

Brussels, 25 March 2008

Commission provides €300 million to PEGASE and UNRWA in fulfilment of its Paris Pledge to support the Palestinian people

As of today, the European Commission makes available €300 million to finance activities under both the PEGASE¹ mechanism (€229 million) and to UNRWA² (€71 million) to support Palestine refugees. PEGASE activities support the Palestinian Authority's Reform and Development Plan in the areas of Governance, Social Development, Economic and Private Sector Development, and Public Infrastructure. Support to UNRWA includes the EC's regular contribution to the general budget (€66 million), as well as support to UNRWA's Special Hardship Cases scheme for the most vulnerable refugees.

Benita Ferrero-Waldner, Commissioner for External Relations and European Neighbourhood Policy, said: *"I am very pleased that the European Commission is largely fulfilling its pledge for the Palestinians only three months after the Paris donor conference. With the amount provided we are not only reacting quickly but also meeting the requests of Prime Minister Salam Fayyad: to ensure the continuity of our assistance and to make our funds available early in the year to meet the most urgent needs. Once again this shows our strong commitment to support the Palestinian Authority in its quest for improving the lives of Palestinian people towards a peace agreement with Israel."*

With regard to the support to UNRWA she added: "At the same time we reaffirm our longstanding and significant support to UNRWA for Palestine refugees. Refugees are always among the most vulnerable groups and depend on international assistance. Our support for the valuable work done by UNRWA under difficult circumstances thus contributes to the overall goal of paving the way for the creation of a Palestinian state existing peacefully side by side with Israel."

The €300 million package is divided as follows:

PEGASE: Support to Recurrent Expenditures (€176 million)

This is the highest priority of the Palestinian Authority and funds will be used to allow the continued delivery of essential public services. It will help the PA to meet its obligations towards civil employees, pensioners and vulnerable sectors of Palestinian society; to maintain the functioning of the administration and the provision of essential public services and utilities such as electricity to the population. It will also help the PA to clear its arrears to the private sector. All of these activities will support the people in Gaza as well as the West Bank.

¹ Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique (PEGASE)

² United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)

PEGASE: PRDP Institution Building (€14 million) and PRDP Public Infrastructure (€37 million)

The Institution Building and Public Infrastructure programmes will allow the Commission to support the four axes of the Palestinian Reform and Development Plan (PRDP) of: Governance, Social Development, Economic and Private Sector Development, and Infrastructure. The actions will strengthen democratic Palestinian institutions, advance the reform process of the Palestinian Authority, and help to build a viable and sustainable Palestinian economy. They will include support to the judiciary, equipment and training for the civil police, improving the quality of education and enterprise promotion and facilitation. Infrastructure will be provided to improve the lives of the Palestinians and the delivery of essential services, in particular in the electricity, water and waste water management sectors, court construction, and trade infrastructure and schools refurbishment, among others.

PEGASE: East Jerusalem (€2 million)

Being a key final status issue, this action will help improve the quality of life of the Palestinian population in East Jerusalem through support to the better provision and improved quality of community services in the key sectors of health, education, housing and cultural heritage.

UNRWA: 2008 Regular Budget (€66 million)

The European Commission contributes annually to UNRWA's core budget. This 2008 allocation will allow UNRWA to continue providing health, education and social services to 4.5 million Palestine refugees. The EC is one of the largest supporters of UNRWA, and along with Member States, the EU provides over 50% of donor resources to the regular budget.

UNRWA: Special Hardship Cases and Reform Support (€5 million)

In addition to the regular budgetary contribution, the EC also funds specific UNRWA projects. A priority of UNRWA is its special hardship cases (SHCs) scheme which helps the most vulnerable refugees. The EC will provide €4 million to this scheme and a further €1 million is provided to support the overall management reforms of UNRWA.

Further information:

<http://www.delwbq.ec.europa.eu/>

http://ec.europa.eu/external_relations/occupied_palestinian_territory/index_en.htm