



Press Release - European Union

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## The European Union contributes €9.6 million to support Palestinian families living in extreme poverty in the West Bank and Gaza

The European Union is making this year's first contribution to the Palestinian Authority's payment of social allowances to poor and vulnerable Palestinian families in the West Bank and Gaza. The €9.6 million contribution, channelled through PEGASE<sup>[1]</sup>, includes funds from the EU budget (€7.85 million) and the Governments of Austria (€1.25 million) and Ireland (€0.5 million).

Palestinian households living in extreme poverty receive assistance through the PA Ministry of Social Affairs national cash transfer programme. The programme provides a basic safety net to the poorest and most vulnerable Palestinians in the West Bank and Gaza through cash and in-kind assistance.

This contribution by the EU, Austria and Ireland will reach 57,725 Palestinian families in need. More than half of this target population lives in Gaza. Eligible beneficiaries for the EU contribution are identified in cooperation with the PA Ministry of Finance.

*"The European Union, Austria and Ireland joined efforts to contribute to this year's first payment of social allowances to Palestinians living in extreme poverty in the West Bank and Gaza. In line with the conclusions of the donor coordination group meeting (AHLC) earlier in March, the EU and its Member States are continuing to provide adequate and predictable assistance to meet the recurrent financing requirements for the PA in 2013. Our work with the Ministry of Social Affairs is not limited to direct financial support. The EU is working closely with the Palestinian Authority at the institutional and policy level to help the Ministry meet international standards in the areas of social protection and poverty reduction", said the EU Representative, Mr John Gatt-Rutter.*

Payments are made across a network of local banks. In Gaza beneficiaries may collect their allowance over-the-counter from 30 March 2013 to 2 May 2013 at the bank branch indicated by their social worker. Beneficiaries living in the West Bank may collect their allowance as of 31 March 2013 directly from their individual bank accounts.

This €10 million contribution represents the first tranche of an overall 2013 financial envelope of €40 million allocated to the payment of social allowances for households living in extreme poverty. This overall amount, which includes funds for the EU budget and donors' contribution, covers almost half of the total budget of the Palestinian cash transfer programme.

### 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. This is in line with the state-building plan put forward by Prime Minister Salam Fayyad in August 2009. Since February 2008, €1.44 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.

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