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EU High Representative Ashton visits businesses in Gaza supported by the new EU - PA business recovery programme

On the occasion of the visit of EU High Representative Catherine Ashton to the Gaza Strip, the European Union and the Palestinian Authority officially launch today the "Private Sector Reconstruction in Gaza" (PSRG) programme. This programme, established by the Palestinian Authority, is the first large-scale initiative in support of the private sector in the Gaza Strip. HR Ashton visited today two companies out of 203 beneficiary private sector enterprises. The EU contributed €4,8 million (USD 6 million), as the first instalment to the programme, out of a total package of €22 million.

The PA established the PSRG programme in the aftermath of the Cast Lead, in order to revitalize the businesses affected by the operation. The ultimate objective is to regenerate the economic activity in the Gaza Strip and provide for sustainable livelihoods for its people. The PA, with the support of the EU, targets businesses that need to restore any damaged assets necessary for production. Funded items include machinery, office furniture and equipment as well as building and business premise material.

The EU High Representative Catherine Ashton visited today the Middle East Pharmaceutical & Cosmetics Lab Company in Beit Hanoun and the Abu Eidah Company for Concrete and Construction in Jabalia, a small and a large beneficiary of the Gaza Business Recovery Program. The HR/VP has said about the programme::

“The EU is not only issuing statements but rather doing something practical on the ground to stimulate the business activity in the Gaza Strip. With my visit to the beneficiary businesses I want to stress the importance of the recovery of the private sector of Gaza and the revival of its economy. It is only through the free import and export of commercial goods that we can talk about true economic activity and a sustainable economy; that is why I reiterate the importance of an expansion to the capacity of the crossings”

The Palestinian Prime Minister, Salam Fayyad, has said about the programme that:

“The Palestinian National Authority is firmly committed to the revitalization of economic activity in Gaza. The objective of the Gaza Private Sector Revitalization Program is to set in motion the production cycle and allow the private sector to lead the economic recovery in Gaza, and we are grateful to the European Union for its support of this effort. We call for a full lifting of the Israeli siege imposed on the Gaza Strip and we believe that this can and must be done by reactivating the 2005 Agreement on Movement and Access, which includes all elements of relevance to the free movement of people and goods in and out of Gaza, including the safe passage that is to link the Gaza Strip to the West Bank.”



The European Union Representative, Mr. Christian Berger said about the programme:

"The Private Sector Reconstruction in Gaza programme aims to stimulate economic activity in the Gaza Strip by enabling enterprises to resume economic activities and to enable the people of Gaza to emerge from aid dependency. This action will directly contribute towards providing new employment and will help to secure a source of income for currently unemployed and vulnerable workers."

The EU has committed €22 million to the PSRG programme in 2009 channelled through the EU financing mechanism PEGASE. Today's disbursement will reach 203 beneficiary enterprises and the whole programme aims to support an approximate total of 1000 beneficiary enterprises via future payments.

Background information:

PEGASE channels EU assistance to help build a Palestinian State, in accordance with the priorities and needs identified by the Palestinian Authority in its three-year reform and development programme (PRDP). Launched by the European Commission on 1 February 2008, it is the main financing mechanism of the European Union. As well as helping the Palestinian Authority to meet a substantial proportion of its running costs, European funds support major reform and development programmes in key ministries, to help prepare the Palestinian Authority for statehood in line with the plan proposed in August 2009 by the Palestinian National Authority Cabinet headed by Prime Minister Salam Fayyad.

Since 2007, the EU has provided total assistance to the Palestinian people, including civil society organisations and refugees, that average at more than €500 million annually.

For further information in Arabic and English on the EU's assistance to the occupied Palestinian territory and the PEGASE mechanism, please visit: www.delwbg.ec.europa.eu

^[1] Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique (PEGASE)

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