



Brussels, 20.2.2017
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COMMISSION IMPLEMENTING DECISION

of 20.2.2017

on the Special Measure 2017 in favour of Palestine¹ to be financed from the general budget of the Union

¹ This designation shall not be construed as recognition of a State of Palestine and is without prejudice to individual positions of the Member States on this issue.

COMMISSION IMPLEMENTING DECISION

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on the Special Measure 2017 in favour of Palestine¹ to be financed from the general budget of the Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, and in particular Article 2 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002, and in particular Article 84(2) thereof,

Whereas:

- (1) The Commission will adopt a multi-annual programming document for Palestine in the second half of 2017; this multi-annual document – Joint Strategy - will be the result of the Joint Programming currently under preparation with Member States and will be aligned to the National Policy Agenda of the Palestinian Authority.
- (2) In the meantime, the main purpose of this special measure, to be financed under Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument², is to allow continuity of contributions to recurrent expenditure of the Palestinian Authority via the PEGASE mechanism and to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA).
- (3) The situation in Palestine continues to deteriorate with no immediate prospects for peace negotiations. Despite the fact that the Palestinian Authority has made good progress in fiscal and budgetary matters, the sharp decline in budget support by certain donors contributes to a fiscal and economic crisis. Coupled with the chronic deficit of UNRWA, this puts the delivery of basic services to the Palestinian people at risk.
- (4) Direct financial support via PEGASE and support to UNRWA are necessary to ensure the delivery of basic services to the Palestinian people, including refugees.
- (5) Through PEGASE Direct financial support, the EU has contributed substantially to the recurrent expenditure of the national budget of the Palestinian Authority, with systematic, predictable and unconditional contributions to the payment of Palestinian Authority's civil servants' salaries and pensions; of social allowances to the poorest and most vulnerable Palestinians families and, since 2013 to health referral of "East Jerusalem hospitals".

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² OJ L 77, 15.3.2014, p. 27.

- (6) UNRWA provides education, health, relief and social services, microfinance, housing and infrastructure support to approximately 5 million registered Palestine refugees in Jordan, Lebanon, Syria, the West Bank and the Gaza Strip. Continued EU support to UNRWA is an essential element of the EU's strategy to bring peace, stability and prosperity to the region and represents the EU's longstanding commitment to Palestine refugees until a just resolution to their plight is accomplished.
- (7) The action entitled "PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017" aims at supporting the Palestinian Authority to deliver to the Palestinian population essential basic services by maintaining the functioning of the administration; at improving the economic opportunities of poor, vulnerable and isolated population; and at supporting the Palestinian Authority in reducing its budget deficit and implementing its reform agenda while increasing its transparency and accountability.
- (8) The action entitled "UNRWA: EU Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) 2017 Programme Budget" aims at supporting UNRWA to deliver to the Palestinian refugee population essential basic services; improving the economic opportunities of poor, vulnerable and isolated population; and increasing the Agency's transparency and accountability.
- (9) It is necessary to adopt a financing Decision, the detailed rules of which are set out in Article 94 of Commission Delegated Regulation (EU) No 1268/2012 .
- (10) It is necessary to adopt a work programme for grants, the detailed rules on which are set out in Article 128(1) of Regulation (EU, Euratom) No 966/2012 and in Article 188(1) of Commission Delegated Regulation (EU) No 1268/2012. The work programme is constituted by the Annex 2 (section 5.3.2).
- (11) The Commission should entrust budget-implementation tasks under indirect management to the entities specified in this Decision, subject to the conclusion of a delegation agreement. In accordance with Article 60(1) and (2) of Regulation (EU, Euratom) No 966/2012, the authorising officer responsible needs to ensure that these entities guarantee a level of protection of the financial interests of the Union equivalent to that required when the Commission manages Union funds. These entities comply with the conditions of points (a) to (d) of the first subparagraph of Article 60(2) of Regulation (EU, Euratom) No 966/2012 and the supervisory and support measures are in place as necessary.
- (12) The authorising officer responsible should be able to award grants without a call for proposals provided that the conditions for an exception to a call for proposals in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012 are fulfilled.
- (13) The Commission should authorise the eligibility of costs under indirect management as of a date preceding the adoption of this Decision or under direct management as of a date preceding that of submission of a grant application, for the reasons of extreme urgency in crisis management aid or in situations of imminent or immediate danger to the stability of a country, including by an armed conflict, where an early involvement engagement of the Union may prevent an escalation.
- (14) It is necessary to allow the payment of interest due for late payment on the basis of Article 92 of Regulation (EU, Euratom) No 966/2012 and Article 111(4) of Commission Delegated Regulation (EU) No 1268/2012.

- (15) Pursuant to Article 94(4) of Commission Delegated Regulation No 1268/2012, the Commission should define changes to this Decision which are not substantial in order to ensure that any such changes can be adopted by the authorising officer responsible.
- (16) The action provided for in this Decision is in accordance with the opinion of the European Neighbourhood Instrument (ENI) Committee set up by Article 15 of the financing instrument referred to in Recital 2,

HAS DECIDED AS FOLLOWS:

Article 1

Adoption of the measure

The Special Measure 2017 in favour of Palestine, as set out in the Annexes, is approved.

The measure shall include the following actions:

- Annex 1: PEGASE Direct Financial Support to Recurrent Expenditures of the Palestinian Authority 2017
- Annex 2: UNRWA: EU Contribution to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) 2017 Programme Budget

Article 2

Financial contribution

The maximum contribution of the European Union for the implementation of the programme referred to in Article 1 is set at EUR 220.1 million and shall be financed from budget line 22 04 01 04 of the general budget of the European Union for 2017.

The financial contribution provided for in the first paragraph may also cover interest due for late payment.

Article 3

Implementation modalities

Budget implementation tasks under indirect management may be entrusted to the entity identified in the attached Annex 2, subject to the conclusion of the relevant agreement.

The section “Implementation” of the Annexes to this Decision sets out the elements required by Article 94(2) of Commission Delegated Regulation (EU) No 1268/2012.

Grants may be awarded without a call for proposals by the authorising officer responsible in accordance with Article 190 of Commission Delegated Regulation (EU) No 1268/2012.

The eligibility of costs under indirect management prior to the adoption of this Decision or prior to the submission of a grant application shall be authorised as of the dates set out in Annex 2.

Article 4

Non-substantial changes

Increases or decreases of up to EUR 10 million not exceeding 20% of the contribution set by the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall

not be considered substantial within the meaning of Article 94(4) of Commission Delegated Regulation (EU) No 1268/2012, provided that they do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may adopt these non-substantial changes in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 20.2.2017

For the Commission
Johannes HAHN
Member of the Commission