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**OPENING REMARKS BY MR. OLIVIER CHASTEL,
Ramallah, 23 November 2011**

Honourable Ministers,
Excellencies,
Ladies and Gentlemen,

First of all I would like to sincerely thank the Palestinian Authority for the very warm welcome you have extended to me and my delegation. I feel particularly honoured to be present today, for my first visit to Palestine, to finalize the 4th Indicative Cooperation programme between Belgium and the Palestinian Authority. This programme demonstrates our common will to further deepen our relationship and our dialogue for the development of the Palestinian Authority and the Palestinian people.

The Palestinian Authority is the first of our partners to enter the second new generation of Indicative cooperation programme. Indeed, in the previous Cooperation Programme for 2008-2011 we had incorporated new

principles for aid effectiveness in the spirit of the Paris Declaration and the Code of Conduct of the European Union. Palestine was the first of our partner countries with which we agreed to limit our cooperation to two sectors. In 2008, we agreed to concentrate on education and on local government. Almost four years later, it seems we have made the right choice. Concrete results have been achieved in those two sectors and the Belgian Technical Cooperation has become a valuable and credible partner for both the Ministry of Education and the Ministry of Local Government. I am particularly glad that we will be able to see some of those concrete realisations during the field visit this afternoon.

We consequently have agreed to continue our cooperation in those two sectors in the new cooperation programme .

This new indicative cooperation programme indeed wants to build further on this successful experience of cooperation in Palestine.

In line with our objective to strengthen the capacity of the Palestinian Authority, our cooperation programme is designed to support the Palestinian national development Plan. It also seeks to gradually evolve towards more aligned and harmonised aid and execution modalities with the Joint Financing Agreement in the field of Education and the Municipal Development Programme in the local government sector.

Dear Ministers,

Ladies and Gentlemen,

The holding of this joint commission here today is a testimony of our continued commitment to support the work of the Palestinian Authority. In spite of the current difficult political and financial context in Belgium, the caretaker government of Belgium indeed wanted to honor its commitments to the Palestinian people. The Palestinian Authority has indeed established the political, institutional and economic pillars required for the establishment of an independent and sovereign State. As stated by the World

Bank, the Palestinian Authority is now above the threshold for a functioning state in the key sectors.

Belgium is of the view that a strong Palestinian Authority is a crucial element in the peace process with Israel. We want to see the State of Israel and a sovereign, independent, democratic, contiguous and viable Palestinian State living side by side in peace and security. The legitimacy of the State of Israel and the right of Palestinians to reach a State should not be questioned.

The trust of my government in the Palestinian Authority can also be witnessed in the substantial increase of the financial envelope. This is all the more important in the current difficult economic and financial context. Belgium indeed believes that a strong, effective and accountable Palestinian authority is necessary for the peace process and for Israel and Palestine to be able to live together side by side peacefully.

In a context of declining aid to Palestine of both Europe, facing a financial crisis, and Arab countries, facing new needs following the Arab spring, it is important that Belgium remains committed and continues to show its solidarity with the Palestinian people. The Belgian Development aid is all the more important since it supports the considerable efforts undertaken by the Palestinian Authority in the management of public finances as well as in the context of the ongoing recognition process at the United Nations.

Dear Ministers,

Ladies and Gentlemen,

It is also important that our cooperation programme be effective throughout the Palestinian territories. Through delegated cooperation, we will also support the European Union, the World Bank, UNDP and Habitat programme in Gaza and East Jerusalem.

Another important part of Belgium aid to Palestine is channelled through UNRWA in support of the millions of

Palestinian refugees in Gaza, Lebanon, Syria and Jordan. For 2010 only, the Belgian contribution to UNRWA increased to 9.5 Million EUR.

Our cooperation programme also puts a lot of emphasis on good governance, democracy, rule of law and human rights. The fight against corruption is crucial, not only for a better functioning of the state but also for the economic development. We all know that aid alone, no matter how high and how necessary, will never be sufficient to eradicate poverty and ensure sustainable economic development. A strong democratic, transparent, accountable Palestinian Authority is also an important element to attract the level of Foreign Direct Investment required to ensure sustainable economic development. This Cooperation programme also aims to contribute to this objective.

I cannot end these remarks without giving my appreciation to the team that has made this all possible. Experts from Palestine and Belgium have worked hard together for the

last few months to prepare this new cooperation program
that we will sign today.

I thank you very much