



# PALESTINE\*

## Southern Neighbourhood



### Key milestones

1997

Signature of the Interim Association Agreement on trade and cooperation between the EU and the Palestine Liberation Organisation on behalf of the Palestinian Authority

2008

Launch of the financial mechanism in support of the Palestinian Authority Reform and Development Plan (PEGASE)

2013

Adoption of the EU-Palestine Action Plan, which was prolonged in early 2019 until end 2021

2017

Signature of the latest EU-UNRWA Joint Declaration, strengthening the political nature of the partnership, recalling the EU's reform and visibility expectations from UNRWA, and reaffirming the EU's commitment to provide multiannual financing.

Adoption of the European Joint Strategy in support of Palestine 2017-2020 'Towards a democratic and accountable Palestinian State'



### Cooperation priorities



Governance Reform, Fiscal Consolidation and Policy



Rule of Law, Justice, Citizen Safety and Human Rights



Sustainable Service Delivery



Access to Self-Sufficient Water and Energy Services



Sustainable Economic Development



### Trade & investment

- In 2019, the EU was Palestine's second largest trading partner: EU share in Palestine's total imports was **12,2%**, while the total share of Palestine's exports towards the EU was **0.6%**.
- In 2018, trade in services between EU and Palestine increased by 83% compared to 2014, and was worth €163 million.
- In 2018, EU Foreign Direct Investments stocks in Palestine amounted to €28 million, and Palestine FDI stocks to the EU amounted to €25 million. EU FDI flows were €242 million and Palestinian FDI flows totaled €4 million.



### Mobility

**2,475** Palestinian students, professors and university staff travelled to Europe and **1,240** European counterparts travelled to Palestine between 2015 and 2020.



### EU support to Palestinians

- The EU provided grant financing support to Palestine mainly through the **European Neighbourhood Instrument** with **€2.2 billion** in the period 2014-2020. It includes among others:
  - The EU supports UN Relief and Works Agency for Palestine Refugees in the Near East (**UNRWA**) in delivering uninterrupted essential basic services to Palestine refugees. The EU contribution in 2020 amounted to **€102.3 million**.
  - Palestinians benefit from the **PEGASE programme**, which helps the Palestinian Authority (PA) to improve access to public services, including for vulnerable parts of the population, and build effective and accountable institutions ready for statehood, thereby maintaining the viability of the two-state solution.
  - The EU supports actions aiming to attract investments, contribute to sustainable economic development and create jobs with a focus on green economy. **The EU-Palestine Investment Platform**, launched in December 2020, will contribute to unlock investment and fulfil the EU's objective of creating a prosperous, independent and economically viable Palestine.
  - In 2020, the EU stepped up its support to the Palestinian private sector which contributed to leverage over **€400 million** in soft loans and investment.
  - The EU is supporting the development of the digital economy, notably through the **Gaza Gateway programme**, which promotes an innovative social enterprise business model. The EU also aims at improving access to energy and water services, including in Gaza, through major infrastructure projects for desalination and energy provision.



### Coronavirus response

The Commission mobilised over **€152 million** through its different instruments to support immediate, health-related and socio-economic needs in Palestine. The EU is working closely with the PA to respond to the economic challenges and the broader social impact of the crisis by supporting incomes and providing assistance to the poorest households, and to create an enabling environment for the development of the private sector. EU funds are also targeting Palestinian refugees through its support to UNRWA.

\* This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of Member States on this issue