

**Meeting of the Ad Hoc Liaison Committee
New York
24 September 2007**

Chair's Summary

- Ministers and other senior officials of the AHLC met at UN Headquarters in New York today to reaffirm their strong commitment to a two-state solution to the Israeli-Palestinian conflict. UN Secretary-General Ban Ki-Moon hosted the meeting. As Chair, Norway wishes to thank the participants, in particular the two parties, for their spirit of cooperation and their positive contributions during the deliberations.
- The AHLC reaffirmed its view that economic progress in the Palestinian Territory is an essential part of bringing the Israeli-Palestinian conflict to an end. Improved living conditions for the Palestinian people will facilitate the establishment of a Palestinian State. Hence, the Palestinian Authority, Israel and the donors all have to take stronger action to ensure the economic revival necessary to improve the daily lives of the Palestinian population.
- Concern was expressed over the situation in Gaza, and the international community remains committed to continue humanitarian assistance for the population there. The AHLC took notice of the Quartet statement from its meeting on 23 September.
- The AHLC welcomed the close co-operation and coordination between the Chair and the Prime Minister of the Palestinian Authority, Dr. Fayyad, in line with his efforts to reinvigorate government institutions, revive the economy, and continue reform efforts. The AHLC also welcomed steps by the Israeli government on the transfer of Palestinian taxes and revenues. The AHLC confirmed that the programme of the Fayyad government serves as the basis for the pledging conference scheduled for December 2007.
- The AHLC welcomed the close cooperation and coordination that has been established between the Chair and the Quartet's Representative, Mr Blair, in line with the latter's mandate to work closely with existing coordinating bodies to mobilise funds and support institution-building.
- The PA will develop a medium-term budgetary framework and development priorities for 2008-10 for submission at the conference in December 2007. The AHLC called on the local development forum and the strategy groups to support the PA in formulating these documents.

In order to support the current dialogue between the parties and obtain results on the ground, AHLC members stressed the following:

- The PA should implement its policy framework with a view to improving governance and strengthening Palestinian institutions, as well as improving the security environment.
- Development assistance is not sufficient to create a sustainable economy and tangible results on the ground. Easing restrictions on movement and access is vital for the revival of the Palestinian economy. Israeli security concerns should be taken into account.
- The international community agreed to increase its assistance to the PA, consistent with its reform and recovery priorities. In this context, the AHLC agreed to actively pursue its agenda for Palestinian economic revival and development. The AHLC recognised that budgetary support is critical in order to keep the Palestinian public institutions running and that cash management controls have largely been restored to pre-2006 levels of transparency and accountability.
- The AHLC agreed on the need for donors to support the budget of the PA, with due regard to equitable burden sharing, and to examine either a donor trust fund or other appropriate mechanisms for harmonized support in preparation for the December pledging conference. The Chair urged all donors to contribute to supporting the budget of the PA.