West Bank and the Gaza Strip: future European economic assistance

1995/2273(COS) - 24/04/1996

The committee adopted the report by Mr Per GAHRTON. It was convinced that the serious economic situation and the poverty of the region were amongst the factors which could "contribute to a strengthening of religious fundamentalism, which could pave the way for terrorism". The Union should help develop a comprehensive assistance strategy. Members therefore welcomed the Commission's initiative for a comprehensive programme of aid "for a democratic Palestinian autonomous territory in which respect for human rights" should be guaranteed and the fight against terrorism should be continued. They also hoped for support for the initiatives which would permit "the full integration of all forces and movements which, whilst differing in their appraisal of the peace process, rejected terrorism as an instrument of political struggle". There were very many challenges and they required every effort to be made. In order to achieve this, the committee recommended that aid be better coordinated, both between the EU and other donors as well as amongst the individual Member States. It hoped for a greater contribution on the part of Arab states, which could serve as a concrete indication of their approval of the peace process. In the committee's opinion, economic assistance was vital while at the same time "the democratic countries of the world" should emphasise to the authorities of the Palestinian autonomous territory that "violations of rights were never permissible in a democratic society based on the rule of law, however 'abnormal' the situation might be". It felt that as "the threats to the peace process were considerable", the Union should, for the most part, work within the framework of the Commission's plan of action, concentrating on three key aspects: political, institutional and economic empowerment. The Union should: - provide aid for the integration of "Palestinians living abroad" as soon as it became possible for them to return. In this connection, the committee recommended "special EU aid to facilitate the return of Jewish settlers to Israel", which would contribute to "solving the problem of returning Palestinian refugees and the Israeli withdrawal from the Jewish settlements"; - promote the development of governmental and administrative structures to enable the Palestinian autonomous territory to tackle new problems in an effective manner, particularly the management of healthcare and medical services; - ensure that, to promote an integrated society, EU aid was directed at sustaining social facilities which functioned well but which were threatened with closure owing to a lack of resources. The EU should also contribute towards supporting society's most marginalised groups, particularly the physically and mentally handicapped. In fact, this "strengthening of the social infrastructures of the Palestinian Authority was essential", as the current weaknesses created a serious gap which had allowed for the provision of such services by "organisations such as Hamas, which opposed the peace process"; - increase its support for "genuine popular movements (NGOs)", provided that this did not benefit Hamas or related organisations; - help the Palestinians to establish technical and financial machinery. As regards economic assistance, the Union should first and foremost: - help the Palestinian public and private sectors to create employment as soon as possible by establishing industrial parks; - set up a legal framework and a modern physical infrastructure in order to further the ability of the economy to function effectively (water, telecommunications, electricity, and so on). However, the requirement to balance the budget should not be allowed to prevent the Palestinian authorities from taking social initiatives or strengthening the public sector. As far as trade relations were concerned, the Committee on Foreign Affairs felt that it was important to extend the scope of trade concessions for Palestinian agricultural products in order to increase trade between the EU and Palestine. In particular, priority should be given to the strategies put forward by the Commission as regards trade policy, namely: - the conclusion of bilateral agreements with the European Union and other industrialised countries; - regional cooperation in the field of transport, as well as water and energy supply; - the creation of an enterprise climate for the promotion of private investment; - coverage for insurance in respect of investment risks. Bilateral relations between the EU and the West Bank/Gaza Strip should be bolstered by support for the territories as "fully-fledged participants in the policy for establishment of a Euro-Mediterranean Partnership" and by the conclusion of an interim

agreement with a view to the conclusion of a Mediterranean Association Agreement which must respect the 1993 Israeli/Palestinian Oslo Agreement. In terms of the environment, there could be no development without adequate management of water and energy resources. The European Union should therefore find solutions, both political and technical, to the region's water supply problem. Particular assistance should be provided for desalination plants, but on condition that they were operated with existing energy sources and did not give rise to the use of nuclear energy. The EU should also incorporate an environmental dimension in its actions so as to prevent the Palestinian autonomous territory from committing errors such as those already committed in the industrialised countries.