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Paris Donors Conference

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Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Palestinian Donors Conference

Paris, 17 December 2007

Monsieur le Président (de la République),

la Commission européenne se réjouit de cette conférence, qui suit de très près la relance des négociations bilatérales entre Israël et l'Autorité palestinienne. Cette conférence constitue une pièce essentielle du processus de paix. Je me félicite de la présence du Président Abbas et du Premier Ministre Fayyad aujourd'hui parmi nous, qui comptent sur l'engagement de la communauté internationale pour réaliser cette promesse. Aujourd'hui, nous pouvons les assurer que nous sommes prêts à aider le peuple palestinien à construire son avenir avec des initiatives concrètes.

Your Excellencies, Ladies and Gentlemen,

the European Commission is the largest single donor to the Palestinian people. We have provided assistance throughout the last difficult years, despite the political challenges, the obstructions in the peace process and the cycles of violence. We have to focus on the need of the Palestinian people, whose conditions have continuously deteriorated.

Today, Prime Minister Fayyad will present a plan on building a Palestinian state. We consider his vision as part and parcel of the efforts launched in Annapolis by President Abbas. This plan, that complements the political process, needs an extraordinary level of financial support from donors and we are here to play our part and to ask others to play theirs.

As recently confirmed by IMF and World Bank, the implementation of the Palestinian Reform and Development Plan (PRDP) is dependent upon the cooperation of all parties, Palestinian Authority, Israel and donors. In particular, Palestinians will have to take security firmly in their hands, and in this respect, I would like to congratulate PM Fayyad for the success of the Nablus operation so far. Israel will have to lift movements and access restrictions, as a precondition of the revival of the Palestinian economy and avoid acts that could prejudice final status issues. For this reason, in 2008, I will regularly follow up on the implementation of the commitments made today in cooperation with the other co-chairs of today's conference.

Furthermore, in 2008, we will make a contribution of 440 million euro (650 million dollars) in grants to the Palestinians. Of this amount, 115 million euro will go to UNRWA and humanitarian aid. More than 325 million euro (about 500 million dollars) will contribute to the implementation of the Palestinian Reform and Development Plan, including a significant share to cover the Palestinian Authority's recurrent expenditure needs and taking into account the need for early disbursement. The European investment Bank will make a further pledge.

The European Commission is also ready to support the Palestinian Authority in other ways. In 2008, we plan to launch a few initiatives that will strengthen the process of reforms and intensify the cooperation with Israel.

These initiatives are in line with the objectives of the EU Action Strategy recently adopted by EU Foreign Ministers.

We will relaunch our Action Plan in the framework of the European Neighbourhood Policy.

We will resume the trilateral meetings on trade to support cooperation between Israel and Palestinians and the EU.

We will support joint-energy initiatives, including the bilateral dialogue in the energy sector on issues of common interest (electricity network, solar energy) and leading to the establishment of a Joint Palestinian-Israeli Energy Office.

We are going to work closely with Quartet Representative Tony Blair to advance Quick Impact Projects

We also intend to provide macro financial assistance

In 2006, in order to assist the Palestinian people in spite of the political circumstances, the European Commission set up the Temporary International Mechanism, which has channelled 600 million euro of funds. It is time to work directly with the Palestinian Authority. I am pleased to announce that in February next year we will launch a new mechanism to provide assistance to the Palestinians. This new mechanism will i) provide support for the implementation of the Palestinian Reform and Development Plan ii) be open to European Union and other international donors; ii) use different channels to transfer assistance transparently either directly to the Palestinian Authority or to beneficiaries on Governance, Social Developments, Economic and private sector development and Public Infrastructure.

The new mechanism, that we plan to call PEGASE, replaces the Temporary International Mechanism, which will be phased out in March 2008. PEGASE will be open for business in February 2008. We are ready to talk with other donors on how they can use it to accommodate their contributions. PEGASE is the acronym in French for Palestino Europeen de Gestion de l'Aide Socio-Economique. Like the Pegasus in the mythology it should have a chance to help the PA take off.

Finally, let me assure you that, as co-chairman to this event, I commit myself to use the financial and political influence of the Commission to support the Palestinian Authority towards statehood.