutual goal of a resolution of the Middle East conflict based on the terms of reference mentioned below.

The EU has defined its positions as regards the Middle East Peace Process (MEPP) in the Venice Declaration of 1980 and has developed it since then in various Foreign Affairs Council Conclusions, in December 2009, December 2010, May 2011 and May 2012 as well as in the Statement delivered on behalf of the EU at the UN Security Council on 21 April 2011. Recalling the Berlin Declaration of 1999, the EU reiterates its readiness to recognize a Palestinian State when appropriate. In line with the Quartet Statement of 23 September 2011, the EU will actively support additional steps identified towards Palestinian statehood and will support in accordance with existing procedures significantly greater independence and sovereignty for the Palestinian Authority over its affairs including steps that would facilitate the social and economic development of Area C.

The EU reiterates its support to Palestinian reconciliation as outlined in the Foreign Affairs Council conclusions of 23 May 2011. The EU considers that the situation in and around Gaza remains fragile and unsustainable, as long as it remains politically separated from the West Bank.

Recalling its previous Council conclusions on MEPP, the EU continues to call for the immediate, sustained and unconditional opening of crossings for the flow of humanitarian aid,

commercial goods and persons to and from the Gaza Strip and in particular between Gaza and the West Bank.

The EU recalls the applicability of international humanitarian law in the occupied Palestinian territory, including the applicability of the fourth Geneva Convention relative to the protection of civilians.<sup>7</sup> The EU calls for the full respect of international human rights obligations towards all Palestinian prisoners.<sup>8</sup>

The EU underlines the urgent need to re-launch the peace process so as to achieve a two-state solution in full compliance with Road Map obligations, and based on the UN Security Council resolutions, the Madrid principles including land for peace, the Roadmap, the agreements previously reached by the parties and the Arab peace initiative through:

- An agreement on the borders of the two states, based on the June 4 1967 lines, with equivalent land swaps as may be agreed between the parties.<sup>9</sup> The EU will not recognise any changes to the pre-1967 borders including with regard to Jerusalem, other than those agreed by the parties.<sup>10</sup> The EU reiterates that settlements, the separation barrier where built on occupied land, demolition of homes and evictions, are illegal under international law and constitute an obstacle to peace and threaten to make a two state solution impossible. The EU will continue to ensure that settlement products will not benefit from preferential treatment under the EU-Israel Association Agreement and that settlement activity will not benefit from any sort of EU funding or programmes.
- Recalling that the EU has never recognised the annexation of East Jerusalem, a way must be found through negotiations to resolve the status of Jerusalem as the future capital of two states.
- A just, fair, realistic and agreed solution to the refugee question.
- Security arrangements that, for Palestinians, respect their sovereignty and show that the occupation is over and, for Israelis, protect their security, prevent the resurgence of terrorism and deal effectively with new and emerging threats.
- Control of the Palestinian people over its natural resources, including the equitable and reasonable allocation of transboundary water resources, in line with the relevant norms of international law and to be pursued alongside other final status issues.
- Working on the regional tracks to ensure comprehensive peace in the Middle East.

The EU remains committed to contribute substantially to post-conflict arrangements.

This Action Plan will cover the timeframe of three to five years.

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<sup>7</sup> Foreign Affairs Council Conclusions, 14 May 2012

<sup>8</sup> EU local statement on Palestinian prisoners on hunger strike, 8 May 2012

<sup>9</sup> Foreign Affairs Council Conclusions, 8 December 2009

<sup>10</sup> Foreign Affairs Council Conclusions, 8 December 2009

## PRIORITY OBJECTIVES<sup>11</sup>

- 1) **Enhance efforts to resolve the Middle East conflict based on the above-mentioned terms of reference, including through supporting the establishment of a sovereign Palestinian state**
- 2) **Deepen bilateral relations in preparation for establishing a fully-fledged Association Agreement between the EU and the future State of Palestine**
  - Pursue and develop political dialogue at all levels.
  - Establish an annual meeting between the EU and the Palestinian side in line with the Association Council held with other ENP partners.
  - Launch, as soon as possible, negotiations on a full Association Agreement, which would formally be concluded upon Palestinian statehood.
  - Increase co-operation in the multilateral framework, including through contributing to UN efforts to resolve regional conflicts and promoting effective multilateralism.
- 3) **A Palestinian state based on the rule of law and respect for human rights within a functioning deep democracy and with accountable institutions**
  - Protect citizens' rights to enjoy their fundamental freedoms and exercise their human rights, including the freedom of assembly, freedom of expression, freedom of association, freedom of movement, freedom of religion or belief, and freedom of the media and upholding the need to fight incitement through the existence of an adequate and duly implemented national legal framework in line with international standards; protect women's and girls' rights including through the elimination of all discriminatory provisions in national legislation.

*Timeline:* continuous

*Benchmarks:* adoption of legislation in line with obligations set out in international human rights conventions, full implementation of the 2000 NGO law across the oPt, adoption of legislation in particular with regard to media, development of the Palestinian Independent Commission for Human Rights in line with the Paris Principles (UN General Assembly Resolution 48/134), full implementation of the National Strategic Plan on combating violence against women, rate of women's participation in the economy, adoption of a comprehensive Palestinian human rights strategy

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<sup>11</sup> The indicative timelines referred to in the Priority Objectives are short term (1 to 2 years), medium-term (2 to 3 years), long-term (3 to 5 years) and continuous (for the duration of the validity of the Action Plan)

*Indicators:* Palestinian Independent Commission for Human Rights reports, reports on the implementation of the Committee on the Elimination of Discrimination against Women (CEDAW) and on the Istanbul Plan of Action, ENP progress reports

*EU responsibilities:* continued assistance for civil society and non-state actors, advocacy of and support for appropriate legislative reforms and their implementation, support to human rights defenders

- Hold genuine, democratic elections at all levels in line with international standards.

*Timeline:* short-term, thereafter in accordance with the electoral law

*Benchmarks:* voter registry updated in Gaza and continuation of updates in the West Bank, revised electoral law promulgated, Presidential decree to launch the electoral calendar, local, presidential and legislative elections, convening of a democratically elected Palestinian Legislative Council (PLC) overseeing a democratic government

*Indicators:* conclusions of international and domestic non-partisan election observation missions

*EU responsibilities:* political support for the convening of elections, including in East Jerusalem, continued assistance to the Central Elections Commission and PLC Secretariat; possible deployment of EU Election Observation Missions (EOM(s)), support for the release of detained Palestinian legislators<sup>12</sup>

- Establish an independent, impartial and fully-functioning judiciary in line with international standards, ensuring due process, fair trials and enforcement of court orders and decisions.

*Timeline:* medium- to long-term

*Benchmarks:* length of time for cases to be completed, numbers of citizens in pre-trial detention, establishment of legal aid, adoption of legislation (penal code, mediation and arbitration law; juvenile justice, administrative courts), regulate the jurisdiction of specialized courts including through the separation of civil and security courts and limiting the powers of 'military' tribunals to serving military personnel

*Indicators:* Palestinian Independent Commission for Human Rights reports, progress reports for the Seyada II programme or its successor, EUPOL COPPS assessments, ENP progress reports

*EU responsibilities:* continued assistance to the judiciary

- Reform and develop the Palestinian security sector, institutionalise civilian democratic control of security services and ensure they operate in

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<sup>12</sup> Council Conclusions, 23 July 2007

full respect of human rights through proper regulation, appropriate training and accountability mechanisms.

*Timeline:* medium-term

*Benchmarks:* implementation of the Palestinian National Development Plan 2011-2013 priority policies in the security sector, unified command structures and budget planning systems reporting to the Minister of Interior covering all security agencies across the oPt, establishment of an inspectorate for oversight over all the security forces and strengthened public accountability in the Ministry of Interior, access for the Palestinian Independent Commission for Human Rights to all detention centres (including Internal Security) including without prior permission

*Indicators:* Palestinian Independent Commission for Human Rights reports, EUPOL COPPS assessments, ENP progress reports

*EU responsibilities:* continued EU assistance to the security and penitentiary system, including through the Common Security and Defence Policy (CSDP) as appropriate, human rights training, support agreed measures for the expansion of the PA's area of security authority and operational scope in the West Bank (in current Areas B and C)

- Reinforce national efforts to fully implement the National Development Plan (2011-2013) and its successors in liaison with the international donor community.

*Timeline:* short- to medium-term

*Benchmarks:* implementation of the NDP priorities

*Indicators:* Ministry of Finance quarterly reports, Ministry of Planning and Administrative Development reports, annual NDP Monitoring reports, Reports of the World Bank and IMF to the Ad Hoc Liaison Committee

*EU responsibilities:* continued financial support to the Palestinian people including contributing to the PA's fiscal sustainability, and to Palestine refugees through the United Nations Relief and Works Agency (UNRWA), subject to the availability of resources; provide technical support for the strengthening of the administrative capacity of Palestinian institutions in preparation for integration in the multilateral system

**4) Achieve fiscal consolidation and sustainable economic development throughout the oPt**

- Build on important progress made in establishing a strong public financial management system by committing to further improvements in particular with regard to external and internal audit and control.

*Timeline:* continuous

*Benchmarks:* aggregate fiscal discipline, strategic allocation of resources and efficient service delivery, PA fiscal deficit and aid dependence, enhanced PA

revenue collection, elimination of energy subsidies (“net lending”), implementation of public service and pension reform, implementation of Public Expenditure and Financial Accountability (PEFA) assessment and subsequent action plan, adoption of regulatory framework for public procurement

*Indicators:* Ministry of Finance quarterly reports, annual NDP Monitoring reports, Reports of the World Bank and IMF to the AHLC

*EU responsibilities:* continued financial support to the Palestinian people accompanied by measures to assist PA’s long-term fiscal sustainability, and to Palestine refugees through UNRWA, subject to the availability of resources, provide technical support for the strengthening of the administrative capacity of Palestinian institutions in preparation for integration in the multilateral system, support enhanced PA revenue collection including the adoption of an improved mechanism ensuring efficient, transparent and predictable clearance revenue collection by Israel on behalf of the PA in line with the Paris Protocol

- Improve policy administration, civil service management and public accountability mechanisms, including strengthening audit and oversight capacity and the capability to prevent and fight fraud and corruption.

*Timeline:* long-term

*Benchmarks:* implementation of a decentralised system of basic personnel administration, government internal audit decentralised, the Financial and Administrative Control Bureau (FACB) fulfilling its role as an independent external audit agency in line with standards set by the International Organisation of Supreme Audit Institutions

*Indicators:* Reports of the Palestinian Ministry of Planning and Administrative Development, World Bank and IMF to the AHLC. Annual reports of the FACB, Public Expenditure and Financial Accountability assessment

*EU responsibilities:* co-chair of the Governance Strategy Group, continued financial support in particular for public financial management, full utilisation of TAIEX

- Support the development of a competitive Palestinian private sector, including by minimizing constraints to private sector development, to facilitate Palestinian economic self-reliance.

*Timeline:* medium-term

*Benchmarks:* adoption of new commercial legislation to facilitate economic activity and investment, establishment of regulatory and technical standards institutions in all major economic sectors

*Indicators:* internationally recognised reviews, such as World Bank “Ease of Doing Business” reports, EuroMed Charter for Enterprise reviews

*EU responsibilities:* continued financial support, subject to the availability of resources, full utilisation of TAIEX, continued advocacy for Palestinian observership as a first step towards accession negotiations to the World Trade Organisation

- Within the framework of these global efforts, targeted support for the development of the Gaza Strip.

*Timeline:* medium-term

*Benchmarks:* implementation of the NDP sector indicators in the Gaza Strip

*Indicators:* Reports of the Palestinian Ministry of Planning and Administrative Development to the AHLC

*EU responsibilities:* call for the full implementation of the 2005 Agreement on Movement and Access (AMA), advocacy for the lifting of the Gaza closure<sup>13</sup>, advocacy for the complete and permanent removal of the obstacles to movement and access, as a pre-requisite for Palestinian economic revival, and seeking to ensure the PA fully benefits from existing agreements and the instruments to which it is entitled

- Further develop trade relations and take concrete measures to facilitate the full implementation of the Interim Association Agreement on Trade and Cooperation.

*Timeline:* medium-term

*Benchmarks:* implementation of the AMA, competitiveness of the Palestinian private sector

*Indicators:* Reports of the World Bank and IMF to the Ad Hoc Liaison Committee, trade figures, including fulfilment of agriculture quotas

*EU responsibilities:* continued support to the Palestinian private sector; implementation of the economic package adopted by EuroMed Ministers, full implementation of the Interim Association Agreement and of the agreement providing further liberalisation of agricultural products, processed agricultural products and fish and fishery products, enhanced engagement on the issue of the fishing zone in the Gaza Strip

- Develop a modern border control system based on an effective integrated border management (IBM) and continue to support the development of qualified staff to operate customs departments at international ports.

*Timeline:* long-term

*Benchmarks:* allocation of development expenditure for border crossings administration and IBM system, allocation of resources for the establishment of related essential infrastructure (territorial links, ports, transport network), implementation of the AMA

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<sup>13</sup> Foreign Affairs Council Conclusions, 23 May 2011

*Indicators:* evaluation of Palestinian customs clearance, when operational; Promotion/assessment of an Integrated Border Management to facilitate movement of persons and goods while at the same time maintaining secure borders

*EU responsibilities:* continued EU assistance, including through CSDP as appropriate, training PA officials in view of future deployment at borders, continued advocacy for Palestinian observership as a first step towards accession negotiations to the World Trade Organisation

**5) Step up efforts to significantly reduce poverty and social exclusion, in particular among the most vulnerable, and to enhance the social cohesion throughout the oPt**

- Build a sustainable, equitable and cost effective social security system.

*Timeline:* long-term

*Benchmarks:* adoption of appropriate social protection legislation, including for pensions, development of a national database on poverty and vulnerability, full implementation of the Cash Transfer Programme (CTP) in the West Bank and Gaza Strip ahead of its amalgamation into a fully-financed national scheme

*Indicators:* Reports of the Palestinian Ministry of Planning and Administrative Development and the World Bank to the AHLC, progress reports and evaluations of EU assistance programmes in the sector

*EU responsibilities:* continued financial support, in particular for reform of cash assistance programmes for vulnerable Palestinians to establish them on a sustainable footing, inclusion of the Palestinian Central Bureau of Statistics in regional assistance programmes (MEDSTAT III)

- Enhance the level of public health and its governance in the occupied Palestinian territory in line with the PA's implementation of its comprehensive national health strategy, tackling issues relating to infrastructure and logistics, financing for the health sector, human resources for health and access to medicines including Gaza.

*Timeline:* long-term

*Benchmarks:* allocation of resources for development of secondary and tertiary healthcare, establishment of the Al Najah University Educational Hospital

*Indicators:* World Health Organisation (WHO) reports and United Nations Development Programme (UNDP) development index reports

*EU responsibilities:* outside the current focal sectors for EU assistance, although EU will continue overall direct financial support for the PA and may provide support for specific acute health needs, such as in the Gaza Strip or for East Jerusalem hospitals

## 6) Facilitate territorial management and access, including to natural resources

- Develop the necessary legal and institutional framework for an integrated water and wastewater management system to ensure equitable service delivery and resource sustainability all over the oPt and provide support for its implementation.

*Timeline:* long-term

*Benchmarks:* establishment of a water management regulatory body, allocation of resources for a national, regionally connected water distribution network and for desalination

*Indicators:* evaluation of achievement of NDP water infrastructure targets (95% of households connected to clean water supply by 2013, 65% (West Bank) and 92% (Gaza) connected to sewage network, and reduced losses from the network. To be reviewed after 2013

*EU responsibilities:* continued EU assistance, possible Neighbourhood Investment Facility (NIF) support

- Intensify efforts to facilitate connectivity in regional and international infrastructure networks (e.g., transport, energy, water, telecommunications, etc.) especially in the EuroMed region.

*Timeline:* long-term

*Benchmarks:* establishment of a telecommunications regulatory body promoting competition and service standards, investment in regional connectivity with Egypt/Jordan, enhancing energy security inter-alia by promoting the use of indigenous renewable energy sources, allocation of resources for West Bank – Gaza territorial link and regional road network

*Indicators:* Annual NDP Monitoring Report, Reports of the World Bank to the Ad Hoc Liaison Committee

*EU responsibilities:* continued EU assistance, including through the Technical Assistance and Information Exchange instrument (TAIEX) and EuroMed initiatives, possible NIF support

- Implement sustainable development policies resulting in strategies and initiatives designed to achieve inter alia environmentally sustainable economic development and greater social inclusion.

*Timeline:* medium-term

*Benchmarks:* full implementation of the National Environment Strategy, development and review of the relevant legislative and institutional framework

*Indicators:* Annual NDP Monitoring Report

*EU responsibilities:* EU assistance primarily through capacity building, support to projects, TAIEX and EuroMed initiatives

**7) Enhance quality of education, research and innovation, information society in the oPt**

- Enhance quality of education, research and innovation, information society in the oPt.

*Timeline:* long-term

*Benchmarks:* allocation of PA resources for primary, secondary and tertiary education, research, science and technology; establishment of a national fund for academic research; development of educational, cultural, youth and sport-related infrastructure, establishment of an e-government programme, establishment of a telecommunications regulatory body and improved connectivity of PA research and academic network to GEANT (Gigabit European Advanced Network Technology)

*Indicators:* UNDP indicators on education, evaluation of achievement of relevant NDP indicators for basic education and higher education enrolment rates, number of successful Palestinian applications to the relevant EU programmes

*EU responsibilities:* facilitation of Palestinian participation in relevant EU programmes; although outside the current focal sectors for EU bilateral assistance, continued EU support to the Technical and Vocational Education and Training (TVET) programme (latter to be reviewed during 2013)

**8) Support the rights of the Palestinian people in East Jerusalem**

- Support the political, economic, social and cultural rights of the Palestinian people in East Jerusalem, in line with the FAC Conclusions of December 2009 and in full alignment with the Palestinian Strategic Multi-Sector Development Plan (SMDP) for Jerusalem.

*Timeline:* continuous

*Benchmarks:* Implementation of the SMDP for East Jerusalem, establishment of PLO focal point for East Jerusalem, reopening of Palestinian institutions in East Jerusalem in accordance with the Roadmap

*Indicators:* WHO indicators/demographic indicators for Palestinians living in East Jerusalem, other human development indicators where available

*EU responsibilities:* Continued EU support to the East Jerusalem programme (including housing, economic development, basic social services, human rights, conservation and promotion of cultural heritage)

9) **Increase development efforts in Area C**

- Increase development efforts in Area C.

*Timeline:* continuous

*Benchmarks:* investment in public works or institutions in Area C, improvement of movement of people and goods, development, and trade and exports

*Indicators:* Reports of the Palestinian Ministry of Planning and Administrative Development to the AHLC, adoption of Palestinian master plans for Area C

*EU responsibilities:* continued financial assistance for Palestinian development in Area C<sup>14</sup> to maintain Palestinian presence there, support the elaboration of Palestinian master plans in order to improve the development of the entire West Bank and to preserve the viability of the future Palestinian state, advocacy for the complete and permanent removal of the obstacles to movement and access, as a pre-requisite for Palestinian economic revival and seeking to ensure that the PA fully benefits from existing agreements and the instruments to which it is entitled. Humanitarian assistance will continue to be provided in a timely and effective manner, when and where needs arise, and in line with humanitarian principles.

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<sup>14</sup> Foreign Affairs Council Conclusions, 14 May 2012

## ANNEX: COMPLEMENTARY OBJECTIVES

### A. POLITICAL DIMENSION

#### I. Political dialogue and cooperation

*[EU-PLO Political Dialogue]*

*Deepen bilateral relations as part of a strategic vision towards a fully integrated and sovereign Palestinian state and achieve closer political co-operation and dialogue on the basis of shared values*

- (1) Enhance political and strategic dialogue and cooperation on foreign and security policy and hold meetings at different levels and in all fora.<sup>15</sup>
- (2) Establish an annual meeting between the EU and the Palestinian side in line with the Association Council held with other ENP partners.
- (3) Launch, as soon as possible, negotiations on a full Association Agreement, which would formally be concluded upon statehood.
- (4) Intensify contacts between Palestinian Ministers and their European counterparts.
- (5) Hold annual meetings with a Palestinian senior official in the Political and Security Committee (PSC) and schedule additional meetings on an ad-hoc basis.
- (6) Reinforce dialogue and co-operation on conflict prevention, peace and crisis management and in civil protection.
- (7) Increase co-operation in the multilateral framework, including through contributing to UN efforts to resolve regional conflicts and promote effective multilateralism.
- (8) Deepen co-operation in addressing common security threats, including non-proliferation of weapons of mass destruction (WMD) and illegal arms exports.

#### II. Democracy, rule of law and good governance

*[Sub-committee on Human Rights, Good Governance and Rule of Law]*

*Build a deep and sustainable democracy underpinned by a respect for human rights and the rule of law*

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<sup>15</sup> The PLO and the EC launched political dialogue in December 2008 based on the 1997 Joint Statement on Political Dialogue. The EU has welcomed positively the request to develop political dialogue in the Letter of Deputy Director General Robert Rydberg (Swedish Ministry of Foreign Affairs) and Director Dupla del Moral (European Commission), 10 December 2009

## Elections

- (9) Hold genuine, democratic elections at all levels in line with international standards.
- (10) Strengthen the domestic legal framework to ensure independent domestic and international monitoring and observation of elections, including by civil society.
- (11) Reinforce the role, independence and capacities of the Central Elections Commission and ensure that the institution is supported by sufficient financial resources.
- (12) Take measures to increase women's participation in political and democratic life.

## Judiciary

- (13) Pursue efforts towards an independent, impartial and fully-functioning judiciary in line with international human rights standards, ensuring due process, fair trials and enforcement of court orders and decisions.
- (14) Develop legislation, facilitate public access to legal information to ensure equal access to justice to all and set up a fund for legal aid with the adequate structures to ensure its proper administration.
- (15) Regulate through adopting and implementing legislation the jurisdiction of specialized courts including through the separation of civil and military judiciary and limiting the jurisdiction of military tribunals to serving military personnel, whilst keeping civilian courts competent for all human rights and international humanitarian law violations. Improve possibilities for legal redress against violations of human rights and international humanitarian law, as well as access to information on citizens' rights.
- (16) Clarify the responsibilities of the different institutions in the justice sector.

## Security

- (17) Step up the reform and development of the Palestinian security sector, institutionalize civilian democratic oversight of the security services and ensure that they operate in full respect of human rights through proper regulation and appropriate training.

## Good Governance

- (18) Take all necessary legislative and administrative measures to establish and implement a clear division of powers between the different branches of government.
- (19) Reinforce national efforts to fully implement the National Development Plan (2011-2013) and its successors in liaison with the international donor community.
- (20) Support the PA's efforts to implement the national strategic objective to reform its public administration in order to deliver high quality and efficient public services all over the oPt.

- (21) Develop a functioning legislative framework through formulating a legislative plan, establishing rules to review qualification of legislative initiatives under emergency rule and making full use of the TAIEX instrument for the future preparation of future legislation.

### **III. Human rights and fundamental freedoms**

*Ensure the respect of human rights and fundamental freedoms in line with international standards and promote the implementation of international human rights standards*

#### International Humanitarian Law and International Human Rights Law

- (22) Ensure respect for international law, in particular international humanitarian law and international human rights law including as regards Palestinian prisoners and administrative detainees.

#### Torture and other cruel, inhuman and degrading treatment

- (23) Take all necessary measures to uphold the absolute prohibition of the use of torture and put in place internal and external investigative mechanisms to ensure accountability for those who commit ill-treatment and torture in detention and under interrogation. Establish independent national prevention mechanisms in line with the principles laid down in the Optional Protocol to the UN Convention Against Torture.
- (24) Rehabilitate detention centres in line with international standards, ensure access to all detainees for lawyers, families and human rights organizations and ensure that the relevant Ministries, the public prosecutor and the judiciary are able to regularly monitor detention centres to ensure that proper legal procedures are being implemented.
- (25) Provide access to the Palestinian Independent Commission for Human Rights to files related to investigations of allegations of torture.

#### Fundamental Freedoms

- (26) Establish a comprehensive Palestinian human rights strategy.
- (27) Adopt a unified penal code which adheres to international human rights standards including the non-application of the death penalty and which strengthens legal guarantees for all fundamental freedoms. Fully abide by the de facto moratorium on the death penalty and work towards a de jure moratorium.
- (28) Bring an end to all arbitrary arrests and remove all requirements for security clearances based on political affiliation in all circumstances (including registration of associations, recruitment to public office, passport issuance etc.).
- (29) Ensure that detentions are carried out only for valid criminal or security reasons and are based on arrest warrants issued by the competent authorities.
- (30) Protect citizens' rights to enjoy their fundamental freedoms and exercise their civil and political human rights, including the freedom of association and assembly,

freedom of expression, freedom of religion or belief and freedom of the media through the existence of an adequate national legal framework for the protection of human rights in line with international standards. Consolidate the Palestinian Independent Commission for Human Rights in line with the Paris Principles (UNGA resolution 48/134).

- (31) Protect women's and girls' rights, eliminate all discriminatory provisions in national legislation and provide regular information on the implementation of the National Strategic Plan on combating violence against women, on the implementation of CEDAW and on the Istanbul Plan of Action.
- (32) Protect children's rights and ensure mainstreaming in PA strategies and systems (including the juvenile justice system) in line with the principles laid down in the UN Child rights' conventions, in particular the protocol on involvement of children in armed conflict and ILO convention 182 on the worst forms of child labour.
- (33) Institutionalize a reporting mechanism on the implementation of Law 4/1999 dealing with the rights of the disabled.
- (34) Strengthen the legal framework at all levels to combat racism, xenophobia and discrimination.
- (35) Uphold the rights and protection of human rights' defenders, in line with the UN declaration on human rights defenders (UNGA resolution 53/144).
- (36) Uphold the political, economic, social and cultural rights of people living in the West Bank, including East Jerusalem, and in the Gaza Strip.

#### Civil society

- (37) Ensure space and transparent registration procedures for civil society in order to reinforce its role and independence in line with national law and international standards.
- (38) Enhance dialogue and consultation between the authorities and civil society organizations.
- (39) Promote a participatory development policy and a national ownership of reforms beyond government ownership by facilitating the involvement of civil society in sector policy dialogues and reform efforts through regular, structured and inclusive multi-stakeholder consultations.

#### **IV. Co-operation in Justice and Home Affairs**

##### Combating racism and xenophobia; fight against discrimination

- (40) Strengthen the legal framework at all levels to combat racism, xenophobia and discrimination.
- (41) Combat hate crimes, including cases motivated by Islamophobia, anti-Semitism and Christianophobia and other beliefs, which can be fuelled by racist and xenophobic propaganda and incitement in the media and on the Internet.

### Migration, asylum and border management

- (42) Promote dialogue and cooperation in migration and asylum matters and strengthen the capacities to manage migration, including with the aim of promoting the positive effects of migration on development.
- (43) Promote the enhancement of the border management capacities of the Palestinian Authority.

### Fight against organised crime

- (44) Strengthen and implement national policies aimed at fighting corruption in line with international standards in particular through the Anti-Corruption Commission.
- (45) Strengthen the capacities of law enforcement agencies to carry out police investigations and to prevent and prosecute criminal activities, including cybercrimes, financial crimes and money laundering.
- (46) Support the development of the capacity to fight against the smuggling of irregular migrants and the trafficking of human beings, including to offer support for the rehabilitation of victims.
- (47) Develop police training and cooperation.
- (48) Develop international cooperation to prevent and fight organised crime, on the basis of international instruments, especially UN Convention against transitional, organised crime and the protocols thereof (UNTOC).
- (49) Strengthen the cooperation in preventing and combating fraud, including in protecting the financial interests of both parties.

### Drugs

- (50) Exchange information and best practices on international cooperation in the fight against drugs and promote regional co-operation in this area.
- (51) Strengthen the capacity to combat drug trafficking including through training of relevant authorities and law enforcement agencies.

### Combating terrorism

- (52) Implement relevant legislation to combat money laundering and terrorist financing in line with international (e.g. Financial Action Task Force), European and EU standards.
- (53) Develop cooperation between law enforcement agencies to combat terrorism.
- (54) Develop judicial cooperation in the context of combating terrorism.
- (55) Prevent terrorism, including by promoting actions aimed at combating propaganda of violent extremism.

- (56) Co-operate to reinforce the role of the UN in the multilateral fight against terrorism, including through full implementation of UNSC Resolutions 1267/99 and 1373/01, and implementation and enforcement of the UN global counter-terrorism strategy and the UN counter-terrorism conventions.

## **B. ECONOMIC CO-OPERATION**

### **V. Economic Reform and Development**

*[Sub-committee on Economic and Financial Matters]*

- (57) Continue to make progress towards establishing an appropriate legislative and regulatory framework for fiscal policy and monetary reform.
- (58) Conduct economic policies aimed at ensuring macroeconomic and financial stability, including through fiscal policies designed to ensure fiscal sustainability and through an appropriate supervisory framework for the financial system.
- (59) Implement structural reforms aimed at fostering economic development and raising over time the rate of sustainable economic growth.
- (60) Promote the role of the private sector throughout the occupied Palestinian territory, in particular by moving towards greater fiscal independence and facilitating the private sector's access to the financial system.
- (61) Improve the economic environment in order to promote domestic investment and attract foreign investment in the occupied Palestinian territory, notably in East Jerusalem, Area C and the Gaza Strip.
- (62) Call for the full implementation of the 2005 Agreement on Movement and Access and advocate the complete and permanent removal of obstacles to movement and access, as a key factor in promoting economic recovery, integration and development in the occupied Palestinian territory including in Gaza.

### **VI. Financial Accountability and Sound Management of Public Finances**

*[Sub-committee on Economic and Financial Matters]*

- (63) Reduce dependency on international aid:
- contribute to an efficient, transparent and predictable clearance revenue collection by Israel on behalf of the PA in line with the Paris Protocol<sup>16</sup>
  - develop the regulatory and institutional framework and capacity for a modern taxation system based on international and European tax standards including good governance in the tax area, and increasing tax revenues to reduce budget deficit
  - improve the capacity of the PA to manage borders and collect revenues

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<sup>16</sup> AHLC, Chair's Summary, 18 September 2011

- control and rationalize recurrent expenditure through reducing the public sector wage bill and putting in place a financially sustainable pension system
  - phase out net lending in the electricity sector through organizing the regulatory structure, reinforcing the distribution, increasing the power generation and reorganising the power transmission
- (64) Work towards improved aid management and donor co-ordination.
- (65) Develop and adopt the necessary legal framework for the transition of the Palestine Monetary Authority (PMA) into a Central Bank.
- (66) Further consolidate the progress in establishing a strong and accountable public financial management system:
- develop the legislative framework to reinforce the PA’s public financial management systems
  - improve fiscal reporting and forecasting capacities through supporting the establishment of the macrofiscal unit at the Ministry of Finance
  - adopt and implement the new regulatory framework for public procurement, including the adoption and harmonization of relevant by-laws and procurement related regulations
  - ensure enhanced oversight of public finance: SAACB (State Audit and Administrative Control Bureau) becomes an independent external audit institution in line with INTOSAI standards, with substantial institutional capacity and a robust legal framework
  - upgrade and decentralize PA internal audits
  - implement a PEFA (Public Expenditure and Financial Accountability) assessment

### Statistics

- (67) Follow social and economic developments in the oPt with the objective of providing relevant statistical data for policy-making and monitoring the progress.
- (68) Reinforce the capacity of the national statistical system in the area of data analysis and dissemination and quality, including improvement of the exhaustiveness and timeliness of data transmitted to Eurostat.
- (69) Further develop a statistics system based on international best practices and extend existing co-operation between two statistics bodies namely EUROSTAT and the Palestinian Central Bureau of Statistics (PCBS) including within the framework of the Medstat III programme and contribute towards developing a regional strategy for statistical cooperation.

## **VII. Trade-Related Issues, Agriculture and Fisheries, Market and Regulatory Reform, Customs**

*[Sub-committee on Trade and Internal Market, Industry, Agriculture and Fisheries, Customs]*

*The PA and the EU are committed to the implementation of actions agreed by the Union for the Mediterranean Trade Ministers, including the Euro-Med Trade Roadmap beyond 2010 and of the Euro-Mediterranean Charter for Enterprise which are being used as common reference points by partner countries to deepen economic and trade relations, promote and increase investments, facilitate market access, improve the business climate and spur entrepreneurship at country-level and across the whole region.*

### **VII. i. Movement of goods**

#### Bilateral Trade Relations

- (70) Further develop trade-relations between the European Union and the Palestinian Authority and take concrete measures to facilitate the full implementation of the Interim Association Agreement on Trade and Co-operation between the EU and the PLO (for the benefit of the Palestinian Authority).
- (71) Reinforce co-operation among the EU, the Palestinian Authority and Israel to facilitate the full implementation of the Interim Association Agreement and of the relevant provisions of the Paris Protocol.
- (72) Implement measures relating to facilitating trade of Palestinian products as approved by the Union for the Mediterranean Trade Ministers in 2010.
- (73) Strengthen the accountability of Palestinian institutions and further reinforce administrative and technical capacities including through EU support to institutional capacity building, and in preparation for integration in the multilateral trading system.
- (74) Identify and adopt accompanying measures providing for the structural, legal and administrative support necessary in order to ease access to export markets, including approximation of technical legislation.

#### Agriculture and Fisheries

- (75) Maximise the use and continue to ensure full implementation of the EU – PLO agreement on further liberalization of trade in agricultural products, processed agricultural products and fish and fishery products.
- (76) Strengthen public and private sector capacity in order to further develop the agriculture and fisheries sector, in particular reinforcing development and improvement of quality production, to enable them to benefit fully from the above-mentioned EU-PLO agreement.

### Sanitary and phytosanitary (SPS) issues

- (77) Enhance productivity, food safety, animal and plant health and animal welfare in the occupied Palestinian territory through reform of the animal and plant sectors, and facilitate trade, where possible.
- (78) Develop the required capacities, legislation and infrastructure in order to ensure an adequate level of sanitary, phytosanitary and animal welfare protection in domestic production, and to comply with SPS requirements of the markets importing commodities from the occupied Palestinian territory, including the requirements of the EU and international standards developed by the *Codex Alimentarius*, World Organisation for Animal Health (OIE) and International Plant Protection Convention (IPPC), where appropriate.

### Agreement on Conformity Assessment and Acceptance of Industrial Products

- (79) As a preparation to the negotiation of an ACAA:
  - Harmonise technical regulations and national standards with European and international standards for industrial products in the selected priority sectors and
  - Strengthen and upgrade the institutions in charge of standardization, accreditation, conformity assessment, metrology and market surveillance to the level of the corresponding EU institutions.

### Regional Co-operation

- (80) Strengthen regional co-operation between neighbouring countries by completing and reinforcing the network of free trade agreements in the Euro-Mediterranean region.
- (81) Participate in the implementation in all the areas currently covered by the Agadir Agreement and work towards expanding its scope to new areas such as services and investment and encourage new memberships in the Agreement.
- (82) Facilitate the PA's integration in the multi-lateral trading system by continued advocacy for Palestinian observership as a first step towards accession negotiations to the World Trade Organisation (WTO) and the World Customs Organisation (WCO) and by creating the necessary administrative capacity and legal and regulatory framework to meet WTO requirements.

### Customs

- (83) Further develop customs legislation, code and procedures in accordance with Palermo recommendations.
- (84) Implement the Regional Convention on Pan-Euro-Mediterranean preferential rules of origin.

- (85) Participate in the thorough revision of the Pan-Euro-Med rules of origin in the framework of the Regional Convention on Pan-Euro-Mediterranean preferential rules of origin.
- (86) Develop a modern border control system based on an effective integrated border management (IBM) and continue to support the development of qualified staff to operate customs departments at international ports.

### **III. ii. Right of establishment, Company law and services**

#### Establishment and company law

- (87) Remove obstacles to the establishment and operation of companies.

#### Services

- (88) Finalise and implement a strategy to enhance the competitiveness of the Palestinian services sector including regulatory simplification and administrative facilitation for both Palestinian and EU service sectors.
- (89) Work towards the gradual abolition of obstacles on supply of services in the occupied Palestinian territory.

#### Development of financial services

- (90) Develop a regulatory framework for financial services, including banking and insurance sectors, auditing sectors and securities markets.
- (91) Facilitate SMEs access to finance and activate, in collaboration with donors and international organizations, all finance channels such as credit guarantee schemes and equity funds specialized in SMEs.

### **III. iii. Other key areas**

#### Competition

- (92) Develop conditions enabling competition between the EU and Palestinian companies as well as among Palestinians companies and adopt an anti-trust control regime compatible with that of the EU.

#### Consumer Protection

- (93) Increase the compatibility of consumer legislation in order to avoid barriers to trade while ensuring a high level of consumer protection.
- (94) Promote exchange of information on consumer systems, including consumer laws, consumer product safety, enforcement of consumer legislation, consumer education and empowerment, and consumer redress.
- (95) Encourage the development of independent consumer associations and contacts between consumer representatives.

## Tourism

- (96) Provide assistance and exchange information and best practice concerning respective policies and projects on sustainable tourism while involving all relevant public and private stakeholders, including in East Jerusalem.
- (97) Facilitate Palestinian participation in EU initiatives such as Enterprise Europe Network.

## **C. SECTOR CO-OPERATION**

### **VIII. Equal opportunities, Employment, Social Policy, Public Health**

*[Sub-committee on Social Affairs and Health]*

#### Equal opportunities

- (98) Intensify efforts to promote the implementation of equal opportunities for men and women and other vulnerable groups such as disabled within the administration and in the framework of the different national strategies (employment, education, health etc.).
- (99) Effectively combat gender-based stereotyping and all kinds of cultural and social exclusion or discrimination.

#### Employment

- (100) In accordance with the PA national strategy, enhance the skills of Palestinian workers, develop and implement measures and approach to support youth employment and fully implement a national gender sensitive employment strategy.
- (101) Develop a dialogue on fundamental social rights and labour standards aiming towards an inclusive, non-discriminatory labour market.
- (102) Continue action to establish a functioning social dialogue, in particular, develop capacity of employers' organizations, train trade-unions and staff representatives in negotiations /collective bargaining and in issues pertaining to health and safety at work taking into account the ongoing ILO-Beirut project on Social Dialogue.
- (103) Further pursue efforts to improve the capacities and the management of the already existing Tripartite Commission and promoting the establishment of a broader social, economic and civil dialogue, complementary to the tripartite social dialogue, through civil institution building (Council for an Economic, Social and Civil Dialogue).
- (104) Strengthen capacity of labour inspections, notably on health and safety at work, child labour and gender issues.
- (105) In the framework of the Palestinian social protection strategy, strategically allocate resources of the national budget, including through the Employment and Social Protection Fund, to work towards covering the cost of basic social assistance interventions (non-contributory) and to develop and establish a system of social insurance with comprehensive coverage that builds on a contributory basis.

## Social Inclusion and Social Protection

- (106) Take concrete steps to significantly reduce poverty and social exclusion, in particular among the most vulnerable, and to enhance social cohesion throughout the occupied Palestinian territory.
- (107) Build a sustainable, equitable and cost effective social assistance system.
- (108) Improve and develop social protection legislation.
- (109) Further develop the institutional capacity of the PA to provide efficient and effective services, including organisational restructuring by the Ministry of Social Affairs and gradual decentralisation/de-concentration of responsibilities to Regional Offices.
- (110) Improve synergies between private and public actors in the field of social protection.
- (111) Develop a national database for poverty and vulnerability and map out a socio-economic intervention.
- (112) Fully implement the Cash Transfer Programme (CTP) in the West Bank and the Gaza Strip by further improving efficiency and transparency of service delivery.

## Public Health

- (113) Enhance the level of public health and its governance in the occupied Palestinian territory including through monitoring the implementation of the Palestinian health strategy addressing issues relating to infrastructure and logistics, financing for the health sector, human resources for health and access to medicines.
- (114) Continue co-operation, including in the regional context, on prevention and control of communicable and non-communicable diseases.

## **IX. Research, Information Society, Audiovisual and Media, Education, Youth and Culture**

*[Sub-committee on Research, Information Society, Audiovisual and Media, Education, Youth and Culture]*

## Research and Innovation

- (115) Increase awareness and capacity of Palestinian research institutions to increase participation in the European Research Area and the Research Framework Programme.
- (116) Develop the scientific and technological capacity with a focus on the use of RTD results by the industrial and SME sector to enhance innovation and the networking between the private sector and the research sector.
- (117) Create an enabling environment, including on the regulatory level and work towards the establishment of excellence centres.
- (118) Strengthen the dialogue on research and innovation with the other Mediterranean partner countries and with the EU.

### Information Society, Audiovisual and Media

- (119) Support Palestinian membership to EUMEDCONNECT for the connectivity of Palestinian research and education network to GEANT and access to e-infrastructures in the Mediterranean area.
- (120) Continue the development of a comprehensive regulatory framework for electronic communications networks and services, including the rules and conditions for authorisation, access and interconnection, universal service and users' rights, consumer protection, processing of personal data and protection of privacy in the e-communications sector, management of radio spectrum and cost-orientation of tariffs.
- (121) Cooperate with the Euromed Group of Electronic Communications Regulators (EMERG) and with regulatory authorities of EU Member States on issues of common interest.
- (122) Implement a transparent, efficient and predictable regulatory system and continue to strengthen and preserve the independence of the regulatory authority in the audiovisual sector.

### Education, Youth and Culture

- (123) Co-operate to develop and promote joint activities in the field of lifelong learning including higher education and vocational education and training within the framework of the Palestinian national strategy towards convergence with EU standards and practice, in particular for women, persons with special needs and vulnerable groups.
- (124) Tackle education needs, with a focus on quality of education, all over the oPt especially in Area C, East Jerusalem and the Gaza Strip.
- (125) Promote higher education reform and reinforce international academic co-operation in line with the principles of the Bologna Process and improve the performance of higher education facilities especially through matching higher education with the requirements of the labour market.
- (126) Support the development and reform of the national vocational education and training system within the framework of the national TVET strategy.
- (127) Support the development of student and youth mobility in particular between the Gaza Strip and the West Bank.
- (128) Enhance youth exchanges and co-operation in the field of non-formal education and intercultural dialogue.
- (129) Promote cultural co-operation in international fora such as UNESCO, inter alia, in order to develop cultural diversity, promote Palestinian cultural activities, preserve and value cultural and historical heritage and protect archeological sites in line with the relevant norms of international law.

- (130) Strengthen the PA's cultural policy capacity, enhance cultural exchanges including in the context of cultural events, as well as capacity building in the cultural sector.
- (131) Promote Palestinian participation in the EU supported programmes in the fields of higher education, youth and culture.

## **X. Energy, Transport, Climate Change, Environment, Water**

*[Sub-Committee on Energy, Transport, Climate Change, Environment, Water]*

### Energy

- (132) Increasing security of energy supply and diversification of sources, on the basis of EU energy policy principles, including by fully implementing the Palestinian Energy Sector Strategy and further consolidating electricity sector reforms; strengthen the institutional framework including reinforcing the Palestinian Regulating Council; ;further developing the electricity production capacity and domestic and international energy networks.
- (133) Enhance the use of renewable energy and energy efficiency policy; based on EU legislation and best practice.
- (134) Further develop regional co-operation initiatives (electricity, gas, renewables, energy efficiency etc), potentially leading to regional market integration; including in the framework of the Mediterranean Solar Plan.

### Transport

- (135) Elaborate and implement a national transport strategy, including transport infrastructure development with a focus on further approximation of legislative and regulatory frameworks with European and international standards, in particular for safety and security in all transport modes.
- (136) Participate in the planning and identification of priority regional infrastructure projects within the future Trans-Mediterranean Transport network and its interconnection with the trans-European transport network.
- (137) Participate in the development of the Global Navigation Satellite Systems in the Mediterranean region and make use of the TAIEX instrument to accelerate the use of EGNOS (European Geostationary Navigation Overlay Service) in civil aviation and maritime sectors.

### Climate Change

- (138) Support the use and sharing of data on climate science in order to enhance the capacity to elaborate well targeted adaptation strategies and to mainstream climate change adaptation into other policies.
- (139) Support efforts to adapt to the negative impacts of climate change including through the adoption of vulnerability adaptation assessments, to promote adaptation strategies

to climate change and implement efforts to further increase resilience against climate change impacts.

### Environment

- (140) Enhance co-operation in environmental issues including through PA participation in European Environment Agency activities.
- (141) Ensure good environmental governance through full implementation of the Environment Sector Strategy, through the completion of the environment sector strategy action plan and through the development and review of the relevant legislative and institutional framework.
- (142) Converge with EU legislation and principles on, inter alia, permitting, monitoring and inspection, environment impact assessments, air quality, waste management, nature protection, industrial pollution, chemicals and environmental integration.
- (143) Review institutional structures of the environment sector with clear responsibilities for each sector and render operational an enforcement body for environmental and related laws and regulations.
- (144) Conserve environmental diversity and protect the marine and coastal environment through developing related policies, standards, programmes and systems.
- (145) Strengthen the framework for hazardous and solid waste management and develop sanitation management systems.

### Integrated Maritime Policy

- (146) Develop an integrated maritime policy respecting relevant international and regional conventions (including alignment with EU legislation) within a sustainable growth perspective; addressing institutional structures, establishment of protected zones in compliance with the Barcelona Convention and the General Fisheries Commission for the Mediterranean.

### Water and Wastewater

- (147) Develop the necessary legal, institutional and infrastructural framework for an integrated water and wastewater management system to ensure equitable service delivery and resource sustainability.
- (148) Serve the population with sustainable water provision and connecting unserved communities and reducing water leakages by about 15% (current leakages 45-50%).
- (149) Enhance co-operation in water issues including through PA participation in the Horizon 2020 activities.

## **D. OTHER**

### **XI. Participation in Union Programmes and Agencies**

- (150) Promote participation in the work of EU agencies and EU programmes open to ENP countries and partners.
- (151) Conclude a framework agreement for the participation in EU programmes open to ENP countries and partners.
- (152) Strengthen co-operation with EU agencies in the context of their regional activities.

### **XII. Financial Dimension**

- (153) The financial dimension of the EU-PA relationship shall take into account the following priorities:
  - the EU’s overarching objective of building the institutions of an independent, democratic, contiguous and viable State of Palestine, living side by side with Israel in peace and security
  - the progress registered in implementing the reforms outlined in the priorities of this Action Plan especially in the focal sectors outlined in the annual programming
  - the financial needs of the Palestinian Authority (and of Palestine refugees through UNRWA) to enable them to provide essential services to the Palestinian people
  - the relevant new instruments and programmes set up by the EU in the exercise of its external action taking into account the PA’s needs, the progress registered in implementing reforms and its absorption capacity

### **XIII. Tracking and Monitoring Reports**

The Action Plan will guide the work between the EU and the PA in the next three to five years. The Action Plan will be submitted for formal adoption to the Joint Committee.

The joint bodies established under the Interim Association Agreement, especially the subcommittees, will advance and monitor the implementation of the Action Plan on the basis of regular reports on its implementation. The subcommittees, which are aligned with the new Action Plan, shall act as the primary tool for the monitoring of the objectives identified in the Action Plan. Such objectives will be complemented by the establishment of jointly-agreed precise, sequenced and monitorable actions with benchmarks to be agreed annually in the subcommittees.

The Action Plan can be regularly amended/updated to reflect progress in addressing the priorities through a decision of the Joint Committee.

A regular follow up of the implementation of the jointly-agreed objectives will also be ensured by the regular progress reports of the respective parties.