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NEWS RELEASE

New US$5 Million Grant to Promote Job Opportunities for Palestinian Graduates

Jerusalem, December 4, 2016 – The World Bank's Board of Executive Directors approved on Friday, December 2, 2016 a US$5 million grant to support ongoing efforts to increase job opportunities for Palestinian graduates. The additional financing for the Education to Work Transition (E2WT) project will focus on improving the employability of Palestinian students graduating from tertiary education institutions, thus improving their job prospects as well.

Faced with multiple challenges, such as the impact of conflict and restrictions on mobility, coupled with high population growth, the Palestinian economy has not been able to create enough jobs. At 27 percent, the overall unemployment rate remains high (18 percent in the West Bank and 42 percent in Gaza), and job creation has not kept pace with the growth of the labor force.

"*Equally worrying are the stubbornly high youth unemployment rates,"* said **Marina Wes, World Bank Country Director for the West Bank and Gaza.** *"Of particular concern is the unemployment rate among university graduates which is 1.5 times higher than that of young people without a diploma. Right now, young people who invest in long-term education face a long queue for the few available professional jobs. The World Bank is very much focused on the transition from school to work, and this grant aims to support this critical transition by improving employability that can lead to more employment opportunities."*

The new grant will bring the benefits of the project to an even wider group of young people. The project has supported partnerships between tertiary education programs and the private sector, and so far, over half the graduates from participating institutions have found jobs or are self-employed. Among this first batch of graduates, it is remarkable that the unemployment rate of Technical College graduates has fallen from 64% to 26%. The additional financing will allow for the ongoing consolidation of partnerships between tertiary education institutions and private sector companies, established and financed in order to make the study programs more relevant to the needs of the labor market.

"*The mismatch between the skills graduates acquire and the needs of the job market is a major obstacle for ensuring the employability of graduates,"* said **Juan Manuel Moreno, World Bank Lead Education Specialist.** *"Results show that the first batch of graduates benefiting from the original project had better labor market insertion rates than their counterparts in the same programs the previous year. In fact, 51 percent of those graduates are either employed or self-employed. Therefore, it is critical to sustain this very strong and positive momentum*".

The project will also enhance the capacity of the Ministry of Education and Higher Education to collect, and monitor information about graduates and their success in transitioning into the labor market. This invaluable data will help guide students and parents in making informed decisions about which course of studies to pursue. The database will be the first of its kind in the Middle East and North Africa region, creating a crucial national public good.

Contacts:

West Bank and Gaza: Mary Koussa, (972) 2-2366500, mkoussa@worldbank.org
Washington: William Stebbins, (202) 458-7883, wstebbins@worldbank.org

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