

EU contributes €105 million to the Temporary International Mechanism for the Palestinians

The European Commission is announcing today that it will make a contribution of €105 million to the Temporary International Mechanism, for the Palestinians. This Mechanism, developed by the EU at the request of the "Quartet" (EU, US, UN and Russia) and endorsed by the European Council, will facilitate the direct delivery of assistance to the Palestinian people to meet basic needs, without the money passing to or through the PA government. The allocation covers all three "windows" of the Mechanism (health, utilities, social allowances) and technical assistance. It brings the total made available from the Community Budget so far this year to the Palestinian Territories to €259 million.

The Commissioner for External Relations and European Neighbourhood Policy, Benita Ferrero-Waldner said: "The Temporary International Mechanism will bring relief addressing urgent basic needs and the EU is making good on its promises to continue as a reliable partner for the Palestinian people. I hope that other donors will soon make public their pledges to the Mechanism. We would be able to do more for the Palestinians if their government committed itself to seeking peace by peaceful means".

The €105 million package breaks down into €92.75 million for the three "windows", plus €12 million for technical assistance and capacity building:

- €10 million for health supplies through the Emergency Services Support Programme (ESSP) of the World Bank.
- €40 million for the Interim Emergency Relief Contribution (IERC) of the European Commission which is being reinforced to ensure uninterrupted supply of essential utilities such as fuel, particularly to the power station in Gaza.
- €40 million for the payment of allowances to individuals. This covers a contribution to the payment of social allowances to those who are providing care in hospitals and clinics and social allowances to those in greatest need.
- *€2.75 to support implementation of the Mechanism.
- *€12 million is available to support operations during the life of the Mechanism. This could include technical assistance and capacity building, support and equipment to the President's office, as well as other authorised autonomous bodies (eg Central Electoral Commission).

The parts of the Mechanism dealing with health and utilities will be launched immediately, with the aim of starting payments to individuals by early July. The Commission is already working with partners to develop the programme to deliver social allowances to those in greatest need, which will start up as soon as practicable. All three will operate with strict controls in full accountability and transparency.

Since the Hamas-led PA government came to power, the European Union has suspended direct aid to or through the government. It has, however, expanded its assistance to help meet Palestinian basic needs. €154 million has already been made available in 2006, which includes €64 million for the United Nations Relief and Works Agency, €40 million to ensure uninterrupted power supply; and €34 million humanitarian aid. Despite the suspension of direct aid announced earlier in the year, the EU is still the biggest donor to the Palestinians.