

Further Transfer of Powers and Responsibilities

27 Aug 1995

PROTOCOL ON FURTHER TRANSFER OF POWERS AND RESPONSIBILITIES

August 27, 1995

It is hereby agreed between the Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO), the representative of the Palestinian people as follows:

Article I - Further Transfer of Powers and Responsibilities

Israel shall transfer and the Palestinian Authority shall assume the authorities, powers and responsibilities in the West Bank from the Israeli government and its Civil Administration in the following spheres: Labor, Commerce and Industry, Gas and Petroleum, Insurance, Postal Services, Local Government and Agriculture, as specified in this Protocol (hereinafter referred to as "the Eight Spheres").

Article II - Framework and Scope

The Annexes to this Protocol regarding each of the Eight Spheres (hereinafter "the Annexes") shall be incorporated in the Protocol concerning Civil Affairs to the Interim Agreement to be concluded between the Parties (hereinafter "the Interim Agreement").

Pending the implementation of the Interim Agreement with regard to the Eight Spheres, the provisions of the Annexes shall be subject to the provisions of this Protocol and to the Appendices attached to the Annexes (hereinafter "the Appendices").,P>

The jurisdiction of the Palestinian Authority under this Protocol shall not apply to issues that will be negotiated in the permanent status negotiations in accordance with the Declaration of Principles on Interim Self Government arrangements signed at Washington DC on September 13, 1993 and the Agreed Minutes thereto.

Article III - Legislative Powers of the Palestinian Authority

Legislative powers related to, or within, each of the Eight Spheres shall be transferred to the Palestinian Authority upon the implementation of the Interim Agreement with regard to the Eight Spheres. Notwithstanding the above, the Palestinian side shall have the right to issue administrative internal procedures regarding the Eight Spheres.

Article IV - Rights, Liabilities and Obligations

The provisions of Article XXII of the Agreement on the Gaza Strip and the Jericho Area as signed at Cairo on May 4, 1994, (hereinafter "the Gaza-Jericho Agreement") shall apply to the Eight Spheres.

In accordance with paragraph 1 above, Israel shall provide the Palestinian Authority with the information it has regarding pending and anticipated claims brought before any court or tribunal against the Israeli side with regard to the Eight Spheres.

Without prejudice to paragraph 1 above, the Palestinian Authority shall review Civil Administration contracts in the Eight Spheres which extend beyond the date of the transfer,

with a view to deciding which contracts will remain in force and which will be terminated. A list of all such contracts is attached to this Protocol as Schedule 1.

Article V - Law Enforcement

Arrangements regarding the operation of civilian inspectors to monitor compliance with laws and regulations in each of the Eight Spheres, shall be agreed upon within the Civil Affairs Coordination and Cooperation Committee established in accordance with the Gaza-Jericho Agreement (hereinafter, "the CAC"). Such inspectors may conduct internal inquiries in the Eight Spheres. In any event, such inspectors shall not wear uniforms of a police or military nature or carry arms.

All powers and responsibilities regarding law enforcement, including investigation, judicial proceedings and imprisonment, will continue to be under the responsibility of the existing authorities in the West Bank.

Article VI - Modalities of Transfer

The transfer of powers and responsibilities in the Eight Spheres pursuant to this Protocol will be implemented on the 1st day of October, 1995.

The transfer of powers and responsibilities shall be coordinated through the CAC and shall be implemented in accordance with the arrangements set out in this Protocol in a smooth, peaceful and orderly manner.

The Palestinian Authority will continue to employ the Palestinian employees of the Civil Administration who are currently employed in the offices included in each of the Eight Spheres, without derogating from the powers and responsibilities of the Palestinian Authority to deal with all employee related matters in the Eight Spheres. The Palestinian Authority shall maintain the rights, including pension rights, of present and former employees.

The main office of each of the Eight Spheres will be situated in the Jericho Area or in the Gaza Strip. The two sides agree on the operation of the existing subordinate offices and on the establishment of additional subordinate offices in the West Bank, if necessary, in such locations as mutually agreed.

With the transfer of powers and responsibilities, the Civil Administration shall transfer all its movable and immovable property which is necessary for the continued operation of the powers and responsibilities transferred therein. This property includes, inter alia, equipment, registers, files, computer programs and reports.

Article VII - Relations Between the Two Sides

With regard to each of the Eight Spheres, the Palestinian Authority shall coordinate with the Civil Administration on issues relating to other spheres, and to powers and responsibilities not transferred to the Palestinian Authority.

Each side will assist and support the other side in promoting the effective exercise of its powers and responsibilities.

The Palestinian Authority will notify the military government and its Civil Administration regarding any planned large-scale events or mass gatherings in respect of the Eight Spheres. The Palestinian Authority shall prevent any activities with a military or police orientation within each of the Eight Spheres.

Nothing in this Protocol shall affect the continued authority of the military government and its Civil Administration to exercise their powers and responsibilities with regard to security and public order, as well as with regard to other powers and responsibilities not transferred.

Provisions in the Annexes referring to the Interim Agreement (such as references to the sections on the Environment or Transportation or to the Security Annex) shall be read as relating to the continued authority of the military government and its Civil Administration.

Article VIII - Budgetary and Revenue Issues

All budgetary and revenue issues regarding the Eight Spheres will be discussed separately between the two sides.

Article IX - Final Clauses

This protocol shall enter into force on the date of its signing.

The arrangements established by this Protocol shall remain in force pending their replacement or cancellation by the Interim Agreement or by any other agreement between the Parties.

The Annexes, Appendices and Schedule attached to this Protocol shall constitute and integral part hereof.

Done at Cairo this 27th day of August 1995.

Oren Shachor

*For the Government
of the State of Israel*

Jamil Tarifi

For the PLO

Annex Concerning the Sphere of Labor

The sphere of Labor includes, inter alia, rights of workers, labor relation, labor conciliation, safety and hygiene in work places, labor accidents and compensation, vocational and professional training courses, cooperative associations, professional work associations and trade unions, heavy machinery equipment.

The two sides shall establish agreed procedures for mutual recognition of professional certificates and diplomas.

The Palestinian side shall ensure the completion of vocational and professional training courses currently being conducted by the Civil Administration. In this regard, the Civil Administration will transfer to the Palestinian side a proportionate amount of fees received on account of such courses, relating to the period following the date of transfer.

The Palestinian side shall continue to hold vocational training courses, at least to the same extent as has been undertaken by the Civil Administration, inter alia, in the following professions: heavy-vehicle and public transport drivers, garage managers, vehicle technicians, vehicles testers, driving teachers and driving school managers.

Cooperative Associations, Professional Work Associations and Trade Unions should act in a manner that does not violate the Cooperative Associations laws, the Professional Work Associations laws and the Trade Union laws.

The Palestinian side shall inform the Israeli side of any work related accident resulting in the injury of an Israeli. The Israeli side may conduct an investigation of such an accident coordination with the Palestinian side.

All matters regarding the production and use of explosives and gunpowder shall be dealt with in the Security Annex.

Annex Concerning the Sphere of Commerce and Industry

This sphere includes, inter alia, import and export, the planning and formulation and implementation of policies, as well as the licensing and supervision of all industrial and commercial activities, including commodities, services, weights and measures and the regulation of commerce.

In authorizing the establishment and operation of industrial plants, factories or concerns in the West Bank, both sides shall ensure that there is no detrimental impact on the environment, and on the safety of the other side. Matters regarding the environment are dealt with in Section __ (Environmental Protection).

The production and use of weapons, ammunition or explosives are dealt with in the Security Annex.

The economic aspects of this sphere are dealt with in Annex __ (Economic Protocol).

Annex Concerning the Sphere of Gas, Fuel and Petroleum

This sphere includes, inter alia, the planning, formulation and implementation of policies, as well as the licensing and supervision of gas, fuel and petroleum facilities. For the purposes of this paragraph, "gas, fuel and petroleum facilities" shall include, inter alia, all gas and petrol stations, installations, terminals and infrastructure, as well as agencies for the marketing, distribution, transportation, storage, sale or supply of gas, fuel or petroleum products. This sphere also includes the licensing and supervision of the import, export, and transportation in addition to the exploration, production and distribution of gas, fuel and petroleum.

In authorizing the establishment and operation of gas, fuel and petroleum facilities as defined in paragraph 1, the Palestinian side shall ensure that there is no detrimental impact on the environment or on the safety of Israel, the settlements and military installations and that a safety distance from Israel, the settlements and military installations is observed.

Accordingly, the Palestinian side shall apply the American, British, and/or Israeli safety and environmental standards.

The color of all gas cylinders in use by Palestinians in the West Bank shall be different than that in use in Israel and by Israelis.

The Palestinian side will notify the Israeli side of any exploration and production of oil and gas carried out by the Palestinian side or with its permission.

Israel and the Palestinian side agree to cooperate concerning production of oil and gas in cases of joint geological structures.

All transportation of gas or fuel products, in Israel and in the West Bank, shall be in accordance with the respective laws applying which, in any event shall not fall short of the international requirements and standards concerning safety and environmental protection as applied by Israel. The transportation of gas and fuel products into Israel, the settlements and military installations shall further be subject to the requirements and modalities regarding entry into Israel.

In order to facilitate the movement of transportation of gas or fuel products in the West Bank:

The Palestinian side will issue permits to Palestinian owners, drivers and exports of vehicles transporting gas or fuel products. The issue of such permits shall be governed by the criteria regarding the recruitment to the Palestinian police according to this Agreement. The issue of such permits is not contingent upon the approval of the Israeli side. The Palestinian side shall notify the Israeli side of the permits issued by it.

The Palestinian side shall ensure that vehicles transporting gas or fuel products, as well as their parking lots, shall be guarded against any theft or unauthorized use. The Palestinian side shall inform the Israeli side, at the earliest opportunity, of any suspected theft or unauthorized use of such vehicles.

The Israeli side shall cooperate with the Palestinian side with regard to the establishment by the Palestinian side of 3-4 storage facilities for gas and petroleum, including in facilitating, inter alia, location, land a technical assistance in order to secure the purchasing needs of the Palestinians for the Israeli market.

Matter regarding the environment and transportation are dealt with in Section ___ (Environmental Protection) and Section ___ (Transportation), respectively.

Appendix Regarding the Sphere of Gas and Petroleum

Powers and responsibilities regarding exploration and production of oil and gas shall be transferred upon the transfer of the Sphere of Gas and Petroleum in accordance with the Interim Agreement.

Annex Concerning the Sphere of Insurance

This sphere includes, inter alia, the licensing of insurers and insurance agents, and the supervision of their activities, including supervision of insurer's deposits and funds and the road safety fund.

Arrangements regarding the compulsory insurance of motor vehicles and the compensation of road accident victims are dealt with in Article XI (Insurance Issues) of the Protocol on Economic Relations signed in Paris on April 29, 1994 (hereinafter: Article XI).

The Existing Fund, as defined in Article XI, shall be transferred to the Palestinian side. This transfer will include all the Existing Fund's assets and liabilities.

The Palestinian side shall be responsible for all liabilities of the Existing Fund whether arising from accidents occurring prior or subsequent to the date of transfer.

Accordingly, Israel will cease to bear any financial responsibility in this respect. If Israel is sued with regard to the aforesaid liabilities, the Palestinian side will reimburse Israel for the full amount awarded by any court against it in this respect and shall enable the Palestinian side to participate in defending the claim.

With a view to assisting the Palestinian side to deal with claims against the Existing Fund, the following provision shall apply:

A joint experts committee shall be established to examine claims against the Existing Fund (hereinafter "the Joint Committee").

Without prejudice to paragraph 3(c) above, the Joint Committee shall examine and estimate whether the assets of the Existing Fund are sufficient to meet its liabilities as they stand on the day of the transfer. In the event that the Joint Committee concludes that the Existing Fund's assets are not sufficient to meet its liabilities, the Israeli side shall cover the agreed deficit, including claims incurred but not reported (IBNR). If the Joint Committee is unable to agree on the above amount, the matter shall be referred to the JEC (Joint Economic Committee).

The Joint Committee shall submit recommendations to the Palestinian side concerning administrative or legal changes with a view to expediting settlement of the claims.

The Joint Committee shall conclude its work within three months. The two sides may agree on a one time extension for another three months.

Additionally, the Israeli side will provide to the Palestinian side all the necessary assistance with regard to the Existing Fund, and advice and consultation when requested.

All claims, including pending claims, against the Existing Fund should not be brought before or heard by any Israeli court or tribunal and should only be brought before the Palestinian Courts. To this end, the two sides may take all necessary measures, including if possible, the enactment of legislation.

Annex Concerning the Sphere of Postal Services

This sphere includes, inter alia, the planning, formulation and implementation of policies, as well as the management and supervision of post offices, postal services and all monetary transactions and activities in postal units (publicly known as "the Postal Bank").

The Palestinian side shall issue postage stamps and postal stationary (hereinafter "stamps"), date stamps and all other related materials, subject to the following provisions.

Stamps shall include only the terms "the Palestinian Council" or "the Palestinian Authority", the face value and the subject. Should date stamps include the name of the issuing authority, only the above-mentioned terms may be used.

The face value shall be stated only in one of the agreed legal currencies circulating in the West Bank as detailed in Annex __ (Economic Protocol).

The design, symbols, wording and subjects of stamps and date stamps issued by the Palestinian side will be in the spirit of the peace.

In setting postal rates for international postal services, both sides shall coordinate in such a way as to prevent mutual economic harm.

Both sides shall ensure the efficient transmission and delivery of postal items, including parcels, destined for or originating from the other side. Similarly, they shall ensure the efficient transmission and delivery of such postal items arriving from, or destined for, foreign countries.

The modalities and arrangements for sending and receiving all postal items, including parcels, between the two sides will be arranged by means of a commercial agreement between the Israel Postal Authority and the Palestinian Authority.

The modalities and arrangements for sending and receiving postal items, including parcels, between the Palestinian Authority and foreign countries will be arranged by means of commercial agreements between the PLO, for the benefit of the Palestinian Authority, and the Postal Authorities of Jordan and Egypt, and a commercial agreement between the Palestinian Authority and the Israel Postal Authority.

Without derogating from the generality of Article __ of this Agreement (foreign relations), the status of the Palestinian side to this Agreement in the Universal Postal Union will remain as it is at present, and the Palestinian side will not be party to any action to alter or change its status.

The relevant customs principles detailed in Annex __ (Economic Protocol) shall also apply to postal items, including parcels, transmitted to the West Bank.

Appendix Regarding the Sphere of Postal Services

The powers and responsibilities regarding the "Postal Bank" (monetary transactions and activities in postal units) shall be transferred upon the transfer of the Sphere of Postal Services in accordance with the Interim Agreement.

Pending the Interim Agreement, the Civil Administration will continue to provide "Postal Bank" services.

In the event that the Civil Administration makes use of the services of the postal units managed by the Palestinian Authority for the purpose of granting "Postal Bank" services, it

shall transfer to the Palestinian Authority a proportional amount from the amounts transferred to it by the Israel Postal Authority, which relates to the services provided by the Palestinian Authority.

Annex Concerning the Sphere of Statistics

This sphere includes, inter alia, all phases of planning, producing and disseminating and archiving statistics from census and surveys in all areas of statistics including, but not limited to, demographic, social, economic, area, and environmental matters.

Israel shall transfer from the Civil Administration to the Palestinian side all the necessary material for maintaining and running the statistical system, such as:

The estimation procedures, forms of questionnaires, manuals, coding annuals, procedures for and results of quality control measures and analysis of surveys.

The statistical maps.

The sampling frames, including the household listings.

The basket of consumer goods and all related material, including the weights used for the CPI.

Any other professional statistical materials whenever requested.

Any other professional statistical means and methods used by the military government, Civil Administration, or on their behalf, shall also be transferred to the Palestinian side.

The Israeli side shall, through a Joint Committee to be established, transfer to the Palestinian side, if requested, any primary data from censuses and surveys, carried out by the military government, Civil Administration, or on their behalf, and archived administrative records used by the military government, Civil Administration, or on their behalf.

The Joint Committee shall decide upon the modalities and arrangements concerning the transfer of the above-mentioned materials.

Issues relating to the right to be included in the Population Registry will be dealt with in the Population Registry section of this Agreement.

The Israeli Central Bureau of Statistics and the Palestinian Central Bureau of Statistics will maintain good working relations and will cooperate in statistical matters.

Appendix Regarding the Sphere of Statistics

The Palestinian side may conduct censuses or canvasses subject to the agreement determined in the Israeli-Palestinian Elections negotiations.

Annex Concerning the Sphere of Local Government

This sphere includes, inter alia, formulation and implementation of Local Government policies, appointment of Local Government officials, approval of Local Government budgets, tenders, acquisitions, fees and tariffs, alteration of Local Government boundaries, creation

and dissolution of Local Government, Local Government election processes, Local Government inspections and the creation of joint service councils, city councils, in their capacity as local planning committees, and the operation and maintenance of the municipal water and electricity distribution systems and pricing of these services.

The term "Local Government" in this Annex includes municipal councils, village councils and all other communities which lack municipal status.

The Palestinian side has the right to make any and all alterations to the Local Government boundaries in the West Bank, within areas A and B as defined in the Security Annex.

Issues relating to the provision of Local Government services to settlements and to installations serving the Israeli military forces, are dealt with in the relevant sections. The Palestinian side shall give notice to the Israeli side of any Local Government elections. With a view to avoid friction in the context of such elections, special security arrangements will be agreed in the security liaison mechanism.

In addition to the existing powers and responsibilities of a city council, in its capacity as local planning committee, it shall also be authorized to issue building permits for various purposes, including factories, hospitals and schools, in accordance and subject to existing detailed planning schemes in force.

Municipal authorities shall continue to supply water and electricity from existing systems in accordance with existing quantities and practices.

Matters regarding planning and zoning, water and electricity are dealt with in Section __ (Planning and Zoning), Section __ (Water) and Section __ (Electricity), respectively.

Appendix Regarding the Sphere of Local Government

Pending the transfer of powers and responsibilities in the Sphere of Local Government in accordance with the Interim Agreement, the Palestinian Authority shall have the powers and responsibilities transferred in accordance with the Annex on this Sphere, subject to the following provisions:

Any alterations made to boundaries of existing local authorities shall be subject to the approval of the Civil Administration.

The declaration of new local authorities, or of alterations made to the status of existing local authorities, will not involve any change in the powers and responsibilities and privileges of such local authorities unless otherwise agreed between the two sides.

The enactment or amendment of municipal by-laws shall only take effect upon the approval of both sides.

Annex Concerning the Sphere of Agriculture

This sphere includes, inter alia, veterinary services, animal husbandry, all existing experimental stations, irrigation water which has been allocated for this purpose), scientific data, forestry, pasture and grazing, licensing and supervision of agriculture, the farming and marketing (including export and import) of crops, fruit and vegetables, nurseries, forestry products, and animal produce.

Irrigation water, as well as facilities, water resources, installations and networks used in agriculture shall be dealt with in Section __ (Water).

Relations in the agricultural sphere between the Israeli side and the Palestinian side, including the movement of agricultural produce, are dealt with in Annex __ (Economic Protocol).

The two sides will cooperate in training and research, and shall undertake joint studies on the development of all aspects of agriculture, irrigation and veterinary services.

Forestry is part of the Agriculture sphere and will be dealt with separately in the Interim Agreement.

Appendix Regarding the Sphere of Agriculture

Powers and responsibilities regarding forestry shall be transferred upon the transfer of the Sphere of Agriculture in accordance with the Interim Agreement.

Pending the signing of the Interim Agreement, the Israeli side shall maintain the existing quantities of irrigation water in the West Bank, in accordance with existing practices.