



**European Bank**  
for Reconstruction and Development

## Bank of Palestine and EBRD Support Small Businesses in the West Bank

### US\$30 million financing package to support local MSMEs

- US\$30 million MSME credit line to Bank of Palestine
- Financial package to strengthen the local economy following the escalation starting October 2023, and the subsequent acute economic challenges



The European Bank for Reconstruction and Development (EBRD) is supporting Palestinian micro, small and medium-sized enterprises (MSMEs) by providing a financing package of US\$30 million to Bank of Palestine (BoP), the largest bank in the West Bank and Gaza (WB&G) and an existing EBRD client since 2020.

MSMEs are at the core of the Palestinian economy, representing more than 98% of the local economy and contributing to over 60% of GDP, but have been facing multiple economic challenges after the escalation which started in October 2023. Recent estimates indicate that the local economy contracted by at least 6.4% at the end of 2023 due to employment losses, and the rising security tensions which impacted mobility and business activity.

Proceeds of the facility will be used for on-lending to eligible private MSMEs based in the West Bank to address their liquidity needs to enable them to maintain their operations and contribute to building

resilience of the local private sector. The facility builds on EBRD's successful experience of extending a USD 13 million SME loan and a USD 2 million Women in Business (WiB) loan to BoP in December 2020.

Hashim Shawa, Chairman of Bank of Palestine Group, said: *"We view the signing of this loan agreement with the EBRD as further evidence of our joint vision at sustaining and growing MSME businesses particularly during these unprecedented times. This loan will enable us to continue our role in supporting the real economy and enabling it to address the current challenging political and economic environment."*

Francis Malige, EBRD's Managing Director for the Financial Institutions sector, said: *"We are very pleased to be signing this loan with BoP today. The EBRD is a bank for both good and bad times. We are very proud of BoP's resilience, and we know that with this loan, more Palestinian SMEs will receive the financing they need to go through these difficult times."*

Since the start of its operations in the West Bank and Gaza in 2017, the EBRD has signed 23 transactions for a total amount of EUR 116.0 million.