



## **What is needed from the parties to allow for a vibrant economic recovery**

### **The Government of Israel:**

#### **Borders and Trade Logistics**

- The location of all West Bank border terminals on the 1949 Armistice (Green) Line which would open the door to donor support for Israel's terminal upgrading program.
- The back-to-back system should be rapidly abolished
- Israel should permit the construction of a RoRo terminal in Gaza as Stage 1 of a full-service harbor
- A secure, efficient and reliable Gaza – West Bank transport link should be re-established.

#### **Internal Movement in the West Bank**

- There is a need to progressively dismantle the system of over 700 checkpoints and barriers in the West Bank.
- Those areas of the West Bank from which Israel withdraws should be re-designated as Area A.

#### **Labor**

- Israel's willingness to maintain, as a minimum, current Palestinian labor levels in Israel beyond this decade would make an important and positive contribution to economic and social stability.

#### **The quasi-Customs Union**

- Current trade, tariff and customs procedures should be maintained in both Gaza and the West Bank until re-negotiated by the two sides. The current arrangements were agreed in negotiation and should not be abrogated unilaterally. The PA and the international community can together ensure that Israeli customs interest are protected.
- Instead on having to react to unilateral Israeli decisions on customs, the emphasis in the coming period should instead be on improving the implementation of the Paris Protocol.

#### **Other Issues**

- GOI should provide to the PA detailed information on the assets it intends to leave behind in the settlements.
- GOI needs to pay more serious attention to facilitating the work of the donor and aid agencies.

#### **The Palestinian Authority**

#### **Security and the Rule of Law**

- Security reform needs to be accorded top priority. Easing internal closures throughout the West Bank must be accompanied by a credible Palestinian security effort.
- A court system that delivers impartial justice within reasonable timeframes has to be developed without further delay.

### **Fiscal Management**

- The PA needs to maintain control over recurrent spending, in particular controlling the growth in PA employment.
- The PA should make every effort to ensure that a sustainable Unified Pensions Law is quickly enacted

### **Transparency and Accountability**

- The PA needs to address strong perceptions about corruption in the public sector, by publicizing the considerable progress it has made on this issue in the past two years - but also by developing a proactive anti-corruption strategy and by accelerating efforts to extend control measures into the sphere of public audit and procurement reform.

### **The Settlement Assets**

- The PA needs to decide how it will handle the transfer, management and disposal of the settlement assets. The Bank has recommended a three-tier structure, with the PLC passing enabling legislation, a PA Executive Board to make decision, and a new or an existing agency to implement the transfer, management and distribution process. The Bank also believes that the process needs to be conducted in full consultation with the public in Gaza and the northern West Bank.