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Report No. 47657-GZ

**WEST BANK AND GAZA  
ASSESSMENT OF RESTRICTIONS ON PALESTINIAN  
WATER SECTOR DEVELOPMENT**

Sector Note  
April 2009

Middle East and North Africa Region  
Sustainable Development'



The World Bank

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**Executive Summary**

**Introduction**

**Background to the Study**

Requested by the Palestinian Authority (PA), this assessment is the fourth in the World Bank's Movement and Access study series<sup>1</sup>. The goal of the assessment is to develop a balanced analysis and create awareness of the factors restricting Palestinian water sector development as well as of the economic, social, and environmental impacts of these restrictions. The assessment addresses factors such as sector governance, and movement and access (M&A) restrictions beyond the control of the Palestinian Authority, as well as internal contributing factors, notably governance and capacity weaknesses of Palestinian institutions.

The Bank has been providing technical assistance to PWA since 2006 aimed at building capacity to improve its management of water resources. This largely took the form of workshops and learning events for Palestinian stakeholders to share experiences and learn about good integrated water resources management (IWRM) practices. In 2008, with the new leadership in PWA, a more specific request was received to build capacity in this organization.

A preliminary institutional analysis indicated that, while PWA had internal challenges of improving its performance in its role of resource manager and regulator of service provision, an undocumented aspect was the "exogenous" constraints it faced because of the unique nature of Palestinian access to shared water resources with Israel. Constraints to improved performance were therefore at three levels as shown below:

Level I - Palestinian Authority - Access to shared water resources

Level II - PWA - Functions of resource management and regulation

Level III - Palestinian water users - Access to reliable, safe and affordable water services

While the "exogenous" constraints appeared to directly impact Level I, and indirectly impact Levels II and III, there had been no systematic documentation of the consequences on the Palestinian economy and population. The Bank agreed to conduct an objective awareness-raising assessment that would document impacts on project delays; decision-making over access to and control over water sources, wastewater management and infrastructure; livelihoods and coping mechanisms of service providers and consumers; environmental issues; donor activities; and sector dialogue between Palestinian and Israeli authorities and donor community.

The study methodology employs both standard economic and sector work data gathering and analysis, and tools of poverty and social impact analysis designed to contextualize and deepen the analysis, particularly of the socio-political, governance<sup>2</sup> and environmental aspects. The study is complementary to other studies and technical assistance that the Bank as well as other donors are engaged in with the objective of building capacity in Palestinian water institutions to serve their constituents with reliable and safe water services.

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<sup>1</sup> The first three reports in the series were: World Bank, 2007, Movement and Access Restrictions in the West Bank: Uncertainty and Inefficiency in the Palestinian Economy; World Bank, 2007 Potential Alternatives for Palestinian Trade: Developing the Rafah Trade Corridor; and World Bank, 2008 Economic Effects of Restricted Access to Land in the West Bank.

<sup>2</sup> The term “governance” throughout this report refers to decision making structures and processes, unless otherwise qualified in the text.

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