

Economic and Civilian Coordination Group

Israel – Palestinian Authority

Draft Preparation Material

Purpose:

The Economic and Civilian Coordination Group will provide a framework for coordinating all economic and civilian matters relating to the implementation of the disengagement plan and all economic and reconstruction plans that are better advanced through coordination and cooperation.

Proposed Categories of Coordination:

- Transfer of Assets
- Passages and Access
- Economic Development
- Trade and Economic Agreements

Proposed Operational Issues by Category:

Transfer of Assets

- Securing the smooth and reliable transfer of productive assets, such as greenhouses (1000 acres in total; 4000 dunams), small farms (200 in number), dairy farms (one), small factories and Erez and Karni industrial estates (total of 70 active businesses) as "going concerns" to ensure their continuing operation for the benefit of the Palestinian economy. This includes:

- Developing the model for the transfer of assets, including possible involvement of third parties;
- Mapping and valuing the assets and all related issues, including security and legal issues;
- Arranging the transfer.
- Coordination of treatment of evacuated houses and new construction plans, including conversion for tourism, academic and medical centers, and new construction and arrival at understandings regarding future of use.
- Infrastructure:
 - Electricity – arrangements for supply of electricity post disengagement; (continuation of existing negotiations between commercial parties); development of independent electricity sources;
 - Water – arrangements for supply of water post disengagement; (continuation of existing negotiations with the JWC); development of independent water sources;
 - Landline and cellular communications including spectrum allocation;
 - Gas – arrangements for using Gas to subsidize supplies of electricity and water.
 - Sewage and water treatment.

Passages and Access

- Upgrading of passages on the green line including review of standards of service and security conditions.
- Roll-on Roll-off container seaport in Gaza.
- Train connection from Erez to Ashdod Seaport and from Tul-Karem to Ashdod and Haifa Seaports, and Erez – Tul-Karem.
- Helicopter shuttle.
- Management of passages to Israel and international passages post disengagement.

Economic Development

- Development of industrial estates including foreign direct investment.
- Construction.
- Tourism development.
- Medical Center development.
- Fishing and Agriculture.
- Other development programs.

Trade and Economic Agreements

- Review of Paris Protocol.
- Customs Arrangements.
- Trade Agreements.

Proposed Structure of Coordination Group

Israel

Permanent Members:

- Vice Prime Minister, Israeli Chairman of the Group
- Minister in Prime Minister's Office
- Director of National Security Council
- Director of COGAT

As Requested – Per Issue Discussed:

- Minister of Industry, Trade and Labor
- Minister of Infrastructure
- Minister of Communications
- Economic Director, Ministry of Foreign Affairs
- Representative, Office of the Prime Minister
- Representative, Ministry of Finance
- Representative, Ministry of Justice

Palestinian Authority

- To be proposed.

Proposed Working Level Committees

- Committee on Transfer of Assets
- Committee on Passages and Access

- **Committee on Economic Development**
- **Committee on Trade and Economic Agreements**