Press Release
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Japan provides new contribution to the Jericho Agro Industrial Park incentives programme implemented by the EU

The Japanese Government has provided over €384,000 to support Paper Pal company operating in the Jericho Agro Industrial Park (JAIP). This company is the ninth beneficiary under the Palestinian Authority's PRIDE (Partnership for Regional Investment, Development & Employment) Programme of Incentives to JAIP. The Japanese contribution is being channelled through the PEGASE[1] mechanism.

"*We are proud of our partnership with Japan and the Palestinian Authority to attract investments in Jericho. Paper Pal Company is one example of an innovative investment that recycles tree leaves to produce environmentally friendly paper. This company managed to both serve its environment and economy. Through JAIP, we support Paper Pal, and other investments, to grow and compete on the local and international levels. A sustainable economy is a cornerstone of our vision for a future Palestinian state," said* **the EU Representative Ralph Tarraf**.

"JAIP is a flagship project of Japan's "Corridor for Peace and Prosperity" initiative launched in 2006. Japan has been extending financial, technical, and human resource assistance to enrich the already fertile soil of the City of Jericho, which amounts to approximately 100 million USD including the building of the relevant infrastructure in the city. Given the strategic importance of Jericho in the region, this project could serve to not only strengthen the Palestinian economy but stabilize the entire region." said **the Ambassador for the Palestinian Affairs Mr. Takeshi Okubo**.

In order to attract investment in JAIP, the Palestinian Authority (PA) is offering a range of incentives, including tax breaks to its tenants. In this context, it has established a programme called PRIDE to provide financial assistance to JAIP tenants to help them start their operations in the park. The EU has set up a PEGASE programme aimed at channelling funds to the abovementioned PA PRIDE programme (EU support: EUR 2 million, Government of Japan support: EUR 3.2 million). The programme provides financial assistance to eligible JAIP tenants to purchase equipment, machinery, tools and building materials for their operations in the park.

Paper Pal produces high quality eco-friendly toilet paper, recycling wastes from copy paper factories in addition to trimmed dead leaves of palm trees.

Background

Most of the European Union's assistance to the Palestinian Authority is channelled through PEGASE, the financial mechanism launched in 2008 to support the PA Reform and Development Plan (2008-2010) and subsequent Palestinian national plans. As well as helping to meet a substantial proportion of its running costs, European funds support major reform and development programmes in key ministries, to help prepare the PA for statehood. Since February 2008, around €2.4 billion have been disbursed through the PEGASE Direct Financial Support programmes. In addition, the EU has provided assistance to the Palestinian people through UNRWA and a wide range of cooperation projects.

Japan has strongly been supporting economic development efforts exerted by key ministries both financially and technically in order to help Palestinians prepare for the future statehood. With this in mind, Japan has been extending such assistance to JAIP, a flagship project of Japan's "Corridor for Peace and Prosperity" initiative launched in 2006. Furthermore, Japan has been providing support through humanitarian assistance provided by UNRWA, UNICEF and other UN agencies, as well as grassroots development projects through local organizations. The Government of Japan has so far provided approximately USD 1.8 billion worth of assistance to Palestine since 1993.

[1] *Mécanisme **P**alestino-**E**uropéen de **G**estion de l'**A**ide **S**ocio-**E**conomique (PEGASE)*

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