

Palestine - Sustainable Growth, Jobs and Resilience

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



Digital transformation (EU, NL, SE, DE, BE, AT, EBRD, EIB, KfW), joint Digital Response Strategy design and implementation:

- Digital infrastructures
- Digital platforms
- Digital finance
- Digital entrepreneurship
- Digital skills

Trade programme (EU, NL, DE, FR, EBRD):

- Policy, standards, export, competitiveness, infrastructures.
- Trilateral dialogue.
- Israel - PA Confidence Building Measures.

Mobilization of finance and investments, cross-cutting (EU, DE):

- EU-Palestine Investment Platform (EIB, EBRD, AFD/Proparco, KfW).
- EU External Investment Plan (NL, SE, IT, BE).

Entrepreneurship (BE - Enabel, EU, DK, DE, EBRD):

- Skills development.
- New market opportunities.
- Entrepreneurship ecosystem reinforcement.

Green economy programme (DE, BE, IT, FR, AFD, EIB, EBRD, KfW):

- Green hub (GIZ) - trade exchange
- Green and smart agribusiness (DK, EU).

Resilience (coordinate, scale up and promote):

- Current interventions (AT, BE, EU).
- Humanitarian/development nexus, sustainable livelihood, poverty graduation, youth entrepreneurship (BE, DK, FL, SE)

Business environment (EU, EIB, EBRD, SE, NL, DE, AT) - policy dialogue with PA, private sector, and triangulation with Israel (cross-cutting).

MODALITIES/TOOLS

Financial instruments

- Loans
- Guarantees
- Equity

Policy dialogue

Traditional grants/technical assistance

KEY DELIVERABLES

1. Policy dialogue on business environment providing targeted support to foster reforms, develop strategies and implement them (EU in the lead, with AT, BE, DE, DK, ES, FI, FR, IT, NL, SE,)
2. Mobilization of finance and investments through the EU-Palestine Investment Platform.
3. Green economy programme led by DE in partnership with EU, supporting the development of a Green Hub (GIZ), serving as facilitating and coordinating platform with BE, IT, FR.
4. Digital transformation programme complementing and enhancing current sectoral interventions of EU, BE, DE, NL and SE, open for scale up.
5. Entrepreneurship: programme led by BE (through Enabel), coordinating interventions by DE, DK and EU, supporting the most vulnerable entrepreneurs through skills development and reinforcement of the **entrepreneurship ecosystem**.
6. Economic resilience, coordination and scale up of current interventions of AT, BE, DK, ES, FI, IT, SE and EU, promoting humanitarian/development nexus, sustainable livelihood, etc.
7. Trade programme (EU, NL, DE, FR) with enhanced coordination amongst respective interventions on issues related to policy, standards, quality infrastructure, export, competitiveness, physical infrastructures.

*This Team Europe Initiative is work in progress

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NATIONAL CONTEXT

A lower middle-income country.

2018 income per capita:
USD 3,562, growing
difference between West
Bank (USD 5,044) and Gaza
Strip (USD 1,541).

**Constraints to investment
and trade:**

- 26% unemployment rate, of which 15% in WB, 49% in Gaza.
- Poverty: 24% living below poverty line (9% in WB, 46% in Gaza).
- Lack of access to finance

COVID-19 pandemic:
severe negative impact
on the Palestinian
economy:

- GDP decreased by 11.6% in 2020.

- A fragmented and complex business legal and regulatory environment: 117th out of 190 economies, 2020 Doing Business report.
- PA's National Development Plan
- Israeli occupation & conflicts in Gaza.

GEOPOLITICAL CONTEXT AND RELEVANT SDGs

8 DECENT WORK AND ECONOMIC GROWTH



4 QUALITY EDUCATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



COVID-19 pandemic

EU Green Deal

EU New Agenda for the Mediterranean

European Joint Strategy (EJS) 2021-2024

EU-Palestine Investment Platform.

13 CLIMATE ACTION



**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)

TRANSFORMATIONAL POTENTIAL

To contribute to Palestinian sustainable and inclusive economic development, while providing a comprehensive socio-economic response to the impact of COVID-19 and to the recovery needs generated by May 2021 Gaza hostilities.