

Brussels, December 17 2007

## **Commission co-chairs Palestinian Donors Conference and announces €440 million (\$650 million) to the Palestinians for 2008**

***European Commissioner Benita Ferrero-Waldner unveiled today a pledge of €440 million (\$650 million) to the Palestinian people for 2008 at the Paris Donors Conference. The Conference is co-chaired by France, the European Commission, Norway and Quartet Special Representative Blair. Also attending this meeting will be Palestinian President Abbas, Prime Minister Fayyad, Israel Foreign Minister Livni and representatives of all international donors to the Palestinians. Commissioner Ferrero-Waldner will also announce the launching in February 2008 of PEGASE, a new financial mechanism to provide assistance to the Palestinians which will cooperate closely with the Palestinian Authority and will contribute to the Palestinian Reform and Development Plan. Furthermore, Benita Ferrero-Waldner will also participate in the first Quartet meeting after the Annapolis Conference.***

Commissioner Ferrero-Waldner said today: "The Paris Conference will demonstrate the support of the international community to the building of a Palestinian State. The EU has made a significant pledge, however it is essential that other donors, including the Arab countries, share the burden with us." And she added: "Financial assistance can only make a difference if it complements the political process launched in Annapolis. We are determined to support and accompany this process which will only be successful with a comprehensive approach involving all actors in the region".

The biggest share of the €440 million announced today by the Commissioner will contribute to the implementation of the Palestinian Reform and Development Plan, presented by Prime Minister Fayyad at the Conference. Funds will be provided for emergency and humanitarian aid and also to the budget of the UN Agency for the Palestinian Refugees (UNRWA). This package underpins the EU Action Strategy on Statebuilding for Peace in the Middle East.

The aid will be implemented through PEGASE which

- provides support for the implementation of the Palestinian Reform and Development Plan,
- is open to European Union and other international donors,
- uses different modalities to transfer assistance transparently either directly to the Palestinian Authority or to beneficiaries.

Benita Ferrero-Waldner said *"With PEGASE we will shift progressively from emergency assistance to a sustainable Palestinian development process widening the range of activities supported by us."*

PEGASE replaces the Temporary International Mechanism (TIM) which will be phased out in March 2008.

Commissioner Ferrero-Waldner also showed her readiness to support the Palestinian Authority in other ways. In 2008, some initiatives will strengthen the process of reforms and intensify the cooperation between Israel and the Palestinian Authority:

1. The Action Plan between the EU and the Palestinian Authority in the framework of the European Neighbourhood Policy will be relaunched as setting for dialogue on the Palestinian reform agenda.
2. Trilateral meetings on trade to intensify cooperation between Israel, the Palestinians and the EU. This will build on our existing Association Agreements signed by the EU with both parties.
3. Joint-energy initiatives, including the bilateral dialogue in the energy sector on issues of common interest (electricity network, solar energy) will be launched with the aim of establishing a Joint Palestinian-Israeli Energy Office.

The European Commission is the largest single donor to the Palestinian people. In 2007 the European Commission provided €550 million in assistance which together with the Member States contributions amounted to a total EU aid of €1 billion.<sup>1</sup>

Further information:

[http://ec.europa.eu/external\\_relations/occupied\\_palestinian\\_territory/index\\_en.htm](http://ec.europa.eu/external_relations/occupied_palestinian_territory/index_en.htm)

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<sup>1</sup> See [MEMO/07/589](#) How the European Commission is responding to the needs of the Palestinians