
Opening Statement at AHLC Meeting in Brussels Brussels, 19 April 2016

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By [Minister of Foreign Affairs Børge Brende](#)

Minister of Foreign Affairs Børge Brende's opening statement at the donor group for Palestine (Ad Hoc Liaison Committee – AHLC) meeting in Brussels.
High Representative, Excellences, Ladies and Gentlemen.

It is with great pleasure I welcome you to this meeting of the AHLC in Brussels.

Let me first thank my good friend and co-sponsor of the AHLC, High Representative Federica Mogherini for kindly hosting us in Brussels.

Let me also extend a warm welcome to Finance Minister Shukri Bishara and Deputy Director General Yaffa Ben-Ari.

Let us not forget the fundamental reason why we are assembled here.

What unites us is our shared goal: the realization of the two-state solution, and the creation of an independent, democratic, contiguous and sovereign Palestinian state, living side by side with Israel in peace and security.

We must prevent those that erode the vision of the two-state solution.

Some people may believe that they benefit from continued status quo – they are wrong. Nobody benefits from status quo. It only gives rise to more instability.

We were reminded of this yesterday, with the terrorist bombing of a bus in Jerusalem. I condemn all form of violence and attacks against civilians unreservedly. There is never any justification for terrorism. The current tensions call for immediate and coordinated steps by all sides.

I therefore urge both leaders to demonstrate their commitment to realizing a negotiated two-state solution.

The two-state solution is the only credible path towards long-term peace. What is missing is not a plan. We know what a two state solution can and should look like. But we need the political will from both sides to negotiate it and to implement it. Only leadership can alter the status quo. I stress the urgency. Each day of continued status quo is a lost opportunity for peace.

We are not only here to send a message of peace, but to prepare for peace.

A sustainable economy is essential for a future independent Palestinian state, but it must never become a substitute for resolving the conflict through political means. That has been the foundational premise of the AHLC since its inception in 1993.

The contribution of the AHLC with respect to the two-state solution is to build the institutions for statehood and to make the Palestinian economy as sustainable as possible until the conflict is resolved.

The AHLC has always been about providing funding which underpin a strategic goal: the two-state solution.

While I am concerned about the sharp decline of budget support to Palestine, I have, however, no illusions that the donors will continue contributing significantly without a credible political horizon.

The situation is however not entirely grim.

Even if the political process for the moment is stuck, the donors remain committed to assist building a viable Palestinian economy. Israel too, share this interest.

To continue mobilization of resources, the donors require a predictable framework and a credible narrative, and indeed serious efforts by the parties to cooperate.

I commend the parties for showing good faith and for cooperating in sustaining the progress on economic cooperation made to date.

So, how can we together best achieve a viable Palestinian economy? What is our strategy?

An important first step is a sound fiscal position including balancing the Palestinian budget.

This will require strong commitments by both parties and the donors.

Finance Minister Bishara has been determined in maintaining fiscal discipline – he deserves praise for that. This is however not sufficient for economic fiscal consolidation.

That is why resolving outstanding fiscal issues between the parties, such as closing fiscal gaps and making the revenue-sharing arrangements between the parties more efficiently is so important.

I would like to highlight the efforts of Finance Ministers Moshe Kahlon and Shukri Bishara, to make serious progress during the past months. I urge them to continue and to deepen their dialogue.

While continued reforms and improvement of the fiscal position of the PA are important steps, they are not sufficient to secure economic sustainability.

Growth and job creation through private sector investments will be crucial. That is why the donors need to focus on long-term economic development of the PA, and why Israel must provide access to production and external markets, and enable free movement of goods and people.

With respect to economic development, it is important to address the slow pace of Gaza reconstruction in a serious and efficient manner. The situation there is grim. Energy and water supplies and the movement of goods and people must improve, and the donors must translate the pledges made in Cairo in 2014.

To conclude, Norway will take the lead in developing a comprehensive AHLC strategy for the next two years that will address both fiscal sustainability and issues related to long-term economic sustainability.

Making peace is difficult. In the absence of a political process, contributing to a viable Palestinian economy represents an important step at this stage. It does not bring peace – only a political resolution does – but it is an important step towards peace.