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**COMMISSION IMPLEMENTING DECISION**

**of 26.3.2013**

**on Special Measure in favour of the occupied Palestinian territory (West Bank and Gaza Strip) to be financed from the general budget of the European Union**

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### on Special Measure in favour of the occupied Palestinian territory (West Bank and Gaza Strip) to be financed from the general budget of the European Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument<sup>1</sup> and in particular Articles 13(2) 17(3) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002<sup>2</sup> (hereinafter referred to as 'the Financial Regulation'), and in particular Article 84 thereof,

Having regard to Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union<sup>3</sup> (hereinafter referred to as 'the Rules of Application'), and in particular Article 94 thereof

Whereas:

- (1) Since 2002 the Commission has set priorities for co-operation with the occupied Palestinian territory (West Bank and Gaza Strip) on an ad hoc basis and Article 13 of Regulation (EC) No 1638/2006 provides for the adoption of special measures in the event of unforeseen and duly justified needs or circumstances. Given the difficult situation within the West Bank and Gaza Strip, no strategy paper or multi-annual indicative programme has been established covering 2013.
- (2) The European Union remains committed to assist in the economic and financial development of a future viable Palestinian State and to provide the necessary support to the post- Annapolis process.
- (3) There is a widening gap between the Palestinian Authority's income and its mandatory expenditures that is putting at risk the livelihood of thousands of Palestinian families who depend on PA salaries, as well as the economy of both the West Bank and Gaza Strip. Despite prudent fiscal measures on the part of the PA, there is a major shortfall in external funding, particularly from Arab donors. The financial situation of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the UN Agency responsible for the welfare of Palestine refugees remains critical. It is thus appropriate to maintain the PEGASE mechanism, which will constitute a key channel for EU funds and other international assistance, and to front load insofar as possible the EU assistance to the Palestinian Authority and UNRWA for 2013.

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<sup>1</sup> OJ L 310, 9.11.2006, p. 1-14

<sup>2</sup> OJ L 298, 26.10.2012, p. 1.

<sup>3</sup> OJ L 362, 31.12.2012, p. 1.

- (4) The criteria set out in Regulation (EC) No 1638/2006 and conditions for the adoption of special measures are fulfilled. The occupied Palestinian territory (West Bank and Gaza Strip) continues to be in a crisis situation, further aggravated by the effects of the conflict in Gaza in November 2012, of a continuing economic blockade, and by the lack of progress in Israeli-Palestinian negotiations as well as by the lack of tangible achievements following the announcement of intra-Palestinian reconciliation.
- (5) The maximum contribution of the European Union set by the present Decision should cover any possible claims for interest due for late payment on the basis of Articles 92 of the Financial Regulation and 111(4) of its Rules of Application.
- (6) The present Decision authorises the authorising officer by delegation to sign the agreements by which the Commission acknowledges and accepts the contribution from other donors to the present special measure pursuant to Article 21(2)(b) of the Financial Regulation and Article 17(3) of the Regulation (EC) No 1638/2006.
- (7) The Commission is required to define the term “substantial change” in the meaning of Article 94 (4) of the Rules of Application to ensure that any substantial change in this Decision shall follow the same procedure as the initial Decision.
- (8) The Commission has ensured that the management system set up by the entity to which the Commission will entrust implementation of EU funds for the action "Contribution to UNRWA's 2013 Regular Budget – Part II" complies with the conditions of the Article 53d of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities and Articles 35 and 43 of its Implementing Rules with regard to the actions implemented under joint management.
- (9) The Special Measure provided for in this Decision is in accordance with the opinion of the European Neighbourhood and Partnership Instrument Committee set up under Article 26 of Regulation (EC) No 1638/2006,

HAS DECIDED AS FOLLOWS:

#### *Article 1*

The Special Measure in favour of the occupied Palestinian territory (West Bank and Gaza Strip), constituted by the actions: "PEGASE 2013: Direct Financial Support for recurrent expenditures of the Palestinian Authority -Part II", and "Contribution to UNRWA's 2013 Regular Budget – Part II" the text of which is set out in the attached Annexes, is approved.

#### *Article 2*

The maximum contribution of the European Union for the Special Measure is set at EUR 148 million to be financed from the budget line 19 08 01 02 of the general budget of the European Union for 2013.

This maximum contribution shall also cover any possible interest due for the late payment.

#### *Article 3*

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution of the European Union shall not be considered substantial, provided that they do not significantly affect the nature and objectives of the Special Measure. This may include an increase of the maximum contribution of the European Union up to 20%.

The relevant authorising officer may amend the present Decision to introduce non substantial changes in accordance with the principles of sound financial management.

***Article 4***

The budget implementation tasks under joint management may be entrusted to the entity identified in the annex of this Decision.

Done at Brussels, 26.3.2013

*For the Commission*  
*Štefan FÜLE*  
*Member of the Commission*

## **ANNEXES**

### **Special Measures in favour of the occupied Palestinian territory (West Bank and Gaza Strip)**

Annex 1: Action Fiche for "PEGASE: Direct Financial Support to Recurrent Expenditures of the Palestinian Authority – 2013 (Part II)"

Annex 2: Action Fiche for "Contribution to UNRWA's 2013 Regular Budget – Part II"