

EN

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Answer given by Ms Šuica
on behalf of the European Commission
(17.7.2025)

On 14 April 2025, during the High-Level Political Dialogue between the EU and the Palestinian Authority (PA), the Commission announced a proposal for a multiannual Comprehensive Programme for Palestine¹ (2025-2027) worth up to EUR 1.6 billion, which includes up to EUR 620 million in direct financial support to the PA. This support is anchored in the PA's own reform agenda. EU funds to the PA are disbursed through the Palestinian-European Socio-Economic Management and Assistance Mechanism (PEGASE), one of the EU's most rigorously controlled and audited frameworks.

An incentive-based mechanism within PEGASE links disbursements to PA's progress towards key reform milestones selected from the PA's own reform agenda, as well as the related Reform Matrix agreed in November 2024, and building on the EU-PA policy dialogue on reforms. If reforms stall, disbursements will be delayed or reduced. This system creates a direct and transparent link between EU financial support and reform progress.

All disbursements from the Commission to the PA are subject to strict *ex-ante* and *ex-post* verification, audit and screening procedures (including against EU restrictive measures and sanction lists) to ensure full traceability and compliance, guaranteeing necessary controls and safeguards for the final recipients of EU support.

The EU has never contributed to the Palestinian 'Martyrs Fund' of the PA, which was discontinued with the new social protection law entering into force on 10 February 2025². The Commission's extended screening vetting system ensured that no EU funding went to the beneficiaries of the Prisoners Fund. The detainees and families (a list is provided by the PA) were categorically excluded from any payment made through PEGASE. The new social protection law regroups all allowance schemes under a single framework, where allowances are based only on vulnerability criteria, as requested by the EU³ and other international partners.

¹ https://north-africa-middle-east-gulf.ec.europa.eu/news/commission-announces-multiannual-programme-palestinian-recovery-and-resilience-worth-eu16-billion-2025-04-14_en.

² Decree-Law No (4) of 2025, which amends Decree-Law No (1) of 2019 regarding the Palestinian National Economic Empowerment Institution.

³ https://ec.europa.eu/commission/presscorner/detail/fi/statement_25_535.