

PRESS RELEASE

COMMISSION APPROVES FIRST PACKAGE OF €235 MILLION IN SUPPORT TO THE PALESTINIAN PEOPLE IN 2009.

The European Commission has today decided to provide an initial financial package worth €235 million for the occupied Palestinian territory under the 2009 budget. In announcing the package Commissioner Ferrero Waldner said:

"By today's decision the Commission wants to give a signal to the Palestinian people that they can count on our continued support in 2009. Most of our support will be channelled through PEGASE and we hope, as in the past, that Member States and other donors will continue supporting the Palestinian people through this mechanism."

Today's decision, by which the EC continues to fulfil the pledges made at the Paris Donors' Conference in December 2007, will help the Palestinian Authority to continue providing essential public services across the territory. Of today's announced package €68 million will be channelled through the EU's assistance mechanism for the occupied Palestinian territory, PEGASE¹, which was launched in February 2008. These funds will help the PA to cover wages and pensions for essential civilian workers (particularly medical and teaching staff) and allocations to vulnerable Palestinian families as well as paying for fuel supplies to the Gaza Power station, thus helping to keep essential services running despite the Israeli blockade.

So far the Commission has already provided €252 million in direct financial support to the Palestinian Authority through this mechanism, with EU Member States contributing a further €10 million.

The remaining €67 million will be allocated to the core budget of UNRWA, the United Nations Relief and Works Agency. UNRWA has been providing basic health, education and social safety net services for a refugee population of 4.6 million people since 1949. The EU and its Member States are the biggest donors to UNRWA.

BACKGROUND

Aid to the Palestinian Authority is provided to support the implementation of the Palestinian Reform and Development Plan (PRDP), presented by the PA at the donor conference in December 2007, held in Paris. Despite having made progress, the economic and social trends in the occupied Palestinian territory have deteriorated, largely due to the failure on the part of Israel to lift access and movement restrictions. This first tranche of financing for 2009 responds to the priorities of the PA in supporting recurrent expenditure and the needs of UNRWA to support Palestinian refugees.

¹ PEGASE: mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique