

MEDA programme and financial support to Palestine: evaluation, implementation and control

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The Committee on Budgetary Control adopted unanimously the own initiative report by Rodi **Kratsa-Tsagaropoulou** (EPP-ED, EL) on MEDA and financial support to Palestine. In doing so, it confirmed that the average annual commitments are similar under MEDA I and MEDA II, at EUR 613 million and EUR 618 million respectively and the indications for **2005-2006** show that such commitments will be increased to about **EUR 660 million**.

MEPs also recalled that:

- the annual commitments under MEDA II varied between EUR 569 million (2000) and EUR 817 million (2006) during this period;
- from 1994 to 2006 the Commission has provided about EUR 2 300 million to the Palestinian people, including support for Palestinian refugees via UNRWA, humanitarian assistance through the European Community Humanitarian Office (ECHO), food security, Middle East Peace Process actions, and support for health, education and institution building. Payments to Palestinian areas have been quite stable at between EUR 233 and 260 million per year from 2002 to 2005 and varying commitment rates reflect the difficult nature of the Peace Process, but the payment/commitment ratio has increased from less than 45% in 2000 to more than 90% in 2005;
- the European Union (EU budget and EU member states) has allocated almost EUR 700 million to Palestine in 2006, more than in any previous year;
- the European Anti-Fraud Office (OLAF) has closed in March 2005 its investigation into the Commission's direct assistance to the Palestinian Authority's budget and on the basis of the information available to date in the press release of OLAF, no conclusive evidence of support of armed attacks or unlawful activities financed by EC contributions to the Palestinian Authority was found. However, according to OLAF, there are consistent indications to support the hypothesis that it cannot be excluded that some of the assets of the Palestinian Authority may been used by some individuals for other than the intended purpose.

In this context, MEPs confirm the conviction expressed in its resolution of 27 October 2005 on the **Barcelona Process** revisited (see [INI/2005/2058](#)) that even if the Euro-Mediterranean Partnership has not as yet produced the expected benefits and has not contributed to the lowering of tensions in the area to its full potential, improvements can still be made and thus the Barcelona Process continues to be the appropriate framework for Mediterranean policy, in which changes and the necessary political will are needed to obtain better results.

Efficiency of MEDA: MEPs note that that, taking a global strategic view, the relevance of the MEDA Programme was judged to be satisfactory according to the "overall judgement" of the mid-term evaluation of the MEDA II programme which also states that programme relevance has improved from the MEDA I to the MEDA II period and can improve further in the coming years.

It is stressed that the findings of the mid-term evaluation of the MEDA II Programme and of the Court of Auditors on implementation and management effectiveness and efficiency – "improving but still not fully satisfactory" – cannot by themselves explain the differences in MEDA performance between countries and programmes. It notes that external factors (financial regulation, governance, cultural factors) clearly play

an important role in explaining the observed differences in speed of change and in financial disbursement patterns and invites the Commission to take these factors into consideration in its planning, the implementation, the monitoring and the evaluation.

MEPs invite the Commission and the Council to give high priority to the Barcelona Process as a driving force for policy setting under the European Neighbourhood Policy Instrument (**ENPI**) (period **2007-2013**) with more efficient policies and measures having regard to the specific challenges and problems of the Mediterranean partner countries.

The committee takes the view that the economic aspect of the partnership must be redirected towards social cohesion and sustainable economic development but also considers that pursuing all objectives of the Barcelona Process is important for the whole region. Therefore, it invites the Commission to pay as much attention to the issues of institution building, rule of law, freedom of press, human rights and gender equality.

The visibility of EU aid: the committee acknowledges the progress made by the Commission in ensuring a higher profile for Community external cooperation and urges it to continue the efforts currently being made. It deplores, however, the fact that the public is not aware of the EU's close involvement in many projects and programmes.

TIM: MEPs congratulate the Commission for the design and implementation of the Temporary Implementation Mechanism (TIM) set up to avoid a major humanitarian crisis in the Palestinian territories under difficult circumstances. They welcome the fact that through the TIM and without the involvement of the Hamas-led Government more than 140 000 low income households could be provided directly with modest but helpful allocations. They do however regret the slow implementation of aid supporting the provision of essential supplies and running costs for hospitals through the World Bank's Emergency Services Support Programme (ESSP).

The committee reiterates its call on Israel to abide by its legal obligations by resuming the transfers of withheld Palestinian **tax and customs revenue**. It invites Israel, if it refuses to do so, at least to consider channelling the withheld tax into the TIM and in this way enabling the Palestinian people to satisfy their basic needs. It invites Israel to contribute to the needs of the Palestinian people to create a viable and autonomous economy and to stop placing unjustified obstacles to this direction.

All parties within the Palestinian areas are urged to do their utmost to settle conflicts peacefully and to form and maintain a stable and effective government, able to cooperate with the international community and to use effectively the EU's and international donor's funding.

The resumption of dialogue between the President of the Palestinian Authority, Mahmoud Abbas, and the Israeli authorities is encouraged and it is hoped that this dialogue will also be established with the government of national unity which must be committed to respect international law and passed agreements. The Commission and the Member States are called upon to bring pressure to bear on the Quartet to ensure that a lasting solution to the conflict is secured and international aid to the Palestinian people could then be resumed, thus ensuring that the Temporary International Mechanism (TIM) is not extended indefinitely, given its many shortcomings.

With a view to ensuring **sustainable peace** in the territories, the committee considers it important for upholding public order that security forces committed to the way of peace and stability are trained and equipped including with police arms. It considers that the financing of such training and equipment must be handled with appropriate safeguards, under the authority of the President of the Palestinian Authority so as to avoid the funds being used for other purposes or illegal acts. It underlines that not paying the salaries of the civil servants, including the security forces, contributes to the deterioration of the political, social and economic situation in the Palestinian territories.

Lastly, the Commission is called upon to consider strategies, using the TIM or another body of a permanent nature, in cooperation with other financial instruments, which could cover, in the near future, not only urgent problems but a greater number of the needs of a larger proportion of the Palestinian population.