Article I

Objectives

1. The two sides are determined to establish dialogue and cooperation on the bases of equality, fairness and reciprocity within the context of the interim period, and to act together in order to ensure that peace, stability and cooperation between them are reinforced and sustained.

In striving to live in peaceful coexistence, the two sides will seek to design and implement various programs which will facilitate the efforts leading to full reconciliation based on the agreed political process, and make it possible for smooth implementation of a permanent settlement based on Security Council Resolutions 242 and 338.

2. To that end, the two sides agree to establish and maintain between them an extensive program of cooperation in fields of human activity including in economic, scientific, social and cultural fields, involving officials, institutions, and the private sector.

3. The two sides will act to meet common challenges which require a coordinated overall approach and, taking into account their respective distinguishing features, they will act with respect for the values and human dignity of the other side.

4. The two sides are committed to strengthening regional cooperation which takes into account the interests of each side, in particular within the framework of the multilateral Middle East peace talks.

Article II

Scope

The scope of cooperation between the two sides, as detailed in this Annex, will include, inter alia, the following main aspects:

a. cooperation with regard to environmental protection;

b. economic cooperation,

c. scientific and technological cooperation;

d. cultural and educational cooperation; and

e. cooperation in enhancing the dialogue and relations between the two peoples through a people-to-people program.
Article III

Standing Cooperation Committee

1. A Standing Cooperation Committee is hereby established (hereinafter “the SCC”).

2. a. The SCC shall be composed of an equal number of members from each side and may be assisted in its meetings by experts and technicians as necessary.

b. The SCC shall adopt its rules of procedure. It shall meet once a month. Meetings may be held more frequently at the request of either side.

c. The SCC shall reach its decisions by agreement.

d. The SCC may set up working groups or bodies for the implementation of this Annex.

3. The SCC shall deal with the matters covered in this Annex. It shall consider and decide on the methods and modalities for the implementation of the various fields of cooperation as detailed in Article IX. It may decide to add new fields of cooperation.

Article IV

Principles of Economic Cooperation

1. The two sides recognize the importance of economic growth, especially on the Palestinian side and cooperation based on the principles of equity, fairness, and reciprocity as a key factor in the context of building peace and reconciliation.

2. To this end, the two sides shall promote economic cooperation, including the promotion of joint ventures for their mutual benefit, in accordance with the overall objectives and principles set out in this Annex. This endeavor shall be pursued without derogating from the provisions of Annex III of the Declaration of Principles, Annex V of this Agreement (Protocol on Economic Matters), and any subsequent agreement or understanding reached between them during the interim period.

3. In implementing the various economic cooperation programs, the two sides will ensure that aspects of environmental protection including air, water, marine and land resources, and prevention of environmental risks, hazards and nuisances will be taken into consideration.

4. Without derogating from the existing agreements between them, economic cooperation between the two sides shall focus principally on sectors producing balanced economic, social, and human development and growth. The cooperation aims, among other things, at:

   a. developing the infrastructure and a strong base for the Palestinian economy;

   b. strengthening the bases for independent and institutional economic decision making processes within the Palestinian side;
c. supporting the establishment of the Palestinian Standards and Specifications Institute, export institute, etc.;

d. working together to promote social development and foster the rise of Palestinian standards of living; and

e. aspiring towards reducing the disparity in the level of the respective economic development of the two sides.

5. Economic cooperation between the two sides shall include exchange of information and ideas on economic issues, matters and transactions involving the two sides.

6. Economic cooperation between the two sides shall take into account changes in economic policies in various economic spheres.

Article V
Sectors of Economic Cooperation

1. Industrial Cooperation

The two sides shall promote industrial cooperation, and, in particular:

   a. facilitate cooperation between their respective economic institutions and business sectors;

   b. examine ways to facilitate the establishment of joint ventures;

   c. promote cooperation between small and medium-sized enterprises of both sides;

   d. seek ways to increase Palestinian industrial output through, inter alia, the promotion of a program of industrial parks or zones in accordance with an agreed concept and in cooperation with all relevant institutions; and

   e. dedicate special efforts to attract the international business sector and in particular multinational firms.

2. Agricultural Cooperation

The two sides recognize the importance of promoting cooperation in the field of agriculture, and shall in particular:

   a. promote cooperation between their respective private farming sectors;

   b. facilitate and promote smooth trade between the respective markets;

   c. examine ways to facilitate the establishment of joint ventures;
d. establish channels for the exchange of information on farming methods, irrigation, water and soil treatment, herbicides, pesticides, etc.;

e. cooperate and coordinate in the field of plant protection and veterinary diseases;

f. promote joint efforts to combat desertification and encourage the development of agricultural projects in arid and semi-arid areas.

3. Environment

a. The two sides shall promote cooperation in preventing the deterioration of the environment, controlling pollution and ensuring the proper protection and rational use of natural resources in their respective areas, with a view to ensuring environmentally sustained development and promoting regional environment projects.

b. Cooperation in the protection of the environment will focus, inter alia, on preparing proposals for projects, studies, and recommendations on:

(1) development and implementation of appropriate treatment of liquid, solid and hazardous wastes and the control, storage, discharge transportation and disposal of hazardous materials, pollutants, and radioactive waste;

(2) prevention and control of marine pollution from ships and from land-based sources;

(3) preventing and minimizing the harmful effects of pollution on soil, water and air quality;

(4) use of appropriate tools of environmental management and environmental monitoring methods, including the adoption of and use of internationally accepted environmental principles and standards of Environment Impact Assessment and environmental information systems;

(5) development of programs of combating desertification and protection of nature and endangered species and the preservation of forests and natural reserves; and

(6) promotion of environmental education and awareness programs.

c. Both sides shall cooperate in preventing the transfer of internationally banned and restricted chemicals including, pesticides, insecticides, and fertilizers between their respective areas.

d. Both sides shall cooperate in setting an emergency warning system to respond to events or accidents which may generate environmental pollution, damage, or hazards.

e. The Environmental Experts Committee established under this Agreement will implement the environmental cooperation proposed above in coordination with the SCC.
4. Energy

The two sides shall promote cooperation between them in order to:

   a. develop plans to promote the use of environmentally clean alternative sources of energy such as solar and wind energy;

   b. enhance cooperation in energy conservation;

   c. promote, within the framework of regional cooperation, projects for their mutual benefit in the field of electricity; and

   d. develop options for joint ventures which will include the international business sector in the field of energy production, management and supply.

5. Transport

a. The two sides shall promote cooperation in the field of transport and related infrastructure, in order to accommodate any increase in the flow of passengers and goods, and modernize the transportation infrastructure through:

   (1) promoting joint technological and research programs; and

   (2) assisting and facilitating the establishment of a Palestinian Standards and Specifications Institute in this field based on international standards.

b. The two sides will work towards normal movement of vehicles across the crossing points with Jordan and Egypt.

6. Tourism

a. In order to best utilize the unique advantages provided to the tourism industry in conditions of stability, the two sides shall examine ways to:

   (1) increase the volume of incoming tourism;

   (2) plan and develop the necessary infrastructure, facilities and services in order to accommodate increased demand;

   (3) encourage the involvement of major foreign, regional, as well as multinational tourist conglomerates and entrepreneurs; and

   (4) continue and expand the existing vocational training programs, in the various tourist vocations;

   (5) encourage joint ventures in the tourism field in all areas of mutual benefit including on the Dead Sea. In this regard Palestinian private projects as well as joint ventures in accordance with the DOP, will be located as agreed on the shore of the Dead Sea.
b. The two sides shall exchange information and promote cooperation on planned tourism development projects and tourism marketing projects, tourist exhibits, exhibitions, conventions and publications.

c. The two sides shall facilitate and encourage smooth movement of tourists between their respective areas.

d. The two sides shall also encourage the development of cooperation programs between their competent organizations in this field.

Article VI

Scientific and Technological Cooperation

The two sides shall promote cooperation in scientific research and technological development, and shall devote special attention to the following:

a. establishment of contacts between research and scientific institutions of both sides;

b. organization of joint scientific meetings (seminars and workshops);

c. joint research and development activities aimed at encouraging scientific progress and the transfer of technology and know-how;

d. training activities and mobility programs for researchers, scientists and specialists from both sides; and

e. development of an environment conducive to research, application of new technologies and adequate protection of intellectual property rights for the results of such research.

Article VII

Cultural and Educational Cooperation

1. Cultural Cooperation

The two sides shall promote cultural cooperation and encourage the development of cooperation between their institutions or organizations in the fields of art, music, theater, literature, literary translations, publishing, cinema and film-making.

2. Media and Communication

The two sides shall promote and encourage direct cooperation between news agencies, newspapers, and radio and television stations. In addition, the two sides will cooperate with third countries in order to promote the exposure of the benefits of the peace process to the respective societies.
3. Educational Cooperation

a. The two sides shall promote cooperation by encouraging and facilitating exchanges in the field of education and by providing appropriate conditions for direct contacts between schools and educational institutions of both sides.

b. The two sides shall cooperate with the aim of raising the level of general education and professional training of their respective populations taking into consideration priorities to be determined by each side.

c. The cooperation shall focus, in particular, on the following areas:

   (1) cooperation among educational/training institutions;
   
   (2) exchanges of information between universities;
   
   (3) language training; and
   
   (4) other ways of promoting better mutual understanding of their respective cultures.

4. Sports and Youth

a. The two sides shall encourage cooperation in sports and physical culture, especially through the exchange of sports delegations and teams, as well as through the organizing of sports meetings and games.

b. The two sides shall encourage contacts and exchanges between youth organizations and shall promote exchanges of high school and university students.

Article VIII

The People-To-People Program

1. The two sides shall cooperate in enhancing the dialogue and relations between their peoples in accordance with the concepts developed in cooperation with the Kingdom of Norway.

2. The two sides shall cooperate in enhancing dialogue and relations between their peoples, as well as in gaining a wider exposure of the two publics to the peace process, its current situation and predicted results.

3. The two sides shall take steps to foster public debate and involvement, to remove barriers to interaction, and to increase the people to people exchange and interaction within all areas of cooperation described in this Annex and in accordance with the overall objectives and principles set out in this Annex.

Article IX

Drugs
1. In addition to the cooperation provided for in Article II of Annex IV of this Agreement concerning legal assistance in criminal matters, the two sides shall cooperate with a view to, inter alia:

   a. improving the effectiveness of policies, including information and public awareness, educational and sociological activities directed at countering the supply of, and illicit trafficking in, narcotic drugs and psychotropic substances and reducing the abuse of these products

   b. encouraging a joint approach to reducing demand; and

   c. encouraging a joint approach to prevent the use of the Two sides’ financial systems to launder capital arising from criminal activities in general and drug trafficking in particular.

2. Cooperation shall take the form of, inter alia, exchanges of information and where appropriate joint activities on establishing social and health institutions and information systems, and implementing projects in these spheres, including training and research projects.

Article X

Methods and Modalities of Cooperation

1. The SCC shall determine methods and modalities for the implementation of cooperation between the two sides.

2. Cooperation shall be implemented in particular by:

   a. regular dialogue;

   b. regular exchange of information and ideas in every sector of cooperation including meetings of officials and experts;

   c. transfer of advice, expertise and training;

   d. initiating and conducting joint activities such as seminars and workshops; and

   e. technical, administrative and regulatory assistance.

3. The SCC, its subsidiary working groups and bodies or various official agencies that may be asked to promote this cooperation, will develop joint action programs in the various fields of cooperation within six months of the entry into force of this Agreement.

4. Other fields of cooperation may be agreed upon by the two sides.

Article XI
Miscellaneous

Nothing in this Annex shall derogate from the provisions set out in any other part of this Agreement.