



## PRESS RELEASES

# EU-Palestine partnership: a new Investment Plan to increase business opportunities, enhancing job creation, private sector development and inclusive growth

**The European Union and Palestine have launched today the EU External Investment Plan (EIP) to pave the way to a better business environment and foster economic development.**

The European Union is strongly committed to supporting Palestine in building a sound, inclusive and sustainable economy. The EIP will encourage investments promoting an inclusive growth, job creation and sustainable development and to tackle some of Palestine internal constraint via an enhanced policy dialogue on business climate issues.

Director General for Enlargement Negotiations and European Neighbourhood Policy Christian **Danielsson** commented: *"The European External Investment Plan will help leverage significant private funds into key sectors of Palestine's economy. The plan will in turn empower local entrepreneurs and create decent jobs in the country. This new and innovative approach will also help deliver sustainable development projects, which otherwise would not have been possible at all or would have been significantly smaller."*

The EU External Investment Plan will build on three pillars:

- The new **European Fund for Sustainable Development** will make available **€4.1 billion** to support sustainable development in countries in Africa and the European Neighbourhood and allow public and private operators to leverage each other's strengths.
- **Technical assistance** will help improve the quality of projects and mobilise investment from financial institutions, public institutions and private investors.
- **Additional assistance** to public authorities will foster a more favourable overall business environment through better policy making and legislation, in dialogue with the private sector.

The package was announced today at an [EU External Investment Plan](#) (EIP) launching event in Ramallah, in the presence of Mr Shukri Bishara, Minister of Finance and Planning. The conference brought together national authorities, private sector companies, International Financial Institutions (IFIs) and other stakeholders to discuss investment opportunities and ways to overcome remaining barriers in accessing funds.

## **Background**

### **Bilateral Support**

The indicative allocation for West Bank and Gaza for the period 2014-2020 amounts to € 1,8 billion - € 2,2 billion under the European Neighbourhood Instrument, complemented by funds from ECHO (humanitarian aid) and thematic /regional budget lines. The strategic framework for bilateral assistance is set by the European Joint Strategy in support of Palestine "Towards a Democratic and Accountable Palestinian State" 2017-2020. A particular focus is on equitable access to social services, democratic governance, the rule of law and mobility, as well as employability and sustainable and inclusive growth. Complementary support for capacity development and civil society is also provided.

### **External Investment Plan (EIP)**

The EU's [External Investment Plan](#) is an innovative and ambitious EU plan that encourages investment in the EU's partner countries in Africa and the European neighbourhood region. It promotes inclusive growth, job creation and sustainable development, so as to tackle some of the root causes of irregular migration. The EIP has been adapted to the specific needs of partner countries and builds on the successful model used within the EU, where the 'Juncker Plan' has already triggered more than €240 billion of investment.

The EIP encourages private investors to contribute to sustainable development in countries outside of Europe. It integrates a new generation of financial instruments—namely guarantees, risk sharing instruments, as well as the blending of grants and loans - into the more traditional forms of assistance such as grants. It also includes a guarantee mechanism to crowd in private investments, where viable business proposals meet social needs, and where limited public funds can attract private money.

Overall, about €44 billion are expected to be mobilised under the EIP from 2017 until 2020 for Africa and the European Neighbourhood.

[www.eeas.europa.eu](http://www.eeas.europa.eu)

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