



Press Release - PR/25/2011
Jerusalem

08 DECEMBER 2011

The European Union supports the 7th payment under the Palestinian Authority's "Private Sector Reconstruction in Gaza" programme

The European Union contributed today over €3.5 million (c.US\$4.7 million), out of a total package of € 22.0 million, to the seventh payment under the Palestinian Authority's "Private Sector Reconstruction in Gaza" (PSRG) programme. The programme is the first large-scale initiative in support of the private sector in the Gaza Strip. This contribution is being channelled through PEGASE^[1], the European Union's mechanism for support to the Palestinians.

The Palestinian Authority (PA) established the PSRG programme to provide financial support to private sector businesses that were destroyed or damaged by Israel's "Operation Cast Lead". It targets businesses that need to restore damaged assets necessary for their activities - funded items include machinery, office furniture and equipment, as well as building and business premise material. The ultimate objective is to revitalize the economic activity in Gaza and provide for sustainable livelihoods for its people.

The European Union committed €22.0 million to PSRG at the end of 2009. In March 2011, the Japanese Government committed an additional US\$ 6.58 million to the programme. Both contributions are being channelled through the European Union's financing mechanism PEGASE, which is open to all donors and has been used by a number of European states. The contribution from Japan, which is the first non-European donor to channel contributions to a PA programme through PEGASE, has already been fully disbursed to PSRG beneficiaries in previous payments.

The seventh PSRG disbursement amounts to more than €3.5 million (c.US\$4.7 million) and will benefit 308 claims by Gaza businesses, which will receive first, second or third instalments of their total PSRG entitlements. It follows six earlier payments under PSRG that took place in July 2010, September 2010, January 2011, June 2011, August 2011, and September 2011, which benefited almost 660 eligible claims and amounted to c.€15.0 million. Further payments are expected to take place under the PSRG programme in the near future.

Background:

Most of the European Union's assistance to the Palestinian Authority is channelled through PEGASE, the financial mechanism launched in 2008 to support the PA Reform and Development Plan (2008-2010) and the subsequent PA Palestinian National Plan (2011-2013). As well as helping to meet a substantial proportion of its running costs, European funds support major reform and development programmes in key ministries, to help prepare the PA for statehood in line with the plan put forward by Prime Minister Salam Fayyad in August 2009. Since February 2008, €1.2 billion have been disbursed through the PEGASE Direct Financial Support programmes. In addition, the EU has provided assistance to the Palestinian people through UNRWA and a wide range of cooperation projects.

For further information in Arabic and English on the EU's assistance to the occupied Palestinian territory and the PEGASE mechanism, please visit:

http://eeas.europa.eu/delegations/westbank/index_en.htm

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

Contact:

The Office of the European Union Representative, West Bank and Gaza Strip, UNRWA

Antonia Zafeiri, Tel: +972 (0) 2 5415 859, Mob: +972 (0) 548 024 915

Shadi Othman, Tel: +972 (0) 2 541 5867, Mob: +972 (0) 599 673 958