

ENP Country Progress Report 2012 – Palestine

The European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published on 20 March 2013 the annual “neighbourhood package”, consisting of a joint communication (“Working Towards a Stronger Partnership”) making an assessment of the ENP implementation in 2012, a report on the “Partnership for Democracy and Shared prosperity” with Southern Mediterranean, an Eastern Partnership progress report, 12 country reports (on developments in 2012 and with a set of recommendations for the future), including one on Palestine, and a statistical annex.

Overall the Palestinian Authority (PA) made reasonable progress in implementing the Action Plan in the areas where it is able to exercise control. Yet the challenges imposed primarily by the occupation and the deepening fiscal crisis continued to have an impact on the PA, threatening its viability and undermining its ability to deliver essential services to the population. These realities, coupled with the on-going division between the West Bank and the Gaza Strip, the inability to hold national elections and the continued suspension of the work of the legislature all risk seriously undermining the achievements in the state-building process.

The EU continued to encourage both the Israelis and the Palestinians to return to the negotiating table and led efforts to reinvigorate the Quartet. In the 14 May Foreign Affairs Council Conclusions the EU reaffirmed its commitment to a two-state solution and expressed grave concern about developments on the ground, which threaten to make it impossible.

Most of the key recommendations contained in the 2012 ENP progress report remain to be addressed, and valid. Some have been addressed including the holding of local elections, the further improvement of public finance management and in developing costing models in the social protection sector. On the basis of this year’s report and with a view to sustained implementation of the ENP Action Plan in 2013, the Palestinian Authority is invited to:

- Advance intra-Palestinian reconciliation in line with the principles set out in President Abbas' speech of 4 May 2011 based on a commitment to the two-state solution.
- Work towards the holding of presidential and legislative elections in Palestine in line with international standards.
- Reform and develop the Palestinian security sector, institutionalising democratic control, promoting an environment conducive to civilian oversight and accountability for individuals suspected of abuses, and ensuring full respect by all security sector agencies for human rights, in particular for all detainees.
- Adopt a unified penal code which adheres to international human rights standards, and strengthens legal guarantees for all fundamental freedoms. Fully abide by the de facto moratorium on the death penalty and work towards a de jure moratorium.
- Clarify the responsibilities of the three main judicial institutions namely the Ministry of Justice, the Office of the Attorney General and the High Judicial Council.
- Rationalise recurrent expenditure by taking steps to reduce in particular non-wage costs, to ensure the sustainability over time of social protection spending and towards pension reform.
- Continue developing the necessary legal and institutional framework for an integrated water and wastewater management system to ensure equitable service delivery and resource sustainability all over Palestine.
- Start work on a post -2014 Palestinian National Development Plan
- Sign and ratify the Regional Convention on pan-Euro-Mediterranean Preferential Rules of Origin.

Reforms initiated, carried out successfully, or delayed during 2012 in the different areas of cooperation between the EU and Palestine are described in the annual country report. Some of the issues reported deserve special attention. In the political area, the **democratic legitimacy** of the Palestinian Authority continued to decrease in the absence of national **elections**. A positive development was the holding of local elections. Serious concerns remain regarding freedom of expression and freedom of assembly, particularly in light of the arrests of journalists and bloggers. Regarding trade-related issues, the Agreement between the EU and the PA on the further liberalisation of trade in **agriculture**, processed agricultural, fish and fisheries products, entered into force in 2012. An increasing number of Palestinian students and researchers benefited from different European programmes in the **education** area.

Concerning **the situation in the occupied territories**, no major initiative was taken by the parties in 2012 to try to re-start negotiations. In November, a major escalation of violence between armed groups in Gaza and Israel took place, leading to the death of more than 160 Palestinians and five Israelis. After the UN General Assembly vote granting to Palestine the non-member observer State status in the United Nations, Israel announced the increase of the construction of settlements in the West Bank, and the withhold of the transfer of Palestinian tax and customs revenues. This Israeli reaction was widely criticised by the international community, including by the EU.

EU – Palestine – BACKGROUND

THE POLICY

The **European Neighbourhood Policy** governs the relations between the EU and Palestine.

1997: The Palestinian Authority and the EU concluded an Interim Association Agreement on trade and cooperation.

2005: EU-PA ENP Action Plan was approved.

FACTS AND FIGURES

Due to the continuing emergency situation in the West Bank and Gaza there is no National Indicative Programme (NIP) under the European Neighborhood and Partnership Instrument (ENPI) covering the period 2011-2013. Funding committed under the bilateral envelope of the ENPI to the occupied Palestinian territory for 2010 amounted to EUR 377.9 million.

2004-2010 EU Financial Assistance to the Palestinian people from the EU budget amounted to EUR 2.923 billion, this being mainly directed at direct and indirect financial support to the PA, as well as to UNRWA, humanitarian and food aid. Most assistance is channelled through the EU PEGASE Mechanism (« Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique »).

2012: The Agreement between the EU and the PA on the further liberalisation of trade in agriculture, processed agricultural products, and fish and fisheries products entered into force. Negotiations on a new ENP Action Plan were concluded.

More info at:

http://ec.europa.eu/world/enp/documents_en.htm

http://eeas.europa.eu/occupied_palestinian_territory/index_en.htm

http://eeas.europa.eu/enp/index_en.htm