



Press Release
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Denmark and the Netherlands contribute €7.2 million to the Palestinian Authority's payment of December salaries and pensions through the European Union's PEGASE mechanism

The European Union is making today a contribution of approximately €7.2 million to the payment of the December salaries and pensions of around 83,800 Palestinian civil servants and pensioners in the West Bank and the Gaza Strip. This contribution, which is channelled through the PEGASE^[1] mechanism, is being funded by the Government of Denmark (DKK 45.0 million or c.€6.0 million) and the Government of the Netherlands (c.€1.2 million earmarked specifically to the PA salaries in the Justice sector).

"This contribution to the recurring expenditure of the Palestinian Authority is part of our 2012 commitment and I would like to thank the Governments of Denmark and the Netherlands for their respective contributions and for entrusting the PEGASE Direct Financial Support mechanism with channelling their funds", said the EU Representative Mr. John Gatt-Rutter. "The severe financial crisis the Palestinian Authority is facing has dire consequences for the Palestinian people whose salaries are delayed and services disrupted". "I hence want to stress the crucial importance of the full, timely, predictable and transparent transfer of tax and custom revenues to the PA by Israel. I would also like to renew our call on other donors to deliver on their pledges and step up their financial efforts to preserve the PA's ability to deliver services to the Palestinian people", the EU Representative added.

Background

Most of the European Union's assistance to the Palestinian Authority is channelled through PEGASE, the financial mechanism launched in 2008 to support the PA Reform and Development Plan (2008-2010) and the subsequent PA Palestinian National Plan (2011-2013). As well as helping to meet a substantial proportion of its running costs, European funds support major reform and development programmes in key ministries, to help prepare the PA for statehood in line with the plan put forward by Prime Minister Salam Fayyad in August 2009. Since February 2008, around €1.4 billion have been disbursed through the PEGASE Direct Financial Support programmes. In addition, the EU has provided assistance to the Palestinian people through UNRWA and a wide range of cooperation projects.

^[1] *Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique (PEGASE)*

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