**BACKGROUND ON EC ASSISTANCE**

European Community assistance to the Palestinians began in 1971, when the first contribution was made to the regular budget of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). In 1995, the Palestinian National Authority (PNA) signed the Barcelona Declaration and became a full and equal partner in the Euro-Mediterranean Partnership. In 1997, a follow up Interim Association Agreement governing bilateral relations between the EU and the PNA was signed paving the way for budgetary support, institution building, technical assistance, humanitarian aid, and bilateral trade relations. In 2004, the Palestinian Authority was included in the first round of partner countries in the European Neighbourhood Policy Initiative (ENPI) and in the following year, a joint EU-PNA action plan was signed providing for increased political, economic, and technical cooperation between the EU and the PNA. In addition, the ENPI sets in motion the means for greater integration and access for the Palestinian economy to European internal markets.

Assistance to Palestine has been provided through different financial geographic instruments and thematic lines, such as PEGASE, ENPI, human rights, the peace process, UNRWA, food aid and food security, the European Commission Directorate General for Humanitarian Aid (ECHO), the European Investment Bank (EIB) and others. The EC also supports many civil society organizations and NGOs in fields such as healthcare, education, human rights and democracy building, peace building and culture.

Today the EC is the largest donor to Palestine and since 2007 the EC has been providing an estimated €500 million of assistance yearly. Total EC commitments since 1994 until the end of 2010 have exceeded €4.5 billion. EC disbursements for 2010 alone have topped €600 million.

**EC Total Support to Palestine 2000-2011**

€ million (commitments)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
| 225.2 | 148.5 | 325.9 | 270.9 | 255.2 | 280.9 | 349.9 | 563.3 | 497.7 | 522.7 | 443.6 | 459.3 |

**EC Budget Support 2000-2011**

€ million (commitments)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
| 90 | 40 | 140 | 102 | 90.3 | 76 | 141.8 | 370 | 258 | 219.1 | 210.9 | 145 |

**EC UNRWA Support 2000-2011**

€ million (commitments)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2000** | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
| 83.8 | 90.1 | 71.4 | 91.9 | 103.3 | 97.3 | 111.8 | 100.6 | 120 | 175.9 | 102.7 | 142.9 |

**EC 2013 COMMITMENT**

The 2013 commitment is approximated to be around €300m and its expected breakdown is as follows:

|  |  |
| --- | --- |
| UNRWA | €90m |
| PEGASE | €170m (including 20 – 25m Euros for health sector arrears) |
| E. Jerusalem | €8m |
| Programming | €30m approx |

**PROGRAMMING AREAS OF INTERVENTION & PROJECTS TO BE FUNDED**

**Breakdown of EC Developmental Support in 2013**

* Rule of Law (Justice & Security)
  + State Audit & Administrative Control Bureau – Phase II (approx €1 – 2 million)
  + MDLF (approx €5 million)
* Private Sector Development
  + Gaza Business Incubation (TBD)
  + Tourism (TBD)
* Water and Wastewater Management
  + Nables East (approx €15 – 18 million)