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

The European Union has contributed over €1.2 million (c. US\$ 1.6 million), out of a total package of €22 million, to the third payment under the Palestinian Authority's "Private Sector Reconstruction in Gaza" (PSRG) programme. This programme is the first large-scale initiative in support of the private sector in the Gaza Strip.

The Palestinian Authority (PA) established the PSRG programme in the aftermath of Israel's "Operation Cast Lead" to provide financial support to private sector businesses that were destroyed or damaged during that Operation. It 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 ultimate objective is to revitalize the economic activity in Gaza and provide for sustainable livelihoods for its people.

The EU committed €22 million to the PSRG programme in 2009, which are being channelled through the EU financing mechanism PEGASE^[1]. Today's third disbursement will benefit 144 claims by Gaza enterprises and amounts to over €1.2 million (c. US\$ 1.6 million). It follows two earlier payments that took place in July and September 2010 that benefited almost 450 eligible claims amounting to c. €8.4 million (c. US\$ 10.7 million). Further payments are expected to take place under the PSRG programme in 2011.

Background:

Most of the EU assistance to the Palestinian Authority is channelled through PEGASE, the financial mechanism launched in 2008 to support the three-year Reform and Development Plan presented in 2007. 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 2007 the EU has provided total assistance to the Palestinian people amounting to €1.45 billion.

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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