



DIVISION FOR
PALESTINIAN RIGHTS

**UNITED NATIONS SEMINAR ON ASSISTANCE
TO THE PALESTINIAN PEOPLE**

**Amman
19 and 20 February 2008**

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I. Introduction

A. Organization of the Seminar

1. The United Nations Seminar on Assistance to the Palestinian People was held in Amman on 19 and 20 February 2008, under the auspices of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and in accordance with the provisions of General Assembly resolutions 62/80 and 62/81 of 10 December 2007.

B. Participation

2. The Seminar was attended by representatives of 51 Governments, Palestine, 4 intergovernmental organizations, 6 United Nations bodies and 22 civil society organizations, as well as special guests of the host country and representatives of academic institutions and the media.

3. The Committee was represented at the meeting by a delegation comprising Paul Badji (Senegal), Chairman of the Committee; Zahir Tanin (Afghanistan), Vice-Chairman of the Committee; Rodrigo Malmierca-Díaz (Cuba), Vice-Chairman of the Committee; Saviour F. Borg (Malta), Rapporteur of the Committee; Mohammed Al-Allaf (Jordan); and Riyadh Mansour (Palestine).

4. The following Governments were represented at the Seminar: Algeria, Australia, Azerbaijan, Bahrain, Bangladesh, Belarus, Belgium, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Chile, China, Cuba, Cyprus, Egypt, France, Georgia, Germany, Greece, India, Indonesia, Iran, (Islamic Republic of) Iraq, Italy, Japan, Jordan, Kuwait, Lebanon, Malaysia, Morocco, Netherlands, Nigeria, Norway, Oman, Pakistan, Philippines, Poland, Qatar, Republic of Korea, Russian Federation, Slovakia, South Africa, Spain, Sri Lanka, Sudan, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates and Yemen.

5. The following organizations, agencies and other entities of the United Nations system participated in the Seminar: Food and Agriculture Organization of the United Nations (FAO); Office for the Coordination of Humanitarian Affairs (OCHA); Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO); United Nations Human Settlements Programme (UN-Habitat); United Nations Population Fund (UNFPA); and United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);

6. The following intergovernmental organizations were represented at the Seminar: the European Union, the Islamic Development Bank, the League of Arab States and the Organization of the Islamic Conference.

7. The following civil society organizations participated in the Seminar as observers: Action Contre la Faim – Spain (ACF-E), Madrid; Afro-Asian Peoples' Solidarity Organization, Cairo; Agricultural Development Association (PARC), Jerusalem; American Friends Services Committee, Amman; ARD Inc., implementer of the USAID – funded emergency assistance programme, Ramallah; Austcare, Jerusalem; Becharat Establishment, Amman; Business and Professional Women, Amman; German Financial Cooperation, Amman; Jordan Information Center, Amman; Kassab Establishment, Amman; Land Research Center – LRC, Jordan; Mandela Institute for Human Rights, Ramallah; National Information Technology Center, Amman; Palestinian Hydrology Group for Water and Environmental Resources Development, Ramallah; Save the Children, Jerusalem; Seikaly Trading Company, Amman; Palestinian Return Centre, London; Union of Agricultural Work Committees, Jerusalem; Turkish

International Cooperation Administration, Jerusalem; United Nations Women's Guild of Jordan, Amman; and Yarmouk University, Jordan.

8. The following dignitaries and experts presented papers: Samir Abdullah, Minister for Planning, Palestinian Authority; Wajih Azaizeh, Director General of the Palestinian Affairs Department of the Ministry of Foreign Affairs of the Hashemite Kingdom of Jordan; Charles Clayton, National Director of World Vision in the Palestinian Territory and Israel; William D. Corcoran, President of the American Near East Refugee Aid in Washington, D.C.; Roy Dickinson, Head of Operations at the European Commission Technical Assistance Office for the Occupied Palestinian Territory in East Jerusalem; John Ging, UNRWA Director of Operations in the Gaza Strip; Atif Kubursi, Professor of Economics at McMaster University in Canada and former Acting Deputy Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA); Naomi Mark, Gaza Project Coordinator for Physicians for Human Rights-Israel; Takeshi Naruse, Resident Representative of the Japan International Cooperation Agency (JICA) office in the West Bank and Gaza; Roby Nathanson, General Director of the Macro Center for Political Economics; Mohammad Shtayyeh, President of the Palestinian Economic Council for Development and Reconstruction (PECDAR); Nasser Shraideh, Secretary-General of the Ministry of Planning and International Cooperation of the Hashemite Kingdom of Jordan; Lana Tatour, Information Coordinator of Gisha, Legal Centre for Freedom of Movement in Tel Aviv; Tor Wennesland, Donor Coordination Adviser of the Office of the Quartet Representative in Jerusalem; and Rosemary Willey, Office for the Coordination of Humanitarian Affairs Field Coordinator for the West Bank.

C. Agenda

9. The Seminar consisted of an opening session, three plenary sessions and a closing session. During the plenary sessions, presentations were made by 15 experts, including Palestinian and Israeli experts. Following the plenary sessions, a discussion period was open to all participants. The themes of the plenary sessions were: "Current constraints and challenges to the Palestinian economic development: the situation on the ground"; "Towards a viable Palestinian economy – from dependence to rehabilitation, reform and economic recovery"; and "Mobilizing international assistance in support of the Palestinian Reform and Development Plan".

II. Opening session

10. The Seminar on Assistance to the Palestinian People was opened by Nasser Judeh, Jordan's Minister of State for Media Affairs and Communications and Acting Foreign Minister. The message of the United Nations Secretary-General was delivered by Robert H. Serry, United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority. Statements were also made by Paul Badji, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and Samir Abdullah, Minister for Planning of the Palestinian Authority and representative of Palestine. Representatives of Cuba (on behalf of the Non-Aligned Movement), the United Arab Emirates, India, Malaysia, Kuwait, Pakistan, the Organization of the Islamic Conference and the League of Arab States also made statements.

11. **Nasser Judeh**, Minister of State for Media Affairs and Communications and Acting Foreign Minister of Jordan said a Palestinian State could not be created in an environment where walls were constructed between populations; barricades and checkpoints were set up; and closures and blockades were applied. The Palestinian economy could not be revitalized in the face of such pressures and obstacles. It was the right of the Palestinian people to live in dignity and to build an independent State that would contribute, alongside the other peoples of the world, to building human civilization. Jordan, while warning repeatedly of the radicalism that might arise out of these adverse humanitarian conditions,

had also called for an end to the tragedy and for focusing on efforts that would end violence and re-establish dialogue between the Palestinians and the Israelis.

12. He saw a distinct effort to alleviate the suffering of the Palestinian people and support them in building a national economy as a basic pillar of the establishment of an independent Palestinian State. He commended the Committee's tireless efforts to mobilize assistance to the Palestinian people. The catastrophic conditions in Gaza recently, and the concomitant suffering leading to more miserable daily socio-economic conditions, presented a flagrant challenge to international humanitarian law and a violation of the simplest human rights. No economic growth could flourish under the present conditions.

13. He said that extremism would lead to more suffering, and he pressed for concentrated efforts to end the violence. There was a new opportunity at the present time to reach a just and comprehensive resolution of the Palestinian question, and it should be seized and augmented. He renewed his support of the Palestinian Authority, especially its plan for reform of its institutions, and called on the international community to support that effort, including its financing. Jordan would spare no effort in that regard. Finally, the peace process rekindled in Annapolis must be kept on track and gain momentum; it must be supported, in order to arrive at its destination within the prescribed timetable. "We have a real second chance here," he said.

14. **Ban Ki-moon**, Secretary-General of the United Nations, in a statement delivered by **Robert H. Serry**, United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority, said that the meeting was taking place in the early months of a very important year for the Palestinian people and their long-denied legitimate aspirations for a viable, independent, sovereign, and democratic State of Palestine in the Gaza Strip and the West Bank, including East Jerusalem, based on an end of the occupation that began in 1967. He said that the key ingredients for a breakthrough existed. Negotiations on core issues between Israeli and Palestinian leaders are ongoing, important security measures on the ground had been taken and donors have pledged more than US\$ 7 billion to assist. A range of envoys, including Quartet Representative Tony Blair, had been deployed to ensure that tangible progress was being made in implementing Road Map commitments, improving security conditions for both Palestinians and Israelis, and reviving the Palestinian economy. Yet the harsh realities on the ground gave rise to understandable skepticism among many about the possibilities of peace, he acknowledged. The months ahead must see those realities improve, together with progress in the political negotiations.

15. In the West Bank, he said, the Palestinian Authority's reform and security efforts had provided a basis for moving forward, but much more now needed to be done. He reiterated the United Nations position on the illegality of settlement activity anywhere in the Occupied Palestinian Territory. The Road Map required a freeze on all settlement activity, as well as the reopening of institutions in East Jerusalem. He called for immediate steps to meet those obligations. He also reiterated the importance of further Palestinian Authority efforts on security. In that context, the case for urgent steps to ease closures in the West Bank, in accordance with existing agreements, was clear. That must happen if the Palestinian economy was to be revived, and if donor assistance was to produce long-term results. He also reiterated that the continued construction of the barrier on the Occupied Palestinian Territory was contrary to the advisory opinion of the International Court of Justice and that, as Secretary-General, he would continue to work for implementation of that opinion.

16. He said the current situation in Gaza was unsustainable in humanitarian, human rights, security and political terms – for the Palestinians, Egypt, and Israel. The ongoing crisis in Gaza also undermined the Annapolis process. He deplored the breaches of international humanitarian law, including rocket attacks against civilians. It was vital that Israel cease actions of collective punishment, and allow all legitimate and necessary humanitarian and commercial supplies to reach the population. He urged everyone to work

towards resumption of normal economic life for the people of Gaza, including by supporting the resumption of stalled United Nations and other projects in Gaza and the reopening of crossings, as envisaged in the Agreement on Movement and Access. He particularly welcomed the initiative of the Palestinian Authority to resume control of crossings, and the efforts of Egypt to find workable solutions. Those must include an end to rocket attacks, as well as incursions into Gaza, since solutions were unlikely to be sustainable without an atmosphere of calm on the ground.

17. The many United Nations agencies on the ground would carry on with their important work, he said, urging the international community to heed the Consolidated Appeal launched recently by the United Nations and other humanitarian agencies. He renewed his call on all donors to invest generously and step up their efforts at supporting Palestinian economic development and capacity-building. He reminded all parties that international law must be the basis for their actions on the ground, and for any sustainable solution. Only a permanent political settlement, which ended the occupation and gave Palestinians their independence, could fundamentally alter the economic and humanitarian problems of the Palestinian people and bring lasting security for Israel. He concluded by saying that, with the right mixture of wisdom, realism and political courage, including a major intensification of efforts in the months ahead, historic progress towards the vision of two States, Israel and Palestine, living side by side in peace and security could be made.

18. **Paul Badji**, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, said that in organizing the gathering, the Committee had tried to strengthen the “momentum” created by the Annapolis and the Paris conferences and support initiatives aimed at mobilizing international assistance to the Palestinians. The Seminar must provide an opportunity to assess the enormous social, economic and humanitarian needs in the Occupied Palestinian Territory and provide an occasion to examine action by the United Nations and at the international and regional levels, in order to ensure the revival of the Palestinian economy. It was unfortunate that recent Seminars had to shift focus back to the provision of the most basic needs of the Palestinian people. The closures and restrictions in the Occupied Territory exacerbated the living conditions, particularly in the Gaza Strip. Recent figures of the Office for the Coordination of Humanitarian Affairs indicated that 57 per cent of Palestinian households were living in poverty, with about 49 per cent in the West Bank and 79 per cent in the Gaza Strip.

19. The total closure of the Gaza Strip had compounded the crisis. Few people, even those in need of immediate medical attention, could exit Gaza, he continued. The Committee reiterated that Israel, as the occupying Power, was obliged under the Fourth Geneva Convention, to protect civilians under its occupation and was responsible for providing basic services and ensuring the population's overall welfare. The Committee was seriously disturbed by the recent ruling of the Israeli High Court of Justice in January to uphold the Government's decision of September 2007 to reduce electrical and fuel supply to Gaza, which was tantamount to collective punishment.

20. On behalf of the Committee, he condemned the killing of innocent civilians on both sides, including through Israeli military operations and the firing of rockets from Gaza. The Committee considered it totally unacceptable and unjust that the entire civilian population of Gaza was subjected to a suffocating blockade because of the actions of a few militant groups. The Chairman said that the situation in the West Bank, including East Jerusalem, was also cause for great alarm. According to the Office for the Coordination of Humanitarian Affairs, there were more than 500 obstacles, including military checkpoints, and their number had actually increased during the past year. The obstacles, ostensibly created for security reasons, were preventing the movement of people and basic commodities. The United Nations and humanitarian organizations were tirelessly seeking to contain the crisis, but increased emergency assistance was urgently needed. He opined that the lack of free movement and access was

also precluding the normal shift from dependence on assistance to self-sustainable recovery and development.

21. He said the Committee was of the opinion that the substantial pledge made at the Paris Donors' Conference could be achieved only if Israel took serious steps to eliminate the closures and that the positive effect of donor contributions could be sustainable only once the occupation ended. Meanwhile, new housing units and settlements continued to be built, the so-called illegal outposts remained untouched, and the construction of the wall continued, cutting deep into Palestinian territory and resulting in the confiscation of property, farmland and water sources and this isolation of Palestinian villages and towns.

22. **Samir Abdullah**, Minister for Planning of the Palestinian Authority, said that the United Nations was an important safety net for the Palestinian people, providing humanitarian assistance and building capacities and institutions. He said the Palestinian people faced the gravest threat to its unity as a result of the coup in the Gaza Strip that had been perpetrated by Hamas. In order to prevent the coup from spreading to the West Bank, the Palestinian Authority had reformed the security agencies and imposed the rule of law. Meanwhile, the Authority was confronted with numerous challenges, in particular the weakness and ineffectiveness of its institutions, which had suffered under the leadership of Hamas. It faced a considerable budget deficit, in addition to accrued obligations to employees and the private sector in excess of US\$ 1.3 billion. In addition, it had to deal with frozen development work, chronic economic stagnation, non-conducive depressed investment climate and the large-scale flight of money and human capital.

23. He said the Authority did not allow the citizens of the Gaza Strip to be punished. Despite Hamas' refusal to restore the sovereignty of the legitimate Government over the Strip in order to unify Palestinian efforts for peace, the Authority continued to pay salaries, provide educational and health services, and supply Gaza with fuel and electricity. Despite the Israeli blockade, which had tightened in recent weeks, the Authority, along with some Arab countries, United Nations bodies and the international community had succeeded in preventing a humanitarian disaster. The Authority had also exerted its diplomatic efforts on ending the blockade in Gaza by presenting an initiative to administer the Gaza crossings in accordance with the agreement signed by the Palestinian Authority and the Government of Israel in November 2005. It had also exerted efforts to stop the assassinations and demolitions perpetrated by the Israeli occupation authorities. But both Israel and Hamas had stood against it. The Authority still believed that that initiative was the only way to end the collective punishment that was being imposed on Palestinians in the Gaza Strip. It could also salvage the private sector which could function only when border crossings were open and materials could be traded into and out of the Gaza Strip.

24. At the political level, he felt that Palestinian diplomacy had been activated at Annapolis, as reflected in international support for its initiative, despite attempts by Israel to frustrate preparations for that conference and prevent it from reaching a good outcome. Among other things, the conference had ensured that the Palestinian question was the focus of international attention, including in the development and economic spheres. Attempts had been made to garner further support in Paris, which had been a turning point for the Palestinian Authority. The support, totalling pledges in the amount of US\$ 7.7 billion, had reflected the international community's confidence in the Authority; it was both an opportunity and a responsibility, which the Authority would live up to.

25. Statements were also made by representatives of Governments and intergovernmental organizations. Speaking on behalf of the Non-Aligned Movement, the representative of Cuba said he remained concerned at the critical situation on the ground and at the "indiscriminate and excessive" use of force by Israel. The Movement continued to uphold the cause of the Palestinians and the urgent need to end the prolonged Israeli occupation of all Arab territories occupied since 1967 and the establishment of a

Palestinian State with East Jerusalem as its capital. Israel must immediately cease its aggression against the Palestinian civilian population and withdraw its forces from the Gaza Strip to the positions it held before June 2006. The Movement was also concerned about the continued deterioration of the political, economic, social and humanitarian situation in the Occupied Palestinian Territory, and, in many forums, had strongly condemned Israel for its deliberate and illegal policies and practices in modifying the demographic composition and geographical nature of Palestinian land.

26. He said Israel must stop the construction of settlements and the illegal construction of the wall, which constituted a violation of international law, namely the advisory opinion of the International Court of Justice. He expressed the Movement's condemnation of the recent attacks against civilians in Gaza, which aggravated the humanitarian situation in the Gaza Strip, where the Palestinian population was subjected to "collective punishment under cruel occupation". He called on Israel to open all crossings there, and welcomed the Palestinian Authority's proposal to assume responsibility for the crossings. It was no secret that Israel's "unpunished" actions were due "greatly" to the protection given it in the Security Council and other forums, including in 31 vetoes related to the Palestinian question. In fact, despite the ongoing humanitarian crisis in Gaza since January, the Council had failed once again to act. The Council's impasse under the current circumstances was unjustified, and he urged it to act without delay. He said the optimism after the Annapolis and Paris conferences had faded due to the continued deterioration of the situation, especially in the Gaza Strip. It was paramount now that international humanitarian assistance to the Palestinian people become a reality.

27. The representative of the League of Arab States said that the humanitarian catastrophe of the Palestinian people would not be confined to the Occupied Palestinian Territory, it would spill over to the whole region and constitute a new and serious threat to international peace and security. This situation was brought about by the continuation of the Israeli occupation of the Palestinian land and the Israeli military campaign and aggression against the Palestinian people. Israeli measures constituted collective punishment with closures and blockades, closing all the crossings and cutting the supplies of electricity and fuels. The measures had also impeded the delivery of humanitarian aid, food and medicines, causing the death of many Palestinians. Israel had continued settlement expansion, the construction of the wall and the judaization of Jerusalem, changing its demographic character. She said that Israel's designation of the Gaza Strip as a hostile entity could lead to further arbitrary measures and the violation of international law.

28. Israel's violation of international law was committed by Israel under the eyes of the international community. At its extraordinary session in January, the League had taken decisions including holding Israel fully responsible for the deteriorating conditions of the Palestinian people, calling upon Israel to immediately stop its practices of blockades and closures, open crossings and allow basic needs to arrive. The League also considered the Gaza Strip a disaster area, and called on the international and Arab communities to provide the assistance necessary to the Palestinian people. The representative pointed out that, only one week after the Annapolis conference, Israel had announced the building of more housing units in the West Bank, in violation of the pledges it had given at that conference and of the spirit of the Road Map, which had destroyed the confidence needed for the resumption of permanent status negotiations and raised doubts about Israel's intentions. She called upon the international community to bolster the Palestinian economy as a base for a future Palestinian State and to build the necessary infrastructure and viable institutions necessary for the Palestinian State to survive.

29. The representative of the Organization of the Islamic Conference warned that the meeting was being held under "very dangerous" conditions, as a result of the Israeli blockade in the Gaza Strip. He said the Israeli aggression was continuing at a dangerous level in the West Bank, where Israel continued to establish settlements and divide the area along racial lines, establishing checkpoints and military blockades, and continued its religious aggression by digging under the Al-Aqsa Mosque. He pointed out

that what was being perpetrated by Israel ended the hope which prevailed after the Annapolis meeting and the Paris Donors' Conference and ran counter to the efforts of the international community for the achievement of a comprehensive and just peace in the Middle East and the establishment of a Palestinian State in 2008.

30. Therefore, the international community should press Israel to stop its aggression and implement its commitments under the Road Map. It should remove impediments to the Palestinians' ability to build a national economy in preparation for their establishment of an independent State. He urged Member States and the private and non-governmental sectors to provide all possible support to the Palestinian Authority. He said that many bodies and funds affiliated with the his Organization, including the Islamic Development Bank and the Islamic Solidarity Fund, would provide support and contribute all possible funds.

31. The representative of the United Arab Emirates said the Seminar confirmed the fact that the international community bore responsibility for helping the Palestinians establish their State. His Government had continuously provided assistance and other kinds of aid to Palestinian organizations and the Palestinian people, helping them to confront their difficult living conditions and meet their basic needs. He said his Government had also extended assistance to build infrastructure and housing units.

32. Referring to the Palestinian Reform and Development Plan which had been submitted by Prime Minister Fayyad at the Paris Donors' Conference, he said that his Government's pledge reached US\$ 300 million, to be provided in three years to the Palestinian Authority. He said President Sheikh Khalifa Bin Zayed had declared in 2008 that the United Arab Emirates would provide US\$ 9 million to United Nations agencies that were delivering humanitarian assistance to the Palestinians in the Gaza Strip, including UNRWA, UNDP and UNICEF. He reaffirmed his Government's continued assistance to the Palestinian people until a solution was reached and peace was achieved in the entire region.

33. The representative of India said his Government had consistently supported the Palestinian people in realizing their just cause of an independent, sovereign and viable Palestinian State, existing side by side with Israel in accordance with the provisions of the Quartet Road Map. India had a long history in assisting the Palestinians in nation-building, taking the forms of project assistance such as the construction of the Jawaharlal Nehru Library at Al Azhar University in Gaza City and the Mahatma Gandhi Library-cum-Student Activity Centre at the Palestinian Technical College at Deir Al Balah in the Gaza Strip. Construction would begin shortly of the Palestinian Embassy in New Delhi, as a gift of the Indian Government. India had provided humanitarian supplies, including medicines and technical assistance to staff of the Palestinian Authority. It had consistently assisted the work of the United Nations through its contributions to funds and programmes, including UNRWA. At the Paris Donors' Conference, his Government pledged US\$ 5 million in assistance to the Palestinian people.

34. Regarding the recent events that were accompanied by violence against civilians in the Palestine Territory, India had called for return to normalcy so that the aspirations of the peoples in the region could be realized. He said an assistance package was being worked out and a separate announcement would be made in this regard. He said India would remain by the side of the Palestinian people in their endeavour of reconstruction and nation-building. It would renew its pledge to continue to render appropriate assistance to that end.

35. The representative of Pakistan said his Government had consistently extended unequivocal and unreserved support to the Palestinian cause, the fundamental elements being the total withdrawal of Israel from the occupied Arab Territories, including Jerusalem; the restitution of the inalienable rights of the Palestinian people and their right of return; and the establishment of an independent homeland for Palestinians with Al-Quds Al-Sharif as its capital. Pakistan had supported all peace efforts for resolving

the Palestinian dispute in accordance with United Nations resolutions, the Quartet Road Map and the Arab Peace Plan based on a two-State solution. Pakistan supported the understanding reached at Annapolis last November for the establishment of an independent Palestinian State, addressing all core issues in 2008.

36. The Israeli blockade of the Gaza Strip and military strike in the territory, in contravention of international law, were an affront to the conscience of the international community. Israel had failed to abide by its responsibility under the Fourth Geneva Convention to protect the rights of the Palestinian people. It was the responsibility of the international community to stop the collective punishment of Palestinians in the Gaza Strip, bringing about an immediate lifting of the Israeli blockade, the cessation of Israeli aggression and allowing the flow of humanitarian aid and essential food and medicine. He said Pakistan was ready to play a constructive role in finding a settlement in the spirit of United Nations and Organization of Islamic Conference resolutions, the Quartet Road Map and the Arab Peace Initiative.

37. The representative of Malaysia said that over the years his Government had contributed funds to assist the Palestinian people, including two schools in Jenin. It had also supplemented budgetary expenses of the Palestinian Authority. At the Paris Donors' Conference Malaysia had pledged US\$ 1 million to assist the Palestinian economic recovery. Despite the glimmer of hope at the beginning of 2008, the situation on the ground had broken the spirit of the Annapolis and Paris conferences. Time and time again, Israel had precluded meaningful talks and the forward movement of the peace process by taking measures and endless acts of provocation that had derailed the negotiations and constituted human rights violations. The seriousness of Israel to find a solution was questioned.

38. He opined that the international community should not be diverted by Israel's tactics; rather it had to remain steadfast in its support of the inalienable rights of the Palestinian people in the establishment of an independent and sovereign State of Palestine. Malaysia believed that it was imperative that the Palestinian people remain unified and immediately resolve their differences among themselves in order to focus on the establishment of their State.

39. The representative of Kuwait said that it had always been the policy of his Government to extend assistance to the Palestinian people. Kuwait believed that the Palestinian people should have their independent State on its homeland with Jerusalem as its capital. He said that Israel had to implement all resolutions adopted by the Security Council and those of other international organizations to guarantee the rights of the Palestinian people and enable them to establish their State.

40. He said Kuwait had pledged US\$ 300 million at the Paris Donors' Conference. Previous to that, assistance was extended through the Kuwaiti Fund for Economic Development, which continued to carry out developmental projects in the West Bank and the Gaza Strip, including housing projects and school construction. Kuwait had also contributed to the Al-Aqsa Fund and to assistance funds through the Islamic Development Bank.

III. Summary of the plenary sessions

Plenary I

Current constraints and challenges to the Palestinian economic development: the situation on the ground

41. The first plenary, entitled "Current constraints and challenges to the Palestinian economic development: the situation on the ground" comprised presentations by four experts. The sub-themes were: the economic and humanitarian situation in the Occupied Palestinian Territory; the scope of the humanitarian emergency in the Gaza Strip; and creating an enabling environment for economic recovery.

42. **Rosemary Willey**, Office for the Coordination of Humanitarian Affairs Field Coordinator for the West Bank, said the humanitarian situation in the West Bank was extreme, with 18 United Nations institutions providing services and responding to the needs. She said the constraints that Israel was imposing for security reasons on Palestinians in the West Bank were affecting the lives of the Palestinians in a very concrete way. She explained that Israel and the Israeli Defence Forces protected their citizens, wherever they might be, regardless of whether they were in legal or illegal dwellings. She described the daily ordeal of Palestinians and the constraints on movement and access in the West Bank by showing maps indicating the different kinds of checkpoints and blockades. She said they made life for Palestinians more costly in terms of time, fuel and dignity. The city of Nablus was essentially closed, as it could not be entered without passing through checkpoints, the main of which was permanently closed. For the remaining crossings, one needed a hard-to-get permit, but the restrictions essentially meant that Nablus was closed.

43. She went on to say that initial information on the separation barrier had been that, once completed, the number of internal closures would decline, but that had not happened and currently there was actually a "double layer" separating Palestinians from their workplace and people's houses from their olive groves. She expressed particular concern about the annexation of East Jerusalem, which had been placed on the Israeli side of the barrier, making it difficult for the Palestinians to enter the city for their essential services. The significance of the connection between the West Bank and Jerusalem could not be over emphasized, with six major hospitals in the city, the holy places for both Palestinian Muslims and Christians and family ties. At present, there were only four crossing points through which Palestinians could enter Jerusalem, and only on foot. They needed a permit to make that crossing, and those were very difficult to get.

44. She next drew attention to the effect of closed military zones in the West Bank, saying they segment, fragment, and partition the West Bank into cantons. She reaffirmed the importance of removing settlements as key to a viable future resolution. Tunnels were built underneath Israeli bypass roads in order to provide a two-tier system for the safety of Israeli traffic between the settlements and Israel, while Palestinian traffic travelled on substandard roads. She emphasized that that issue was very serious. Constraints on the movement of Palestinians were major and barred any development and economic recovery in the West Bank. Illustrating the gravity of closures and blockades, she said that there were still babies born on the road, even as recently as January 2008, which was telling about the situation.

45. **Lana Tatour**, Information Coordinator of Gisha, the Legal Centre for Freedom of Movement based in Tel Aviv, said one of Gisha's main goals was to bring the voices of the Gaza Strip residents and their conditions to the Israeli public, the decision-makers, the High Court and the media, as well as to the international community and international media. In the light of the Gaza siege, it was more important than ever to make those voices heard. The siege on Gaza was being met with silence, and the sufferings and the conditions there were not being fully recognized. As time passed, less and less goods were entering Gaza. In the month prior to the Seminar, Gaza, with a population of 1.5 million, had received only 40 trucks with goods.

46. In September 2007, she recalled, Israel had declared Gaza a "hostile entity". Following that, in late October, Israel had announced that it would start reducing fuel and electricity to Gaza. Gisha, along with other Palestinian and Israeli human rights organizations, had filed a petition regarding restrictions on fuel and electricity, but Israel had claimed that it was maintaining the humanitarian minimum. It had also claimed that it was imposing economic sanctions. However, Gaza was "not a foreign State, but an Occupied Territory". Therefore, the law of occupation should apply. Israeli leaders were punishing the residents of Gaza for their political leadership. Putting pressure on citizens to win political gains was illegal and constituted collective punishment. Unfortunately, however, the court had rejected the petition;

the judges had not been convinced that Israel was not meeting the basic humanitarian needs of the Gaza residents, saying that the law of occupation did not apply in Gaza.

47. She reaffirmed that Israel controlled each and every aspect of Palestinian life in Gaza. The movement of goods and services was restricted. Talking about economic development, she said that the middle class in Gaza was starting to vanish slowly. When discussing economic aid for Gaza, the question was should aid go to meet humanitarian needs or economic development. The private sector in Gaza had completely collapsed. It would be very difficult to rebuild the private sector after losing all that had been accomplished. It would be hard to rebuild trust and to convince suppliers and investors that there was stability in Gaza. Important trading markets such as the West Bank and Israel had been lost. Even if the siege was lifted, the situation would continue because the economy had collapsed, with 80 per cent of the population dependent on humanitarian aid. She opined that Israel was acting in an irrational way. It claimed it was maintaining the humanitarian minimum, but there was no such thing.

48. **Tor Wennesland**, Donor Coordination Adviser of the Officer of the Quartet Representative in Jerusalem, said that the office of Mr. Tony Blair faced challenges and reality and was trying to paint a whiter shade of gray of the situation. He opined that there would not be any sustainable growth in the Palestinian areas before there was a negotiated political solution to the final status issues. There were limits as to what could be achieved on the economic and development side, given the current constraints. He said that the work of his team was focused on making changes, as many as possible and as fast as possible. But the scope of time was more and more limited. He said Mr. Blair was trying to achieve economic revitalization in a situation where the capacity of the Palestinian Authority was extremely constrained: the institutions had been demolished; a serious brain drain situation was unfolding; and the Authority's capacity was far less than it had been seven years ago. The Israeli hold on the West Bank and Gaza was creating an extremely difficult fabric of economy; achieving any significant growth required changing the realities on the ground.

49. He opined that the political situation on the Palestinian side made it difficult to facilitate broader economic activity in Gaza. He said that the Palestinian Authority was doing a marvelous job of convincing the donors, but the task of the Blair office was not only to start new projects, but also to revitalize those that had stalled. His office was moving forward seriously in some major sectors, but he described the work being done as a major walk up a very steep hill. Specifically, the work of his office was to underpin Annapolis and get the compromises needed for the two-State solution, he said, adding, however, that the logic was reverse. He repeated that it was not possible to fully succeed precisely because there was no political solution, which was the main dilemma, the general dilemma of economic change in the Palestinian situation at present.

50. He said he saw a serious effort to address that situation, first and foremost, by the Palestinian Authority itself, which was seeking to build capacity. There was complete under-capacity in the security sector, and an effort was being made to address that. A convincing argument had to be made for the Israelis to withdraw. Capacity was also seriously lacking in the civil police and judicial sectors. A major part of the Mr. Blair's vision had been to revitalize the private sector in the Palestinian Territory. He said, metaphorically, that his team was burning the midnight oil to provide the underpinning to the political negotiations, which had to be in place to reach the necessary compromises, but he said he was not sure whether it would succeed or not. The key to success would be the ability to run a dialogue with the Israelis, which would enable the unshackling of impediments to economic growth. His team was spending a lot of time on that, and for a very good reason.

51. **John Ging**, UNRWA Director of Operations in Gaza, said that the title of the report of the International Committee of the Red Cross, "Dignity denied in the occupied Palestinian territories" was an indication of just how bad the humanitarian situation had become in the Gaza Strip. Upon entering Gaza,

the first scene to encounter was a pile of rubble where once stood an industrial zone. The destruction in Gaza was occurring at an alarming rate. It posed a challenge in terms of expense and time, and was having a profound impact on the psychology of the people. Hope had given way to despair. The two principle issues that were underpinning the deteriorating humanitarian situation were violence and the lack of access for people and supplies. Violence and a pervasive sense of fear permeated every household. He reviewed the numbers of Palestinians killed and injured in 2007, adding that the rate of deaths and injuries continued unabated in 2008. It was very important to refer to the security challenges faced by the Israeli public from firing rocket and mortar shells from Gaza into Israel, terrorizing the Israeli population in the south.

52. He said the restrictions of access of people and goods were also underpinning the humanitarian misery of Gaza at the moment. Every family was struggling to cope with personal crisis. That pathetic state was clearly visible on 23 January, when tens of thousands of people broke out of Gaza to buy food and medicines and other household supplies. Every basic commodity was in short supply, from fuel and light bulbs to detergent and household supplies. With the border at Rafah sealed once more, the population was trying to cope with a 50 per cent reduction of the pre-January 2007 level of supplies. The day before it had been announced that ambulance services would be suspended because gasoline was running out.

53. He said that the power plant was not getting enough fuel, there were no raw materials for manufacturing, 80,000 people had lost their jobs and were depending on United Nations handouts, and many were not getting enough food, less than the three square meals a day a common prisoner would receive. Because of the restrictions, 200,000 children in UNRWA schools had returned last September without their textbooks; paper had again been denied entry into Gaza. He supposed that the devastating impact on the psychology of an entire population could not accurately be measured or conveyed in words. He said Gazans needed effective humanitarian intervention now, mainly for the protection described in humanitarian law and human rights convention. The absence of an effective mechanism to hold decision-makers accountable for actions was feeding into a sense of injustice and despair. If the rule of law was not credibly and effectively restored, then events, and not policy, would ensure that the Middle East remained on its current troubled path.

54. **William D. Corcoran**, President of American Near East Refugee Aid, based in Washington, D.C. said that his organization had been able to ship into Gaza US\$ 8 million worth of medicines since the closures. When discussing economic assistance it was important to bear in mind that the lines between relief and development had become totally blurred. He stressed that local and international non-governmental organizations could be reliable partners in economic recovery. Illustrating that point, he said that his 40-year-old organization last year had delivered US\$ 43 million worth of services and projects to the Occupied Palestinian Territory, and that it also worked in Jordan and Lebanon.

55. In terms of educational infrastructure, American Near East Refugee Aid provided more classroom space, funding for schools, capacity-building and training for teachers, pre-schools and community centres, and mobilized private resources for that and related purposes. His Organization was currently feeding 20,000 pre-school children daily in the Gaza Strip, and was screening them for vision, hearing and other learning disabilities. New initiatives were also under way in the education portfolio, which included the design and construction of four information technology centres in connection with four West Bank universities.

56. He said that the non-profit community had found innovative ways to further the process of development in the Palestinian Territory by engaging individuals, enterprises and bilateral and multilateral donors. Non-governmental organizations possessed institutional memory for development activities, an attribute of great importance, in view of the changes on the ground. He said that 96 per cent

of his organization's staff were Palestinians, who were subjected to all kinds of movement restrictions. Those restrictions were precluding the work of development institutions. He recommended that assistance providers think small, as, all too often, the big plans were held up by technical requirements or unforeseen circumstances. The time might be ripe to settle for short-term activities, such as for the most urgently needed improvements; small projects might be more manageable right now.

Plenary II
Towards a viable Palestinian economy:
from dependence to rehabilitation, reform and economic recovery

57. The second plenary, entitled "Towards a viable Palestinian economy – from dependence to rehabilitation, reform and economic recovery", comprised presentations by five experts. The sub-themes were: the Palestinian Reform and Development Plan; proposals for stabilizing the Palestinian economy, including through international assistance mechanisms; and establishing Israeli-Palestinian economic links and creating conditions for private sector development.

58. **Samir Abdullah**, Minister for Planning of the Palestinian Authority, said that the Palestinian Reform and Development Plan was a comprehensive policy document and a three-year fiscal horizon reflecting the reform and development agenda. It was based on two major documents: the medium-term economic framework, which was an approach linking policy and planning and budgeting; and the medium-term fiscal framework, reflecting the availability of funds and the budgeting process concerned, the allocation of financial resources based on the medium-term economic and fiscal framework, and national priorities. It was a "bottom-up and practical" participatory approach, which included all Government agencies, and it required the commitment of the Palestinian Authority as a whole. It represented a change in terms of planning culture and an approach that involved translating national goals into sectoral ones.

59. Nevertheless, he said, a process of learning by doing would take a few years to materialize. The process had begun in 2007, and it would take a few years for it to become part of the culture, part of the planning process. He described, through a power point presentation, the national policy agenda, the major goals of which were to establish safety and security, good governance, prosperity, and enhance quality of life. Those goals, in turn, were translated into objectives, policies and projects to be implemented by the different ministries. In order for the process to materialize, good public administration was required. The first component of the Plan was good governance. Palestinians not happy with the Palestinian Authority had punished it by electing Hamas. The main point now was to establish public confidence. That was being done by establishing the rule of law and managing internal administration affairs in a fiscally responsible way, and implementing institutional reforms.

60. The main component in governance was security sector reform. He said it was no secret that the judicial system was paralyzed and needed to be fixed. Starting in 2008, establishing the rule of law under the Justice programme would require upgrading of court and criminal justice infrastructure. Moving to fiscal reform, he said that more than 60 per cent of the budget came from donors, which was unacceptable. The Authority had to boost revenues by adopting policies that enhanced business confidence and reduced public employment. After detailing other areas, he said the reconstitution of the single treasury account and the appointment of an Accountant General to supervise, inter alia, payroll and debt would render budget implementation more efficient and accountable. Institutional arrangements to monitor and evaluate the implementation of the Plan would require the different ministries to provide regular reporting and the Ministry of Finance and the IMF would produce quarterly financial reports to monitor progress. In the long term, a new Government-wide integrated financial management information and monitoring system would be established.

61. **Roby Nathanson**, General Director of the Macro Center for Political Economics, in Tel Aviv, began by taking stock of Israeli-Palestinian economic relations after the Paris Accords. The purpose of the Paris protocol was to regulate and govern the Palestinian-Israeli economic relations during the interim period until a final status agreement was reached. The idea was to generate regional cooperation, such as the free movement of goods, services and labour, and a joint customs system. Implementation of the protocol was impeded, however, by measures such as the division of the West Bank into cantons and the limited movement between different areas inside the West Bank. The closure of border crossings from Gaza into Israel and Egypt and the isolation of East Jerusalem from the West Bank also impacted trade and commerce. Despite those impediments, the Palestinian economy still grew steadily until 2000, as reflected in the increase of gross domestic product and median wage earning and the decrease in unemployment.

62. He recalled that with the eruption of the second intifada in 2000, however, and subsequent border closures, the Palestinian economic situation had deteriorated, and that situation had intensified after the election of the Hamas Government in 2006. Direct aid was cut off to the Palestinian Authority. The gross domestic product declined to between US\$ 3.5 billion and US\$ 4 billion and unemployment rose 30 per cent. Before the second intifada, nearly 95 per cent of Palestinian exports went to Israel, which was an absorbing market for Palestinian products and the most important for the Palestinian economy, he said. But those exports had declined sharply, and the Israeli market had become less and less important for Palestinian exports, which had impacted the Palestinian economic development.

63. He said that there had been a window of opportunity after Oslo for economic development and cooperation between the two sides for a future Palestinian State, but the process had been derailed by the second intifada and, in 2006, by the election of Hamas. He stressed that a strategic decision should be taken regarding economic relations between Israel and the Palestinian people. There were two options. One was the continuation of conflict, which would have disastrous consequences for the Palestinians and the Israelis. The second was to work towards a final status agreement based on the two-State solution. It was better to talk about a friendly, rather than a hostile, separation of both economies, enabling Palestinians to achieve a dramatic change in their economic situation. It would improve the gross domestic product per capita, create new jobs and build a sustainable economy on four main foundations: exports to Israel; exports to Arab markets; exports to western markets; and tourism. In order for Palestinians to achieve dramatic change, Israel had to reduce impediments on the ground.

64. **Roy Dickinson**, Head of Operations of the European Commission Technical Assistance Office for the West Bank and Gaza Strip in East Jerusalem, recalled the European Commission's launch in January of Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique (PEGASE) in support of the Palestinian people, and said that the solidarity of the European people with the Palestinian people had been an extremely important aspect of European external policy for a long time. Indeed, the European Union had been a major player on both the political and economic fronts. The Union's role, however, had had its ups and downs. For some years, the European Commission had been the biggest single partner of the Palestinian Authority in financial terms, and the European Union as a whole, including its member States, was by far the single biggest supporter of the Palestinian people through the Palestinian Authority. That support faced a crisis in 2006, when Hamas was elected, because the European Union no longer wished to deliver assistance to the Palestinian people through the Palestinian Authority. In 2006 and 2007, European solidarity with the Palestinian people was stronger than ever, and despite the fact that the Union would not work with the Palestinian Authority, it nevertheless found ways of delivering more assistance to the Palestinian people than ever before. In 2007, the European Commission and its member countries contributed approximately US\$ 1.5 billion, most of which went directly to the Palestinian people.

65. He said the mechanism for providing that assistance in 2006 and 2007, which avoided the Government, was oriented towards the basic needs of the people, rather than to economic development. It had not been the most efficient way of giving aid. Consequently, in the middle of 2007, the European Commission felt the time was right to rethink the way it provided assistance to the Palestinian people. Thus, in 2008, following the Paris Donors' Conference, where pledges of US\$ 7.7 billion were made, the European Union and its members wished to find new ways of developing a partnership with the Palestinian Authority and determining which priorities to fund. He said that the new mechanism was currently operational under the name PEGASE, which provided support for the implementation of the Palestinian Reform and Development Plan.

66. He explained that, in 2008, the European Union would formally re-launch a joint action plan, whereby the Union and the Palestinian Authority set out a series of priorities concerning political dialogue and economic cooperation. The next day, trilateral cooperation would resume between the European Commission, Israel and the Palestinian Authority on trade, when senior officials would meet in Brussels for the first time in years to discuss trade issues of common interest. He went on to say that no amount of financial assistance and fiscal reform by the Palestinian Authority would remedy the situation in Gaza. At the same time, Israel needed to be secure. Once the Palestinian Authority had delivered on its security agenda, it was important that Israel reciprocated in the movement and access agenda. Meanwhile, the European Union had urged other donors to step up and help bridge the gap between expenditure and income for the Palestinian Authority. Ultimately, however, it was the peace process and changes on the ground that would enable that economy to grow.

67. **Takeshi Naruse**, Resident Representative of the Japan International Cooperation Agency (JICA) office in the West Bank and Gaza, began by saying that confidence-building between Israel and the Palestinians could be achieved only through dialogue, and that violence was worsening the situation. Intervention by a third party was required to promote reconciliation through providing opportunities for the two peoples to resolve impediments. He then focused on projects and proposals for community empowerment, regional development and a platform for dialogues through comprehensive peacebuilding approaches. He said that it was not easy to find a development engine in the Palestinian Territory, owing to its harsh natural conditions and the Israeli occupation. But it was essential to utilize its limited and fragile economic infrastructure as effectively as possible, and encourage community-based small-scale enterprises by assisting the local governments and empowering local communities, which had been left out and marginalized. In fact, he said, the politically and economically detached local community was "a cradle of a vicious circle and endless violence".

68. In order to encourage community empowerment, JICA had planned a holistic approach, in combination with some important community-based interventions, identifying potentiality and preference of diverse communities to create a successful community model. It chose Jericho and the Jordan River Valley as a target area for planning and implementing a series of technical cooperation activities on the ground. The aim was to establish a democratic local governance system and improve the level of social services to communities. In 2005, he noted, JICA had launched three technical cooperation projects and one master plan study project in the framework of the Jericho Development Program. Those included a mother-and-child health improvement project, a solid waste management project, and a local government capacity-building project. Another master plan study project on the coastal road in Gaza was planned, although that had been suspended because of the deterioration of security.

69. Those projects constituted the basic idea of the "Corridor for Peace and Prosperity", which had been that was proposed by the former Japanese Prime Minister, Junichiro Koizumi, the previous year. He said that those and other initiatives by JICA had gradually been recognized by the Palestinians, leaving tremendous impacts on the future views on both the Palestinian Government and the private sector. They had also drawn the attention of the Israelis, as a new peace initiative of the Japanese Government. It

should be remembered that communities were the main actors for stability and instability. Approaching the community and its people in the area of basic human needs only was not sufficient. Rather, JICA sought to motivate communities through comprehensive mid-term and long-term development projects.

70. **Nasser Shraideh**, Secretary-General of Jordan's Ministry of Planning and International Cooperation, highlighted the importance of supporting the Palestinian economy through regional cooperation. The situation in the Occupied Palestinian Territory had been deteriorating, and the Palestinian economy was facing many critical challenges. During the course of the Seminar, many speakers had already addressed that, stressing that the persistence of the current situation would only magnify the suffering and socio-economic desperation.

71. He stressed the importance of current innovative ideas, such as the Japan initiative "Corridor for Peace and Prosperity", which contributed not only to the development of regional partnerships, but also to confidence-building among the countries of the region. Such models also supported the founding of a self-reliant economy and were instrumental in attaining regional peace and stability. Jordan, in the light of the historical and demographic relations and proximity it enjoyed with Palestine, could be a gateway for efforts to achieve the plans for reforming and developing the Palestinian economy.

72. He expressed appreciation to JICA for implementing the first phase of the feasibility study and the master plan and for identifying the location of the agro-industrial park. He also mentioned other projects under the initiative, such as the construction of bridges, which was promising for the fluid movement of goods from the agro-industrial park to reach world markets. He said that other areas for technical support had also been identified by the initiative, such as crop production and post-harvest activities, water resources management, marketing, packaging and quality assurance. Progress was not easy to achieve given the numerous limitations on the ground. Despite the efforts exerted so far, more were needed and time should not be wasted to achieve the desired benefits that the initiative could bring not only for Palestinians, but also for Israelis and Jordanians.

Plenary III **Mobilizing international assistance in support of the** **Palestinian Reform and Development Plan**

73. The third plenary entitled "Mobilizing international assistance in support of the Palestinian Reform and Development Plan" comprised five presentations. Experts addressed the following sub-themes: "Underpinning the political process: the Paris Donors' Conference; the role of the United Nations system"; and the contribution of intergovernmental and civil society organizations.

74. **Mohammad Shtayyeh**, President of the Palestinian Economic Council for Development and Reconstruction in Ramallah, said the Palestinian economy was in a deep dependent relationship with Israel, in more than one respect, including trade, labour and infrastructure. The cause of the Palestinian economic crisis was not the result of a particular policy of the Palestinian Authority, but of Israeli occupation and the political situation in the Occupied Palestinian Territory. He recalled that the Oslo Agreement was supposed to have ended in 1999 with the establishment of a Palestinian State, but that interim period that had begun in 1993 had persisted until today.

75. He remarked that the year Hamas came into office, 2006, US\$ 1.6 billion in donor contributions was received because non-traditional donors, such as the Islamic Republic of Iran, had come into the picture. Consequently, the argument that donors did not give money to the Palestinians during the Hamas period was not true. It was true, however, that the dynamic had changed. Citing the example of the European Union, he said it supported the Palestinian people directly, not through the PA Finance Ministry. He explained that there was not a 100 per cent match between donor priorities and Palestinian priorities. He

was, however, hopeful that would change, and that 2008 assistance would allow growth in the Palestinian gross domestic product (GDP) by no less than 5 per cent. Turning to the Paris Donors' Conference, he said that some donors had linked the US\$ 7.7 billion of contributions to conditions such as progress in the peace process, Palestinian national unity and agreement with Hamas. He said that because of aid procedures that were usually complex, he would be satisfied if 50 per cent of that money was actually spent in the Palestinian Territory.

76. He said that if donors' money was linked to political progress, then the absence of a political solution would shrink assistance, and Palestinians would then be punished twice; once by receiving less aid and twice by continuing to live under occupation. While there was a mechanism for dispensing donor money, there was no mechanism by which the donor community could pressure Israel to make political progress. The Palestinian Authority had exerted efforts to establish law and order in order to allow the flow of aid to the Palestinian economy. If Israel did not make progress on the ground, removing impediments and allowing the Palestinian economy to grow, donors would take a "wait and see" attitude. He said it was a false claim that the Gaza Strip was left out of the Palestinian Reform and Development Plan, with approximately 40 per cent of the projects devoted to the Strip. The Palestinian people were not lazy, and their land was not infertile. The present economic crisis was driven by the military might of the Israeli occupation and political siege. The measures being taken by Israel were resulting in the "Somaliaization" of Gaza. He concluded by asking the donors to expedite the disbursement of pledged aid in order for development projects to alleviate poverty.

77. **Atif Kubursi**, Professor of Economics at McMaster University in Hamilton, Ontario, said that the Palestinian economy was tied very strongly to the Israeli economy, and was dwarfed by its richer, more diversified economy, which outperformed it. The closures, embargoes and roadblocks had fundamentally reduced the capacity of Palestinians to absorb surplus labour and, thus, they had started to "de-formalize" into disorganized sectors, taking the economic activity from the trading to the non-trading sectors, thereby narrowing the fiscal space of the Government and the economic space of any meaningful production. The high-cost Palestinian economy, which was experiencing constant outflow of capital and being isolated from the Arab world, lacked the opportunity to attract capital. That isolation increased the cost of production, in a way that created price distortion, precluding it from trading competitively. Palestinian garments were twice as expensive as Jordanian goods, for example. Those distortions were a day-to-day reality, making it extremely difficult for aid to be effective, as aid had to aim at relieving the economy from those distorting activities that the occupation had instituted.

78. He noted that, in many respects, the United Nations attempted to sustain the Palestinian economy by minimizing the vulnerabilities and narrowing fiscal policy space. Despite the difficulties, the United Nations had 18 organizations on the ground, and had been able to maintain its operations and deliver the broad spectrum of assistance to the Palestinians, without conditionalities, not only in the West Bank, but also in the Gaza strip. He said that the United Nations had always been careful not to de-link its relief work from the developmental perspective. The Organization had been the objective eye of the world on the suffering of the Palestinians caused by the brutal occupation. No other organization could do that more effectively. The United Nations had also seen the need for structural transformation, through capacity-building and options for the Palestinians. It had also tried to widen the policy space, to affirm the human development paradigm and the broadening of people's choice. If anything contravened that paradigm, it was occupation.

79. He said the most important expression of today's human development was the synonymous equation of development with freedom, because, without freedom, development objectives could not be realized. Another way for the United Nations to become more effective and more consistent with its objectives would be to open options with the Palestinians by re-empowering, re-developing the access of the Palestinian economy to trade with Jordan and Egypt and from them to the Gulf States. It was the third oil

boom to whose benefits the Palestinian economy had been shut off. At present, 92 per cent of Palestinian trade was with Israel, 2 per cent with Egypt and 3 per cent with Jordan, he added. The Palestinian Territory had comparative advantage in trading with the Arab countries. He concluded that any aid to the Palestinians was ultimately an aid to the Israeli economy, relieving Israel of its responsibilities to meet the needs of the Palestinian people. The international community had the obligation to make the Israeli occupation costly, only ending the occupation would make any aid meaningful.

80. **Wajih Azaizeh**, Director General of the Palestinian Affairs Department at the Ministry of Foreign Affairs of Jordan, agreed that the Palestinian economy had lagged behind because of occupation. Since 2000, most Palestinian economic sectors had sustained great losses. The number of impediments, including military barriers, had increased to 563, and the comprehensive blockade imposed on the Gaza Strip had brought life to a standstill. Most of the economic sector and services were unable to function, daily life had been disrupted and, overall, the impact of the closures had been enormous. Citing recent statistics, he noted that 57 per cent of Palestinian households suffered from poverty, including 42 per cent in the West Bank, and 79 per cent in the Gaza Strip. The unemployment rate exceeded 40 per cent and the rate of lack of food security stood at 34 per cent. Prices had soared in 2007, particularly of basic commodities, at a rate of 5 per cent. In order to achieve the political process and a level of security and stability, the economic and development challenges had to be confronted.

81. He stated that Jordan had spared no effort on the international and regional levels in support of the Palestinians, to the extent that it had become a distinct feature of Jordanian diplomacy. Quoting Jordan's King Abdullah II, he said progress in the peace process could not be achieved without the understanding of all parties that the continued deterioration of the Palestinian economy would exacerbate Palestinian suffering and threaten Israeli security. Consequently, Jordan had emphasized the need for continued assistance for the Palestinian Authority to improve its institutions. A better climate for investment and the exportation of products, particularly to Arab countries, should be developed, helping rebuild the Palestinian national economy. Jordan had always attempted to find a just and lasting solution to the conflict by participating in conferences such as the Annapolis and Paris ones and by building confidence between the two parties. Currently, he said, Jordan was coordinating with the international community in preparation for the upcoming conference in Moscow.

82. He said Jordan was the gate for Palestinian exports, capital and businessmen. Jordan had also given Palestinian exports competitive advantage by exempting Palestinian goods from custom duty. In addition, Palestinian and Jordanian banking capital was closely tied together. He discussed projects initiated by Jordan in support of the Palestinians, including the effort to link electricity grids to Jericho and Ramallah. Jordan also continued to send foodstuffs, medicines and other basic commodities on an urgent basis to the West Bank and Gaza, and it had established hospitals there, as well as in Jerusalem and Nablus. It had also opened hospitals in its own country for the purpose of treating Palestinian refugees in need. It maintained the nationality of Palestinian refugees and gave them their full rights, while allowing them to integrate into Jordanian society.

83. **Naomi Mark**, Gaza Project Coordinator of Physicians for Human Rights in Tel Aviv, said the main dilemma faced in work like hers stemmed from the tension between political and humanitarian work. Helping individuals meant getting some degree of cooperation from Government bureaucracies, and it was always a risk that that help could be used by the Government, against which her organization struggled. She said she had chosen to be a civilian who opposed occupation of the Palestinian Territory and the militaristic atmosphere of her society. She had refused to serve in the Israeli military. Instead, she worked for Physicians for Human Rights in Israel. Established in 1988, the organization had more than 1,500 members. Its mission was to obtain human and health rights for those whose rights were violated in Israel and the Occupied Palestinian Territory.

84. She said her organization represented and assisted prisoners and detainees, migrant workers, undocumented persons and refugees, Bedouins from the unrecognized villages, citizens who do not have medical insurance and Palestinians from the Occupied Palestinian Territory. In the Occupied Palestinian Territory, her organization worked to establish solidarity with the Palestinians on two levels: of operating mobile clinics in different Palestinian villages to provide direct medical assistance, which was severely lacking; and of advancing health rights through political human rights work. Raising awareness through presentations in the courts and lobbying for legislation, attempting to pressure the Israeli Government to acknowledge its responsibility and to respect the health rights of Palestinians under occupation, including access to health services by Palestinian patients whose treatment was not available in the West Bank and the Gaza Strip.

85. Through a power point presentation, she showed the process by which a Palestinian received a permit to leave Gaza for hospital care. She described the relationship between the Palestinian committee and the Israeli side, both required for the permit, as "Kafkaesque"; a patient could wait anywhere from one week to a couple of months for an answer from the Israeli side or the Israeli General Secret Services, and, even then, there was no guarantee that he or she would be granted a permit. She noted that, as time passed, more sick people with life threatening illnesses sat in Gaza with no treatment options. Humanitarian work must also flow from an understanding that the problems would be solved once occupation ended, she added. As long as Israel controlled the crossings, and the air space and the sea in the Gaza Strip, it was responsible for implementing human rights, including the health rights of the citizens of Gaza. After the designation of the Gaza Strip as a hostile entity, the permits were denied even to patients with life-threatening conditions. She stressed that in no conflict should patients be held hostage. If the international community wanted security for Palestinians and Israelis, it should help redefine the meaning of security. Only when personal security was equal for everyone would there be a chance for peace.

86. **Charles Clayton**, National Director of World Vision in Jerusalem and Chairman of the Association of International Development Agencies (AIDA) working in the Occupied Palestinian Territory, said 67 civil society organizations in the Occupied Palestinian Territory were members of the AIDA network. AIDA brought annual aid of US\$ 300 million and represented 20 nations by registration and 50 nations in donations. Most importantly, his organization was in the business of facilitating dignity and hope for millions of people. Turning to World Vision, he said it had embarked on a project aimed at transforming the lives of 100,000 children and their families, whom they knew by name, helping them achieve an acceptable level of well-being and stability by 2020. That number represented one-tenth of the Palestinian population.

87. He said the Occupied Palestinian Territory was a unique environment for international aid. The occupation was prolonged, which meant that most children in Ramallah had never been to Jerusalem, only 10 kilometres away. The occupation drove poverty and misery, yet it also enjoyed foreign sponsorship. Very few aid contexts came close to that extraordinary distortion. He said that the violence committed by both sides, though unequal in scale, was equally entrenched and equally condemnable. Civil society organizations looked on with despair at the disregard for the protection of children and the violence against civilian populations on both sides. There had been a problem of revealing the truth, civil society organizations depended on public information for their funding ability. Lately, there had been a noticeable improvement in information dissemination.

88. He went on to say that the West Bank and Gaza were different from other aid environments. Many Palestinians were reluctant to admit their own needs because of traditional hospitality norms; a family would suffer hunger in order to give a guest a good meal and a good impression. Such an environment was called a de-development, where an organization could not depend on Human Development Indicators. By the time they knew that the children were stunted, another generation had already sunk.

He said micro credit was particularly difficult to operate in a situation of de-development. He said poverty in the Palestinian Territory did not manifest itself like it did in other countries. Therefore, it was hard to attract the right intervention. The average income of an Israeli was 25 times that of an average family in the Occupied Territory. A new definition of poverty was required that would help the rest of the world understand it more quickly and demythologize the political conflict. It would also help organizations to become realistic in appreciating the suffering on both sides, especially the Palestinian people.

IV. Closing session

89. **Mohammed Al-Allaf**, the Permanent Representative of Jordan to the United Nations, said his country greatly appreciated the role of the United Nations in securing justice for the Palestinian people, acknowledging the historical role played by the Palestinian Rights Committee in that regard. He noted that the meeting in Amman was in conformity with Jordan's policy in favour of all forms of support for Palestinians. His Government not only supported Palestinian rights, but also embraced, defended and relayed them to all international forums. During the latest humanitarian crisis in Gaza, Jordan had exerted diplomatic efforts to lift the siege and stop the military aggression, strictly rejecting collective punishment, unilateral measures and incessant military escalation. He said Jordanian efforts included humanitarian assistance such as providing access to Jordanian hospitals for Palestinians.

90. The events of the past month had led to a socio-economic crisis in the Occupied Palestinian Territory of an unprecedented level, pointing to a humanitarian disaster. Still, the Palestinian issue was a political issue, he said. The only way to build a Palestinian economy lay in a just and political settlement that would put an end to the Israeli occupation. The political, social and economic fabric for the creation of a Palestinian State was more ready than ever, despite the strategic diversion on the ground. There was a wide-scope international momentum from Annapolis and the success at Paris. There was also the Palestinian Reform and Development Plan, along with the serious political will of the Palestinian leadership, to create a democratic political regime that enjoyed transparency and openness. He said that the creation of two States was no longer a dream, but a strategic viable objective.

91. **Riyad Mansour**, Permanent Observer of Palestine to the United Nations, said that Gaza's private sector and economy had collapsed, but today, following the Annapolis and Paris conferences, there was a massive international collective will evident on two fronts: to end the occupation and for the establishment of a Palestinian State. For that to happen, the institutions of the Palestinian Authority should be provided with all sustenance of life. He said, however, that it was not wise to remain mesmerized by the atmosphere that followed Annapolis. It was difficult for the Reform and Development Plan to take off seriously when Israel was not living up to its commitments under the Road Map, namely, freezing settlements, dismantling outposts, removing obstacles, breaking the siege of Gaza, opening border crossings, returning the situation to the way it was in 2000, releasing political prisoners and opening Palestinian national offices in Jerusalem.

92. He said participants in the Seminar had received full reports from experts working on the ground, learning about the details of the situation: settlements mushrooming like cancer, the devastating wall dividing communities, the continuation of the Gaza Strip siege and the proliferation of checkpoints. That environment was not conducive to peace or to advancing the cause of the Annapolis and the Paris conferences. This was a critical moment, a historical moment, for everybody to step up efforts to try to save the peace process. Palestinians needed to know that peace efforts would spawn concrete dividends. What was needed was for efforts to be multiplied, lest the Annapolis and Paris conferences be, like other attempts, failed experiences. He urged everyone to take as the Seminar's message to show the highest determination not to allow that exercise to fail.

93. **Paul Badji**, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, said that the reality of life under occupation was extremely disturbing. It was a reminder of the Committee's duty, as well as that of the international community, to continue to work in support of the Palestinian people. The situation in the Gaza Strip was a major source of alarm. While condemning the killing of innocent civilians, either by Israeli military operations or by the firing of rockets by Palestinian militant groups, participants concurred that it was unjust and unacceptable to punish the entire population in Gaza and besiege them. Israel's neglect to meet its obligation under the Fourth Geneva Convention to protect civilians under occupation, including its decision to gradually reduce fuel and electricity supplies to the Gaza Strip, was particularly disturbing.

94. Turning to the West Bank, he said participants had observed that the number of physical obstacles there had increased over the past year and tenders for new housing units had been issued in the thousands, in contravention of Israel's obligations under the Road Map. Humanitarian agencies working relentlessly to improve the living conditions of the Palestinian people were being precluded by Israeli restrictions particularly the prevention of movement and access. Those restrictions had to be immediately lifted, on the basis of the Agreement on Movement and Access of 15 November 2005.

95. He said participants considered the efforts by various United Nations agencies as an indispensable part of the broader international effort to alleviate the suffering of the Palestinian people. They welcomed the substantial pledges made at the Paris Donors' Conference and the Palestinian Reform and Development Plan, which had the full potential to succeed if it was met by Israel's fulfilment of its obligations and the support of the international donor community. The Committee called on donors to disburse their generous contributions pledged for the Plan at the Paris conference. Participants were reminded that emergency relief could not substitute for economic recovery and long-term development. Only with the improvement of the living conditions of the Palestinian population would the political process succeed. Sustainable long-term economic and social development would be possible only when Israel ended the occupation and a viable Palestinian State was created on the basis of the 1967 borders and in conformity with United Nations resolutions.
