ROYAL NORWEGIAN
MINISTRY OF FOREIGN AFFAIRS

Press Release

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Important agreement reached by Israeli and Palestinian authorities

'I would like to congratulate both parties on reaching agreement on the collection of electricity payments. This is the most extensive agreement between Israeli and Palestinian authorities for a very long time. Both parties have shown a willingness and ability to make compromises and have shown leadership in a difficult situation,' said Minister of Foreign Affairs Børge Brende.

After more than a year of negotiations, the Israeli and Palestinian authorities have concluded an agreement on the collection of electricity payments. Norway maintained contact with both parties during the negotiations.

'The agreement was one of the topics in my talks with Israeli and Palestinian leaders when I visited Jerusalem and Ramallah last week. It was important for the parties to reach agreement before the meeting of the Ad Hoc Liaison Committee for Assistance to the Palestinians (AHLC) in New York on 19 September,' said Mr Brende.

The agreement, which was signed this afternoon, means that the Palestinian Authority will have full authority to collect payment for electricity distributed to Palestinian territory. Until now, the collection of payments has been decentralised to local companies and authorities. As a result, the Palestinian debt to Israel accumulated over time. The Israeli authorities have deducted some of this debt from the monthly taxes that it collects on behalf of the Palestinian authorities, and which in accordance with the Oslo II Accord, Israel is required to return to the Palestinian Authority. Economic cooperation between the parties is regulated by the 1995 Paris Protocol to the Oslo II Accord.

As chair of the AHLC, Norway has given high priority to these negotiations. Under the agreement, the parties have set up a rescheduling arrangement for the accumulated debts. The agreement will also increase the revenue base for the Palestinian Authority.

‘This agreement will strengthen the Palestinian economy. I hope this will mark the start of renewed cooperation in other areas, for example the distribution of gas and water to the West Bank and Gaza. I also hope that it will have a positive effect on the political process,’ said Mr Brende.