

# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1995/2273(COS)	Procedure completed
West Bank and the Gaza Strip: future European economic assistance		
Subject 6.40.05.06 Relations with the countries of the Middle East		

Key players			
European Parliament	Committee responsible		Rapporteur
	AFET Foreign Affairs, Security and Defense Policy		Appointed 22/11/1995
			V <a href="#">GAHRTON Per</a>
	Committee for opinion		Rapporteur for opinion
	BUDG Budgets		Appointed 24/11/1995
			PSE <a href="#">KUCKELKORN Wilfried</a>
	RELA External Economic Relations		28/11/1995
			PPE <a href="#">DIMITRAKOPOULOS Giorgos</a>
	DEVE Development and Cooperation		24/11/1995
			GUE/NGL <a href="#">PETTINARI Luciano</a>
Council of the European Union	CONT Budgetary Control		26/10/1995
			PPE <a href="#">THEATO Diemut R.</a>
	Council configuration		Meeting
	<a href="#">General Affairs</a>		<a href="#">1902</a>
	<a href="#">General Affairs</a>		<a href="#">1878</a>
			Date
			29/01/1996
			31/10/1995

Key events			
23/10/1995	Non-legislative basic document published	COM(1995)0505	Summary
31/10/1995	Debate in Council	<a href="#">1878</a>	
13/11/1995	Committee referral announced in Parliament		
29/01/1996	Resolution/conclusions adopted by Council		
24/04/1996	Vote in committee		Summary
24/04/1996	Committee report tabled for plenary	<a href="#">A4-0129/1996</a>	

23/05/1996	Debate in Parliament		
24/05/1996	Decision by Parliament	T4-0302/1996	Summary
24/05/1996	End of procedure in Parliament		
10/06/1996	Final act published in Official Journal		

#### Technical information

Procedure reference	1995/2273(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	AFET/4/07226

#### Documentation gateway

Non-legislative basic document		COM(1995)0505	23/10/1995	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A4-0129/1996</a> <a href="#">OJ C 152 27.05.1996, p. 0004</a>	24/04/1996	EP	
Text adopted by Parliament, single reading		T4-0302/1996 <a href="#">OJ C 166 10.06.1996, p. 0235-0253</a>	24/05/1996	EP	Summary

## West Bank and the Gaza Strip: future European economic assistance

**OBJECTIVE:** this communication describes the key elements of a joint Union strategy for the West Bank and the Gaza Strip in order to support the acquisition by the Palestinian Authority of political, institutional and economic powers. **CONTENT:** the strategy envisaged by the Union includes: - political powers: the Union has deployed 300 observers on the ground in order to monitor the elections of the Palestinian Authority. This electoral unit should be maintained throughout the electoral process; - institutional powers: the Union should support the extension of current Community aid programmes to the creation of Palestinian institutions, but should adapt them to the need to develop autonomy and the requirements of the various Palestinian ministries and local authorities; - economic powers: \* The tripartite action plan to balance the budget of the Palestinian Authority and accepted by all parties (Palestinian Authority, Israel and international community) should be adapted to the economic impact of the development of Palestine. The main adjustments needed involve: . defining measures to improve taxation, spending controls and the economic management of the Palestinian Authority, together with a timetable, . defining the action to be taken by Israel in order to make it easier for the Authority's goods, labour, equipment and staff to cross the border, . regulating the problem of start-up aid for actions which has not yet been underwritten by donors, in order to eliminate the current deficit, . stipulating the means of international control of actions started. \* The development strategy implemented to date needs to be converted to a sound, global, long-term strategy and the Palestinian Authority needs to draw up and adopt its own strategy in order to attract foreign investment. The Union should help the Authority in this respect by recommending that a working party of all parties be set up and by giving its active support to the efforts being made to ensure that any new aid is in keeping with the development strategy. \* Trade: the Community, which should grant new agricultural trade concessions, should find practical ways of promoting Palestinian exports. \* Community assistance: the Community should continue to play a central role in aid projects, especially by granting non-refundable aid from 1996 onwards and through contributions from the EIB. It also plans to conclude an agreement with UNRWA (1996-98). \* Finally, the Union hopes that the Palestinian Authority will be included in the new Euro-Mediterranean partnership in order to strengthen relations between Palestine, the Mediterranean partners and the Community.?

## West Bank and the Gaza Strip: future European economic assistance

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. ?

## West Bank and the Gaza Strip: future European economic assistance

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Adopting the report by Mr Per GAHRTON (V, S) on the Commission communication on assistance to the West Bank and the Gaza Strip, Parliament welcomed the implementation of this aid and believed that assistance would contribute to sustainable economic and social development in those territories and consolidate democracy and the rule of law. Parliament regarded as very important the contribution which the European Union could make to Palestine's development and hoped that this initiative would permit the full integration of all forces which reject terrorism. Parliament called for assistance aimed at creating a unified political entity and facilitating the implementation of the future Israeli-Palestinian agreement on the Israeli settlements and the Palestinian refugees. Aid was to be regarded as a contribution to peace, the consolidation of Palestinian administrative structures and the establishment of efficient technical and financial machinery, the strengthening of social infrastructure, family planning etc. Parliament insisted that support should be given to the NGOs but not, on any account, to Hamas or related organizations and that it should promote the strand of public opinion which supports the peace process. The Union's priority aid objectives should lie in the job-creation sectors and benefit the most disadvantaged social categories. Measures should be taken to eliminate the administrative distortions which harmed the competitiveness of Palestinian firms. The European Parliament noted that, although the European Union gives certain Palestinian products preferential access, these concessions were insufficient. It was therefore necessary to strengthen existing facilities, notably through the extension of trade concessions for agricultural products. It also emphasized that respect for human rights must be the driving force behind European aid and called on the NGOs active in this area to step up contacts with their Palestinian counterparts. It insisted that the Palestinians must be free to decide how development operations should be carried out. It called for the following actions to be developed: - conclusion of bilateral agreements with the EU and other industrialized countries so that they open up their markets to Palestinian goods; - regional cooperation in the field of transport and water and energy supply; - the creation of an enterprise climate for the promotion of private investment; - coverage for insurance in respect of investment risks. Relations between the Union and Palestine should be boosted by: - making representatives of the territories fully-fledged participants in a Euro-Mediterranean partnership; - formalizing bilateral relations through the conclusion of an interim agreement as the first step towards a future EC/Palestine association agreement. Finally, Parliament urged that assistance to the Palestinians should include an environmental aspect in order to avoid irreparable errors such as those already committed in the industrialized countries.?