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Report on UNCTAD assistance to the Palestinian people

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

Held at the Palais des Nations, Geneva, from 15 to 28 September 2010

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1. There was consensus 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 unanimous commendation from all the 18 delegates (including five groups) 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 extends to support Palestinian capacity-building efforts.
2. 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.
3. 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.
4. 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 least developed countries (LDCs) because of the occupation. He recalled General Assembly resolution 43/178, which extends 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.
5. 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 European Union and the Palestinian territory. He made specific reference to a European Commission proposal for duty-free quota-free entry of Palestinian exports into the European Union.
6. 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, these 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.
7. 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 Sharm El-Sheikh in 2009. Donors had disbursed less than half of the \$4.5 billion pledged at the conference.
8. 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. These 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.

9. 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.

10. 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.

11. 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 European Union expressed its commitment to maintaining a balanced support for immediate and long-term Palestinian needs. In 2008, the European Union had disbursed €497 million in support of Palestinian budgetary, developmental and humanitarian needs. In 2009, EU support was estimated at €439 million.

12. Delegates expressed support for UNCTAD's proposal to introduce the United Nations Chief Executives Board Inter-Agency 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 is called for in paragraph 44 of the Accra Accord. They noted with concern that resource shortages had delayed the secretariat's activities under Enpretec Palestine and the Investment Retention Programme.

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