COMMISSION IMPLEMENTING DECISION


on Special Measures in favour of the occupied Palestinian territory (West Bank and Gaza Strip) to be financed from the general budget of the European Union
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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to European Parliament and Council Regulation (EC) No 1638/2006 of 24 October 2006 laying down the general provisions establishing a European Neighbourhood and Partnership Instrument¹, and in particular Article 13(2) thereof,

Whereas:

(1) Since 2002 the Commission has set priorities for co-operation with the occupied Palestinian territory (West Bank and Gaza Strip) on an ad hoc basis and Article 13 of Regulation (EC) No 1638/2006 provides for the adoption of special measures in the event of unforeseen and duly justified needs or circumstances. Given the difficult situation within the West Bank and Gaza Strip, no strategy paper or multi-annual indicative programme has been established covering 2013.

(2) The EU remains committed to assist in the economic and financial development of a future viable Palestinian State and to provide the necessary support to the post-Annapolis process.

(3) There is a widening gap between the Palestinian Authority’s income and its mandatory expenditures that is putting at risk the livelihood of thousands of Palestinian families who depend on PA salaries, as well as the economy of both the West Bank and Gaza Strip (occupied Palestinian territory - oPt). Despite prudent fiscal measures on the part of the PA, there is a major shortfall in external funding, particularly from Arab donors. The financial situation of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the UN Agency responsible for the welfare of Palestine refugees remains critical. It is thus appropriate to launch a new funding mechanism PEGASE, which will constitute a key channel for EU and other international assistance, and to front load as much as possible the EU assistance to the PA and UNRWA for 2013.

(4) Therefore, in addition to the provision of an additional amount of EUR 2 million to UNWRA in 2012 for improving the living conditions of vulnerable Palestine refugees in the Jerash Camp, the reference amount of the Union assistance to the PA and

UNWRA for 2013 (Part I) should be provisionally fixed, without prejudice to the adoption of the 2013 EU General Budget.

(5) The criteria set out in Regulation (EC) No 1638/2006 and conditions for the adoption of special measures are fulfilled. The occupied Palestinian territory (West Bank and Gaza Strip) continues to be in a crisis situation, further aggravated by the effects of the conflict in Gaza in December 2008 and January 2009 and of a continuing economic blockade, and by the lack of progress in Israeli-Palestinian negotiations as well as by the lack of tangible achievements following the announcement of intra-Palestinian reconciliation.


(7) The maximum contribution of the European Union set by the present Decision should cover any possible claims for interest due for late payment on the basis of Articles 83 of the Financial Regulation and 106(5) of its Implementing Rules.

(8) The Commission is required to define the term "substantial change" in the meaning of Article 90 (4) of the Implementing Rules to ensure that any substantial change in this Decision shall follow the same procedure as the initial Decision.

(9) The Special Measures provided for in this Decision are in accordance with the opinion of the ENPI Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

**Article 1**

The Special Measures in favour of the occupied Palestinian territory (West Bank and Gaza Strip) constituted by the actions: "Contribution to UNWRA for improvement of living conditions of vulnerable Palestine refugees in Jerash Camp" (EUR 2 million), "PEGASE 2013: Direct Financial Support for recurrent expenditures of the Palestinian Authority (PA) - Part I" and "Contribution to UNRWA's 2013 Regular Budget – Part I", the text of which is set out in the attached Annexes, is approved.

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Article 2

The maximum EU contribution to the Special Measure financed in 2012 (Contribution to UNWRA for improvement of living conditions of vulnerable Palestine refugees in Jerash Camp) is set at EUR 2 million to be financed from budget line 19 08 01 02 of the general budget of the European Union for 2012.

This maximum contribution shall also cover any possible interests due for late payment.

Article 3

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives pursued. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non substantial changes in accordance with the principles of sound financial management.

Article 4

Subject to the adoption of the 2013 budget by the Budgetary Authority, the provisional maximum EU contributions for supporting the first tranches of the Palestinian Authority and UNWRA budgets in 2013, in accordance with the Special Measures adopted in this Decision, is set at EUR 100 million.

This maximum contribution shall also cover any possible interests due for late payment.


For the Commission
Štefan FÜLE
Member of the Commission
ANNEXES

Special Measures in favour of the occupied Palestinian territory (West Bank and Gaza Strip)

Annex 1: Action Fiche for "Contribution to UNWRA for improvement of living conditions of vulnerable Palestine refugees in Jerash Camp"

Annex 2: Action Fiche for "PEGASE 2013: Direct Financial Support for recurrent expenditures of the Palestinian Authority (PA) – Part I"

Annex 3: Action Fiche for "Contribution to UNRWA's 2013 Regular Budget – Part I"