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Agenda Item 6 – Report on UNCTAD assistance to the Palestinian people

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**Statement by the European Union Delegation to the UN and other international
organisations in Geneva**

Geneva, 02 October 2019

- CHECK AGAINST DELIVERY –

Item 6 – Report on UNCTAD assistance to the Palestinian people

Mr President, Excellencies, distinguished Delegates,

I have the honour to speak on behalf of the European Union and its Member States. We thank the Secretariat for its Report on UNCTAD Assistance to the Palestinian people, the economic and social indicators it contains, as well as the recommendations made.

Following the already bleak performance described in last year's Report, we note with great concern that the current Report confirms an all-time low performance of the Palestinian economy and of the persisting dire humanitarian situation. The meagre 0.9 per cent growth in 2018 implies a de facto decrease in per capita income, given the population growth. Unemployment continues to grow, with women and youth particularly affected, worsening the already significant poverty levels. The situation, and in particular future prospects, is made worse with the destruction of the economic capacities and restrictions on productive inputs. The Report indicates the practical non-existence of new investment in Gaza, given that 88% are directed at rebuilding the structures destroyed during the prolonged conflict. The decline of donor support appears to be aggravating the situation, which is particularly noticeable in West Bank. Financial indicators confirm the worsening of the situation, with negligible new deposits in 2018, while non-performing loans increased to 25%.

As the Report highlights – the situation is dire. 2.5 million people are in need of humanitarian assistance, most of which in Gaza, Area C of the West Bank and East Jerusalem. Addressing the situation must be an immediate priority for all parties, as well as for the international community. Solid economic fundamentals need to be ensured in a predictable and lasting manner.

The fiscal situation of the Palestinian Authority is an issue of strong concern. Economic and fiscal agreements between Israel and the Palestinian Authority, including the Paris Protocol, must be implemented in full. A structural solution must be found to the current fiscal crisis in order to avoid a financial collapse that would have serious consequences for the security of both parties and of the broader region.

As the biggest and the most consistent donor to the Palestinians, the European Union has contributed more than €328 million in development assistance for the Palestinian people in 2018. It continued to support the Palestinian Authority throughout 2019 in covering recurring expenditures, helping them to pay salaries of civil servants in the West Bank, to meet the needs of the most vulnerable, including in Gaza, and in supporting the East Jerusalem hospitals.

The EU works towards addressing the dire situation in Gaza with more than €100 million of ongoing and future projects. The EU also acts to strengthen the economic resilience as a whole. Ensuring humanitarian and development assistance is of highest importance for the Palestinian people at this moment. However, no amount of assistance will succeed in ensuring a lasting and sustainable economic leap forward, if it is not accompanied by a credible political process seeking a mutually acceptable solution.

Mr. President,

The Palestinian people have been living in a difficult context for many years. The occupation does not allow fruitful growth of the economy despite the presence of relevant resources. Land, water and energy are not adequately accessible to the Palestinian people. Physical boundaries, constant moving and access restrictions, Israeli settlements and demolitions in the West Bank, and the rejection by the Israeli Government of almost all master planning put forward by the Palestinian Authority in Area C, make it extremely difficult for the Palestinian economy to realise its potential, to the ultimate detriment of the Palestinian citizens. A settlement of the Israeli-Palestinian conflict would remove all these obstacles.

The EU remains committed to a just and comprehensive resolution of the conflict through a two-state solution and an agreement that ends the occupation which began in 1967 – with all the negative consequences described above. The EU supports ending all claims and fulfilling the aspirations of both parties, including Israeli and Palestinian security needs, and Palestinian aspirations for statehood and sovereignty, on the basis of relevant UN Security Council Resolutions and internationally agreed parameters. We reaffirm our readiness to work with both parties and our partners in the region and the international community towards the resumption of meaningful negotiations to resolve all final status issues and to achieve a just and lasting peace.

Ultimately, sustainable solutions to the conflicts in the Middle East can only be found through multilateral cooperation, i.e. through policy and actions coordinated by the international community, some of which are translated into international law. In other words, ensuring a rules-based international order, to which the parties on the ground and international actors shall commit.

Thank you.