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Report of the Trade and Development Board on its fifty-seventh session

Geneva, 15 to 28 September 2010

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Introduction

The fifty-seventh session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 15 to 28 September 2010. In the course of the session, the Board held 10 plenary meetings, the 1049th to the 1058th.

I. Action by the Trade and Development Board on substantive items on its agenda

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D. Other action taken by the Board

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Report on UNCTAD assistance to the Palestinian people

At its 1056th plenary meeting, on 20 September 2010, the Board took note of the report by the UNCTAD secretariat (TD/B/57/4) and the statements made by delegations and decided, in accordance with General Assembly decision 47/445, that the report of the Board on its fifty-seventh session to the General Assembly would include an account of the deliberations under this item.

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- II. President's summary 2
- A. Opening statements

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14. One delegate highlighted the unique difficulties faced by Palestine in terms of development and called for the international community to support the Palestinian people to achieve a sovereign Palestinian State and to establish peace in the Middle East.

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G. Evaluation and review of UNCTAD's implementation of the Accra Accord

(Agenda item 8)

1. Sub-theme 1: Enhancing coherence at all levels for sustainable economic development and poverty reduction in global policymaking, including the contribution of regional approaches

(a) Division on Globalization and Development Strategies

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73. With respect to paragraph 44, delegates expressed appreciation for UNCTAD's programme on assistance to the Palestinian people. They highlighted the importance and relevance of the work in the area of customs modernization (the Automated System for Customs Data (ASYCUDA)) and the expected intervention to support the Palestinian debt management capacity-building efforts (DMFAS). They welcomed UNCTAD's efforts to introduce in the occupied Palestinian territory, the United Nations Chief Executives' Board Interagency Cluster on Trade and Productive Capacity. It was stated that UNCTAD contributions were important elements to build a solid and sustainable economy towards the establishment of a Palestinian State. Delegates also stressed the need to strengthen UNCTAD's programme on assistance to the Palestinian people with adequate regular and extrabudgetary resources, as called for in the Accra Accord.

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I. Report on UNCTAD assistance to the Palestinian people

(Agenda item 10 (b))

142. There was widespread agreement at the meeting on the relevance of UNCTAD's work on assisting the Palestinian people. The report on UNCTAD assistance to the Palestinian people (TD/B/57/4) received commendation from the majority of delegates who made statements on this item. They praised UNCTAD for its high-quality research and analysis, and for the relevant technical cooperation activities that the secretariat extended to support Palestinian capacity-building efforts. One delegate expressed disappointment with the content of the report, which did not reflect crucial inputs supplied by her country.

143. UNCTAD's recommendations were described as useful for Palestinian development and recovery, and as an important analytical background upon which the international community could design appropriate interventions to support the Palestinian people.

144. Almost all delegates expressed concerns about the economic and humanitarian situation in the occupied Palestinian territory, especially in Gaza. They were alarmed by the systematic destruction of the Palestinian economy and productive base, the loss of land, fragmentation, lack of policy space, aid-dependence, weakened private sector, high unemployment, food insecurity, denial of access to natural and economic resources, inability of the Palestinian people to produce and achieve self-reliance under occupation, economic dependence on Israel, and suffering and siege of Gaza.

145. One delegate referred to the easing of the blockade on Gaza, announced in June this year, as having had only a marginal economic impact, and stated that the occupying authority was the sole party responsible for the occupied people and territory according to international law. He said that the occupied Palestinian territory continued to face unique problems over and above those usually faced by LDCs because of the occupation. He recalled General Assembly resolution 43/178, which extended to the occupied Palestinian territory the preferential treatment accorded to the LDCs, and added that the Palestinian Authority would seek to participate in the Fourth United Nations Conference on the Least Developed Countries in 2011. He concluded by saying that UNCTAD's report was a good start to prepare for UNCTAD XIII in Doha.

146. Another delegate commended the Palestinian Authority for its reform efforts and pledged support for all measures that would improve the living conditions of the Palestinian people, particularly those measures to strengthen bilateral trade relations between the EU and the Palestinian territory. He made specific reference to a European Commission proposal for duty-free quota-free entry of Palestinian exports into the EU.

147. Some delegates welcomed the resumption of negotiations between Israel and the Palestinian Authority. They hoped that, based on the relevant United Nations resolutions, the land-for-peace principle, the Road Map and the Arab peace initiative, those negotiations would lead, within a year, to the two-State solution, with the State of Israel and an independent, democratic, contiguous and viable State of Palestine living side by side in peace and security. They described UNCTAD's work as helpful towards the establishment of the Palestinian State.

148. Some delegates were disturbed by the lack of progress regarding economic rehabilitation, the slow pace of Gaza's reconstruction, and the inadequate disbursement of donor funds. They stressed the need to intensify international support to the Palestinian people to rebuild their shattered economy. They called on the international community to shoulder its responsibility and previous commitments made at the International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza, held in Sharmel-Sheikh in 2009. Donors had disbursed less than half of the \$4.5 billion pledged at the conference.

149. Many delegates expressed concern about the grave economic impact of the mobility restrictions imposed on the occupied Palestinian territory. Some delegates were alarmed by the fact that, in 2009, in a small area such as the West Bank, there were 550 barriers to movement. Those restrictions choked the economy, limited trade, prevented the formation of partnerships with other countries to enhance Palestinian capacities and development, minimized the impact of donor support and technical cooperation projects, and perpetuated the fiscal deficit. Partial easings of restrictions on access and movement were useless. What was needed was a complete lifting of all measures of closure and blockade in the occupied Palestinian territory.

150. Delegates emphasized the need to link relief to development. They stressed the Palestinian people's right to development and thanked UNCTAD for reminding the global community of that right. They called for donor-funded investment to rebuild the Palestinian private sector, rehabilitating infrastructure, strengthening Palestinian exports and competitiveness, and taking all measures necessary to end the suffering of the Palestinian people.

151. Delegates commended the secretariat's continued technical cooperation activities to empower the Palestinian people with the institutional capacities required for their future State. They congratulated the secretariat on its substantial achievements under the ASYCUDA programme, and for the promotion of regionally integrative pro-poor trade policies.

152. Some delegates were alarmed by the limited financial support allocated for development and for building the economic and institutional capacities needed for a well-functioning economy and the establishment of an independent and viable Palestinian State. Delegates warned that if that trend continued, the Palestinian people would not be able to exit the current cycle of economic dependence. The EU expressed its commitment to maintaining a balanced support for immediate and long-term Palestinian needs. In 2008, the EU had disbursed ϵ 497 million in support of Palestinian budgetary, developmental and humanitarian needs. In 2009, EU support was estimated at ϵ 439 million.

153. Delegates expressed support for UNCTAD's proposal to introduce the United Nations Chief Executives Board Interagency Cluster on Trade and Productive Capacity in the occupied Palestinian territory. Most delegates urged donors to intensify their contributions in support of UNCTAD's programme of technical assistance to the Palestinian people, as called for in paragraph 44 of the Accra Accord. They noted with concern that resource shortages had delayed the secretariat's activities under Empretec Palestine and the Investment Retention Programme.

154. Several delegates looked forward to the forthcoming in-depth review of UNCTAD's Assistance to the Palestinian People Unit. This was considered an important step towards strengthening this programme of work.

Statements of position made at the closing plenary, 28 September 2010

155. The Islamic Republic of Iran stated its reservations with the second part of paragraph 3 (n) of the agreed outcome of agenda item 8. Old and unsuccessful initiatives could not improve the situation in the occupied Palestinian territory, and the international community should send a strong message calling for removal of the blockade and of all constraints currently placed on the Palestinian people.

156. Israel expressed its disappointment with document TD/B/57/L.1/Add.6 entitled "Draft report of the Trade and Development Board on its fifty-seventh session (Report on UNCTAD assistance to the Palestinian people)". It regretted that the secretariat's report had ignored crucial inputs from her country regarding recent positive developments in the Palestinian economy, which were a consequence of the decision taken by Israel's Security Cabinet on 20 June 2010 to adjust and to ease the civilian aspects of Israel's policy regarding the Gaza Strip.

157. Yemen stated that the Israeli occupation was the main reason for the destruction of the Palestinian economy and for the widespread desire to support the Palestinian economy.

158. Egypt called on the international community to support the Palestinian people for them to be able to create a sovereign, independent Palestinian State and so that peace may be established in the Middle East. It called upon UNCTAD to work towards implementing the recommendations in document TD/B/57/L1/Add.6, especially with regard to the blockade and closures.

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