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## Further contribution of £3m for Palestinian basic needs

14 May 2007

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The Secretary of State for International Development (Mr. Hilary Benn):

I wish to inform the House that the UK intends to make a further contribution of £3 million to the Temporary International Mechanism (TIM) for Palestinian basic needs. This will provide support for Palestinian government workers and will bring the UK's total bilateral contribution through the TIM to £15 million.

The situation for Palestinians remains very difficult. International donors, including the UK, created the TIM to provide continuing assistance. In 2006, the EU gave £123 million through the TIM – almost three times the amount we gave in support of the Palestinian Authority's budget in 2005. However, this has not been sufficient to offset the hardship caused by conflict, restrictions on movement and access, and Israel's decision to withhold Palestinian customs revenues.

The TIM has helped to avert a humanitarian crisis in the Occupied Palestinian Territories. It is directly supporting the livelihoods of an estimated 900,000 Palestinians. It has provided fuel to sustain health, water and power services for 1.4 million people in Gaza. This recently included fuel for heavy equipment preventing a further collapse of the embankment of the sewage lake of Um Nasir. By the end of April the TIM had disbursed €209 million, a substantial contribution to the Palestinian economy.

However, I hope that the TIM will indeed only be temporary. Giving aid outside the Palestinian government does not help to build its capacity to govern. That is why the UK welcomed the formation of the National Unity Government and continues to encourage all members of the NUG to commit to the three Quartet principles. This is asking no more of this Palestinian government than we have of previous ones. In line with our policy, the UK government will meet those members committed to the three Quartet principles, like the Finance Minister Salam Fayyad, whom I recently had discussions with in Washington. I fully support Dr Fayyad's work to re-instate sound management of the Palestinian Authority's finances. Our aim, and that of the EU, is the rapid resumption of direct budgetary assistance to the Palestinian Authority once the Quartet principles have been met and appropriate fiduciary controls are in place. Until then, this latest contribution of £3 million will act as an essential lifeline by helping to keep services running, showing our continuing commitment to the Palestinian people, and bolstering the Palestinian economy.