



## **DIVISION FOR PALESTINIAN RIGHTS**

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

*Mobilizing international efforts in support of the Palestinian Government's  
State-building programme*

**Helsinki, 28 and 29 April 2011**

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## I. Introduction

1. The Committee on the Exercise of the Inalienable Rights of the Palestinian People convened the United Nations Seminar on Assistance to the Palestinian People on the theme “Mobilizing international efforts in support of the Palestinian Government’s State-building programme” in accordance with General Assembly resolutions 65/13 and 65/14. The meeting was held at the Scandic Marina Congress Center in Helsinki on 28 and 29 April 2011.
2. The Committee was represented by a delegation comprising Abdou Salam Diallo (Senegal), Chair of the Committee on the Exercise of the Inalienable Rights of the Palestinian People; Zahir Tanin (Afghanistan), Vice-Chair; Pedro Núñez Mosquera (Cuba), Vice-Chair; Saviour F. Borg (Malta), Rapporteur; and Riyad Mansour (Palestine).
3. The meeting consisted of an opening session, three plenary sessions and a closing session during which presentations were made by 17 experts. The themes of the plenary sessions were: “The State-building programme of the Palestinian Government—achievements and challenges”, “Looking ahead: developing sovereign institutions and creating a sustainable Palestinian economy” and “Laying the groundwork for the sovereignty of the State of Palestine”.
4. The meeting was attended by representatives of 29 Member States, Palestine, 3 intergovernmental organizations, 6 United Nations bodies, 6 civil society organizations and 8 special guests.

## II. Opening session

5. The opening session began with a statement delivered on behalf of **Ban Ki-moon**, the Secretary-General of the United Nations, by his representative Rima Khalaf, Under-Secretary-General and Executive-Secretary of the Economic and Social Commission for Western Asia. The Secretary-General noted that by completing its two-year state-building programme in August 2011, the Palestinian Authority would become sufficient for a functioning State in a number of key sectors. He commended President Abbas and Prime Minister Fayyad for that remarkable achievement, in which donor support played an important role. Going forward, he said, the task now was to support the Palestinian National Plan 2011-2013, to which the United Nations looked forward to contributing. He noted, however, that those institutional achievements were hindered by limited political progress, calling upon all to bring the parties back to the negotiating table as soon as possible. He noted that the goal was to put an end to the occupation that began in 1967 and reiterated that the two-State solution was in the best interests of both the Israelis and the Palestinians.
6. He stated that it was imperative to stop actions that prejudged the outcome and undermined the climate of trust. The continued settlement activity by Israel in the West Bank, including in East Jerusalem, was unacceptable, and he reiterated that settlements were illegal under international law. At the same time constraints on Palestinian urban development and obstacles to free movement and access in the West Bank continued to impede Palestinian economic viability. While Israel had taken measures to facilitate movement, it still needed to

roll back its measures of occupation and facilitate continued economic and institutional progress. Another major limit to progress were the Palestinian divisions that precluded the Palestinian Authority from extending its state-building work in Gaza. Palestinian unity was necessary within the framework of the Palestinian Authority and the commitments of the Palestine Liberation Organization, and were the prerequisites for the establishment of a Palestinian State.

7. Noting the latest escalation of violence which led to civilian casualties in Israel and Gaza, he condemned the indiscriminate rocket fire from Gaza and called upon Israel to exercise maximum restraint, emphasizing that all parties must do their utmost to protect civilians. He expressed his concern at the unsustainable situation in the Gaza Strip, calling upon Israel to make far-reaching progress towards ending the closure of Gaza, within the framework of Security Council resolution 1860 (2009). Legitimate crossings must be able to operate so that the needs of the civilians in Gaza as well as the security needs of Israel could both be met while United Nations agencies, including the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), continued their efforts to provide humanitarian assistance, improve living conditions and promote economic recovery and reconstruction.

8. He concluded by saying that serious and effective international assistance and continued progress of Palestinian institutions towards a viable and lasting peace between Israelis and Palestinians would be vital in the coming months. He said he counted on the responsible leadership of all parties to persist in their goal of resolving all final status issues. He promised that, together with his partners in the Quartet, he would continue to do everything in his power to help them in this effort.

9. **Ritva Koukku-Ronde**, Under-Secretary of State of the Ministry of Foreign Affairs of Finland, said that the seminar had been convened at a time when people across North Africa and the Middle East were standing up for core human aspirations to shape their own lives. She noted, however, that despite those historic changes the critical issue of Israeli-Palestinian peace remained stalled and the immediate prospects of reviving it remained gloomy. She expressed the hope of Finland that the new regional dynamics would help bring both sides back to the negotiating table. Noting also the previous day's encouraging news from Cairo about the decision of the Palestinian factions to end their four-year rift, she recommended that Israel, the Palestinians and the international community try to capitalize on all those historic developments.

10. Regarding Palestinian statehood, she recalled that at the most recent meeting of the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians, it was declared that the Palestinian institutions had reached the maturity level required of a State and had gained a momentum that called for a speedy resumption of serious negotiations with a clear timeline in order to ensure the final goal of a two-State solution. The European Union had repeatedly stressed the urgency of a negotiated solution and the Government of Finland stood firm behind it. She congratulated the Palestinian Authority on its remarkable achievements, noting that Prime Minister Fayyad's plan had delivered stronger institutions, a more disciplined fiscal policy and reduced dependence on external budget support. She also noted the positive steps taken by the Ministry of Social Affairs, which had improved the social welfare services for the most vulnerable while working in close cooperation with the European Union through its

programmes, including the Mécanisme palestinien européen de gestion de l'aide socio-économique (the PEGASE mechanism).

11. She highlighted the role of the Quartet and the need for it to send a strong message that could bring a valuable contribution to the peace process. She stressed the important role of the United Nations through its different bodies in assisting Palestinians and trying to promote peace between the parties. She expressed her Government's disappointment that the Security Council resolution on settlement activities, which it had co-sponsored, had not passed in February. She said that the European Union was committed to a two-State solution, which was also reflected in the fact that it had long been the largest financial contributor to Palestinian state-building efforts and humanitarian programmes.

12. As a member of the European Union, the overall policy of the Government of Finland was to support the Middle East peace process through assistance to the Palestinian Authority in order to meet the basic needs of the people as well as to enhance education by implementing Finnish initiatives. Her Government was pleased to see favourable indicators revealing that nearly 100 per cent of all young Palestinians were enrolled in school. Observers had noted that economic growth would continue only if driven by a vibrant private sector that was able to flourish without conflict and outside political interference. She recalled that Finland had supported access to water and sanitation, civil police and civil society agencies. She concluded by saying that despite such Palestinian-driven changes and international assistance, the situation could truly be resolved only through a settlement of the Israeli-Palestinian conflict.

13. **Abdou Salam Diallo**, Chair of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, said that the seminar was taking place at a historic moment, when the great institutional achievements of President Abbas and Prime Minister Fayyad and the diplomatic campaign for the international recognition of an independent State of Palestine would all converge in September. He noted that the Fayyad Plan had been so successful that it had led the United Nations, the International Monetary Fund (IMF) and the World Bank to conclude that the Palestinian Authority had crossed the threshold to become a functional State by delivering public services that could compare with those of middle-income countries, which boosted confidence at home and abroad. He declared that the countdown to an independent Palestinian State had begun.

14. Notwithstanding those achievements, he said much more needed to be rapidly done in order to reach the Plan's goals. He noted that the recently achieved impressive economic growth was marred by many issues. They have also masked the gap between the West Bank and the Gaza Strip. Growth was still driven by foreign aid and remittances, and there were worrying signs of retrenchment in key productive sectors. He said unemployment remained alarmingly high, particularly in Gaza and among the young, and participation in the formal economy remained low, particularly among women. He went on to reaffirm that no Palestinian State could prosper unless it became engaged in global trade and fully employed its highly educated and motivated workforce, recommending that education become more relevant and employment opportunities for women be expanded.

15. Mr. Diallo quoted a recent report from the Office of the United Nations Special Coordinator for the Middle East Peace Process as saying that the Israeli occupation and the unresolved issues in the Israeli-Palestinian conflict were the main obstacles facing the Palestinian economy. The socio-economic conditions remained dire in the Gaza Strip, where the Israeli blockade obstructed the movement of persons and goods, including reconstruction materials; impeded commercial trade; prevented economic recovery and compounded poverty and unemployment. In the West Bank, unpredictable closures, settlements, house demolitions and displacement of residents, and the separation wall had put a chokehold on investment and opportunity. He said the Committee had welcomed recent economic initiatives announced by Quartet Representative Tony Blair. He reiterated that the Gaza blockade must be lifted completely, and measures of the occupation in the West Bank must be reversed, including a complete stop to all settlement activity.

16. He went on to express regret that much of the assistance to the Palestinian people went into mitigating the effects of the occupation, which was the root cause of the conflict. Nevertheless, assistance and robust engagement on the part of the donor community remained of great importance, particularly because the Palestinian National Plan 2011-2013 would be officially presented to international donors in June. He went on to stress that political support must be built for the broad international recognition of an independent Palestinian State, pointing out that the Quartet had yet to come up with a final set of permanent status parameters in order for the parties to resume negotiations without further delay.

17. While acknowledging the tireless efforts of the United Nations and its humanitarian agencies to alleviate the crisis, he said further assistance was urgently needed. He noted the United Nations agencies' recent 2011 Consolidated Appeals Process for the occupied Palestinian territory of \$575 million, calling upon all donors to accelerate their efforts and expressing support for inviting the Palestinian Authority to join the World Trade Organizations as an observer. For a small economy such as that of the Occupied Palestinian Territory, unhindered access to world markets was critical to its survival. He said the Committee also welcomed the recent initiative by the European Union to grant duty-free access for Palestinian exports, and encouraged other countries to follow suit. He concluded by expressing hope that all the international community efforts would soon culminate in an independent State of Palestine joining the United Nations as a full-fledged member.

18. A message from **Mahmoud Abbas**, Chair of the Executive Committee of the Palestine Liberation and President of the Palestinian Authority, was delivered by Ali al-Jarbawi, Minister for Planning and Administrative Development of the Palestinian Authority. The message said that the seminar came at the heels of the meeting of the Ad Hoc Liaison Committee for the Coordination of the International Assistance to Palestinians that was held on 13 April 2011 in Brussels, where donors endorsed the reports by the United Nations, the World Bank and the IMF regarding Palestinian readiness for independence. He said the Palestinian leadership regarded such recognition as a clear admission of victory for the right of the Palestinian people for freedom and independence. He expressed gratitude for the strong international support and to the Member States of the United Nations that had extended recognition to the State of Palestine, urging the rest to follow suit.

19. Turning to the situation on the ground in the Occupied Palestinian Territory, the message from the President said that Israel continued to carry out illegal practices and policies against Palestinians and their land. He also noted that despite a global consensus against settlement construction, Israel continued to ignore that consensus, threatening to render the two-State solution impossible. He called upon the international community, including the Security Council, to compel Israel to abide by its obligations under international law by ceasing settlement activities along with other violations against the Palestinian people under occupation. He emphasized that while settlements were a major obstacle to peace, they were not the only final status issue that must be resolved. In order to ensure lasting peace, immediate steps must be taken to resolve other vital concerns, including the issues of Palestinian refugees, Jerusalem, borders, security, water and Palestinian prisoners.

20. Mr. Abbas highlighted the previous day's decision by the Palestinian parties to end their rift and form a unity government, stressing the belief of the Palestinian Authority that such reconciliation was imperative for healing and strengthening the Palestinian people as they continued their journey to realize their noble goals. He said urgent attention was required in the Gaza Strip, where Palestinians continued to suffer from the debilitating effects of the last Israeli war and the four-year blockade that continued to impair their humanitarian conditions. He called upon the international community to provide immediate protection for Gazans, to fully lift the Israeli blockade and to open Gaza's border crossings for the movement of persons and goods. He stressed that Security Council resolution 1860 (2009) must be fully implemented, the Fourth Geneva Convention must be respected, and Israel must be held accountable for its breaches and the crimes it committed against the Palestinians and their property in the Gaza Strip.

21. He renewed his appeals to the Quartet to endorse the parameters of the solution to the Israeli-Palestinian conflict based on the 1967 borders as reflected in the statement articulated in the Security Council in February by France, Germany and the United Kingdom of Great Britain and Northern Ireland. He affirmed that such an endorsement would seriously contribute to the revival of the political process and help bring to fruition a peace treaty by September of 2011. The Palestinian people continued to look to the international community for support and assistance. It was critical that the international community redouble its collective efforts to bring an end to the Israeli occupation that began in 1967 and allow for the State of Palestine, with East Jerusalem as its capital, to finally take its rightful place with pride and dignity among the community of nations by the target date of September 2011.

22. Statements were also made by the representatives of Turkey, the Non-Aligned Movement, the Organization of the Islamic Conference and the League of Arab States.

23. The representative of the **Non-Aligned Movement** outlined the historic steps taken by the Palestinian leadership since 2009 to bring about the birth of an independent State. He said some 1,500 projects had been launched, including the establishment of dozens of new schools, medical clinics, dwellings and roads. Palestinians had also begun instituting judicial and security reforms and ensuring financial transparency and other essential elements of sustainable socio-economic development. He stressed that the only remaining impediment was the continued occupation and the denial by Israel of the Palestinian people's right to independence, calling for an immediate end to the occupation in order to enable Palestinians to rebuild the political, social

and economic fabric of a newly born nation. He said it was regrettable that Israel continued its policy in East Jerusalem, pointing out the destruction of historical sites and property. Noting that President Barack Obama of the United States of America had expressed the wish to welcome the new Palestinian State, he called upon the international community to renew its resolve to achieve a just and lasting peace and the creation of the State of Palestine.

24. The representative of the **Organization of the Islamic Conference** reiterated that the Palestinian cause remained a top priority for his organization and the wider international community. He continued saying that the seminar had been convened at a critical time, when Israel was continuing its actions to impede progress in the Occupied Palestinian Territory. He highlighted attempts by Israel to change the historic character of areas in and around the West Bank and East Jerusalem. He declared that all such actions undermined efforts to achieve a two-State solution.

25. The representative of the **League of Arab States** welcomed the reconciliation agreement announced the day before between Hamas and Fatah, reaffirming that such an agreement would bolster the ongoing state-building initiative. Turning to the dire situation in the Occupied Palestinian Territory, he said that nobody could imagine the frustration of Palestinians being denied for decades the opportunity to control their own destiny. He stressed that the only just solution to the protracted conflict was the full Israeli withdrawal from all Arab territories to the 4 June 1967 line, including from the Syrian Golan and lands in southern Lebanon, in line with the Arab Peace Initiative and relevant United Nations resolutions.

26. The representative of **Turkey** acknowledged the work of the Committee in bringing to the forefront crucial issues regarding the question of Palestine through the convening of such meetings and seminars. He said that there was no need to wait until the bold changes taking place in North Africa and the Middle East had settled down to renew the stalled peace process, stressing that the Israeli-Palestinian issue must be resolved. He highlighted the importance of restoring the dignity of the Palestinian people by attaining an independent State. He maintained that the dignity of the entire international community was at stake, reminding Israel that the same principles of international law it was denying today might be the very international legal tenets it would need to embrace tomorrow. He concluded by appealing to all sides for common sense to prevail.

27. In a keynote presentation, **Ali al-Jarbawi**, Minister for Planning and Administrative Development of the Palestinian Authority, said that he was addressing the seminar with mixed emotions of pride and fear. He expressed pride at the courage of Palestinians who had, despite obstacles, built a functioning, independent State. At the same time he had a sense of fear that those hard-won achievements would lose their value as Israel continued its aggressive and destructive policies in the Occupied Palestinian Territory, in violation of international law.

28. He hailed the progress made towards implementing the state-building programme and announced that it would be completed, as scheduled, in August. He referred to Prime Minister Fayyad's detailed account of the programme's achievements at a recent Ad Hoc Liaison Committee meeting in Brussels that was met with such broad and enthusiastic expression of support that it compelled Mr. Fayyad to declare that such endorsement represented a birth



certificate for the State of Palestine. Mr. Al-Jarbawi said that despite constraints, including denial of the use of most of its land and natural resources, the Palestinian Authority had nevertheless made significant strides. Listing some recent accomplishments, he said that Palestinians had demonstrated their capability to be masters of their own destiny in a State of their own. He continued to cite achievements such as the addition of more than 3,000 classrooms to the Palestinian education system; high enrolment in universities; the provision of electricity to all villages; and the planting of 1.2 million trees.

29. He noted that the numbers he had cited were impressive because they had been achieved under oppressive occupation, but he wondered whether less impressive numbers would have meant that Palestinians were less deserving of a State of their own. The Palestinian Authority was proud of what it had achieved with the help of its partners, including the United Nations, in improving living conditions on the ground. He stressed that the Palestinian Authority, which so far had continued to build while Israel continued to destroy, could not go any further under a hostile occupying regime. He emphasized that the state-building process must come to an end; it must lead to justice, freedom and self-rule for the Palestinian people. He opined that Israel did not share that view, saying he believed that Israel would only be satisfied with a form of self-rule that maintained a parallel occupation regime; however, despite Israeli aggression and daily settlers' aggression, he said, Palestinians had remained positive and forward looking,

30. Turning to recent events in North Africa and the Middle East, he said they demonstrated that ordinary citizens in the region did not want injustice and oppression to continue indefinitely. In addition, the Palestinian people were ready and able to exercise their inalienable rights. He said the international community had done much in providing humanitarian, technical and financial assistance, but what was really needed now was determined political and diplomatic support to completely dismantle the Israeli occupation regime. He emphasized that the project of the Palestinian Authority was political and its goal was to have a free and independent Palestine that could be a beacon of humanitarian values and religious tolerance around the world. He reiterated the Palestinian people's realistic desire to be not only an anchor of peace and stability in the region, but to play an active and positive role as a member of the wider international community.

31. He stressed that all stakeholders must work together in the same spirit of determination to make an independent Palestine a reality. He said that this coming September, the achievements of the capable Palestinian institutions, coupled with adequate pledges from the international donor conference set to take place in Paris in June, would make Palestinians ready to make independent Palestine a reality. The Israeli military occupation was the only remaining obstacle to Palestinian statehood. As such, forthright and determined action by the international community would be critical in removing that obstacle. He concluded by saying that financial aid alone would only maintain the status quo, warning that if more time was allowed to pass the two-State solution would slip beyond the international community's grasp.

### III. Plenary sessions

#### Plenary I

#### **The state-building programme of the Palestinian Government – achievements and challenges**

32. The speakers in the first plenary session addressed the following sub-themes: “Assessment of progress achieved in institution-building; governance, socio-economic development and infrastructures”; “Challenges of implementing the State-building programme”; and “The urgency of reconstruction in the Gaza Strip and making headway in the Palestinian National Early Recovery and Reconstruction Plan for Gaza – institutional and financial challenges to the realization of the Plan”.
33. **Mohammad Shtayyeh**, President of the Palestinian Economic Council for Development and Reconstruction in Ramallah, began by pointing out that the Palestinian people had actually begun preparations for an independent State back in 1994 with the establishment of the Palestinian Authority. Turning to the subject of statehood, he said that all tracks were heading in one direction where, in September, the political and the institution-building tracks would converge and yield, through a negotiated agreement, a peaceful settlement and an independent Palestinian State. He cited several key events including President Obama’s General Assembly address in September 2010 in which he expressed his desire to see the birth of a Palestinian State within a year.
34. Noting that the goal of establishing the Palestinian Authority as an interim organization to establish an independent Palestine by 1999 was not realized, he said that with the successful conclusion of the Palestinian-driven state-building process, the world was witnessing a paradigm shift from bilateral negotiations towards international responsibility. He confirmed that the elements of a State were already deeply rooted in Palestinian culture, and pointed out that achievements would have been much greater had the Israeli occupation been absent. He said that in normal circumstances state-building was expected to lead to irreversible outcomes, but the Palestinian experience demonstrated the opposite. He explained that his agency had rebuilt the Beit Hanoun bridge three times and repaved roads time and time again only to see them destroyed by fighting. Therefore, for the current state-building programme to become irreversible, a sustainable political framework must be in place.
35. Notwithstanding the burdens that the young Palestinian Authority had inherited, such as destroyed cities and neglected infrastructure, he said it had made many strides. He cited achievements in the security sector; judicial reforms; improved participation by women in municipalities; anti-corruption measures; and the creation of a High Council for youth matters. Much of the overall success, however, was affected by the Israeli occupation, a budget deficit and a lagging economy. He pointed out that an enabling economic environment had been lacking because the Palestinian economy had been conditioned to serve the Israeli economy; however, with the creation of an independent Palestinian State the situation would change quickly and dramatically for the better, as Palestinians regained control of natural resources and the freedom to trade. He concluded by saying that the Palestinian people could not continue with

that interim period without a time frame, recalling the recent assessments by the Ad Hoc Liaison Committee, the World Bank and IMF that had confirmed that Palestinian institutions were ready for statehood. He ended by asking, if not in September, then when would they have a Palestinian State?

36. **Reena Ghelani**, Deputy Head of the United Nations Office for the Coordination of Humanitarian Affairs in Jerusalem, said it was her belief that the challenges to state-building were having a huge humanitarian effect on the Palestinian people. Consequently, she said, it should be no surprise that relief agencies worked most frequently in the West Bank region known as “Area C”, which covered more than 60 per cent of the West Bank, and with communities that were affected by the separation wall. She pointed out that those were the places where occupation was most intensely enforced, thus preventing the Palestinian Authority from exercising its full authority and hindering the provision of services to its population.

37. Focusing on the humanitarian situation in the West Bank, she said that since 1967 the Government of Israel had implemented a range of measures that restricted Palestinians from using their land and resources, thus hampering their development. She noted that some 39 per cent of the West Bank was under the control of the Israeli Civil Administration, forcing Palestinians to apply for permits that were hard to obtain. Palestinians were not allowed to plan for any construction in Area C, which included the Jordan Valley and other areas that were essential for the creation of a future Palestinian State. Turning to East Jerusalem, she said that only 13 per cent of the land had been approved for Palestinian construction, which meant that the restrictive Israeli planning regime directly contributed to the dire condition of the Palestinian people living there, leading to house demolitions and displacement. She emphasized that Israeli settlements were the most important factor shaping the planning regime. She was of the opinion that the international community had been paying for the Palestinian Authority to build schools that had been destroyed by the Israelis.

38. Using a PowerPoint presentation and maps produced by the Office for the Coordination of Humanitarian Affairs, she located and demonstrated the effects of various types of obstacles to access and movement, including checkpoints, trenches and earth mounds. She said such structures were usually put in place to channel Palestinian traffic or hinder access to agricultural land, sometimes trapping whole communities in one place. She stressed, however, that it was significant that some 100 of those obstacles had been removed, mainly around major cities. She said that when the separation wall was completed, it would stretch some 700 km, noting that water sources were located largely on the Israeli side of the wall. She said that Palestinians were required by Israel to obtain visitors’ permits to work on their own lands. Those permits were valid for six months, requiring continued reapplication. Previously, the Government of Israel had given out 600 such permits, but in 2009 it had given out fewer than 100. Overall, she said, the Israeli planning measures had resulted in physical and administrative restrictions that affected humanitarian conditions as well as state-building efforts.

39. **John Clarke**, Head of Coordination for the Office of the United Nations Special Coordinator for the Middle East Peace Process, said that effective state structures were essential for long-term development outcomes and were the only structures capable of managing complex environments. He explained that as one came closer to achieving a particular development

outcome, further progress required greater investment for smaller incremental gains. Only strong state structures were capable of performing these functions. In addition, state-building provided incentives for long-term donor investment. And while it was also an essential complement to progress on the political track, it was not a replacement for it. He recalled the recent reports backed by the United Nations that were presented at the latest Ad Hoc Liaison Committee meeting, where donors expressed support for the Palestinian state-building process and noted that those surveys had all agreed that the process was reaching the limits of what could be achieved unless the Israeli occupation measures were rolled back.

40. He said the United Nations was working as one more than ever in the Occupied Palestinian Territory. He referred to the United Nations report to the Ad Hoc Liaison Committee as the best illustration of the convergence of efforts by the entire United Nations family. Turning to the Office of the United Nations Special Coordinator for the Middle East Peace Process, he said that by virtue of its humanitarian and recovery programming, the office needed to support the next step of the Palestinian state-building effort by developing a new medium-term response plan to be presented to donors. Second, the United Nations needed to focus efforts on areas where the Palestinian Authority faced the greatest challenges to its work, including Gaza, where the implementation of Security Council resolution 1860 (2009) remained a central objective. The office would also exert efforts in East Jerusalem and Area C, where Quartet Representative Tony Blair had received a number of approvals for initiatives aimed at spurring economic growth.

41. In closing, he drew attention to the joint World Bank/Palestinian Authority multi-donor trust fund, which was set to receive its first major infusion of resources in the amount of \$75 million. If those monies could be allocated flexibly, the Office of the United Nations Special Coordinator for the Middle East Peace Process and other United Nations entities would be able to move ahead immediately with their initiatives once projects were approved. He said that the Office of the United Nations Special Coordinator for the Middle East Peace Process was committed to continuing to engage Member States at all levels, not just on development and humanitarian issues, but also on policy matters.

42. **Mandy Turner**, lecturer in conflict resolution at the University of Bradford in the United Kingdom, said that addressing the challenges of implementing the Palestinian state-building programme and supporting the inalienable rights of the Palestinian people required a reality check on the current situation, particularly in the context of a possible General Assembly and Security Council debate on Palestinian statehood in September. She stressed that there were real diplomatic and structural obstacles facing the state-building project as it was currently being implemented, including the fact that it was extremely unlikely that Israel and the United States would allow an independent Palestinian State to emerge on the 1967 borders.

43. She explained that the immense structural obstacles were such that the Palestinian Authority had no control over its borders nor its revenues and that the territory of the proposed Palestinian State was terribly fragmented, with Israel controlling around 82 per cent of the West Bank—60 per cent in Area C and 22 per cent in Area B—and continuing to blockade Gaza. She recounted that on a recent trip to the Occupied Palestinian Territory she had interviewed some members of the donor community about Area C, and most had told her that they believed the

area was now more difficult to access than Gaza. Only 1 per cent of Area C was part of any planning, and donors were reluctant to give for fear that structures that had been built there would risk demolition. Moreover, food insecurity in Area C was at 79 per cent—approximately 20 per cent higher than it was in Gaza, where the challenges were more well-known. With such harsh realities on the ground, including efforts on the part of Israel to expand settlements and fragment Palestinian land, she said it was time for everyone to finally acknowledge that Israel was carrying out a state-building plan of its own.

44. She emphasized that the processes of fragmentation and disempowerment currently in use by Israel must be counteracted and would perhaps lead to an awakening among the Palestinian people. Indeed, a vigorous debate was taking place among Palestinians everywhere about their future. At the same time, there seemed to be a consensus that only a democratic, reformed Palestine Liberation Organization could decide on the way ahead. In addition, many Palestinians believed that direct elections to the Palestinian National Council were also essential. Finally, she expressed the view that no State had been born because an occupier had given it statehood; rather States were born because the people under occupation had been united in their quest for independence.

45. **Khaled Abdel Shafi**, Senior Programme Adviser at the Programme of Assistance to the Palestinian People of the United Nations Development Programme (UNDP), expressed his sadness to still be discussing the reconstruction of Gaza some 28 months after the end of the Israeli war. He explained that the main reason for the delay was the blockade imposed by Israel four years ago, suggesting that the impact of that measure should be included in the discussion. He recalled that the Palestinian Authority had presented to donors its Early Recovery and Reconstruction Plan for Gaza in March 2009 and noted that some \$4.3 billion had been pledged. Two years had gone by, little had been achieved and the plan had basically languished owing to the lack of access to the area and restrictions on the entry of construction materials.

46. He said that the blockade had forced Gazans to create a so-called tunnel economy, in which goods for daily subsistence, tools and construction materials were smuggled underground through Egypt and into the blockaded area. With such supplies, he said, Gazans had succeeded in repairing some of the water mains and sewage systems and refurbishing most of the homes that had been partially damaged. He said that UNDP had estimated that it would take some \$2.3 billion over the next three years to address all the water, agriculture, sanitation, electricity and other vital infrastructure needs.

47. He noted that the previous day's announcement of an initial reconciliation agreement between Hamas and Fatah would open the door for more opportunities to jumpstart the reconstruction process. At the same time, he hoped that Egypt would provide alternative access that would help ease the entry of construction materials into Gaza. In a final plea, he said that Palestinians, the United Nations and the international community had the capacity to deal with technical and physical aspects of the recovery; however, the real tragedy was the abiding hopelessness, fear and despair within Gazan society as a result of the Israeli blockade, Palestinian divisions and fragmentation of Palestinian lands. As such, the truly difficult work surrounding the recovery would have to be devoted to addressing such ills.

**Plenary II**  
**Looking ahead: developing sovereign institutions**  
**and creating a sustainable Palestinian economy**

48. The experts in the second plenary session addressed the following sub-themes: “Improving accountability and efficiency of the public sector”; “Creating an enabling environment for robust private sector-led growth”; “The role of women in socio-economic development”; “Investing in youth through education”; and “The role of the donor community”.

49. **Akram Atalla**, Programme Coordinator at the Jerusalem office of the Fafo Institute for Applied International Studies, said that when measuring the level of satisfaction of the Palestinian people with the services of the public sector in the Occupied Palestinian Territory, it was crucial to start discussions regarding the efficacy and functioning of those institutions while at the same time taking into consideration that the situation on the ground had changed rapidly. He noted that two months had already passed since the resignation of Prime Minister Salam Fayyad’s Cabinet, leaving people to wonder who was making decisions and when a new Government would be formed. He opined that such a prolonged, unsettled situation could only undermine public trust.

50. He said that his discussions with people in the region had revealed that when scheduled municipal elections were cancelled, people began to worry about the delivery of basic services. He opined that voting had been put off because of existing divisions among Palestinian parties. However, with the recent announcement of a reconciliation agreement between Fatah and Hamas, the elections would be rescheduled and a unity Government would be formed. Turning to the Palestinian people’s perception of the public sector, he said the public sector was viewed as inadequate and fraught with cases of nepotism, which was undermining trust. He said it was essential to put democratic institutions in place to build public trust.

51. With a PowerPoint presentation, he demonstrated the efforts of the Palestinian Authority to address a host of public-sector essentials, including providing electricity, water, sanitation, judicial and health services. He acknowledged that while the level of public satisfaction with those services varied marginally among citizens, and some services, such as water, were largely controlled by Israel, the election of a fully democratic Palestinian Government would be key to improving accountability and efficiency. Listing some challenges facing public-sector services, he pointed out that there were crises in some hospitals, courts were overloaded with cases and the Head of the Palestinian anti-corruption programme had received 70,000 cases for investigation. He expressed serious concern that in many cases of announced investigations into cases of corruption or substandard public services, the average citizen never heard about the results and therefore just considered the matter ignored or brushed aside.

52. **Janet Michael**, Mayor of Ramallah, said that women were integral to the growth and development of Palestine in the formal and informal sectors, in both urban and rural areas, and within and outside their households. In fact, women dominated the informal sector of the economy, which is rarely reflected as a contribution in economic statistics. She pointed out that despite the many obstacles that had affected the ability of women to advance in the workplace

and in political life, women had significantly contributed to the socio-economic development of the Occupied Palestinian Territory. Not only were women often burdened with the full responsibility of raising families, they also faced discrimination in employment and salaries and had no access to professional training. She said local stakeholders as well as international development organizations had recognized this inequity, which persisted despite two decades of efforts to eradicate those inequalities, in accordance with the Millennium Development Goals,

53. She said that women in the Occupied Palestinian Territory held one-third of the public-sector jobs. In 2010, the rate of participation of Palestinian women in the labour force reached an average of 14.7 per cent, ranging from a high of 17.2 per cent in the West Bank to a low of 10.2 per cent in the Gaza Strip. That rate was low for many reasons, including Israeli actions such as building the separation wall, stepping up settlement activities in the West Bank and East Jerusalem and placing restrictions on movement and access of people and goods in the West Bank. In the Gaza Strip, the Government of Israel continued the siege, including the restrictions on the entry of all but humanitarian goods and on the export of goods, which led to a collapse of the Gazan private sector.

54. Mrs. Michael noted that Palestinians had promoted the education of future generations of men and women as a response to political and economic instability. She pointed out that Palestinian women had lower dropout rates than men at the primary level; at the secondary level, females outnumbered and outranked males in academic achievement and Tawjihi scoring; at the tertiary level, women again outnumbered men. She stressed that the skills and education level of women represented a vast resource of human capital that should be considered a vital asset and essential tool for future development; however, while data showed that a large number of Palestinian women were educated and well-equipped to contribute to society, owing to socio-cultural barriers their human capital remained largely overlooked. So in real terms, women's access to education had only marginally improved their status in Palestinian society.

55. **Raja Khalidi**, Senior Economist at the Globalization and Development Strategies Programme of the United Nations Conference on Trade and Development, speaking in his personal capacity, took a more critical view of the programme of the Palestinian Authority, whose economic policy dimension, he believed, endangered the Palestinian liberation agenda. He said it was not particularly good news that the reports recently produced by the Bretton Woods institutions and the United Nations had affirmed that the Palestinian Authority was now ready to become a State, which in his opinion contrasted with the reality on the ground. He opined that the claim that the Palestinian Authority was now at the threshold of establishing a functioning State was oversimplifying the complex governance issues. The real problem was that arbitrary benchmarks were irrelevant to the actual dynamics of attaining sovereignty, ignoring the prolonged Israeli occupation.

56. What actually mattered was upgrading the international diplomatic status of the State of Palestine without asking the question of how to make that State into a real State. Indeed, he said, the discourse of the Palestinian Authority seemed to assume that, by the will of the citizens who had proved themselves capable of civil responsibility and of not carrying guns in public, statehood would somehow arrive in September because, technically, everything was ready.

He opined that this premise was politically far-fetched, theoretically implausible and economically dangerous. He expressed his concern about the sort of economy that would be established, assuming a State was established and Israel withdrew. He pointed out that while the Palestinian Authority had called for a very open trade system, compliance with world standards and light fiscal regulations, it was important to remember that about one third of the productive capacity that existed prior to the intifada in 2000 had been lost to occupation and war.

57. Continuing, Mr. Khalidi asked why the much-needed investment in industry that strengthened domestic demand had not happened except in certain niche sectors. He also questioned how a war-torn economy could arise when it had no domestic industrial productive capacity and agriculture continued to receive little attention from Palestinian policymakers and international donors. Given the current high unemployment and poverty rates, he said, the benefits of growth spurts would not trickle down. He also pointed out that the access to markets by a Palestinian State would remain totally in the hands of Israel, asking what sort of export-led growth was really being considered. He said his deep concerns regarding such an economy were rooted in the recent failed experiences of neoliberal market fundamentalism around the world, including the export-led growth strategies of similarly weak economies in Africa. He said that his critique could be seen as coming from the fringe of economics and old-school liberationists, but truth in economics was decided not by the strength of its theories but whether they fit within certain paradigms of power. He opined that the dissonance between neoliberal policies and the Palestinian economic reality seemed obvious to him and he wondered why so few others seemed to be concerned by it.

58. **Alia El-Yassir**, Programme Coordinator of the Project Office in the Occupied Palestinian Territory for the United Nations Entity for Gender Equality and the Empowerment of Women, identified positive trends, gaps and key steps for making progress in the situation of women. Using the framework developed by the Palestinian Authority, she noted, among other things, that in public administration a national women's machinery was in place and the first-ever Cross-Sectoral National Gender Strategy had been set up without a push from the international community. In addition, the Palestinian Authority had pledged its commitment to gender-responsive budgeting and to ensure that programmes for gender equality and women's empowerment received the required funds. She pointed out that the Authority had also endorsed the Convention on the Elimination of All Forms of Discrimination against Women.

59. She stressed that women were contributing at the household level and at the community level, including by playing a strong role in local resistance movements. It was clear, however, that women were still the most underutilized resource for socio-economic development. She pointed out that only about 15 per cent of Palestinian women participated in the formal labour force, which was among the lowest in the world. In addition, there was lack of diversification in women's employment, with approximately 61 per cent of women employed in services and 20 per cent in agriculture. She explained that women were generally forced to work in hidden sectors where their work was not accounted for in economic terms and their labour in family-owned business, such as farms, went mostly unpaid.

60. She went on to say that a key problem was that control over household assets and resources was largely restricted by traditional gender roles. Another problem was that women



rights were not protected in the informal sector. She said studies had shown that huge numbers of women in Gaza and the West Bank were not claiming their inheritances, chiefly because they were unaware of their rights. She stressed that the Government must provide social protections for women in home-based and informal economies and a legal framework for domestic work should be elaborated. Such actions would put Palestinian women on par with their international counterparts and enhance social equity.

61. Ms. El-Yassir also said the commendable commitment by the Palestinian Authority towards women's empowerment must be translated into the state-building plan. Further, much more must be done to improve infrastructure, which would enhance women's mobility. The Palestinian Authority must press ahead with such exercises as gender mainstreaming in ministerial planning and budgeting. She stressed that investing in women made socio-economic sense and was an important part of any state-building exercise.

62. As for the United Nations, she said the Secretary-General was committed to promoting a partnership between the Organization and Member States to ensure that at least 15 per cent of funds managed by the United Nations in support of peacebuilding were dedicated to projects whose principal objective, consistent with organizational mandates, was to address women's specific needs, advance gender equality or empower women.

63. Urging the participants to consider alternative models to bolster socio-economic development and gender equality, she highlighted an innovative initiative that supported school canteens run by rural women. That programme balanced socio-economic goals by improving schoolchildren's health, nutrition and academic attainment and created sustainable businesses for women. If the programme was scaled up, more than half a million children would be reached and nearly 3,000 rural women would be employed throughout the Occupied Palestinian Territory.

64. **Salem Ajluni**, a consultant with UNRWA, focused on investment in youth through education and presented findings from two census surveys that had defined youths as those among the population aged 15 to 24 years of age. Between 1997 and 2007 that population had grown at an annual average rate of 3.7 per cent. During that time period, important developments in the realm of education for Palestinians were taking place in the Occupied Palestinian Territory, which led to significant declines in illiteracy, higher secondary-school completion rates and a dramatic increase in post-secondary educational attainment. He said that during that period, both the West Bank and Gaza experienced similar declines in illiteracy, while West Bank post-secondary education was more advanced. Moreover, advances in women's educational attainment were greater than that of men, especially in post-secondary education in the decade after 1997.

65. He went on to provide figures for labour market demographics, noting that they were affected, to some degree, by the fact that more youths were attending school. He explained that the explosion in unemployment had been driven by disruptions on the ground, especially the restrictions on movement and work permits. Also, the economic agreements signed by the Palestinian Authority had begun to allow outside manufacturers to bring their products into the Occupied Palestinian Territory, squeezing out local productive capacities. For example, there

were no more shoe manufacturers in Hebron because competitively priced products from Turkey or China had forced them out of business. In addition, he said that the separation policies of Israel had disrupted the construction industry, as many of those Palestinians who had been employed in Israel were no longer allowed permits to work there.

66. Concluding, he said that if current trends held, one could expect, to some extent, increases in the possibilities of service-sector employment for youth; however, productive capacities would remain under pressure. He stated that the entire labour market situation would be affected by the political exigencies of the Palestinian Authority and the physical and technical realities on the ground. As such, investing in youth through education would be a way to accelerate economic development; however, we could not expect youth to benefit from the high levels of education they had attained without sovereignty and policy independence, which were the main obstacles.

### **Plenary III**

#### **Laying the groundwork for the sovereignty of the State of Palestine**

67. The experts in the third plenary session addressed the following sub-themes: “The importance of economic viability for the sovereignty of the State of Palestine”; “Overcoming political obstacles in implementing the State-building programme”; “The role of the United Nations system in mobilizing efforts at altering Israeli settlement policies and other measures negatively affecting the Palestinian economy”; and “The role of regional economic partners in supporting a political solution”.

68. **Firas bin Ra'ad**, Development Adviser at the Office of the Quartet Representative in Jerusalem, said that after years of unrelenting effort, the pursuit of the Palestinian people for independence was approaching its historical destination. The challenge now was to create sound policies that would help overcome current and future obstacles. He stressed that, in that context, international and regional efforts to unlock the impasse in Israeli-Palestinian negotiations must persist. He said that the current events that were changing the Middle East and North Africa, coupled with the recent announcement on Palestinian reconciliation, should serve to hasten, not hinder, the creation of a Palestinian State, living in peace with Israel. In all that, he explained, the Office of the Quartet Representative planned to support efforts to effect positive change through a ground-up approach focused on accelerating economic growth and job creation. He acknowledged that while such initiatives were essential they could never substitute for a credible and comprehensive political agreement between the Israelis and the Palestinians.

69. Reviewing the socio-economic situation in the Occupied Palestinian Territory, he noted that while economic trends had been positive in terms of economic growth, the Palestinian Authority must continue policy reforms and international and regional donors had to sustain their support over the short and long term in order to deepen, broaden and sustain the nascent economic recovery. More importantly, there was a need for Israel to provide Palestinians with greater access to external and internal markets, including East Jerusalem; to industrial inputs and raw materials; and to Palestinian natural resources in Area C and the Mediterranean Sea, namely the offshore gas field known as Gaza Marine. He stressed that the living and work conditions for

Palestinians in East Jerusalem must be improved, and reconstruction and recovery in Gaza, as well as efforts to promote trade, must be scaled up.

70. Turning to the economic viability of a future Palestinian State, he said the economics of regional peace and security, if reached and supported by the international community, could only benefit a Palestinian State. He highlighted several policies that were crucial to strengthening the economic viability embedded in an acceptable two-State solution, saying they were already part of the current Palestinian development agenda. Those policies included continuous institution-building, promoting skills and employability for private sector development, boosting regional integration and external trade relations and policies, maintaining a special focus on the Gaza Strip and strengthening risk-protection mechanisms and safety nets.

71. **Shir Hever**, Economic Researcher from the Alternative Information Centre in Jerusalem, recalled that the Palestinian state-building programme had been based on the assumption that the occupation would end. He was convinced that the Palestinian leadership did not believe that Israel would just give them a State, nor did they believe that the international community would pressure Israel to accept the Palestinian State. He said the Palestinian Authority had chosen not to talk about the path, but to imagine the end result. He expressed belief that Israel was hoping for a unilateral declaration of independence, which would make it easier for Israel to dismiss the state-building exercise entirely and tighten its control over the Occupied Palestinian Territory. He opined that rhetoric, such as that soon the Palestinian struggle would be over, was dangerous because Israel might decide that whatever decision was reached in September would be akin to a final solution, rendering negotiations or international assistance unnecessary.

72. Mr. Hever stressed that international assistance and Israeli responsibility must remain the focus. He noted that referring to the people of the Gaza Strip and the West Bank as stateless was misleading since there was a State, namely Israel—a State that had been exercising control over practically every element of their daily lives, perhaps more than any other State authority intervened in the lives of its citizens. Therefore, while the Government of Israel bulldozed homes and controlled the movement of goods and people, it also had to own up to its legal responsibilities by seriously acknowledging the impact of years of neglect of and attacks on the Palestinian infrastructure as the state-building plan moved towards completion.

73. Turning to the issue of the contours of a viable Palestinian State, he urged participants to acknowledge that any such entity that would be created on the 1967 borders would become one of the smallest countries in the world. Crucial nuts and bolts issues would also have to be considered, such as providing sustained electricity, water and health services, and installing trade infrastructure. Such a small Palestinian State would be at a disadvantage in trade relations and in establishing a currency, and would not have access to water sources that were not shared by Israel. With all that in mind, he concluded that the rational solution would be to create a joint committee where Palestinians and Israelis would discuss such issues together. Finally, he pointed out that the Palestinian people's biggest financial asset was and would continue to be the debt owed by Israel for years of occupation.

74. In a joint presentation, **Saeb Bameya** and **Arie Arnon**, the respective Palestinian and Israeli coordinators of the Joint Palestinian-Israeli-International Economic Working Group,

known as the Aix Group, discussed ways to overcome the obstacles facing the building of a Palestinian State. Mr. Bamyá explained that the Aix Group was a think tank that had been established in 2002 following a seminar in Aix-en-Provence, France, aimed at bringing together economists, policymakers and academics from both sides and providing space to exchange ideas about issues related to future permanent arrangements between Palestinians and Israelis.

75. He pointed out that, among other things, the Group had acknowledged the abiding asymmetry between the parties to the negotiations; also, the international community, which was represented largely by the United States, had not been able to ensure that Palestinians were able to negotiate with Israelis on equal footing. He said there was a need to reach greater symmetry between Israel and the Palestinians in order to reach a situation in which two independent States lived side by side and engaged in many different ways. In that regard, the Aix Group had outlined what it called a reverse-engineering approach in which the two sides would first agree on the contours of a permanent agreement and then decide how to reach that end.

76. Mr. Arnon said he believed the declaration by Israel, following the disastrous outcome of the summit at Camp David and the launch of the second intifada in 2000, that it had no partner with whom to negotiate peace, had perhaps dealt the most devastating blow to the process because it had given birth to a generation of pessimists. However, the Aix Group had not given up hope, for the Group understood that if Israelis and Palestinians were to live together in that small area, both sides needed to return to negotiations.

77. Turning to economic challenges, he said that contrary to what many people thought, the equitable answer was not to integrate outright the two obviously imbalanced economies, but to convince both sides to enter into some form of free-trade agreement, which necessitated defined borders. In addition, the solution necessitated a restoration of labour flows between the two sides to contribute to faster growth of the Palestinian economy and to close the economic divide between the two sides. He went on to list other issues that were as important as borders and needed to be addressed, including the questions surrounding Jerusalem, the economy, security and refugees, and the notion of compensation for property lost in 1948. He stressed that tackling the matter broadly and comprehensively was the only path to a way out of the situation.

78. Intervening, Mr. Bamyá asked the rhetorical question, “What way out?” when, after Oslo, Israel had begun a relentless campaign to change the facts on the ground. He opined that the key solution was for those who supported the two-State solution, including Israelis, Palestinians, the Quartet principals and others, to genuinely get behind that process, starting with a territorial link between the West Bank and Gaza and including an equitable and viable solution to the refugee issue. He pointed out that he himself was a refugee and was ready to accept the Palestinian State as his own, but not all refugees were of the same mind and every refugee should have a choice.

79. **Zuheir Elwazer**, Permanent Observer of Palestine to the United Nations Office at Vienna, traced the historic path of the question of Palestine through the General Assembly from resolution 181, known as the partition resolution, to the creation of UNRWA and the Committee on the Exercise of the Inalienable Rights of the Palestinian People. He stressed the vital importance for Member States and the wider international community to enhance their support for UNRWA, which was carrying out vital functions in the Occupied Palestinian Territory.

80. He continued calling upon the international community to stand together and oppose ongoing actions by Israel such as the construction of the separation wall and settlement expansion, which obstructed the efforts to lay the foundations for an independent Palestinian State. He emphasized that Israel must abide by the advisory opinion of the International Court of Justice, which had declared the wall illegal and called for the dismantling of its existing portions. He concluded by pointing out that the separation wall, in effect, had created a huge prison for many Palestinians and must be torn down.

81. **Hussein Ibish**, Senior Research Fellow at the American Task Force on Palestine in Washington, D.C., said that it was time to take advantage of the state-building programme, which was the only systematic programme for advancing the realization of a viable, practicable two-State solution and therefore should be vigorously supported by all parties. He noted that the most significant obstacles to the implementation of that project came from Israel, the occupying Power, citing dozens of reports that had recognized that the continued occupation had limited the progress of the Palestinian programme. Turning to security, he noted that the Palestinian project had restored security to formerly anarchic cities, such as Jenin and Nablus, noting that Israel had initially been sceptical about the new security forces but now was praising their performance, and particularly their security cooperation with forces from Israel. He mentioned in this context that among the serious issues facing Palestinian security were the almost daily Israeli incursions into Area A, and demanded that those actions must end.

82. He pointed out that charges that state-building was a form of collaboration were strongly refuted by consistent efforts by the Palestinian Authority to expand the reach of the project beyond Area A. Israel had rejected, blocked and undone those efforts, he said, citing the example of the struggle over the road to the village of Qarawat Bani Hassan. Israel would not grant its residents a permit to build a paved road, so the Palestinian Authority quietly paid for the creation of a small road. Some months later Israeli forces destroyed the road, which was then rebuilt, again with the Palestinian Authority's funding, and then destroyed one more time in March. He said that ultimately the state-building project could not be restricted to Area A, or even Area B, but must operate also in Area C, since the overwhelming majority of it would be an essential part of the State of Palestine.

83. Mr. Ibish said the state-building project was posing a simple question, asking Israel what kind of Palestinian State and what future were being envisaged. He pointed out that the programme was based on top-down diplomacy converging with bottom-up state-building in order to achieve a breakthrough. He opined that although the Palestinian Authority could receive a positive vote in the General Assembly, he did not see a breakthrough coming this September. He said it seemed that the state-building process was set up for the long haul and could provide the foundations for a solid future and continued negotiations whether or not September produced a Palestinian State. He said that the recent announcement of a reconciliation agreement between Hamas and Fatah raised more questions than answers. He concluded by saying that unity was generally a good thing, but in this case there were considerable risks involved.

#### IV. Closing session

84. At the closing session, statements were made by a representative of Finland, the Permanent Observer of Palestine to the United Nations and the Chair of the Committee on the Exercise of the Inalienable Rights of the Palestinian People.

85. **Helena Tuuri**, Head of the Unit for the Middle East and North Africa in the Ministry of Foreign Affairs of Finland, said that while the Israeli-Palestinian peace process remained deadlocked, the changes under way in North Africa and the Middle East had erased the belief that the situation would remain so forever. Indeed, there were now strong feelings of change in the air and new dynamics in play. The Palestinian Authority had done an excellent job of building the foundations of a viable independent State and was now calling upon the international community to rally behind that effort.

86. She reminded the seminar that while the international community could and must support the Palestinian state-building programme, it was essentially just the “third party” in the process. First and foremost, Palestinians and Israelis must press ahead to reach a negotiated settlement, as a sustainable solution “must come from inside”. She added that the recently announced agreement on Palestinian national reconciliation would help get that process back on track.

87. Highlighting some of the discussions that had taken place during the past two days, she particularly noted those that had focused on rebuilding the Gaza Strip and on the socio-economic situation of women in the Occupied Palestinian Territory. Referencing the discussion on investing in education of the youth, she said that, as a small nation, Finland had long understood that investing in education was vital to its sustainable growth and development.

88. In conclusion, she said the Palestinian Authority had demonstrated that its institutional capacity was sufficient for supporting State functions. Despite funding gaps, the remaining obstacles were not institutional or financial but political. Certainly other challenges might lie ahead, but the European Union continued to believe that a negotiated settlement was necessary for a sustainable peace. Finland, for its part, hoped the diplomatic Quartet would enhance its efforts to that end.

89. **Riyad Mansour**, Permanent Observer of Palestine to the United Nations, said that the discussions and participation over the past two days had been an outstanding demonstration of solidarity that gave the Palestinians a source of energy to continue the struggle for self-determination. He welcomed the constructive discussions that had taken place with various officials from the Government of Finland. He went on to say that the Palestinian government would, over the next six months, concentrate on four interrelated tracks that would converge in September. The most fundamental track was the struggle of the Palestinian people under occupation, which was not to be given up. Palestinian people in all villages and towns would remain steadfast, unified and dignified.

90. As for the second track, he said Palestinian officials planned to remain open to restarting direct negotiations with Israel, but under conditions that would not only increase the chances of

success but would also allow the Palestinians to negotiate on a more equal footing. He stressed that the Palestinian people were committed to working with anyone in the international community who was willing to bring the two sides back to the negotiating table to reach a peace settlement.

91. He said the third track involved pressing ahead with the state-building programme, especially its socio-economic aims, which ultimately was a part of overall resistance to the occupation. Mr. Mansour thanked Finland and other European countries that were helping the Palestinian Authority complete its state-building effort, and said that such support would be necessary after independence because repairing a society that had been wrecked by decades of war and occupation would be a tall order.

92. He stated that the proposal of the formation of a unity Government following the announcement of an initial reconciliation agreement between Fatah and Hamas earlier this week would go a long way towards helping the Palestinian people put their house in order. It would particularly help jump-start the effort to rebuild the Gaza Strip, where the people were crying out for help after the savage war unleashed on them by Israel two years ago.

93. He said the fourth track was a diplomatic initiative that attempted to get as many countries as possible, especially in Western Europe, to recognize the State of Palestine based on the 1967 borders. Indeed, those States had been highly involved in the partition of Palestine, and in September those same nations must show equal determination towards Palestinian independence. If Palestine succeeded in getting two-thirds of the General Assembly to recognize it, why then should any member of the Security Council vote against it? He declared that the Palestinians would negotiate with Israel on all final status issues but would not negotiate their independence with anyone.

94. **Abdou Salam Diallo**, Chair of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, urged the Quartet of Middle East peace mediators to help permanently end the occupation by rapidly finalizing the permanent-status parameters so that direct Israeli-Palestinian negotiations could proceed without delay. He said that the ascension of an independent State of Palestine to its rightful seat at the General Assembly would not signal the end of the Palestinian quest for nationhood, but a new beginning.

95. He turned to the two days of deliberations at the seminar, noting that participants had heard presentations by experts who had welcomed the progress achieved in the implementation of Prime Minister Salam Fayyad's plan. At the same time, those interventions had evoked renewed appreciation of the enormity of the tasks that lay ahead.

96. He said that the Committee was looking forward to a unified and cohesive State. One in which the rule of law and social justice prevailed, and in which representative, accountable and transparent public institutions were engaged in a dialogue with civil society. He emphasized that such a State should also be open and inclusive, one in which all citizens, including vulnerable groups such as women and young people, were free to develop their full potential and count on economic opportunity and the protection of their rights.

97. He expressed appreciation for the keynote presentation by Ali al-Jarbawi, Minister for Planning and Administrative Development of the Palestinian Authority, who outlined the progress achieved in the programme's implementation. In particular, the Chair had appreciated the Minister's insights into the strategies embodied in the Palestinian National Plan 2011-2013, which looked forward to the establishment of an independent Palestinian State and beyond, and noted that Palestine was positioned strategically next to some of the region's most dynamic economies. He said that when released from the shackles of occupation, Palestine was poised to reach its full potential by building a robust economy fuelled by international trade.

98. He acknowledged that the continued Israeli occupation was the big variable in the equation. The pace of development would remain agonizingly slow if every small project, every incremental step required high-level intervention and approval. He explained that as long as the energies of the humanitarian and United Nations agencies on the ground were consumed by the constant need to navigate the demands of the Israeli occupation bureaucracy, and as long as Gaza remained blockaded, progress would not be appreciable.

99. He called on the countries that had so far not recognized the State of Palestine to do so, in anticipation of its admission to the United Nations in September. He went on to stress that members of the international community should actively support Palestinian unity, or at least not stand in the way. He also called on the international community to show support and cooperation for the Palestinian National Plan 2011-2013. He said that the price tag might be high, but it was a sound and intelligent investment in a peaceful and prosperous future. He explained that a donors' conference, to be held in Paris in June, was an opportunity to reinforce support for the plan, calling for the donor community's full support and participation. He concluded by saying that what would be needed was not just additional assistance, but smarter assistance, applied strategically, in a way that promoted rather than crowded out private sector activity, and that put the needs of the Palestinians first rather than subordinated itself to the occupation.



## **Annex**

### **List of participants**

#### **Speakers**

Mr. Khaled Abdel Shafi	Senior Programme Adviser, United Nations Development Programme, Programme of Assistance to the Palestinian People New York
Mr. Salem Ajluni	Consultant, United Nations Relief and Works Agency for Palestine Refugees in the Near East San Jose, California
H.E. Mr. Ali al-Jarbawi	Minister for Planning and Administrative Development, Palestinian Authority Ramallah
Mr. Arie Arnon	Israeli Coordinator, Aix Group (joint Palestinian-Israeli- International Economic Working Group) Beersheva
Mr. Akram Atalla Alayasa	Programme Coordinator, Fafo Institute for Applied International Studies Jerusalem office
Mr. Saeb Bamyia	Palestinian Coordinator, Aix Group (joint Palestinian-Israeli- International Economic Working Group) Jerusalem
Mr. John Clarke	Head of Coordination, Office of the United Nations Special Coordinator for the Middle East Peace Process Jerusalem
H.E. Mr. Zuheir Elwazer	Permanent Observer of Palestine to the United Nations Office at Vienna
Ms. Alia el-Yassir	Programme Coordinator, United Nations Entity for Gender Equality and the Empowerment of Women, West Bank and Gaza Office Jerusalem

Ms. Reena Ghelani	Deputy Head, United Nations Office for the Coordination of Humanitarian Affairs Jerusalem
Mr. Shir Hever	Economic Researcher, Alternative Information Centre Jerusalem
Mr. Hussein Ibish	Senior Research Fellow, American Task Force on Palestine Washington, D.C.
Mr. Raja Khalidi	Senior Economist, Globalization and Development Strategies, United Nations Conference on Trade and Development Geneva
Mrs. Janet Michael	Mayor of Ramallah
Mr. Firas bin Ra'ad	Development Adviser, Office of the Quartet Representative Jerusalem
Mr. Mohammad I.M. Shtayyeh	President of the Palestinian Economic Council for Development and Reconstruction Ramallah
Ms. Mandy Turner	Lecturer in conflict resolution, University of Bradford Bradford, United Kingdom

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

H.E. Mr. Abdou Salam Diallo	Permanent Representative of Senegal to the United Nations Chair of the Committee and Head of Delegation
H.E. Mr. Zahir Tanin	Permanent Representative of Afghanistan to the United Nations Vice-Chair of the Committee
H.E. Mr. Pedro Núñez Mosquera	Permanent Representative of Cuba to the United Nations Vice-Chair of the Committee
H.E. Mr. Saviour F. Borg	Permanent Representative of Malta to the United Nations Rapporteur of the Committee
H.E. Mr. Riyad Mansour	Permanent Observer of Palestine to the United Nations

### **Representative of the Secretary-General**

Mrs. Rima Khalaf                      Executive Secretary of the Economic and Social Commission  
for Western Asia

### **Governments**

Algeria	H.E. Mr. Fatah Mahraz, Ambassador Embassy in Sweden
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China	Mr. Ma Qiang, Political Counsellor Embassy in Helsinki
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Estonia	Ms. Anneli Veisson, Coordinator for Middle East, Ministry of Foreign Affairs Tallinn
Finland	H.E. Ms. Ritva Koukku-Ronde, Under-Secretary of State for Development Cooperation and Development Policy H.E. Mr. Ilari Rantakari, Ambassador H.E. Mr. Kari Kahiluoto, Ambassador, Deputy Head of the United Nations Security Council Campaign Task Force H.E. Mr. Risto Veltheim, Ambassador, Euro-Med Coordinator H.E. Ms. Helena Tuuri, Director, Unit for the Middle East and North Africa Ms. Katri Viinikka, Director, Political Department, Unit for United Nations and General Global Affairs

Ms. Leena-Kaisa Mikkola, Director, Unit for European Common Foreign and Security Policy  
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 Mr. Johannes Tarvainen, Programme Officer, Unit for Humanitarian Assistance  
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 Mr. Tito Gronow, Counsellor, Turmoil in the Arab World, Department for Africa and the Middle East  
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Greece	Mr. George Dardavilas, Head of the Press and Communications Office Embassy in Helsinki
Iraq	H.E. Mr. Abdul Kareem Kaab, Ambassador Mr. Dia Liilua, Head of the Political Unit Embassy in Helsinki
Italy	H.E. Mr. Giorgio Visetti, Ambassador Mr. Antimo Campanile, Counsellor Embassy in Helsinki
Japan	Mr. Yoshiaki Miwa, First Secretary Ms. Chisato Konda, Second Secretary Embassy in Helsinki
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Morocco	H.E. Ms. Mina Tounsi, Ambassador Mr. Driss Ben Fares, Minister Counsellor Embassy in Helsinki
Namibia	Mr. Paul Elia Shihengo, First Secretary Embassy in Sweden
Netherlands	H.E. Mr. Nicolaas Beets, Ambassador Embassy in Helsinki
Panama	H.E. Mr. Richardo Luis Quintero, Ambassador Embassy in Sweden
Peru	H.E. Mr. Pablo Portugal, Ambassador Mr. Paul Paredes, Minister Mr. José Yépez, Third Secretary Embassy in Helsinki
Poland	Mr. Tomasz Moszczyński, Counsellor Mr. Grzegorz Marczak, Counsellor Embassy in Helsinki
Qatar	Mr. Abdulla Al-Derbasti, Minister Plenipotentiary Embassy in Helsinki
Russian Federation	Mr. A. Katalin, Third Secretary Department of the Middle East and North Africa Ministry of Foreign Affairs Moscow
Saudi Arabia	Mr. Mansour Alwahaibi, Attaché Mrs. Maisoun Kanaan, Researcher Embassy in Helsinki
Slovakia	H.E. Mr. Juraj Podhorsky, Ambassador Mr. Andrej Tabacik, Counsellor Embassy in Helsinki
South Africa	H.E. LMS Mngqikana, Ambassador Ms. KD Maharaj, Counsellor Embassy in Helsinki
Turkey	Mr. Ali Riza Güney, Head of Department at the Directorate General for the Middle East Ministry of Foreign Affairs

**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	H.E. Mr. Ali al-Jarbawi, Minister for Planning and Administrative Development, Palestinian Authority, Ramallah
	H.E. Mr. Nabil al Wazir, Ambassador Ms. Jana Habilainen, Secretary Palestine Delegation to Finland

**Intergovernmental organizations**

League of Arab States	H.E. Mr. Mikhail Wehbe, Head of Mission Permanent Observer Office to the United Nations Office at Vienna
Non-Aligned Movement	H.E. Mr. Hisham el-Zimaity, Ambassador, Assistant-Foreign Minister for International Organizations Cairo
Organization of the Islamic Conference	H.E. Mr. Samir Bakr Diab, Ambassador, Assistant Secretary-General

**United Nations organs, agencies and bodies**

United Nations Conference on Trade and Development	Mr. Raja Khalidi, Chief Office of the Director, Division on Globalization and Development Strategies Geneva
United Nations Development Programme	Mr. Khaled Abdel Shafi, Senior Programme Adviser Programme of Assistance to the Palestinian People New York
United Nations Entity for Gender Equality and the Empowerment of Women	Ms. Alia el-Yassir, Head of Office West Bank and Gaza Office Jerusalem
United Nations Office for the Coordination of Humanitarian Affairs	Ms. Reena Ghelani, Deputy Head Jerusalem

United Nations Office of the Special Coordinator for the Middle East Peace Process	Mr. John Clarke, Head of Coordination Jerusalem
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United Nations Relief and Works Agency for Palestine Refugees in the Near East	Mr. Salem Ajluni, Consultant San Jose, California
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### **Civil society organizations**

Badil Resource Center for Palestinian Residency and Refugee Rights	Ms. Rania al Madi, United Nations Geneva Consultant, Bethlehem
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Cités Unies France	Ms. Simoné Giovetti, Project Officer Mr. Ruggero Giovetti Paris
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Finnish-Arab Friendship Society	Mr. Seppo Rinne, Board Member Helsinki
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KVT	Ms. Ida Vento-Hakma, Volunteer Helsinki
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Society for the Care of the Handicapped in the Gaza Strip	Mr. Arslan Kamel Ahmad al-Agha, Chair Gaza Strip
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U-Turn NGO	Mr. Oliver Loode, Board Member Otepää
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### **Special guests**

Mr. Mikko Lohikoski	Director, Communication and External Affairs City Council of Turku
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Ms. Heidi Huuhtanen	Head of Middle East Programme Crisis Management Initiative Helsinki
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Mr. Antti Toivanen	Field Coordinator for Occupied Palestinian Territory Finn Church Aid Helsinki
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H.E. Mr. Pär Stenbäck	Minister, Independent Monitor International Red Cross and Red Crescent Movement Israel-Palestine Helsinki
H.E. Mr. Matti Pellonpää	Justice, Supreme Administrative Court of Finland Helsinki
Mr. Tuomo Melasuo	Director, Professor, Tampere Peace Research Institute, University of Tampere Helsinki
Ms. Eeva Hurmalainen	Communications Officer, United Nations Association of Finland Helsinki
Mr. Stefan Salonen	Director, Development Co-operation, Free Church Federation of Finland

### **Media**

Suomen Journalistiliitto/Egyptian TV	Mr. Azer Sawiris, Journalist Helsinki
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