
UNITED NATIONS SEMINAR ON ASSISTANCE TO THE PALESTINIAN PEOPLE

Cairo
26 and 27 April 2006

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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 Cairo on 26 and 27 April 2006, 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 60/3 6 and 60/37 of 1 December 2005. The theme of the Seminar was "International efforts at alleviating the Palestinian economic and humanitarian crisis".

B. Participation

2. The Seminar was attended by representatives of 56 Governments, Palestine, four intergovernmental organizations, two entities having received a standing invitation to participate as observers in the sessions and the work of the General Assembly and maintaining permanent offices at Headquarters, 17 United Nations bodies and six civil society organizations, as well as special guests of the host country and representatives of the media and academic institutions.

3. The Committee was represented at the meeting by a delegation comprising Paul Badji (Senegal), Chairman of the Committee; Ravan A.G. Farhâdi (Afghanistan), Vice-Chairman; Victor Camilleri (Malta), Rapporteur of the Committee; Angel Dalmáu, Ambassador of Cuba to Egypt representing the other Vice-Chairman of the Committee; and Riyadh Mansour (Palestine).

4. The following Governments were represented at the Seminar: Afghanistan, Angola, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, China, Cuba, Democratic People's Republic of Korea, Egypt, France, Ghana, Greece, Guatemala, Guinea, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, the former Yugoslav Republic of

Macedonia, Malaysia, Mali, Malta, Mauritius, Mauritania, Mozambique, Nepal, Peru, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Senegal, Serbia and Montenegro, Singapore, South Africa, Spain, Sri Lanka, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Venezuela, Vietnam 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); International Labour Office (ILO); Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO); United Nations Children's Fund (UNICEF); United Nations Conference on Trade and Development (UNCTAD); United Nations Development Programme (UNDP); United Nations Environment Programme (UNEP); United Nations Industrial Development Organization (UNIDO); United Nations Information Centre in Egypt (UNIC); United Nations Office for the Coordination of Humanitarian Affairs (OCHA); United Nations Office on Drugs and Crime (UNODC); United Nations Office of the High Commissioner for Refugees (UNHCR); United Nations Population Fund (UNFPA); United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA); Universal Postal Union (UPU); World Food Programme (WFP); and World Health Organization (WHO).

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

7. The following civil society organizations participated in the Seminar as observers: Arab Organization for Human Rights, Arab Organization for Young Lawyers, Bright Star Consultant Centre, Economic and Social Development Centre, General Association of Arab Archeologists and Islamic Relief.

8. The following dignitaries and experts presented papers: Gershon Baskin, Director, Israel-Palestine Center for Research and Information; Mahmoud Elkhafif, First Economic Affairs Officer, Assistance to the Palestinian People Unit, Globalization and Development Strategies Division, United Nations Conference on Trade and Development; Mohammed El-Samhuri, Senior Economist; Anders Fange, Director of Operations in the West Bank, United Nations Relief and Works Agency for Palestine Refugees in the Near East; Ambrogio Manenti, Head of West Bank and Gaza Office, Regional Office for the Eastern Mediterranean, World Health Organization; Khaled Mansour, Senior Regional Information Officer and Spokesman, Regional Bureau for the Middle East, Central Asia and Eastern Europe, World Food Programme; Roby Nathanson, Chairman, Israeli Institute for Economic and Social Research; Hani Nigim, Professor, Birzeit University; Francine Pickup, Head of the Research and Analysis Unit, United Nations Office for the Coordination of Humanitarian Affairs in Jerusalem; Hanna Siniora, Chairman of the Palestinian-European Chamber of Commerce; Nabil Sha'ath, Member of the Palestinian Legislative Council; Juliette Touma, Media and Communications Officer, Advocacy Unit, United Nations Office for the Coordination of Humanitarian Affairs; and Rana Zakout, Senior Coordination Officer, United Nations Office of the Special Coordinator for the Middle East Peace Process.

C. Agenda

9. The Seminar consisted of an opening session, two plenary sessions and a closing session. During the plenary sessions, presentations were made by 13 experts, including Palestinians and Israelis. Following the plenary sessions, a discussion period was open to all participants. The themes of the plenary sessions were "The scope of the economic and humanitarian crisis in the Occupied Palestinian Territory" and "The United Nations and international donor community's support of the Palestinian people".

II. OPENING SESSION

10. The Seminar on Assistance to the Palestinian People was opened by Naela Gabr, Assistant Minister for Multilateral Relations and representative of the Arab Republic of Egypt. The message of the United Nations Secretary-General was delivered by Angela Kane, Assistant Secretary-General for Political Affairs. Statements were also made by Paul Badji, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and Nabil Sha'ath, Member of the Palestinian Legislative Council and representative of Palestine. Representatives of China, Cuba, Indonesia, Malta, Senegal, Yemen, the African Union, the League of Arab States, the Organization of Islamic Conference and the International Federation of the Red Cross and Red Crescent Societies also took the floor.

11. **Naela Gabr**, Assistant Minister for Multilateral Relations of Egypt, delivering a statement on behalf of Ahmed Aboul Gheit, Minister for Foreign Affairs of Egypt, began by thanking the Committee on the Exercise of the Inalienable Rights of the Palestinian People for its diligent efforts in transmitting the dimensions of the Palestinian question and the suffering of the Palestinian people. She said the concerns of the Palestinian people were taking precedence. Her Government was against punishing the Palestinian people for their choice in free, fair and democratic elections. The interruption of aid had caused intolerable hardship to the Palestinian people, increasing the poverty level to 48 per cent and the unemployment level to 23 per cent. She said the continued imposition by Israel of measures to impede the movement of trade, such as closing border crossings, prevented Palestinians from getting to their jobs in Israel. The resulting deterioration in the economic and humanitarian situation would lead to further deterioration of the security situation and would increase intransigence among the Palestinians.

12. She emphasized that peace would not be achieved through unilateral action nor through violence and counter-violence. It would not be achieved by confiscating land, expanding settlements and building isolation walls, nor by targeting civilians or causing Palestinians to live in hunger. Rather, it would come about through serious negotiations and the principle of land for peace. She called on the international community to reconsider its decision on aid to the Palestinians and to respect the free will of the Palestinian people. She also called on both sides to resume the peace process to benefit future generations and spare the region the mistakes of the past. She highlighted that Egypt had spared no effort to assist in finding a peaceful solution. It would continue its contacts with all parties to create a rapprochement of all positions and to facilitate a future in which two democratic States could live side by side in peace and security.

13. **Kofi Annan**, Secretary-General of the United Nations, in a statement delivered by Angela Kane, Assistant Secretary-General for Political Affairs, said he respected the Palestinian people's decision in their election of the Palestinian Legislative Council, and he hoped the new Palestinian Authority Cabinet would address their aspirations for peace and statehood as articulated by President Mahmoud Abbas. He called on the Palestinian Authority to reaffirm the Palestinian commitment to the principles of non-violence, recognition of Israel's right to exist, and acceptance of previous agreements and obligations, including the Road Map.

14. He also called on the new Israeli Government to live up to its commitments, including the cessation of settlement activity and other actions that could prejudice final status issues. He encouraged Israel to recognize that a peaceful solution could not be imposed unilaterally or outside the framework of a comprehensive regional peace. Expressing concern about the intensification of violence, he called on both sides to abide by their obligations under international law and refrain from action that might escalate the situation and put civilians at risk. He also voiced concern over the Palestinian living conditions, which were in danger of deteriorating into a serious humanitarian crisis. He said Palestinian poverty and unemployment were exacerbated by the discontinuation of direct support to the Palestinian Authority by key donors, Israel's continued withholding of tax clearance revenues collected on behalf of the Palestinian Authority and the restriction of movement of people and goods.

15. He called on both parties to work towards the implementation of the Agreement on Movement and Access signed on 15 November 2005 and urged the international community to find effective ways of continuing and intensifying support of the Palestinian people. The Palestinian Authority, however, must provide the bulk of the irreplaceable basic services necessary to avert a human crisis. Increased United Nations and non-governmental organization activity could not fill the void that would be created should the institutions of the Palestinian Authority be unable to do so. The international community must find a way to advance the goal of the two-State solution, which was vital to the peace and security of both peoples and the region. He asserted that the United Nations would continue to support international efforts aimed at bringing an end to the occupation that

began in 1967, and achieving a just, lasting and comprehensive settlement leading to peace, stability and prosperity in the Middle East.

16. **Paul Badji**, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, said the current situation in the Gaza Strip had never been as bad owing to the repeated closures of the crossing points by Israel. He cautioned that a humanitarian catastrophe was imminent, explaining that Karni, the main crossing point for food and goods of vital necessity, had remained closed for 53 days. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was unable to carry out emergency operations because of the lack of fuel for its vehicles that transferred food. Export losses since the beginning of the year were estimated at nearly 30 million dollars (600,000 dollars a day). The Agreement on Movement and Access signed on 15 November 2005, facilitated by James Wolfensohn, the Quartet's Special Envoy for Gaza Disengagement, with the assistance of US Secretary of State Condoleezza Rice, was not being observed. Under the Agreement, an established objective was to allow 150 trucks of merchandise per day to pass through the crossing by the end of 2005 and 400 trucks by the end of 2006. During the first half of April 2006, the average number of trucks crossing had been 7 a day. He said that the new Palestinian Prime Minister had declared the Palestinian Authority treasury empty. It was no longer capable of paying its employees. The financial crisis could easily develop into a humanitarian crisis.

17. He continued by saying that certain assistance programmes had been suspended because the Government under Hamas did not subscribe to the principles of the Road Map. He said the Committee considered it indispensable to ensure the continued functioning of the principles established by the Oslo Process including the institutions of the Palestinian Authority. Years of efforts and resources had been devoted to those institutions which were considered the fundamentals of a future Palestinian State. Abandoning them would be tantamount to negating all the efforts that had been made. He hoped that the Seminar would be an occasion to examine the situation and propose new ideas to extend assistance to the Palestinian people and help them overcome the current crisis.

18. He stressed that the reasons of the conflict continued to reside in the occupation of Palestinian lands and acts taken by the occupying authority. There would not be a single perspective of economic or humanitarian development unless the occupation was brought to an end. He called on the international community to assist the Palestinian people and put pressure on Israel to end the occupation. Only through negotiations could lasting peace be reached. He said the Committee called on Israel to stop unilateral measures, which would only impede a final settlement.

19. **Nabil Sha'ath**, Member of the Palestinian Legislative Council and representative of Palestine, said that at a time when the survival of the Palestinian people and the peace process itself were in danger, the holding of the Seminar was of vast importance. The Palestinian Authority considered the holding of the Seminar by the Committee on the Exercise of the Inalienable Rights of the Palestinian People a confirmation of the special role the Committee played in finding a just and lasting solution to the Palestinian question. Although the Palestinian people had joined efforts to reach peace through direct negotiations, they continued to live under occupation and to be deprived of freedom. The current siege had been exacerbated by the financial siege through the international support given to the Israeli position. It made the problem impossible to deal with and would lead to the collapse of the Palestinian institutions including the Palestinian Authority. If this situation persisted in 2006, the number of Palestinians living on US\$1 a day would multiply and reach 67 per cent of the population.

20. Stressing the importance of what was happening on the ground, he said the financial and material siege imposed on Gaza involved all aspects of life. People were immobilized, and the territories were dislocated and isolated from the rest of the world. Gaza lacked many essentials that were vital for the continuation of life. Palestinians were isolated into five pockets, one in the Gaza Strip and four in the West Bank. There was no movement between the Palestinian pockets nor between Palestine and the rest of the world. The Agreement on Movement and Access had not been totally implemented. He stressed that the situation was serious. Countries had the right to give or not give aid, but it was a moral responsibility to help the Palestinian people. Israel was not punished for all its violations of United Nations resolutions. Yet, Palestinians were being punished by not allowing them to bring in money or food. It was immoral, unethical and unjustified.

21. The Palestinian Legislative Council elections had been free, fair and transparent and observed by international monitors. The Council, elected by the people, had chosen its Cabinet. The President had special powers and had declared that the Palestinian Authority continued to be bound by its commitments. It was the Palestinian Authority's responsibility to cooperate with the President. They were responsible for reaching unity through dialogue. The dialogue would support their efforts and commitment to the peace process. They would solve their internal problems, which would not be allowed to lead to internecine warfare. He said despite the extreme difficulties, the Palestinian people still dreamt of peace and independence.

22. The representative of China said his Government respected the choice of a country and the choice of its people. The result of the Palestinian Legislative Council elections reflected the will of the Palestinian people, which the international community should respect and recognize. China had for a long period of time provided financial and material assistance to the Palestinian people for development, given assistance to the refugees, offered scholarships and implemented training programmes for Palestinian Authority officials. There were no political conditions attached to China's assistance.

23. China would continue to support the Palestinian Authority and its President Mahmoud Abbas by bilateral contacts or through United Nations agencies in order to improve the Palestinian people's lives. The Palestinian issue could not be resolved without the support of the international community. The United Nations including China should continue the efforts aimed at a comprehensive, just and lasting peace in the Middle East.

24. The representative of Cuba said the policies of the occupying country had had tragic consequences for the Palestinians. Israel's unpunished actions were possible thanks to the protection it received at the Security Council and other international forums. Washington had kept the Security Council hostage on this subject by making use of the veto 29 times. An entire people was being dramatically abused and deprived of its fundamental rights, above all their right to live. To add injury to crime, following the assassination of Palestinian leaders, Western donor countries demanded that Palestinians put an end to violence. This was meant to manipulate public opinion. The illegal wall would soon be 720 kilometres long and would separate more than 500,000 Palestinians from their family, lands, employment and basic services. It was meant to prevent the creation of an integrated and viable Palestinian State.

25. He said the Palestinian people had democratically and fairly elected a new Government. The United States and European Union Governments' answer had been financial blackmail, a political move meant to stimulate internal division among Palestinians. The international community must categorically reject and condemn such financial blackmailing against the Palestinian Authority and people. A just and lasting peace would not be possible until the illegal Israeli occupation came to an end, Palestinian refugees returned to their land and the illegal settlements were dismantled. Israel's state terrorism and its occupation of Arab land were the real causes of the conflict. These causes should be condemned by the world rather than their consequences, i.e. the struggle of the Palestinian people for their legitimate rights.

26. The representative of Indonesia said the outcome of the Palestinian democratic process ought not to be used as a pretext by countries to cease economic and financial assistance to the Palestinian people. He voiced concern about the new surge of violence with Palestinians firing rockets and carrying out suicide bombings and Israel's military apparatus firing rockets from tanks, cannons, warships, helicopters and drones, which had led to the death of 23 Palestinians and 10 Israelis. He also expressed concern at the failure of repeated efforts to revive the peace process based on the Road Map and various UN resolutions on the issue.

27. In violation of international law, Israel had continued the construction of the separation wall, despite the Advisory Opinion of the International Court of Justice. More and more Palestinian land had been confiscated by the Israeli Government and converted into illegal settlements. Together with other Israeli policies, which included military incursions, closures, curfews and extrajudicial killings, the construction of the separation wall divided Palestinians and their lands and inflicted on them adverse living conditions. He called on the Security Council to ensure that that situation

was corrected and looked forward to the completing by the Secretary-General of the framework for the establishment of a register of damage relating to Israel's construction of the barrier. It was important not to underrate the humanitarian situation of the Palestinian people. The Seminar must establish how the international community could move swiftly to deal with the suffering of the Palestinian people. He called on the international community to keep an open mind. He hoped that the Secretary-General and concerned agencies could mobilize a coordinated response from the international community.

28. The representative of Malta said the Committee on the Exercise of the Inalienable Rights of the Palestinian People had been organizing seminars on assistance to the Palestinian people since 1993. One important aspect of the Committee seminars was to maintain a constant awareness within the international community of the intolerable humanitarian, economic and social situation that the Palestinian people had been suffering for decades. The Committee highlighted and examined the issue of Palestinian rights in the context of international law and had been mandated to act in a factual and moderate manner within the framework of a peaceful resolution of the question of Palestine provided by relevant United Nations resolutions. Malta, in common with its European Union partners, reaffirmed its support of a negotiated settlement of the Israeli-Palestinian conflict leading to the emergence of an independent, democratic, viable and contiguous Palestinian State living side by side in peace and security with Israel. The international community was responsible for persuading both Israel and the Palestinians to abide by the provisions of the Road Map.

29. He supported the consistent stand of President Mahmoud Abbas after the Palestinian Legislative Council elections reaffirming the commitment of the Palestinian side to obligations and agreements signed by the Palestine Liberation Organization and the Palestinian Authority. He hoped Prime Minister Ehud Olmert would maintain his readiness to sit with the Palestinian President at the negotiating table. The new Palestinian Government still needed to commit itself to the principles of non-violence, recognition of Israel's right to exist in a two-State solution and acceptance of existing agreements. At the same time, the Israeli Government needed to end immediately its actions such as settlement activities and construction of the separation wall and to comply with existing agreements and understandings. Adequate financial and material resources needed to be provided to reverse the worsening humanitarian and economic plight of large sections of the Palestinian population. Impediments to movement needed to be removed and access to facilities and trade needed to be improved. Political difficulties could not be allowed to stand in the way of the flow of vital aid. Israel should also resume transfers of withheld Palestinian tax and customs revenues. For their part, the Palestinians should take measures to create a viable economy.

30. The representative of Senegal congratulated the Committee on the Exercise of the Inalienable Rights of the Palestinian People on its efforts that it had always deployed under difficult circumstances. It was important for the Committee to remain as a sentinel that would mobilize and encourage the international community to help in the realization of the rights of the Palestinian people. He said he had participated in the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories. Although they visited Syria, Jordan and Lebanon, they had not been allowed to visit Israel or the Occupied Palestinian Territory.

31. The situation in the Territory was beginning to look like a catastrophe. The situation was constantly deteriorating. The Palestinians were living some of the most sombre hours of their history. It was urgent for the donor community to continue its humanitarian assistance. But that was not the only channel, and there was a need to revisit the political aspect of the problem and reinitiate the political dialogue. It was essential to have an environment to reactivate the peace process to reach a modicum of consensus on a Palestinian State. The Palestinians together would define a single framework to allow the international community to assist them to establish their State within secure and safe borders alongside the State of Israel.

32. The representative of Yemen expressed thanks to the Committee on the Exercise of the Inalienable Rights of the Palestinian People for its efforts to support the rights of the Palestinian people. He said the difficult situation of the Palestinian people required the international community to take a serious stance to support peace efforts. He said the attacks against the institutions and infrastructure of the Palestinian Authority and the activities against them such as incursions into Palestinian areas, extra-judicial assassinations, arbitrary detentions, destruction of houses and agricultural land, and continued settlement expansion were illegitimate acts.

33. He said Yemen had been against those who wanted to punish the Palestinian people for its democratic choice. It believed that the deterioration of the Palestinian economy would lead to further suffering and extremism. This would render a comprehensive, just and lasting peace hard to achieve. Yemen had always supported the Palestinian people and rejected collective punishment. He called on the donor community to review its position because it would not help the Palestinian people to attain peace.

34. The representative of the African Union expressed concern about the deteriorating situation in the Occupied Palestinian Territory. The African Union included 53 countries. They might not have the money to give, but they had a sufficient political voice in the United Nations that supported the question of Palestine. He urged the Israeli authorities to end activities that undermined Palestinian conditions and rights and cease all activities that devastated the Palestinian economy and threatened social stability. It was needed to find practical solutions in that dangerous situation. He wanted the African Union's message to reach the wider world, wishing more of his colleagues in the European Union had been present at the Seminar to hear the message. Peace in the world could not be built unless there was peace in that region of the world.

35. The Union called upon the international community to continue the provision of aid to the Palestinian people to avoid the collapse of the Palestinian Authority institutions. It reiterated its demand for Israel to discontinue the building of the separation wall, which constituted a violation of the Advisory Opinion of the International Court of Justice. In addition to the economic siege, the Israeli policy was one of suffocation. If the Palestinians died out, it would be another holocaust. Africa disapproved of the Holocaust but would not accept another holocaust. He called upon the international community to put a stop to the horror by providing humanitarian assistance urgently needed by the Palestinian people and work towards the implementation of international law.

36. The representative of the League of Arab States expressed the League's appreciation for the genuine and extensive efforts that the Committee on the Exercise of the Inalienable Rights of the Palestinian People exerted in supporting the Palestinian cause and rights. He emphasized the importance of the continuation of the Committee's role until the Palestinian people fulfilled its right to self-determination and established a viable and contiguous State on its own soil. The Committee's work reflected the international responsibility for the Palestinian question. The Palestinian Territories might well be turned into a disaster zone with consequences that would not be limited to the Palestinian Territories. This crisis had been brought about by Israeli closures, extrajudicial assassinations, oppressive measures, the building of the wall and the continuation of settlement activities. These were violations that had been met with the silence of the international community, thus giving Israel the green light to proceed.

37. The decision of the international community and donors to stop aid to the Palestinian Authority had worsened the crisis. It amounted to collective punishment of the Palestinian people for voting in democratic, free and fair elections. The international agencies could not provide basic necessities for Palestinian civilians. That was the responsibility of Israel, the occupying Power. The decision to stop international aid would lead to a rise in poverty among Palestinians. Drawing the borders unilaterally was prolonging the conflict. He appealed to the Quartet to take immediate action to stop the Israeli aggression and to respect the wish of the Palestinian people demonstrated in the free elections. He called on donor countries to reconsider their decision to stop assistance to the Palestinian Authority. He also called upon Switzerland to resume the Conference of the High Contracting Parties to the Fourth Geneva Convention for the implementation of the agreement in the Palestinian territories, including East Jerusalem, and to extend protection for the Palestinian people. He urged the international community and regional parties to support the revitalization of the Road Map, President Bush's vision of two States and the Arab peace plan.

38. The representative of the Organization of the Islamic Conference said Israel was violating international law daily, including the Fourth

Geneva Convention. The Palestinian people were living under occupation with its policies of killings and destroying institutions and the infrastructure. They were subjected to Israel's continued *fait accompli* policies of land confiscation, expansion of settlements, and the erection of the apartheid wall. Israel had completed the isolation of the Jordan Valley from the rest of the West Bank, rendering it an area of isolated cantons. It had also confiscated fertile Palestinian lands and continued to grab water resources, consequently minimizing the possibility of establishing a sovereign State. The Israeli authorities had isolated the city of Jerusalem from the Palestinian environment by constructing the apartheid wall and the expansion of settlements. It deprived worshippers from reaching their churches and mosques, in addition to changing the historic and cultural features of the city. All of those measures had been condemned. Jerusalem was a crucial issue for the Islamic world, and any tampering with its Moslem and Christian sites would constitute a dangerous escalation of the crisis that could threaten world security.

39. He said the Israeli practices had left the Palestinian economy on the brink of collapse. The elections had been free and fair and the people's will must be respected. The economic embargo on the Palestinians contradicted humanitarian and international law. He announced that the Organization will coordinate efforts with the League of Arab States to extend assistance to the Palestinian people. He called on the international community, including civil society organizations, to make efforts to end the rapidly increasing deterioration and to extend urgent financial assistance. He also called on the international community not to recognize Israel's unilateral measures, which constituted a flagrant violation of international law and could lead to violent confrontation. The only way to stop the deterioration was to end the Israeli embargo and return to the peace process. There had to be a just solution to the problem of refugees and to enabling the Palestinian people to achieve their right to self-determination. The success of international efforts depended on the achievement of those points.

40. The representative of the Middle East Regional Office of the International Federation of Red Cross and Red Crescent Societies said that the Federation stood alongside the Palestine Red Crescent Society (PRCS) in meeting the Palestinian humanitarian needs. The PRCS' programmes included providing and maintaining different aspects of health services. As the PRCS' Emergency Appeal pointed out, those services covered hospitals, primary health care centres, emergency medical services, disaster response/preparedness and social education services. The Appeal was still under preparation when the donor countries' financial embargo dictated a cut in the PRCS funding, which had been supported previously by the Palestinian Authority. Since January 2006, the PRCS had lost the equivalent of US\$700,000 per month in government subsidy to its running costs. He asserted that ways must be found immediately to meet the humanitarian needs of the Palestinian people, including the needs of the PRCS.

41. He said the Federation recognized the support needed by the Palestinian Authority to maintain law and order and prevent a possible humanitarian and security crisis. But the real responsibility for meeting humanitarian needs lay with the Israeli Government, the occupying Power. He appealed to all donors and other concerned countries and partners to concentrate on the humanitarian needs of the Palestinian people rather than on the political situation. He also called on them to support the Emergency Appeal of the Palestine Red Crescent Society.

III. KEYNOTE ADDRESS

42. In a keynote address, **Nabil Sha'ath**, Member of the Palestinian Legislative Council, said that the issues Palestinians now faced were both chronic and acute and required different solutions. Despite a signed peace process destined to end occupation and lead to a two-State solution, Israel had deepened occupation with continued settlement activities and de-Arabization of the territories, including Jerusalem. The Israeli attempt at serious demographic change had been going on since the beginning of the peace process.

43. He said the building of the separation wall, which enclosed huge areas of the West Bank and separated Palestinians from their jobs, schools and hospitals, continued despite international condemnation and UN resolutions. Israel was attempting to force a unilateral solution, which now Israel openly admitted to be imposing. The wall had attracted support on the basis that it was better than nothing, meaning drawing the borders of a future Palestine on any land was better than the total occupation of the territories. But the experience of Israel's unilateral solution in Gaza was a bitter one. Gaza now was under total siege and cut off from the world and the rest of the Palestinian Territory. Unilateralism was not the way to reach a peaceful solution.

44. He went on to say that the increasing denial of the entry and exit of people and products, coupled with the embargo on the transfer of Palestinian tax by Israel, could precipitate starvation. Israel denied any measure of sovereignty of the Palestinian Authority, while keeping it a hostage to the Israeli economic monopoly, compelling Palestinians to import inferior Israeli products that were unmarketable elsewhere. This prevented Palestinians from developing viable industries and agriculture. Interrupting the transfer of funds by Israel was not new. The Palestinian budget was, in part, financed by taxes collected by the Israelis. With the stoppage of international aid and tax revenues, there was not enough money. Because of a total freeze of movement of goods and labour, all of Gaza's produce meant for export had to be destroyed.

45. He wondered why the friends of the Palestinian people, namely the European countries, who had been staunch supporters, would join Israel in contributing to the Palestinian misery now that a new Palestinian Government was democratically elected. The sanctions were a form of collective punishment that impeded the peace process. There were few examples of international sanctions leading to a successful outcome. Besides the fact that sanctions were ineffective, in the case of the Palestinian Authority, they were also immoral and reflected a double standard. While the international community considered Hamas' refusal to recognize Israel and past agreements as violations that merited its sanctions, it had never imposed sanctions on Israel when it violated international agreements. The inability of the international community to address the question of Palestine at the Security Council based on Chapter VII of the Charter of the United Nations and by the High Contracting Parties to the Fourth Geneva Convention to enforce article 1 was further exposed by the quick and swift imposition of sanctions on the Palestinian people.

46. He continued by saying that long-term solutions had to be considered. A move to end the Israeli occupation had to go hand in hand with special economic aid to build a State and its economy and institutions. This required serious international commitment to a solution. There should be a serious attempt at implementing UN resolutions until the conclusion of a final peace agreement. He supported the reconvening of the Conference of the High Contracting Parties to the Fourth Geneva Convention to protect Palestinians. Additionally, Palestinians might have to call for an increased United Nations presence.

47. He said in the short term, there was a need to end the present level of the siege. All donors had to be persuaded to resume the implementation of their pledges. The free transfer of funds to the Palestinian Authority was imperative. The attempt to interfere with the banking system to prevent people from receiving money, even from Palestinians and other Arabs, was unacceptable. He suggested that the European Union find a mechanism whereby European banks could transfer funds to Palestinian banks. He said the Agreement on Movement and Access had not been implemented and stressed the urgent need to revitalize it and to refurbish the airport at Gaza to allow for some movement in and out of Gaza. The present Government was willing to accept financial oversight or to have the money transferred through President Abbas. It could not, however, accept the attempt to bypass the Palestinian Authority.

IV. SUMMARY OF THE PLENARY SESSIONS

Plenary I

The scope of the economic and humanitarian crisis in the Occupied Palestinian Territory

48. The first plenary, entitled "The scope of the economic and humanitarian crisis in the Occupied Palestinian Territory," comprised presentations by five experts. The sub-themes were: main characteristics of the crisis and the living conditions of the Palestinian people; facts on the

ground compounding the crisis; and modalities for rehabilitating and stabilizing the Palestinian economy.

49. **Hanna Siniora**, Chairman of the Palestinian-European Chamber of Commerce, said Israel's freeze on the transfer of Palestinian funds was pressuring not only the Hamas-led Government but also Palestinian President Abbas by creating a dire economic situation in the Occupied Palestinian Territory. He said that the private sector might be able to help in the current economic crisis and suggested that it be given responsibility for housing construction as a measure to mitigate the current financial and employment crises. With more responsibility in that field, the private sector could create 300,000 new jobs. The private sector could also help repair the deteriorating road system and build schools, tunnels, bridges and roads. There was an economic need for a link between the Gaza Strip and the West Bank. Israel had decided on a 40-kilometre sunken highway between the two areas. The Israeli and Palestinian private sectors had to exert pressure on Israel, the international community and the Palestinian Authority to start the process of building such a vital highway that ensured the contiguity of a future Palestinian State.

50. Describing some aspects of the situation in the Occupied Territory, he said that Palestinians were not allowed to import or export through Rafah. Israel had frozen about \$55-\$60 million of crucial funds. The United States imposition of sanctions was no surprise. What was strange was the position of the Europeans and others who complied with the sanctions that would bankrupt what remained of the private sector. Almost 40 per cent of the Palestinian stock exchange had been wiped out. If the European community did not rescind their decision to stop aid to the Palestinian Authority, the private sector would also be completely wiped out and the Palestinian Authority would become bankrupt and unable to meet the needs of its people. The sanctions would not only affect the Palestinian people, but also hinder the move forward with the political process.

51. He said that a virtually two-headed executive branch had emerged in the Palestinian Government after the elections in January 2006 with the Presidency and the Cabinet. The private sector had lately proposed to be the third partner in this situation, proposing dialogue and managing differences internally. He supported the idea of a united Palestinian front in which the private sector would have a role. Although there was little coordination between the Presidency and the Cabinet of the Palestinian Authority, they did not differ on economic issues and ending the occupation. The difference was that the Palestine Liberation Organization (PLO) had concluded agreements with Israel and had gotten nothing in return. Hamas was suggesting a new approach, demanding that Israel make some concessions. Hamas was ready to accept the State of Israel when the latter ended the occupation and returned to the 1967 borders. Pressure had to be exerted on both Israel and Hamas to accept the Arab peace plan. He expressed his esteem for the work of the Committee on the Exercise of the Inalienable Right of the Palestinian People and the hope that it would support his recommendations in order to encourage the two sides to return to the negotiation table and realize an independent and contiguous Palestinian State.

52. **Gershon Baskin**, Director of the Israel-Palestine Centre for Research and Information in East Jerusalem, said that any humanitarian crisis in the Palestinian Territory was first and foremost a political crisis. The failure of the international community to see through the implementation of the Road Map as well as the failure of Israel and the Palestinian Authority to implement what they had committed themselves to had led to the current crisis. Real action was being taken by President Abbas to create a governing alternative to Hamas, and it was time for Israel to take action and engage itself. If Mr. Abbas' leadership and authority were not strengthened by the West and Israeli engagement, then Ramallah, Gaza and Nablus might witness some inter-Palestinian confrontations. The only way to successfully implement the Kadima Party convergence plan was to work hand in hand with Mr. Abbas. If total anarchy and chaos emerged in the Occupied Territory, the international community must be ready to step in.

53. He said Israel and the Palestinians did not have the tools nor the ability to resolve the conflict by themselves. Stating that internationalization of the solution was perhaps the best way to ensure a two-State solution, he suggested that consideration be given to the Arab peace plan, as well as to a United Nations interim administration mission. Elaborating on the mission, he said that Israel should withdraw behind the security barrier, dismantle all settlements east of the barrier, and request that a United Nations interim administration mission take responsibility for those areas and prepare the Palestinian Territories for independence. The mission would include a military arm and maintain a strong presence along the Jordan River, as well as man all the crossing points into Israel from the Palestinian side. It would also have policing function and work directly with Palestinian security forces under a single command. With a financial governance component, the mission would undertake several major infrastructure projects and be the recipient and administrator of international aid benefiting the Palestinian people. Future control of the political process would be in the hands of the Security Council.

54. Continuing, he said that such a plan would enable Israel to conduct a secure and safe withdrawal. Direct responsibility for the welfare of the Palestinians would be transferred to the international community. Hamas would also transfer financial management and governance of the Territories to the international community. With the advent of major economic development and infrastructure projects, Palestinians would be less dependent on Israel. Israeli borders in the West Bank would be secured by international troops instead of Palestinian forces. A disadvantage for Israel would be that it would be limited in what it could do inside the Territories controlled by international forces. It would also lose control over the eastern border with Jordan. The advantages for the Palestinians, he said, included internationalization of the solution and removal of Israel from most of the Occupied Territory with the possibility of returning to internationally assisted negotiations on final status issues. The disadvantages included a less independent Palestinian Authority that would have to work in accordance with an international administration.

55. **Hani Nigim**, Professor at Birzeit University, began by acknowledging the diligent efforts of the Committee on the Exercise of the Inalienable Rights of the Palestinian People in promoting the realization of the Palestinian rights. He said the rising unemployment was fuelled by a number of factors including: the closure of the Green Line to Palestinian workers; the scarcity of raw material that led to the suspension of many developmental projects; the halting of projects that had been supported by donor countries; the lack of adequate support for non-governmental organizations on the ground; the decline in the number of private sector employees working in construction, industry and agriculture; and the increasing difficulties being faced by the banking community.

56. He said the economic situation was extremely difficult. It made Palestinian heads of family question the worthiness of the peace process. The economic difficulties led to an increase in violence and hostilities committed against individuals and institutions by those who wanted to draw attention to their economic problems. The repercussions of the current situation were particularly grave for those employed in the banking sector, which was mainly a private sector. The Israeli banks' halt on dealing with Palestinian banks, coupled with the lack of liquidity, caused the depreciation of other currencies, which ultimately hurt the Palestinian economy. Banks were also seriously affected by the difficulties involved in transferring money to relatives in the Palestinian Territory.

57. He said the donor community had stopped dealing with the municipalities and local governments. The unilateral disengagement policies in Gaza had not achieved the aspired goals for the Palestinian economy. In fact, unemployment had increased and several countries had stopped investing in Palestine. Closures of crossings between Gaza and Israel had also increased, hindering many Palestinian exports despite the Agreement on Movement and Access. Palestinians had come to believe that the two-state solution would be hard to achieve, especially after the erection of the wall and the division of the West Bank into 3 areas. Those events had increased the suffering of the Palestinian people. Many of the Palestinian employees were not reporting to work as they lacked the financial means to commute. Palestinians were looking for intensified assistance in the short term. They needed urgent services, assistance and support for the free movement of goods.

58. **Roby Nathanson**, Chairman of the Israeli Institute for Economic and Social Research in Tel Aviv, expressed his appreciation for the opportunity to address the Committee on the Exercise of the Inalienable Rights of the Palestinian People. He said both people were suffering and they must find a way to address a solution. Presenting several options, including the Oslo Agreements, the Geneva Accord and the Road Map, he said unilateral withdrawal was an option that might be exercised in the near future. The withdrawal was a necessary and essential condition for any option to reconstruct the Palestinian economy. The suffering of the Palestinian people was a result of the occupation. Any reduction of this occupation might

alleviate their situation. On their part, Palestinians had to prepare future infrastructures to cope with demographic challenges, including a viable solution to the needs of refugees.

59. He said existing infrastructures in the West Bank could provide a solution to the reconstruction of the Palestinian economy. He did not recommend applying in the West Bank, in a future withdrawal, the model of Gaza, where infrastructures had been destroyed rather than be used for the benefit of the future Palestinian State. He estimated that the Palestinian population would increase from 4.02 million in 2005 to 5.5 million in 2015. In 2005, Palestinians needed 468,000 housing units in the West Bank with a shortage of 164,000 units. Additionally, 414,000 people living in refugee camps in the Territory would need to be resettled. They would also need access to other infrastructures such as schools, hospitals and communal services.

60. Describing the background of settlement activity, he said that, while it had begun in 1967, 56 per cent of settlements had been built between 1977 and 1983, the bulk of which were residential. Settlement construction had never stopped. With the use of aerial photos, his organization had developed information about every settlement, what they contained and their respective value. The Israeli Government supplemented those settlements by more than 40 per cent with a total investment of \$14 billion. Infrastructure left behind after withdrawal should be used for the benefit of the Palestinians and to provide greater absorption capacity for Palestinian refugees. Presenting charts detailing the types of buildings and their uses in settlements that would be evacuated, he stressed the importance of turning them over to the Palestinians intact. It required a willingness to cooperate, but it would help to alleviate the Palestinian crisis.

61. **Mohammed El-Samhuri**, Senior Economist, said the humanitarian crisis in the Occupied Palestinian Territory was not new, but was an extension of a very difficult daily reality, which had existed even before the change in the Palestinian political landscape. The Palestinian Authority was bankrupt and its institutions were likely to collapse if the financial pressure persisted, thus triggering a humanitarian crisis in the Palestinian areas. In today's increasing lawlessness, where maintaining law and order in the Palestinian areas was closely tied with the increase in unemployment, the security situation could get catastrophic. He said Western donors, in the effort to bypass the Hamas-led Government, were considering United Nations agencies and international non-governmental organizations as alternative channels for aid delivery. Bypassing the new Palestinian Government, however, might prove costly and problematic. That approach would undermine the Palestinian public institutions that the donors had helped to create since 1994. Further, in crisis circumstances, Governments usually saw as their first job helping the population cope with the situation. Hamas had experience in this field and it would tend to lead and not leave the task to others. Moreover, United Nations agencies and foreign non-governmental organizations did not have the capacity to provide services in areas traditionally covered by the Government.

62. He called attention to the World Bank report published in March 2006, which stated that preserving the status quo where international aid, customs revenues transfers and restrictions on Palestinian movement maintained their 2005 levels, would not prevent Palestinian economic and humanitarian conditions from deteriorating. Under normal conditions, international aid of such magnitude to a relatively small economy of about 4 million people should have transformed it by now to a self-sustained economy. But for the past five years, conditions in the Palestinian areas had been anything but normal. At its core, the Palestinian financial predicament was the product of a suffocating economic crisis rooted in a deeply unfavourable political environment. International aid could only help Palestinians to survive but would have no tangible effect on their economy.

63. For international aid to make a lasting difference, he said there was a need to address whether current political and territorial realities allowed external aid to be used to enable Palestinians to transform the economy from one totally dependent on foreign assistance into one capable of generating sustained growth rates and providing decent standards for a growing population. International aid could help alleviate Palestinian suffering but would not end it. Nor would it help Palestinians build a self-sustained economy. Only a fair negotiated political system that fundamentally reformed the Palestinian conditions would resolve the economic calamity.

Plenary II

The United Nations and international donor community's support of the Palestinian people

64. The second plenary, entitled "The United Nations and international donor community's support of the Palestinian people", comprised presentations by seven experts. The sub-themes were: programmes of assistance of the United Nations system; the need for intensified donor assistance; and coordination of international assistance.

65. **Anders Fange**, Director of Operations in the West Bank, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), began by conveying the deep concern of the UNRWA Commissioner-General about the humanitarian consequences of the international community's decision to cease aid to the Palestinian Authority. He said the solution to the economic crisis was there for anyone who wanted to see it. The way to end the downturn spiral in the Palestinian economy was to end the closure regime and liberate the economy, as concluded by the Quartet's Envoy James Wolfensohn. An important factor in such a scenario would be to channel international assistance mainly through the Palestinian Authority. Former World Bank Country Director for the West Bank and Gaza Nigel Roberts argued that the Palestinian economy could be freed up without threatening the security of the State of Israel. Everybody agreed that the Palestinian elections had been fair and properly conducted. But with democracy had come pessimism. With the decision of big donors to stop funding the Palestinian Authority, the crisis was already being felt in Gaza, the main victim of the repeated closure of the Al-Muntar/Karni crossing. In the West Bank, everybody was witnessing the economy going down. Half of the Palestinian Authority employees, around 70,000, belonged to police and security forces. In recent months, unruly groups and military brigades had been recruited into these forces to calm them down and give them a salary. If they were not paid, they might return to their former activities.

66. He said the Israeli army was tightening the closure regime in the West Bank and Gaza, dividing them into three or four Bantustans. The word Bantustan had been designated by former Prime Minister Ariel Sharon to describe the isolation of Palestinian communities. Closures had the potential of impeding any humanitarian effort. The Palestinian Authority employed a large number of Palestinians and its financial collapse would be widely felt in the Territory. The United Nations was neither politically or logistically able to substitute for government departments. The coming disaster was a result of deliberate political decisions that strangled the economy and created social, economic and humanitarian consequences. Humanitarian disasters were often difficult to predict, but the economic consequences of this man-made disaster were certain, as predicted by the available figures.

67. Out of 300,000 Palestinian households, as many as 65,000 depended on salaries from the Palestinian Authority. In the current situation and in the event of non-payment of salaries, they would need emergency assistance. The real consequences of the crisis would become clear two or three months after the cessation of salaries. UNRWA's emergency food distribution and cash assistance programmes would have to be expanded. There would be considerable demand for job creation, mainly in infrastructure, which could materialize only if Israel allowed the importation of the needed raw materials. The Agency's health clinics could see an increase in demand up to 25 per cent. If Palestinian Authority schools ceased functioning, about 45,000 children would come to UNRWA schools, an increase of 20 per cent. The Agency's finances were already faced with establishing priorities and making cuts. The Agency's budgetary needs had also been underestimated. UNRWA would continue to use its long experience in emergency situations, but the capacity of the Agency to deliver in a difficult environment was not limitless. UNRWA was no alternative to negotiations leading to a peace process.

68. **Juliette Touma**, Media and Communications Officer, Advocacy Unit, Office for the Coordination of Humanitarian Affairs (OCHA),

Jerusalem, said OCHA specialists in the humanitarian field were working throughout different parts of the Occupied Palestinian Territory, serving and reporting on the humanitarian situation. In cooperation with other agencies, they had consolidated an appeal for assistance. The humanitarian crisis had resulted from the difficulty of access to basic services. The separation wall and the bypass roads that Palestinians could not use also limited movement.

69. With the accompaniment of slide-projected maps, she illustrated conditions in the Territories, charting settlements, barriers and closures. OCHA's presence in the field made it easier to collect such information. She listed some of the 505 methods of setting up closure points. A new method to block the road was through the use of a longer fence on roads in Hebron, Nablus, and Jerusalem and along the Jordan Valley to separate the movement of Palestinians and Israelis. Palestinians could not use the roads without authorization. Ditches were another device used to block access. Although Israel had disengaged from small parts of the West Bank in August 2005, it had been followed by a 34 per cent increase in closures.

70. She said the results of one of OCHA's analyses on lack of access and restrictions on movement demonstrated that the time it took a Palestinian to get from one point to another in the West Bank had doubled after the intifada. Palestinians could move freely in their own locale, but they had a hard time moving from one area to another within the West Bank, which had been divided into three parts.

71. **Francine Pickup**, Head of the Research and Analyst Unit, Office for the Coordination of Humanitarian Affairs (OCHA), Jerusalem, said Israelis had intensified movement restrictions and had increased internal closures, military incursions, and rocket attacks. In the first two weeks of April 2006, Israel had fired 2,415 artillery shells into the Gaza Strip in response to 113 home-made rockets fired by Palestinian militants. The tighter restriction on the movement of goods in and out of Gaza had resulted in acute shortages of basic needs. The budget crisis was caused by Israel's withholding of \$60 million per month in customs transfers, coupled with donor aid cessation of \$30 million per month, which together amounted to 75 per cent of the Palestinian Authority budget.

72. She said there were four main risks emerging if the Palestinian Authority was only partially funded. First, the collapse of the local economy with GDP dropping by 25 per cent and poverty extending to 67 per cent of the population in 2006. Second, unemployment would almost double in 2006, largely consisting of people who would lose their jobs with the Palestinian Authority. Palestinians employed by the Palestinian Authority supported one in four of the population. A third potential risk was the security situation and the non-payment of the security forces who were already taking to the streets and demanding their salaries. Street crime and kidnapping would be on the increase. Investment would be stifled in such an uncertain climate. Finally, the delivery of Palestinian Authority services would be hampered. Palestinian Authority employees in schools, private health clinics and a whole host of other services would be compelled not to show up in their workplace if their salaries were not paid.

73. The United Nations could intervene with food aid and medical support, but it would only slow the downward spiral, not stop it. From a development perspective, humanitarian aid was a step backwards, impacting long-term development projects to finance short-term services. The key solution was to improve access in the West Bank and for Palestinian goods to regain access to the Israeli market. If the Palestinian Authority funding was withheld, ordinary people would suffer. Health, education and civil services were best met by the Government and were the key function of a future Palestinian State. UN agencies could not substitute for the Palestinian Authority ministries. From a humanitarian perspective, it was imperative to work with the Palestinian Authority. Impartiality was a core principle of OCHA, and it provided services according to needs rather than political affiliation. Its ability to deliver additional services would be limited if the situation became worse.

74. **Mahmoud El-Khaffif**, First Economic Affairs Officer, Assistance to the Palestinian People Unit, United Nations Conference on Trade and Development (UNCTAD), said that in 2005, the Palestinian economy had reached the levels it had attained in 1999. Now the donors had ceased their contributions, and the Palestinian Authority had less than \$30 million to pay its bills. The Palestinian population in the West Bank and Gaza, which had increased by 16 to 20 per cent for the past 5 years, would be living on half of what they had produced in 1999. UNCTAD was concerned about the Palestinian Government's loss of ability to manage the economy. The Palestinian economy that had been structured during occupation was set to function in the same path. Conflict, political instability, an elusive sovereignty and a policy of asymmetric containment had hampered the Authority's ability to ensure any governance, much less a corruption-free, best-practice model. Building modern transparent public institutions under constant pressure of confrontation, crisis management and the threat of bankruptcy had weakened the quality of the Authority's governance. Recovery and reconstruction had had to proceed under an ambitious reform agenda and systematic dependence on foreign aid. The Authority continued to reform public institutions intended for a transitional, self-government phase, instead of responding to the imperative of forming appropriate national institutions of governance.

75. He said the Palestinian Authority needed goals, policies and institutions for an independent, democratic and modern State. To reduce poverty, Palestinian efforts should be rooted in a development-driven approach to trade rather than a trade-driven approach to development. The greatest developmental constraints facing the Palestinian people were related to the fact that they did not have a State within which a meaningful reform could be managed. The economy's developmental potential had been dependent on fiscal, trade and monetary policies and labour mobility criteria regulated by Israel. Despite progress in reform, economic decline had been persistent since 2000.

76. He went on to say that, while humanitarian relief and budget support must continue as a major part of aid delivery, such instruments were inadequate to reduce poverty and economic vulnerability in a context of asymmetric containment. A long-term relief strategy of non-distorting aid was needed. Sustained economic recovery required either dismantling the politics of asymmetric containment or pursuing a strategy to deal with it as an external constraint in the short term while working towards its eventual elimination. That required going beyond the conventional economic policy wisdom and tailoring the development process to the economy's present features and institutional set-up. Such an approach should be based on a participatory mechanism and concrete policies for poverty reduction with programmes that linked all types of aid to long-term development objectives and a State-formation agenda. It must be identified as a means to a national Palestinian socio-economic vision towards the establishment of a democratic, contiguous and economically viable State of Palestine.

77. **Ambrogio Manenti**, Head of West Bank and Gaza Office, Regional Office for the Eastern Mediterranean, World Health Organization (WHO), said a recently finalized survey of the Palestinian quality of life indicated that more than one in four Palestinians rated their lives and their health as poor. Four in 10 did not enjoy their daily activities and were bored or fed up. One in four reported they were suffering psychological stress owing to the death or imprisonment of a relative. More than half the Palestinians had to cross Israeli checkpoints to get to school or work. More than one in four Palestinians lived close to an Israeli settlement and had no access to leisure activities, with 80 per cent reported having been negatively affected. One in five Palestinians lived close to the separation barrier, with 87 per cent negatively affected. Forty-two per cent did not consider their physical environment healthy. Four in five delayed paying bills. Nearly half feared losing their home or land, or being uprooted and displaced. Eight in 10 were negatively affected by the ongoing conflict and Israeli military confrontations. The life of the Palestinians was miserable from the physical, psychological, environmental and financial view points.

78. Since the elections in January 2006, the picture had been bleaker, he said. With the suspension of donor aid and Israeli closures, the Palestinian Authority Ministry of Health would be less capable of developing health services. About 57 per cent of health workers would not be paid, and there would be an increased drain of professionals to non-governmental organizations. Also, there would be shortage of drugs and medical supplies and would be no training or capacity-building programmes. Efficiency and quality would be compromised. Immunization for 65,000 children would be affected. Sixty thousand pregnant women would not have access to hospitals. Public hospitals would have to drastically decrease their services. Almost 1 million patients who went to the Ministry of Health for emergency services would be seriously impacted. About 72 per cent of

surgical operations that had been performed in public hospitals would not be performed.

79. He said the crisis had already begun. Three months before, the Ministry had made an appeal for non-salary items such as essential drugs. Two days before, the Ministry had requested the WHO to call for a meeting of the donor community and international health organizations, including the United Nations, to consider the situation. United Nations agencies must work towards resolving the dangerous situation of the Palestinian people. They must work to identify donors and explore options to keep public services going. The short-term and long-term view concerning health policy and reform must be kept in focus. The agencies should emphasize the risks involved to the international community, including the Israelis, monitor the situation and keep the international community informed. They could act also as a coordinator, although it was difficult to put a Palestinian Government official and a representative of donors in the same room, which required the improvisation of a new strategy for coordination. There was also a need to identify mechanism for donor funding for the Palestinian Authority and the Ministry of Health.

80. **Rana Zakhout**, Senior Coordination Officer, United Nations Office of the Special Coordinator for the Middle East Peace Process (UNSCO), said that, since the beginning of the second intifada, the Palestinian economy had experienced a period of grave deterioration, mainly due to the Israeli restrictive measures on the movement of people and goods in the West Bank and Gaza. Today, there was a rapid and acute deterioration in the economic situation, especially since the Hamas victory in the recent elections. There were three main reasons for the decline in Palestinian Authority revenues. First is the moratorium on donor contributions due to the Hamas Government's refusal to accept the principles that were identified by the Quartet. Second, the withholding of tax revenue funds by Israel had impacted the economy as a whole. Third, the decrease in Palestinian economic activity had led to a decrease in the tax collected at the local level.

81. Owing to the large number of public-sector employees, the Palestinian Authority had had a budget problem even before the elections, she said. Despite a chronic deficit, it had been able to meet the payroll for February 2006. Salaries for March 2006, however, had still not been paid. Even if aid was given, the restrictions on banks would prevent it from reaching the Authority. The inability of the Authority to pay salaries for more than 152,000 Palestinians would lead to a steep increase in unemployment to 40 per cent and poverty to 67 per cent by the end of 2006. Without urgent assistance, it would be difficult for the Palestinian Authority to provide basic services. Over the past few years, the United Nations had covered a wide range of services. Because of the economic situation, they had gone from development aid to humanitarian and economic aid. It was important for the United Nations agencies to redesign their programmes in accordance with the new reality.

82. She said four strategic working groups had been set up to work on governance, economic policy, infrastructure and social development. Unfortunately, more recent political developments had put development aid in question. The present situation required the United Nations agencies to provide a rapid response to the needs of the Palestinian people. It was important to set priorities and to coordinate so as to avoid duplication. The Office for the Coordination of Humanitarian Affairs and 12 United Nations agencies had launched an appeal to donor countries. In response to the appeal, fewer than 20 per cent of the projects had been financed. In principle, the United Nations would continue to find the appropriate means to respond to the needs of the Palestinian people, but they would not replace the Government. The United Nations would continue its work to achieve a just and comprehensive peace. Now, more than ever before, the international community was called on to act seriously to achieve that objective.

83. **Khaled Mansour**, Senior Regional Information Officer/Spokesman, Regional Bureau for the Middle East, Central Asia and Eastern Europe, World Food Programme (WFP), Cairo, said the only sustainable solution for food insecurity in the Palestinian territories was political. Until there was an uninterrupted flow of food and imports into Palestinian lands and regular access to jobs and salaries, humanitarian food assistance was the answer. The percentage of people who were unable to constantly secure all their basic food needs had already risen to 37 per cent of the Palestinian population. The current socio-economic problems could be attributed to restrictions on the movement of people and goods. The extended closures in the West Bank had had a dramatic impact. In the Gaza Strip, restricted fishing zones, closures and the avian flu had dealt a strong blow to an already weak economy. Conditions had become worse after the cut in donor funding.

84. He said WFP needed to increase its funding to reach 600,000 Palestinians who were not refugees. That was a limited and temporary approach, since the UN did not have the mandate nor the capability to replace the Palestinian Authority. The Programme was currently 63 per cent short of the required funding needed to service that number of people. The United States had promised \$30 million, but the money could only be used in conjunction with non-governmental organizations. As a result, the Programme was looking for other donors to step in to help. Without new donors, the Programme might be forced to stop providing help to those now being taken care of by the Palestinian Authority by July 2006. Those clients included the members of female-headed families, widows with large numbers of children, orphans, the handicapped and the elderly. Those were the most vulnerable, the poorest of the poor who would suffer first, as their coping mechanisms had been long exhausted and their means of survival severely limited.

V. CLOSING SESSION

85. At the closing session, statements were made by the representative of the host Government and Assistant Minister for Multilateral Relations of Egypt, Naela Gabr; the Permanent Observer of Palestine to the United Nations, Riyad Mansour; and the Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, Paul Badji.

86. **Naela Gabr**, Assistant Minister for Multilateral Relations and representative of the Arab Republic of Egypt, said her Government highly valued the efforts of the different United Nations programmes in supporting the Palestinian people. Egypt reiterated the importance of the continued work of those programmes and the importance of confronting the current pressures to reduce those programmes as part of the UN reforms. She reiterated the importance of supporting the continued work of the Committee on the Exercise of the Inalienable Rights of the Palestinian People. She called on the international community to assist in mitigating the suffering of the Palestinian people. If the international community took pride in the United Nations resolution establishing the Human Rights Council, it would be all the more proud to move forward with safeguarding the inalienable rights of the Palestinian people. Egypt remained committed to acting in solidarity with the Palestinians and supporting their rights. She endorsed the Secretary-General's statement that the international community was responsible for finding ways to help achieve a two-State solution and a just and comprehensive peace.

87. **Riyad Mansour**, Permanent Observer of Palestine to the United Nations and representative of Palestine, said the Cairo Seminar was a step forward in helping the Palestinian people. The objectives of the Seminar had been to meet with representatives of United Nations agencies involved in programmes in the Occupied Territory, examine the programmes and look for ways to improve and coordinate those programmes. The Palestinian people were grateful to those agencies for catering for some of their needs and alleviating their suffering. Another objective had been to find ways to continue aid from the donor countries. He expressed confidence in the donor countries' genuine desire to continue assisting the Palestinian people. He hoped the Seminar had played a role in helping the donor countries find ways to resume aid given their political concerns.

88. **Paul Badji**, Chairman of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, reviewing the deliberations of the Seminar, said that while the meeting was taking place at a difficult time, it was also at a sensitive juncture for all who were working for the achievement of the inalienable rights by the Palestinian people. The participants had heard detailed first-hand reports of the current economic and humanitarian situation in the Occupied Palestinian Territory, including East Jerusalem. The participants had reaffirmed that it was crucial to expand and accelerate assistance to the Palestinians as a matter of great urgency, and had called upon Israel to transfer, without further delay, tax funds collected on behalf of the Palestinian Authority. They had noted the dire situation in the Gaza Strip resulting from the restriction on the movement of Palestinians and prolonged closures of border crossings by Israel. They had emphasized the need for the immediate implementation of

the Agreement on Movement and Access signed in November 2005.

89. The participants had reaffirmed the serious effects of the occupation, including on the most vulnerable segments such as women, children and the elderly. The Israeli plan to unilaterally draw permanent borders incorporating large parts of the West Bank, including East Jerusalem, constituted a grave threat to the economic and humanitarian situation in the Occupied Palestinian Territory, thus precluding the possibility of achieving a lasting peace. He urged the world community to intervene to prevent such unilateral actions and to press for the implementation of the established frameworks, including the Road Map and the Arab Peace Initiative. The participants had reviewed the role of the United Nations system entities in providing assistance on the ground. The Committee highly appreciated the tireless work of those entities aimed at alleviating the suffering of Palestinians. The multitude of tasks and projects run by the different field officers required a high level of coordination and periodic evaluation. It had become clear that the capacities of United Nations entities were limited and could not be a substitute for the established Palestinian institutions.

90. The participants had discussed ways of redressing the situation by focusing on priority areas for assistance. Ways and means of achieving economic recovery had been carefully examined. It had been noted that the Palestinian people with the help of the international community had spent great efforts to establish the Palestinian Authority institutions in the hope that they would become the foundation of a future Palestinian State. Abandoning those institutions would constitute a grave setback for the goal of establishing a viable Palestinian State and achieving a comprehensive peace in the near future. The participants had called upon the donor community to prove their commitment to the Palestinian people by using alternative ways of channelling funds that were acceptable to all sides.

Annex
LIST OF PARTICIPANTS
Speakers

Mr. Gershon Baskin
Director, Israel-Palestine Center for Research and Information
Jerusalem

Mr. Mahmoud Elkhafif
First Economic Affairs Officer, Assistance to the Palestinian People Unit
United Nations Conference on Trade and Development
Geneva

Mr. Mohammed El-Samhoury
Senior Economist
Gaza

Mr. Anders Fange
Director of Operations in the West Bank
United Nations Relief and Works Agency for Palestine Refugees in the Near East
West Bank

Dr. Ambrogio Manenti
Head of West Bank and Gaza Office
Regional Office for the Eastern Mediterranean
World Health Organization
Gaza

Mr. Khaled Mansour
Senior Regional Information Officer/Spokesman
Regional Bureau for the Middle East, Central Asia and Eastern Europe
World Food Programme
Cairo

Mr. Roby Nathanson
Chairman, Israeli Institute for Economic and Social Research
Tel Aviv

Mr. Hani Nigim
Professor, Birzeit University
Birzeit

Ms. Francine Pickup
Head of Research and Analysis Unit
Office for the Coordination of Humanitarian Affairs
Jerusalem

Mr. Nabil Sha'ath
Member of the Palestinian Legislative Council
Gaza

Mr. Hanna Siniora
Publisher, The Jerusalem Times

Chairman, Palestinian-European Chamber of Commerce
Jerusalem

Ms. Juliette Touma
Media and Communications Officer, Advocacy Unit
United Nations Office for the Coordination of Humanitarian Affairs
Jerusalem

Ms. Rana Zaqout
Senior Coordination Officer
United Nations Office of the Special Coordinator for the Middle East Peace Process
Gaza

Delegation of the Committee on the Exercise of the
Inalienable Rights of the Palestinian People

H.E. Mr. Paul Badji
Permanent Representative of Senegal to the United Nations
Chairman of the Committee

H.E. Mr. Ravan A. Farhâdi
Permanent Representative of Afghanistan to the United Nations
Vice-Chairman of the Committee

H.E. Mr. Victor Camilleri
Permanent Representative of Malta to the United Nations
Rapporteur of the Committee

H.E. Mr. Angel Dalmau
Ambassador of Cuba to Egypt, representing the
Vice-Chairman of the Committee

H.E. Mr. Riyad Mansour
Permanent Observer of Palestine to the United Nations
Member

Representative of the Secretary-General of the United Nations

Ms. Angela Kane
Assistant Secretary-General for Political Affairs

Governments

Afghanistan, Angola, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Cameroon, China, Cuba, Democratic People's Republic of Korea, Egypt, France, Ghana, Greece, Guatemala, Guinea, Honduras, Hungary, India, Indonesia, Iran (Islamic Republic of), Italy, Japan, Malaysia, Mali, Malta, Mauritius, Mauritania, Mozambique, Nepal, Peru, Philippines, Poland, Qatar, Russian Federation, Saudi Arabia, Senegal, Serbia and Montenegro, South Africa, Spain, Sri Lanka, Singapore, Thailand, the former Yugoslav Republic of Macedonia, Tunisia, Turkey, Ukraine, United Arab Emirates, Venezuela, Vietnam, Yemen

Entities having received a standing invitation to participate as
observers in the sessions and the work of the General Assembly
and maintaining permanent observer missions at Headquarters

Palestine

Other entities having received a standing invitation to participate as
observers in the sessions and the work of the General Assembly
and maintaining permanent offices at Headquarters

International Committee of the Red Cross
International Federation of Red Cross and Red Crescent Societies

Intergovernmental organizations

African Union
Islamic Development Bank
League of Arab States
Organization of the Islamic Conference

United Nations organs, agencies and bodies

Food and Agriculture Organization of the United Nations
International Labour Organization
United Nations Children's Fund
United Nations Conference on Trade and Development
United Nations Development Programme
United Nations Information Centre
United Nations Environment Programme
United Nations Industrial Development
United Nations Office of the High Commissioner for Refugees
United Nations Office on Drugs and Crime
United Nations Population Fund
United Nations Relief and Works Agency for Palestine Refugees in the Near East
United Nations Office of the Special Coordinator for the Middle East Peace Process
Universal Postal Union
World Food Programme
World Health Organization

Civil society organizations

Arab Organization for Human Rights
Arab Organization of Young Lawyers
Bright Star Consultant Center
Economic and Social Development Center
General Association of Arab Archeologists (GAAA) Islamic Relief, Palestine

Media

AFA Arabia News
AFP
Al Ahram newspaper
Akhbar Sohag
Al Alem elyewoum Community Times
Al Belad El Dawlia
Al Belad Lebanon newspaper
Al-Hayet El masrey
Alrai Allam newspaper
Alraya El Katria newspaper
Arab Press Agency
ATAQ Arabia news
Center of Palestinian Media
Egyptian Broadcast
Egypt T.V. Nile Culture
El Ktsadeia from Middle East Journal
El Hamed Co.
El Horaya Newspaper
El Massry Alyoum
El Qabass
Int'l Arab Magazine
MTC Channel
Nile T.V. International
Palestine T.V.
Radio EL MASR ELYOUM
Radio Cairo Reuters
Rosalysof
Sot a oroba
Sudan T.V.

Special guest

Mr. Mahmoud Kabil
Actor, UNICEF Regional Goodwill Ambassador
Cairo

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