



PALESTINE*

Southern Neighbourhood



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

Last updated: 07/2024



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

Since 2015, **3,331 Palestinian students** and staff travelled to Europe and **1,577** European students and staff travelled to Palestine through Erasmus+.



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EU SUPPORT TO PALESTINIANS

The **Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)** is the main financial instrument for the EU's international cooperation with partner countries, including Palestine. The European Union is the biggest provider of external assistance to the Palestinians with a bilateral allocation of **around €1.2 billion for 2021-2024, of which over €890 million have already been adopted**. EU funding aims to support the Palestinian Authority's (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 **€363 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.
- Since 2021, the EU contribution to PEGASE has amounted to **€376.75 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 for an amount of **€151.25 million** since 2021. The focus is put on job creation, entrepreneurship, and green economy, including digital economy as well as on water and energy. It also supports the strengthening of

* 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.

the rule of law and includes an annual allocation to the EU East Jerusalem Programme in support to the two-state solution.

- The **EU-Palestine Investment Platform** was established in December 2020 with the aim of fostering policy dialogue and investment. It serves as a platform to identify, prioritise, coordinate and promote investment opportunities offered by the EU External Investment Plan, together with its European Fund for Sustainable Development.
- 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 Israel-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**.



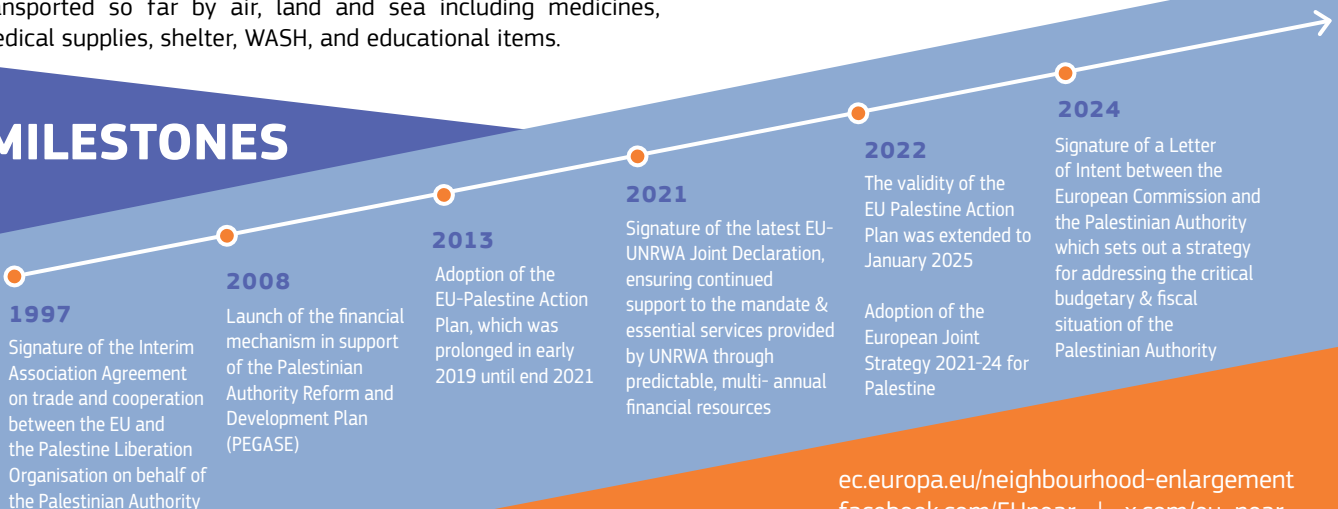
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HUMANITARIAN AID

Considering the humanitarian crisis in Gaza, the Commission has allocated over **€290 million in humanitarian aid** for Palestinians since the beginning of the war. While the allocations for 2021 and 2022 respectively amounted to around **€34.5 and €26.5 million**, the EU humanitarian assistance has quadrupled to **€103 million** in 2023, 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 by air, land and sea including medicines, medical supplies, shelter, WASH, and educational items.

KEY MILESTONES



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