Source: Israel 24 December 2006

## **Cabinet Communique**

(Communicated by the Cabinet Secretariat)
At the weekly Cabinet meeting today (Sunday), 24 December 2006:

1. Prime Minister Ehud Olmert briefed ministers on his meeting with Palestinian Authority (PA) Chairman Abu Mazen\_, last night (Saturday), 23 December 2006, at his Jerusalem residence. The Prime Minister hosted the PA Chairman and his delegation for dinner and, during the meal, they arrived at several agreements. The meeting had been planned for some time; since his first day in office, Prime Minister Olmert has expressed his willingness to meet with the PA Chairman. To this end, he sent him messages by various channels, including special emissaries, in order to make it clear that he (the Prime Minister) was ready to meet him without pre-conditions—in order to advance the chance for negotiations. For a long time, there were difficulties and problems, internal struggles and pressures that sabotaged the possibility that the PA Chairman could accept the invitation.

During the meeting, Prime Minister Olmert agreed - in consultation with other ministers - to unfreeze \$100 million in tax revenues held by Israel in order to extend humanitarian assistance to Palestinian residents who are suffering - inter alia - from the failed management of their government, which is not part of the accepted international community. This assistance will be given via a special mechanism that will be established in order to supervise the transfer of funds and to ensure that they meet humanitarian needs as has been agreed between Israel and the PA Israel will make an effort to ease restrictions on the quality of life - and on the daily lives - of residents of Judea and Samaria, especially in regards to crossings. To this end, the Prime minister has consulted with Defense Minister Amir Peretz, appropriate instructions will be issued to the security establishment and IDF soldiers.

Prime Mnister Olmert said: "This was a good meeting. It was held in a good atmosphere. It was agreed that that it will have continuations and the intention is to start a process of continuous dialogue with the PA in order to advance the diplomatic agenda that we are so interested in and which this government has wanted since its first day in office."

Following Prime Mnister Olmert's briefing, the government decided as follows:

"In wake of the Prime Minister's meeting last night (Saturday), 23 December 2006, with the Palestinian Authority Chairman and given the desire to assist moderate elements in the Palestinian Authority, it has been decided to transfer \$100 million in Palestinian tax revenues held by Israel, to humanitarian needs in the Palestinian Authority, via the office of the Palestinian Authority Chairman, and according to his goals, as he announced them during his meeting with the Prime Minister."

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