Remarks to the meeting of the Ad Hoc Liaison Committee Meeting
European Union, Brussels, 30 April 2019

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Excellencies, Ladies and Gentlemen:

Most of you are already familiar with the Office of the Quartet's approach and in particular our view that while it is essential that we work to improve the lives of Palestinians on the ground now, such measures can only support, but never supplant a final status agreement.

As discussed at length this morning, there has been significant progress achieved by the parties in implementing the GCDP programme including arrangements for the entry and approval of dual use material, progressing the tendering for the associated works and additional pledges of funding that were made just this morning. Both parties are to be commended for their efforts in reaching agreement on the entry of material for the associated works which are scheduled to start construction in August 2019.

There has also been significant progress in the construction of additional water facilities in Gaza which will serve 650,000 residents and wastewater facilities which will serve over 750,000 people, once operating at full capacity. The Palestinian Water Authority is to be commended for having ensured the energisation of each completed facility and is encouraged to continue to do so as additional facilities come on-line as this will save fifty percent of the operation and maintenance costs. The international community is encouraged to help meet the remaining gap as the reform process designed to ensure the commercial viability of the sector proceeds in parallel.

Realising progress in the West Bank is also essential including seeking in principle approvals from the Government of Israel for water and wastewater infrastructure, on the basis of which donors will be in a better position to determine areas of support. We are also working to bridge funding gaps for ongoing and new water infrastructure in the West Bank and have been working with both parties to attempt to finalise the Red Sea Dead Sea (RSDS) Agreement before this summer.

In energy, our focus is on increasing the availability of bulk energy in the Gaza Strip as quickly as possible. The provision of Qatari funded fuel for the Power Plant has made a difference in the lives of Gazans but has also created a window of opportunity within which sustainable, cost effective solutions in both the water and energy sectors might be furthered. These include the resumption of electricity previously provided over the Egyptian lines, and the establishment of the 161 Kv line, which has seen little progress. An implementation roadmap is now needed if those institutions that have expressed interest in providing funding are to commit resources to enable implementation.

Ultimately the provision of energy to the Gaza Strip will require the provision of gas to the power plant. The establishment of a gas pipeline (the G4G project) is therefore essential – now re-scheduled for completion in 2022-23. In this regard, we welcome the support of the Kingdom of the

Netherlands to fund the detailed design of the pipeline on both the Palestinian and Israeli sides – but this must be accompanied by the identification of a Palestinian gas buyer and the start of commercial negotiations. Utility-scale photovoltaic energy can provide a useful renewable supplement to these larger initiatives; as such the OQ has begun identifying both private and public opportunities which we intend to present as part of our September 2019 report to the AHLC.

Following the successful deployment of a second 2G mobile telecommunications operator in Gaza and 3G in the West Bank last year, there has regrettably, been no significant progress in the implementation of the envisioned upgrades to 3G and 4G respectively.

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Many speakers have already dealt at length with the PAs deteriorating fiscal situation, and we share the hope that the parties – whether with or without the involvement of third parties – can find an acceptable solution. Agreement between the parties would help restore the PA on its path of fiscal sustainability on which it had made considerable progress in recent years.

Notwithstanding the other processes and discussions that have taken place, such a resolution would ideally include two types of measures.

First, those aimed at providing greater transparency in the accounting for, and reconciliation of the amounts deducted from Palestinian revenue by the Government of Israel including an assessment and verification of the costs incurred in health, energy and water in the immediate term, as well as a more detailed vertical assessment, an examination of how the process might be strengthened and arrangements agreed for verification and correction if required.

Building on past discussions between the parties, the second set of measures would seek to address the range of fiscal issues that the parties' have already discussed at considerable length, but which, regrettably, remain un-resolved, including the handling fee charged by the Government of Israel among other files.

In the area of Movement and Trade, the decision last December by the government of Israel to allow the Palestinian Authority to issue bio-metrically enabled passports was an important step forward. We encourage the timely release of the passport production equipment from Ashdod so that the PA can meet its' stated goal of issuing the first bio-metrically enabled passport by September 2019.

Finally, we recently had the opportunity to host a meeting of the parties and donors in which the PA presented their plans to upgrade the Karam Abu Salam commercial crossing into Gaza; we encourage the international donor community to support the Palestinian request to fund these important improvements.

Thank you very much.

— Check against Delivery —