



# PALESTINE\*

## Southern Neighbourhood



Last updated: 07/2024



### EU-PALESTINE COOPERATION PRIORITIES



Governance Reform, Fiscal Consolidation & Policy



Rule of Law, Justice, Citizen Safety & Human Rights



Sustainable Service Delivery



Access to Self-Sufficient Water & Energy Services



Sustainable Economic Development



### TRADE & INVESTMENT

- Due to the difficult economic situation and restrictions on movement and access to Palestine\*, trade with the EU is very limited.
- Total trade in goods between the EU and Palestine\* in 2022 amounted to **€444 million**.
- In 2022, the EU was **Palestine's second largest trading partner** behind Israel, representing **11.4%** of its total trade. With a 13.5% share, the EU was the second largest exporter to Palestine behind Israel (47.5%). The EU was Palestine's fourth largest export destination (1.6%). The value of EU exports to Palestine has risen from €33 million in 2002 to €419 million in 2022. The value of EU imports from Palestine has risen from less than €7 million in 2002 to €21 million in 2022.



### MOBILITY

Through ERASMUS+, **3,331** Palestinian students, professors and university staff travelled to Europe and **1,577** European counterparts travelled to Palestine between 2015 and 2023.



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### EU SUPPORT TO PALESTINIANS

The **Neighbourhood, Development and International Cooperation Instrument (NDICI)** is the main instrument for the EU's cooperation and development in Palestine for the period 2021-2027. **The European Union is the biggest provider of external assistance to the Palestinians** with a bilateral allocation of €1,17 billion for 2021-2024. EU funding aims to support the Palestinian Authorities' (PA) recurrent expenditures and provision of social services, to strengthen the water and energy sectors, as well as sustainable economic development programmes, and to provide assistance to the Palestine refugees.

- The EU provides assistance to the Palestine refugees through its contribution to the **United Nations Relief and Works Agency for Palestine Refugees (UNRWA)**. For 2021 to 2024, the EU contribution to UNRWA's programme budget amounts to **€353 million**. This funding aims to contribute to maintaining basic living conditions and access to essential services such as health, education and social services, salaries for teachers, doctors and social workers active in refugee camps in Palestine and host countries. The Commission has already paid €66 million out of the €82 million foreseen for UNRWA in 2024.
- Since 2021, the European Commission has adopted **€377.95 million** for PEGASE. Through the PEGASE mechanism, the EU contributes to the Palestinian Authority's recurrent expenditures: payment of salaries and pensions of civil servants, social allowances for vulnerable families, payment for the medical referrals to the East Jerusalem Hospitals and supports the administrative and technical capacity of the PA institutions.
- The EU contributes to sustainable economic development programmes in Palestine with a focus on job creation, entrepreneurship, and green economy, including digital

\* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of Member States on this issue.

economy as well as on water and energy. It also supports the strengthening of the rule of law in Palestine. The EU-Palestine Investment Platform was launched in December 2020.

- **€12 million** are allocated annually under the EU East Jerusalem Programme as a key priority to support the two-state solution.
- Palestinian civil society organisations (CSOs) are eligible for funding under NDICI thematic programmes supporting CSOs and promoting human rights and democracy. The allocation for Palestine amounts to **€ 15.4 million** for the period 2021-2024.
- Finally, Palestine benefits, together with Israel, from the regional programme 'European Peacebuilding Initiative' (EUPI). The annual EU contribution of **€5 million** promotes the conditions for a sustainable resolution of the Israeli-Palestine conflict through grassroot civil society projects and citizens' positive engagement. EUPI funds are complementary to the funds channelled through the Foreign Policy Instrument (FPI) supporting a negotiated and viable two-state solution and end to the conflict.
- The European Commission is currently developing a **more substantial multi-annual support programme** for the Palestinian Authority to strengthen its capacity in view of a two-state solution and safety and security in the region.
- During the period 2014-2020, the EU provided **€2.2 billion** in grants to support EU-Palestinian cooperation priorities through the **European Neighbourhood Instrument (ENI)**.



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1. C(2022)8279 - COMMISSION IMPLEMENTING DECISION adopting a multiannual indicative programme for Palestine.

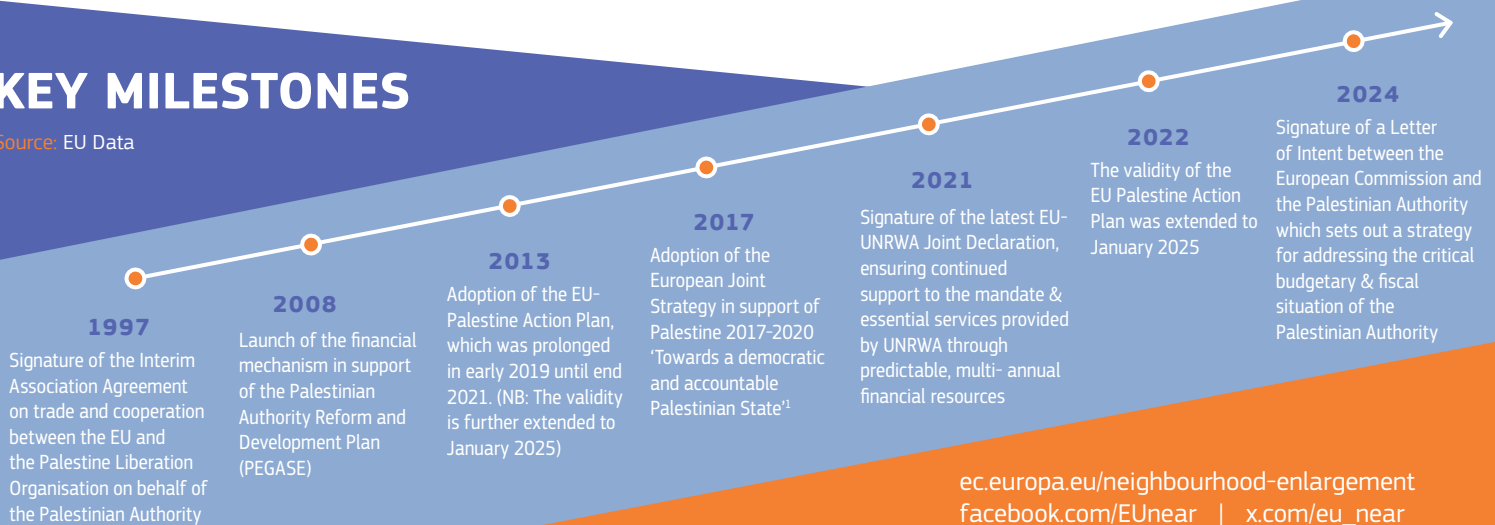


## HUMANITARIAN AID

Considering the humanitarian crisis in Gaza, the Commission has allocated **over €290 million in humanitarian aid** for Palestinians since the beginning of the crisis. In 2023, its humanitarian assistance has quadrupled to €103 million, while additional €193 million have been allocated for humanitarian aid for 2024. As of 15 July, the EU Humanitarian Air Bridge operated by the Commission amounted to 58 flights. Over 2 900 tonnes of cargo supplies from humanitarian partners and EU Member States have been transported so far including medicines, medical supplies, shelter, WASH, and educational items.

## KEY MILESTONES

Source: EU Data



ec.europa.eu/neighbourhood-enlargement  
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