



PALESTINE*

Southern Neighbourhood



EU-PALESTINE COOPERATION PRIORITIES



Governance Reform, Fiscal Consolidation & Policy



Rule of Law, Justice, Citizen Safety & Human Rights



Sustainable Service Delivery



Access to Self-Sufficient Water & Energy Services



Sustainable Economic Development

Last updated: 04/2025



TRADE & INVESTMENT

- Due to the difficult economic situation and restrictions on movement and access to Palestine, trade with the EU is very limited.
- Total trade in goods between the EU and Palestine in 2023 amounted to **€425 million**.
- In 2023, the EU was **Palestine's third largest trading partner** behind Israel and Türkiye, representing **7.4%** of its total trade. With a **8.9%** share, the EU was the third largest exporter to Palestine behind Israel (**52.5%**) and Türkiye (**9.5%**). The EU was Palestine's seventh largest export destination (**0.7%**). The EU's exports to Palestine amounted to **€402 million** in 2023. The EU's imports from Palestine were worth **€23 million** in 2023.



MOBILITY

Since 2014, **3 734 Palestinian students** and academic staff travelled to Europe and **682** European students and staff travelled to Palestine thanks to the Erasmus+ programme.



EU SUPPORT TO PALESTINIANS

The **Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI)** is the main financial instrument for the EU's international cooperation with partner countries, including Palestine. The European Union is the biggest provider of external assistance to the Palestinians with a bilateral allocation amounting to indicatively **€1.36 billion for 2021-2024**. Furthermore, the EU proposed an allocation up to **€1.6 billion for 2025-2027**, including a support from the European Investment Bank. EU funding aims to support the Palestinian Authority's (PA) **recurrent expenditures** and provision of **social services**, to strengthen the **water** and **energy** sectors, as well as **sustainable economic development** programmes, including the private and banking sectors, and to provide **assistance to the Palestine refugees**.

- The EU provides assistance to the Palestine refugees through its contribution to the **United Nations Relief and Works Agency for Palestine Refugees (UNRWA)**. For 2021 to 2024, the EU contribution to UNRWA's programme budget amounts to **€373 million**. This funding aims to provide crucial support to the civilian population and contribute to maintaining basic living conditions and access to essential services such as health, education and social services in Palestine and host countries.
- Since 2021, the EU contribution to PEGASE has amounted to **€516.75 million** in grants. Through the PEGASE mechanism, the EU contributes to the Palestinian Authority's recurrent expenditures (payment of salaries and pensions of civil servants, social allowances for vulnerable families, payment for the medical referrals to the East Jerusalem hospitals and supports the administrative and technical capacity of the PA institutions).

* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of Member States on this issue.

- The EU contributes to sustainable economic **development programmes** in Palestine for an amount of **€154 million** since 2021. The focus is put on job creation, entrepreneurship, and green economy, including digital economy as well as on water and energy. It also supports the strengthening of the rule of law and includes an annual allocation to the EU East Jerusalem Programme in support to the two-State solution.
- The **EU-Palestine Investment Platform** was established in December 2020 with the aim of fostering policy dialogue and investment.
- Palestinian civil society organisations (CSOs) are eligible for funding under NDICI **thematic programmes supporting CSOs** and promoting human rights and democracy.
- Finally, Palestine benefits, together with Israel, from the regional programme ‘European Peacebuilding Initiative’ (EUPI). The EUPI promotes conditions for a sustainable resolution of the Israel-Palestine conflict through grassroot civil society projects and citizens’ positive engagement. EUPI funds are complementary to Foreign Policy Instrument (FPI) funds that support a negotiated and viable two- State solution and end to the conflict.



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HUMANITARIAN AID

In 2024, the Commission allocated more than **€237 million** in humanitarian aid to vulnerable people in Palestine, which increased the total EU aid to over **€450 million** from 2023. This funding supports humanitarian organisations working in both Gaza and the West Bank. On 16 January 2025, the EU announced another humanitarian aid package of **€120 million** for Palestine. The EU has also transported over **4 600 tonnes of cargo** for Gaza (either by air, sea or road) including medicines, medical supplies, shelter, WASH, and educational items. The EU has also financed **71 Humanitarian Air Bridge (HAB) flights**. In response to the gaps in the provision of emergency shelter solutions, in February the EU mobilised its stocks, together with Member States (France, Spain, Ireland). As of 26 March 2025, the EU’s Civil Protection Mechanism (UCPM) is activated upon requests made by Egypt, Lebanon and the World Health Organisation (WHO).

KEY MILESTONES

1997

Signature of the Interim Association Agreement on trade and cooperation between the EU and the Palestine Liberation Organisation on behalf of the Palestinian Authority

2008

Launch of the financial mechanism in support of the Palestinian Authority Reform and Development Plan (PEGASE)

2013

Adoption of the EU-Palestine Action Plan, which was prolonged in early 2019 until end 2021

2021

Signature of the latest EU-UNRWA Joint Declaration, ensuring continued support to the mandate & essential services provided by UNRWA through predictable, multi-annual financial resources

2022

The validity of the EU Palestine Action Plan was extended to January 2025

Adoption of the European Joint Strategy 2021-24 for Palestine

2024

Signature of a Letter of Intent between the European Commission and the Palestinian Authority which sets out a strategy for addressing the critical budgetary and fiscal situation of the Palestinian Authority

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