



WEST BANK AND GAZA STRIP
Bridging Emergency and Development
PROPOSED STRATEGY FOR FAO ASSISTANCE

Final Draft

1 May 2009

LIST OF ABBREVIATIONS

AECI: Agencia Española de Cooperación Internacional
AI: Avian Influenza
ARJI: Applied Research Institute of Jerusalem
APIS: Agricultural Projects Information System
ASWG: Agricultural Sector Working Group
CAP: Consolidated Appeal Process
CBO: Community Based Organization
ESG: Economic Strategy Group
FAO: Food and Agriculture Organization
FFS: Farmers Field Schools
GAP: Good Agricultural Practice
GDP: Gross Domestic Product
GDPP: (MoA) General Directorate for Planning and Policy
GIS: Global Information System
JFFLS: Junior Farmers Field and Life Schools
IPM: Integrated Pest Management
LACS: Local Aid Coordination Secretariat
LDF: Local Development Forum
MDG: Millennium Development Goals
M&E: Monitoring and Evaluation
MoA: Ministry of Agriculture
MoP: Ministry of Planning
MTRP: (United Nations) Medium Term Response Plan
NGO: Non Governmental Organization
OCHA: (UN) Office for Coordination of Human Affairs
PCBS: Palestinian Central Bureau of Statistics
PA: Palestinian Authority
PAPP: (UNDP) Programme for Assistance to the Palestinian People
PNA: Palestinian National Authority
PRDP: Palestinian Reform and Development Plan
PRDP TF: (WB) Palestinian Reform and Development Plan Trust Fund
SG: Strategy Groups
SGW: Sector Working Groups
SWOT: Strengths, Weaknesses, Opportunities and Threats (Analysis)
TIM: Temporary Institutional Mechanism
UN: United Nations
UNDP: United Nations Development Program
UNESCO: United Nations Educational, Scientific and Cultural Organization
WB: World Bank
WBGS: West Bank and Gaza Strip
WTO: World Trade Organization
WUA: Water Users Associations

EXECUTIVE SUMMARY

i. The report “Bridging Emergency and Development – Medium Term Strategy for FAO Assistance” has been prepared by an FAO team in March/April 2009 following a request from the Palestinian National Authority (PNA) to develop and institutionalize the relationship between the PNA and FAO through the formulation of an appropriate framework and strategy for FAO assistance to the Palestinian agricultural sector.

ii. The report proposes an FAO Strategy for assisting the Palestinian National Authority, the Ministry of Agriculture (MoA) and other concerned agricultural sector stakeholders in the transition from emergency to sustainable development. Its main findings and conclusions are based on: i) consultations with Government officials in Ramallah including Ministry of Agriculture, Ministry of Planning and other Government authorities, national NGOs, FAO field staff in Jerusalem and multilateral and bilateral donors; ii) the work done by FAO on emergency projects; iii) the agricultural sector priorities highlighted in various policy documents including the Palestinian Reform and Development Plan (PRDP), MoA policy statements and other relevant subsector papers; and iv) the ongoing and planned activities of major multilateral and bilateral donors. Although reference is made in this report to the FAO’s portfolio in food security information, analysis, institution building and coordination, this report mainly focuses on the overall FAO strategy for agricultural sector development.

iii. In the last few years the agricultural sector of Palestine has lost its capacity to contribute effectively to the economic development of the country, for a number of causes. First and foremost the political situation and the restrictions imposed on the movement of people, of trade and marketing in general, the difficult access to land and natural resources, the availability of agricultural inputs and the overall climate of uncertainty which does not provide any incentive for the private sector to invest in agricultural development. And second, structural constraints which are inherent to the way the Palestinian agriculture has developed and that have been compounded by the lack of effective sector strategies that would have provided guidance to the implementation of priority programs, coordinating the activities of government, the private sector and donors.

iv. Most Palestinian products for the domestic markets are not competitive in terms of quality compared to similar products coming from Israel, marketing strategies are still traditional, the problem of irrigation water availability is compounded by weak enforcement of existing laws, and agricultural services - with main reference to extension services - are inadequate to the requirements of the sector. The marginalisation of the Palestinian agricultural sector has had consequences and implications on all aspects of rural people lives and has resulted in continued deterioration of rural infrastructure and a raising poverty rate in the rural areas compared to the urban centers.

v. The political scenario in Palestine may change significantly in the short to medium term. In case of changes, both internal and external markets would have to operate in the context of a free market economy. The Palestinian agricultural producers would not be able to compete unless farm productivity is dramatically improved, focussing on those products which could enjoy a comparative advantage. Besides, the scenarios that would need to be constructed will

have to include considerations that would go beyond the technical and economic comparative advantage with full recognition of the many other aspects that contribute to give to the agricultural sector of Palestine a unique responsibility for the development of the Palestinian society. These include the role of agriculture in national food security, in poverty alleviation, as a source of employment, in rural incomes diversification, in maintaining sustainable land management practices, in ensuring that Palestinian lands remain cultivated and used according to their potential and last but not least, in contributing to the livelihoods of the rural people, keeping traditional values and building up social capital.

vi. The PRDP 2008-2010 includes four high level national policy goals: Safety and Security, Good Governance, Increased National Prosperity and Enhanced Quality of Life. It recognizes the role of the agricultural sector as a critical productive sector with an immediate impact on economic recovery and food security. An “Agribusiness Development” program is proposed to promote the cultivation of high value-added cash crops and increased exports to regional and global markets. The Palestinian private sector will be the engine of sustainable economic growth to generate productive employment, to produce high value added from goods and services and to enhance national prosperity.

vii. A modern, competitive agriculture that responds to the needs of local and foreign markets is the main goal of the MoA “Palestinian Agricultural Policy” paper revised in 2004. This objective will be achieved by promoting the optimal exploitation of agricultural resources based on economic viability and efficiency as well as social equity, taking an integrated rural development approach, promoting people’s participation, improving the competitiveness of agricultural products in local and foreign markets, strengthening the institutional and legislative framework and encouraging regional cooperation and integration.

viii. Notwithstanding Government and donors’ commitment, achievements as far as the agricultural sector is concerned have been limited and the activities indicated as priority by the PRDP have yet to materialize. The preparation of the new PRDP (2011-2013) which will start early 2010 will have to take stock of actual constraints, possibilities and impending policy changes and build up a rational economic development plan that could immediately be translated into operational programmes. A fresh new look at the requirements of the agricultural sector and stakeholders’ priorities is urgently needed to address the State building goal.

ix. FAO’s main objective in WBGS is to provide a safety net for food insecure farming households that can no longer rely on traditional livelihoods. FAO’s beneficiaries are predominantly low income farmers and herders, many of whom are women, whose limited access to inputs and capital prevents them from diversifying and expanding production. FAO plays a coordinating role among the UN agencies, authorities and NGOs working to sustain agricultural production and increase food security: it is currently running a portfolio of twenty emergency and rehabilitation projects addressing all agricultural subsectors at farm and institutional levels across WBGS, worth more than USD 17 million and benefiting more than 8000 Palestinian households or around 56000 people. FAO is also contributing to the strengthening of food security interventions in WBGS in three main areas: improved information and needs response, improved policy research and institutional capacity building and inter-stakeholders coordination.

x. *The proposed FAO strategy for assisting the agricultural sector of WBGS in the transition from emergency to development is based on the PRDP and the MoA policy priorities, on the ongoing FAO emergency and rehabilitation work, on the FAO's coordination role in the CAP, on the UN Medium Term Response Plan (MTRP), and on FAO comparative advantage and technical strengths.*

xi. *In line with its mandate, FAO has developed specific competence and experience in agricultural development normative work and technical fields which have a direct impact on food security, nutrition and standards of living of the rural people, on the production and distribution of food and agricultural products, on the livelihoods of rural communities and on the provision and access to sufficient nutritionally adequate and safe food. FAO can assist in the formulation of agricultural policies that contribute effectively to the economic and social development of the country and to the conservation, improvement and sustainable utilization of natural resources. Capacity building bringing together technical cooperation and access to knowledge and experience is an integral part of the work of FAO both as a facilitator and provider.*

xii. *FAO assistance in the Medium Term would focus on capacity building of farmers and farmer groups – the main stakeholders of the agricultural sector –, institution building, technology transfer to improve crop and livestock productivity, diversification of farming systems and providing the technical justification for investments in infrastructure and services (extension, input supply, etc.) which will have to proceed in parallel to the institution capacity building effort in order to maximize impact. Initiatives targeting farmer groups, associations, communities, are the vehicle through which some of the ongoing FAO emergency and rehabilitation projects would be expanded to full scale, sustainable projects.*

xiii. *The contribution of FAO to the agricultural development of WBGS would be based on robust information and analyses and realized in full coordination and cooperation with partner PNA institutions, UN agencies, local and international organizations and donors, aiming at synergies and complementarities with ongoing and future programmes to facilitate the transition from emergency to development.*

xiv. *The setting of criteria for selecting priorities for FAO assistance would be important in order to utilize available limited resources effectively. In broad terms, to qualify for FAO assistance projects would have to comply with: i) MoA priorities, ii) the main strategic goals of programmes and projects implemented through PNA and Donors' initiatives, and iii) FAO comparative advantage and the technical fields of FAO specific competence. FAO activities would be coordinated with Government and Donors' programmes through the FAO participation in the Agricultural Sector Working Group.*

xv. *More in detail, consideration would be given inter alia to the following:*

- *the present socioeconomic situation in the rural areas and the minimum conditions and requirements for a smooth transition from emergency to sustainable development;*
- *the institutional support which would be made available by Government institutions and NGOs;*
- *synergies and complementarities with development funds made available by the international community;*

- *FAO's general requirements for strengthening the quality of FAO's field programme, ensuring that projects contribute towards the achievement of the World Food Summit objectives and the Millennium Development Goals (MDG); and*
- *the need for a flexible approach so as to adapt to an environment in transition and to a medium term perspective which could eventually require a change in emphasis and refocusing of some main activities.*

xvi. Following on the above it is proposed to plan FAO assistance to the MoA for the Medium Term (2010-2015) on a "rolling" basis, considering that a concrete programme of work for the immediate future (the short term) has already been identified and that projects for implementation in the subsequent years would be prepared by the Government and FAO during the first two years of programme implementation.

xvii. The FAO programme for the short term would include:

- *continuation of FAO assistance for ongoing emergency and rehabilitation projects and for those planned or in the pipeline;*
- *assistance for the preparation of an Agricultural Sector Strategy (the "Vision") and for the setting up in the MoA of a facility for strengthening the General Directorate for Planning and Policy (GDPP) specifically on policy and project planning and monitoring and evaluation. The assistance to be provided to the GDPP would build on and be fully integrated with the ongoing project "Capacity building for the Ministry of Agriculture" funded by the Spanish Cooperation. This project includes a component under FAO responsibility, to provide technical advice to the MoA in: 1) managing APIS, 2) conducting a needs assessment for MoA capacity building, and 3) developing a three-year action plan for this capacity building.*

xviii. For the medium term the following programme of work is provisionally proposed:

- 1. Assessment of the ongoing FAO supported emergency and rehabilitation work and of other projects that would come in the pipeline and identification and preparation of follow up projects/activities that would be coherent with the "Vision" statement, that would represent a priority for the MoA and for other concerned stakeholders and that would deserve expansion to large scale for implementation as fully sustainable development projects.*
- 2. FAO technical assistance projects consistent with FAO comparative advantage. They would be implemented following MoA request and on a first come, first served basis.*
- 3. Assistance for the preparation of large scale investment projects for agricultural sector development providing additional support to the MoA in the case of particularly complex projects and sector or subsector programs for external financing where FAO experience would be of added value.*
- 4. Assistance to the institutionalization of a Food Security Monitoring System and a National Food Security Council.*

xix. Appropriate monitoring tools would be included in the implementation of the Medium Term Strategy for FAO Assistance to the Agricultural Sector of WBGS taking into account the need to leave as much flexibility as possible in the annual planning so as to be able to introduce modifications as needed. FAO and MoA will discuss and set up appropriate arrangements for the annual review of the joint work programme as soon as convenient.

xx. The findings and conclusions drafted in this report will be discussed during the third week of May 2009 in a meeting to be held in Ramallah between representatives of MoA, other Government officials and FAO staff and any other participants to be invited at MoA discretion.

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I INTRODUCTION

In a February 2009 meeting with an FAO delegation, the Secretary General of the Presidency highlighted the Palestinian National Authority policy priority for agricultural development so as to provide food and employment opportunities for the population, increase agricultural exports and contribute to the preservation of the environment. It was stressed in the meeting, that there is an urgent need to develop and institutionalize the relationship between the PNA and FAO through the formulation of an appropriate framework and strategy for FAO support to the Palestinian agricultural sector and that FAO was ready to support the Palestinian Authority in the development of such strategy in response to an appropriate request from the Authority.

The report “Bridging Emergency and Development – Medium Term Strategy for FAO Assistance” has been prepared by an FAO team in March/April 2009 following the PNA request. Its findings and conclusions are based on consultations with Government officials in Ramallah including Ministry of Agriculture, Ministry of Planning and other Government authorities, national NGOs, FAO field staff in Jerusalem and multilateral and bilateral donors.

The report proposes an FAO Strategy for assisting the PNA, the MoA and other concerned agricultural sector stakeholders in the transition from emergency to sustainable development. Its main findings and conclusions are based on the work done by FAO on emergency and rehabilitation projects, the agricultural sector priorities highlighted in various policy documents including the PRDP, MoA policy statements and other relevant subsector papers and the ongoing and proposed activities of major multilateral and bilateral donors.

The report includes a brief overview of the agricultural sector summarizing issues, prospects and potential for development; highlights PNA policies and plans for the agricultural sector and FAO role in emergency and rehabilitation work; presents a statement on FAO comparative advantage and the role FAO can play in future assistance to the sector; identifies criteria for setting up priorities for FAO support over the medium term; and proposes two concrete operations for FAO assistance in the immediate future and a preliminary programme of work for the years ahead. Draft Terms of Reference for the preparation of an Agricultural Sector Strategy (the “Vision”) and a preliminary project profile for Capacity Building of the General Directorate for Planning and Policy (GDPP) of the MoA are found in Appendices 1 and 2.

The findings and conclusions drafted in this report will be discussed during the third week of May 2009, in a meeting to be held in Ramallah between representatives of MoA, other Government officials and FAO staff and any other participants to be invited at MoA discretion.

II WBGS AGRICULTURE - BRIEF OVERVIEW

The background information presented in this Chapter II is based on available sources.¹ It does not pretend to be either exhaustive or updated with current events. Its purpose is to highlight key agricultural sector features and broadly refer to main issues and prospects for growth in order to define the overall framework and justify the rationale for the proposed FAO Medium Term Assistance Strategy.

Performance

2.1. The economy of the WBGS characterized by high population density, limited land access and strict internal and external security controls has been on a downward trend since 2000, the year of the second intifada. This has resulted in a per caput GDP in 2007 a third lower than in 1999 also due to rapid population growth. The latest figures by the Palestinian Central Bureau of Statistics (PCBS) report that in 2008 the value of agricultural and fisheries production has decreased by 15.7% compared to 2007.

2.2 The agricultural sector contributes approximately 10% of GDP, 20% of exports and about 15% of total employment, this latter percentage raising to 40% if account is taken of the part time work force. The main export products are olive oil, citrus, flowers, tomatoes and strawberries. These have grown slightly over the last period unlike exports of animal products, which have been stagnant despite increasing production. Around two-thirds of agricultural exports are sold to Israel the rest goes to European countries and the Arab states.

2.3. The total land area of Palestine is about 0.6 million ha of which 30% or about 0.18 million ha. is used for agriculture. Of this land, 63% is in “Area C”, under full Israeli control, with limited Palestinian access and movement. Only about 18% of the agricultural land in Palestine is in “Area A”, under full Palestinian control.

2.4. Rainfed agriculture is practiced over 87% of the total area (156,000 ha), the rest (about 24,000 ha) is irrigated. Of this latter, 11,400 ha are in the Gaza Strip, 5,400 ha in the semi-coastal area of the West Bank and about 7,000 ha in the rest of the West Bank, primarily in the Jordan Valley. Irrigated crops include citrus, vegetables, strawberries and cut flowers. Tree crops, mainly olives (over 80 percent of all perennials), grapes, citrus are grown under rainfed conditions.

2.5. Land tenure is characterized by large numbers of fragmented, small-scale family owned farms (the modal range between 0.5 to 1 ha.). The majority (88%) are under some ownership title, others are either fully rented, or rented to supplement owned land. There are about 100,000 holdings in Palestine, 70% of which are devoted to crop production, 7% to livestock and the rest to mixed farming.

¹ Including inter alia: the PRDP 2008-2010, MoA: Palestinian Agricultural Policy, 2004; A Review of Palestinian Agriculture, AECI 2007; World Bank Economic Memorandum, 2006, Palestinian Economic Prospects, 2008 and updates; FAO AQUASTAT; EU Commission Technical Papers; UNDP PAPP, Mid Term Strategic Framework, 2008-2011; FAO technical papers and project reports...

2.6. The population of WBGS is almost entirely dependent for its food supplies, on imports of staple food items, such as cereals and pulses. Significant domestic food production is limited to a few commodities (mainly olive oil, poultry and milk/dairy products, tubers, and vegetables).

Unemployment is on the rise as more and more Palestinians are unable to reach their jobs in Israel and other parts of the occupied Palestinian territories because of closures, checkpoints and the introduction of separation barriers. Unemployment in WBGS is about 23% up from only 10% in 2000. The latest available figures indicate the highest unemployment in Gaza, at about 33% of the active work force. Most people, who have been unable to retain jobs in Israel as a result of tightening restrictions, are reverting to occupations in agriculture.

2.7. Poverty and the global rise in food prices have taken a heavy toll on Palestinian living conditions and have brought the Palestinian economy to the verge of collapse. Living standards have dropped considerably and levels of poverty, deprivation and unemployment are increasing rapidly throughout the territories.

2.8. Rural poverty has been rising as a consequence of the difficult conditions faced by farmers in the territories: besides fragmentation of landholdings, agricultural infrastructure has been destroyed, access to land and water resources reduced, the movement of agricultural goods and trade restricted. The separation wall dividing the West Bank from Israel limits the access of Palestinian people to work, schools, hospitals and family. Almost one fifth of the West Bank's agricultural land has remained on the Israeli side of the separation barrier, cutting farmers off from their land and causing a further decline in agricultural production. Due to the recent conflict in Gaza Strip, the security zone has been extended and now includes one fifth of the arable land and only three nautical miles of fishing area, instead of the 20 n.m. as per the Oslo Accords (1995).

Issues

2.9. The restrictions on the WBGS agricultural sector which are common to the rest of the economy are well known. They depend on the political situation and on structural constraints which are inherent to the ecoclimatic, technical and institutional environment in which Palestinian farmers operate.

“Political” Constraints

- The movement and access restrictions: the West Bank is fragmented into enclaves that separated by a system of movement restrictions between three distinct zones Areas A, B, and C, with different security and administrative arrangements, including land administration.
- Access to natural resources: mainly access to land and water. Area C accounts for 59% of the West Bank, and is sparsely populated and underutilized by the Palestinian population. Low-intensity agricultural production is generally permitted in this area but permanent investments and the intensification of agriculture are not allowed.² Palestinian use of water in

² A large portion of Area C covering about 38% of the West Bank, is restricted from current or future Palestinian use. Another 33% of the West Bank has restricted access to Palestinian users for the Separation Barrier and other reasons. The remainder of Area C land that is accessible for Palestinian use is subject to Israeli military regulations covering land administration and permits for construction.

the West Bank - most of which lies in Area C, is limited to 17% of the total water in the aquifers.³

- Marketing of agricultural products: most Palestinian trade must be conducted through Israel and not directly with third parties. As a consequence the cost of transporting goods to market is higher than what it should be and there is spoilage and produce deterioration as a consequence of frequent transport delays at check points.
- Agricultural services: availability and accessibility of agricultural inputs depend on the political situation. There are frequent disruptions in the supply of fertilizers, chemicals and vaccines made available through the Israeli authorities.
- The overall climate of uncertainty: there is very little incentive for the private sector to invest in any medium term initiative for agricultural development.

“Structural” constraints

2.10. Transport and movements restrictions negatively affect crop and livestock production and marketing both for domestic consumption and exports and all aspects of rural life. Nevertheless there are areas such as food quality and safety where Israeli closures are not necessarily the binding constraint on sector growth. Most Palestinian products for the domestic markets are not competitive in terms of quality compared to similar products coming from Israel and there will be no comparative advantage of WBGS products compared to similar products coming into the Palestinian markets from Israel until when quality and safety standards will not be the same.

2.11. Marketing strategies are still traditional and are mainly based on sales to intermediaries that collect small volumes of produce for local markets or for direct sale to consumers. Exports of WBGS products to Israel or other countries is controlled by the Israel Government which gives priority to Israeli commodities only allowing movement of WBGS products in case of shortages in the Israeli market. Non processed WBGS products suffer the most in case of transport delays: the case for establishing value chains has been noted but post harvest treatment facilities, grading, packing, cold storage and refrigerated transport are very limited.

2.12. There has been limited investment in new agricultural equipment, in the introduction of improved technologies and in crop diversification. Agricultural services - with main reference to extension services - are inadequate to the requirements of the sector. Irrigation infrastructure and irrigation practices leave much to be desired, and there is yet too limited adoption of technologies for salt tolerant crops and use of brackish water. Programs to improve local crop varieties and livestock breeds are lacking.

2.13. The problem of irrigation water availability is compounded by weak enforcement of existing laws that restrict well drilling and water usage, no clear policy with respect to local water markets, uncertain framework for promoting and regulating these markets, over extraction of aquifers (e.g. the coastal aquifer) and deterioration of existing water infrastructure such as wells, springs, ponds and canals. There is lack of technical expertise in modern irrigation management practices and limited and inefficient use of water harvesting technologies.

³ Israel uses the remaining 83% either for its settler population in the West Bank or pumping from the shared aquifers for consumption in Israel or for sale back to the Palestinian utilities.

2.14. Land and land use conflicts exist for lack of land use planning and the absence of laws for grazing control in common areas. The land registry system is outdated and there is poor coordination among public institutions on land management issues. About 70% of the land in the West Bank is not registered (but even when title to land is registered, it may be subject to requisition by the Israeli authorities primarily for new settlements).

2.15. From an institutional point of view, the MoA support to the agricultural sector has not been guided from an integrated strategy and lacks both resources based planning and planning on the basis of projects⁴. There is unclear definition of the respective roles of Government institutions, the private sector and the NGOs. An institutional system for providing agricultural credit to small farmers does not exist.⁵

2.16. The marginalisation of the WBGS agriculture has had consequences and implications on all aspects of rural people lives and has resulted in continued deterioration of rural infrastructure, a raising poverty rate in the countryside compared to urban areas, weak legal system supporting the agricultural sector, a decrease of available cultivable lands because of occupation by Israeli settlements, limited private sector investments in farm development and last but not least a negative perception of the agricultural work by young people in particular.

2.17. Food insecurity due falling incomes and growing unemployment as a consequence of the military and administrative measures, destruction of assets, limited access to land and water and road communications has resulted in soaring food prices, changes in family eating habits and to the erosion of the livelihoods of the Palestinian population

Prospects for growth

2.18. The political scenario in WBGS may change significantly in the short to medium term. In case of changes, both internal and external markets would have to operate in the context of a free market economy. Palestinian agricultural producers would not be able to compete unless farm productivity is dramatically improved focussing on those products which could enjoy a comparative advantage. This would imply high value added goods, modern agroindustrial processes, improved food quality and safety standards and the systematic introduction of value chains.

2.19. A critical assessment of the capacity of WBGS agriculture to be competitive on the market once the physical restraints are removed and the settlement and separation barrier issues resolved - so that producers would have free access to agricultural inputs and to markets for their products - will have to be justified by an updated comparative and competitive advantage analysis of main WBGS agricultural products; the last such analysis carried out in the late 90s cannot any more be considered representative. In the absence of detailed analytical work, a possible scenario for agricultural growth prospects can only be constructed using as a proxy, information and statistical data of present production and exports and trends to simulate future possibilities.

⁴ WB, 2006

⁵ Small scale credit may be provided through NGOs schemes or by donors supported projects

2.20. The contribution of the agricultural sector to economic growth has shown to be highly variable and depending on a number of factors including also fluctuations in Israeli agricultural productivity and production. In the last few years there appears to have been a slight decrease in cultivated lands but by and large the main characteristic has been at the best, a general stagnation of the sector in terms of production volumes and values.

2.21. The stagnation if not decline in crop and livestock production suggests that ceteris paribus, agricultural production under present practices is not likely to grow significantly unless some strategic options like for example restricting water use to the highest value crops or introducing diversification crops which would be less demanding for irrigation water, are addressed taking in due account comparative advantages and consumers' demand. The question of the growth potential of irrigated agriculture is of primary importance in a context in which water supplies are and will remain limited by competing demands from urban users.

2.22. A review of available information suggests that the greatest potential for agriculture's contribution appears to lie with vegetables, and in particular with those that are grown in protected facilities. Previous studies show very high net financial margins for vegetables grown in greenhouses with yields comparable to world standards although not as high as those in Israel which rank among the highest in the world.

2.23. In contrast, there appears to be a very low potential for increasing availability of cereals for food or feed, oilseeds for oil or meal, or sugar. The cereals and oilseeds produced in WBGS cannot compete with the higher value crops for irrigation water and so will continue to depend upon rainfall. The expectation is that imports will continue to provide a larger share of the availability of food products, either for human or animal consumption. Olive oil production for export may have some prospects if organic production expands and quality controls are systematically enforced.

2.24. Over the last 10 years livestock numbers have increased with the most significant increase in the number of small ruminants (sheep and goats) most of which are sheep, concentrated in the West Bank. The poultry sector has been suffering since March 2006 due to the discovery of avian flu, which is being controlled through a coordinated effort by both the Palestinian Ministries of Health and Agriculture, FAO and other relevant regional and international organizations. Poultry meat producers have been affected by the restrictions on the movement of inputs and outputs, apparently to a greater degree than red meat producers. They rely heavily upon imported feeds and medicines that must be available on a precise time schedule. Closures and the other impediments to transportation make it essentially impossible to conform to the schedule, so productivity suffers. The timing problem is aggravated by the increase in the cost of transport of inputs or to move the finished birds to slaughter and then on to the consumer.

2.25. It has been mentioned that the imbalance between increases in the cost of production against revenues has cut incomes and discouraged on-farm investments and that more rapid growth in productivity would be the essential ingredient in any future agricultural development strategy. Together with a comparative and competitive advantage analysis, an economic evaluation of costs and benefits of investments for increasing productivity of rainfed and

irrigated agriculture should be carried out to guide decisions on how best to allocate funds for productivity enhancement with special attention to the high value products, import substitution and exports, more efficient use of irrigation water and better land management.

2.26. Through the design of appropriate strategies it will be necessary to address various crosscutting issues such as:

- Improved policies for land administration, land management and use (including land reclamation that attracts significant funding), water management and exploitation;
- Upgrading the legislative and regulatory framework;
- Defining the respective roles of the MoA, of the other agricultural related institutions and of the private sector. Strengthening the agricultural sector planning and project preparation capacity of the sector institutions and addressing institutional weaknesses that have a negative impact on the performance of most, if not all, of the subsectors;
- Strengthening institutional coordination (to avoid overlapping mandates, poor communication). Clear mechanisms are needed to ensure coordination between ministries, agencies and the private sector. These should include strategies to enhance coordination and cooperation between NGOs, community organizations and government bodies;
- Creating the right incentive framework for the private sector to invest in agriculture;
- Setting priorities for implementing a targeted set of high impact infrastructure projects;
- Building up social capital and empowering local institutions and farmers' group;
- Setting and enforcing food quality and safety standards, responding to the needs of external trade and WTO regulations; and
- Supporting improved policies for targeting vulnerable groups in the communities, for empowering women and the youth and for improving livelihoods.

2.27. Besides, the scenarios that would need to be constructed for the definition of an holistic development strategy will have to include considerations that would go beyond the technical and economic comparative advantage but would give full recognition to the many other aspects that contribute to give to the agricultural sector of Palestine a unique responsibility for the development of the Palestinian society. These include the role of agriculture:

- in poverty alleviation: as mentioned, rural poverty has been rising. Living standards have dropped considerably and levels of poverty, deprivation and unemployment are increasing rapidly throughout the territories;
- to reverse the trend towards food insecurity, ensuring physical, social and economic access to sufficient supplies of safe and nutritious food. The way ahead should be supported by the revision of the National Food Security Strategy, institutionalization of a monitoring system and establishment of a National Food Security Council;
- as a source of employment: unemployment continues to rise for the reasons mentioned earlier;

- to diversify sources of rural incomes through alternative developments including tourism and agro tourism. Palestine potential as a tourist destination based on religious, historical, archaeological, natural, and cultural attractions has been well described by UNESCO;⁶
- in providing job opportunities for young Palestinian technicians and professionals willing to specialize in the latest technological advances in irrigated and dry land agriculture. The availability of remunerative occupations in agriculture in the public or private sectors, locally or abroad is essential to maintain a strong establishment of high level professionals, the agents for change in a future scenario;
- in maintaining sustainable land management practices, avoiding land under-utilization, soil erosion and land use for speculative purposes;
- in ensuring that Palestinian lands remain cultivated and used according to their potential;
- in contributing to the livelihoods of the rural people, keeping traditional values and building up social capital.

Would a territorial approach be worthwhile investigating in any future approach to strategic issues? ⁷ The changes which will have an impact on the Palestinian rural life will derive from political, social and economic developments in a scenario of external markets integration, climate change, high commodity prices, natural resource scarcity, land and water constraints...

Against this background, innovative sector policies should target new economic opportunities such as non-traditional crops, off farm activities, re-cycling of waste water, by-products and agriculture-related 'green jobs' and micro agri-businesses. Recent hikes in food prices will lead to the transformation of food markets. These challenges will require a whole new set of support activities in terms of marketing, infrastructure, information technology and building up of social capital to ensure an equitable and efficient use of resources. The procurement of such a diverse range of resources would justify the advantages of an integrated territorial development approach over conventional development strategies. Territorial development would aim at involving beneficiaries in the identification of investments and the management of resources in order to support the emergence of local development clusters, while respecting the ecosystem. A territorial development approach would be multi-sectoral, including the sustainable management of the rural space and its economic and social links with urban centres, as well as with the decentralization process and issues of local governance.⁸

The territorial approach would match the complex socio-economic/livelihood systems and the local governance/administration reform programme addressing the felt needs and promoting endogenous responses for sustainable economic growth.

⁶ The WBGS are rich in historical, cultural, and religious sites. UNESCO has identified 20 outstanding sites that reflect this rich heritage; 16 sites are located in the West Bank and 4 in Gaza. According to some estimates, tourism currently contributes approximately 3-4% to Palestinian GDP, down from 10% in 1999, which was a peak year prior to the Second Intifada.

⁷ The Land Tenure Service of FAO, has derived useful lessons from the introduction of territorial approaches through what is called the "Territorial Social Pact". Participatory Territorial Development is a process that addresses a wide range of social, economic and environmental problems within a given geographical territory with the purpose of improving the quality of life in farm households.

⁸ See the EU approach to democratic local governance, decentralization and territorial development. Territorial development is the central theme in the World Bank's World Development Report 'Seeing Development in 3D 2009'.

III POLICIES AND PLANS

The Palestinian Reform and Development Plan (PRDP)

3.1. The PRDP published in December 2007 presents a three-year Palestinian Reform and Development Plan (PRDP 2008-10), for assigning resources to priorities in Governance, Economic and Private Sector Development, Social Development and Infrastructure. The PRDP proposes practical reforms on containment of spending in the short term, and a set of medium-term policies to bring the PNA back to financial sustainability.

3.2. The PRDP agenda includes four high level national policy goals which represent the longer term aspirations and intentions of the Palestinian people and the PNA: Safety and Security, Good Governance, Increased National Prosperity and Enhanced Quality of Life. The PRDP is the starting point for bottom up planning and budgeting by all ministries and agencies. It provides detailed information about specific objectives in each policy area and proposed activities, projects and expenditures to achieve these objectives. Over the period of the PRDP (2008/10) the main objectives and targets will be: increased agricultural output by 15%, agriculture sector employment by 10% and agricultural exports by 25%.

3.3. The agricultural sector is a critical productive and shock absorbing sector. It has the potential to stimulate immediate economic recovery by rebuilding and expanding established business models. Development of the agriculture sector also carries the benefit of positive impact on food security. The ‘Agribusiness Development’ (AD) program will promote the cultivation of high value-added cash crops, the promotion of exports to regional and global markets, the improvement of trade infrastructure, the creation of agroindustrial parks, the development of commercial ventures that deliver post-harvest services (including processing, packaging, distribution, marketing and export promotion), rehabilitation of damaged farms and orchards, land and water reclamation and conservation initiatives, and assistance to farmers to improve productivity and enhance productive use of scarce resources.

3.4. The Palestinian private sector will be the engine of sustainable economic growth to generate productive employment, produce high value added from goods and services and to enhance national prosperity. The PRDP is committed to creating an enabling environment for private sector growth recognizing that its full potential can only be realized by the lifting of restrictions on the movement of Palestinian goods and people, and more generally, by a meaningful progress towards peace. Such progress, coupled with substantial donor investment in institutional reforms and rehabilitation of infrastructure, can put the private sector and the Palestinian economy as a whole, on a path to sustainable growth.

Ministry of Agriculture: Policy Statements

3.5. A modern, competitive agriculture that responds to the needs of local and foreign markets is the main goal of the “Palestinian Agricultural Policy” paper issued in 1999 and revised in 2004. This objective will be achieved by:

- promoting the optimal exploitation of agricultural resources based on economic viability and efficiency as well as social equity, ensuring their sustainability, preserving the environment and contributing to achieving food security,
- taking an integrated rural development approach with agriculture at its core. Promoting people’s participation and harmonization with civil society, integration of gender issues and strengthening farmers’ organizations and those of other target groups,
- improving the competitiveness of agricultural production in local and foreign markets,
- enhancing the private sector's contribution to rural and agricultural development,
- strengthening the institutional and legislative framework supporting the agricultural sector and developing human resources to enable more efficient delivery of services, and
- encouraging regional cooperation and integration.

3.6. The Agricultural Medium Term Development Plans (2001-2005 and 2005-2007) prepared on the basis of the above policy guidelines, provide details on priority activities to increase food security and reduce poverty by creating employment in rural areas, improving rural livelihoods, introducing institutional reform and capacity-building, developing natural resources, especially water resources, providing technical assistance and other forms of support to farmers affected by Israeli restrictions, developing marketing and agricultural trade, preserving green areas and wildlife....

3.7. A review of the Palestinian Agricultural Sector has been carried out in 2006/2007 by ARIJ⁹ with funding provided by the AECI (Agencia Española de Cooperación Internacional). It updates sector knowledge, highlights main constraints and issues and provides a good reference basis to set further work on the subject in the proper framework.

Achievements

3.8. The economic projections of the 2008-2010 PRDP assumed a relaxation in economic restrictions, and a resolution of the political situation in the WBGS. This has not been the case: the economic restrictions have remained and the political situation has much deteriorated. A recent report¹⁰ by the World Bank summarizes the situation as follows:

The restrictions on the Palestinian economic potential involve more than roadblocks and checkpoints. With due regard to Israel’s security concerns, there is consensus on the paralytic effects of the current physical obstacles placed on the Palestinian economy. In reality, these restrictions go beyond concrete and earth-mounds, and extend to a system of physical and

⁹ Applied Research Institute of Jerusalem

¹⁰WB: Palestinian Economic Prospects: Aid, Access and Reform – Economic Monitoring Report...September 22, 2008

administrative restrictions that prevent the realization of Palestinian economic potential. This system of economic restrictions encompasses: (a) Access to economies of scale, (b) Access to natural resources and (c) Access to an investment horizon: investors in a Palestinian economy face an unclear horizon with which to measure and mitigate their risks....

3.9. Achievements as far as the agricultural sector is concerned have been limited and the activities indicated as priority by the PDRP have yet to materialize. The preparation of the new PRDP (2011-2013) which will start early 2010 will have to take stock of restrictions, possibilities and impending policy changes and build up a rational economic development plan that could immediately be translated into operational programmes. A fresh new look at the requirements of the agricultural sector and stakeholders' priorities is urgently needed:

The Ministry of Agriculture's (MoA) interventions in support of the sector are not guided by an integrated strategy. Ideally, there should be a logical flow from policy and needs identification to strategy, from strategy to medium-term financial and human resource planning, and finally from resource planning to the mobilization of donor resources. Instead, however, the published sector strategy has no articulation in terms of resource planning, while the sectoral Medium Term Development Plan is a compendium of projects in search of donor funding. There is a strong sense that donor agendas are the driving force behind MoA activities, and that the MoA has become more occupied with donor project management than with guiding the sector.

The MoA's Department of Policy and Planning has a clear vision of an improved strategic planning process, flowing from needs assessment to resource mobilization through strategy and resource allocation....a shift in this direction will require not only the reinforcement of the process management and resource planning capacity of the MoA, but also the commitment of donors to support, and then be guided by, a single sector strategy.¹¹

3.10. A new sector strategy based on a bottom up approach and involving in its preparation public institutions and agencies, the private sector, NGOs and grassroots groups and institutions would underpin the important role of agriculture in the Palestinian economy and provide the right signals to be mainstreamed in the 2011-2013 PRDP.

Donors' Support

3.11. The support of the international community for the PNA and the PRDP was committed at the International Donor's Conference held on December 2007 in Paris. Pledges were a total of USD 7.7 billion over 2008-2010.¹² For the agricultural sector, major donors are individual countries (about 66% of the total in 2006)¹³ followed by international agencies (34%). Always

¹¹ World Bank: WBGS - Country Economic Memorandum, September 2006

¹² Pledges towards recurrent expenditures (about USD 1.1 billion) fell short of the PNA's 2008 needs of USD 1.4 billion, pledges towards development expenditures (also estimated at about USD 1 billion) far exceeded 2008 needs of USD 427 million. Until the end of August 2008, donors had provided approximately USD1.2 billion in recurrent budget support.

¹³ Source: APIS (Agricultural Projects Information System)

according to available data,¹⁴ funds for the agricultural sector are used mainly for land reclamation projects (31%), followed by infrastructure (24%) and crop and livestock production with or without irrigation (12%).

3.12. The Consolidated Appeal Process (CAP) is a tool used by aid organizations to minimize the negative impact of the crisis and assist Palestinians to cope with it. During 2008 the total CAP revised budget was about USD 481 million, out of which about USD 22 million constituted the pledged budget for agriculture. The funds actually made available in 2008 were only USD 2.8 million out of the USD 22 million, or 13 % of the total. In the framework of the CAP 2009, a total of 32 agricultural projects were proposed with a total cost of around USD 25 million.¹⁵

3.13. The UNDP with its Programme for Assistance to the Palestinian People (PAPP) in its Medium Term Response Plan (MTRP)¹⁶ (2008-2011), aims at working with the UN agencies on poverty alleviation, livelihoods and capacity building, committing resources of the order of US D 240 million. UNDP will support sustainable livelihoods and sustainable economic recovery through: a) broad-based human development and promotion of the achievement of the MDGs, b) improving essential infrastructure for economic and social development, and c) enhancing equitable economic development and the development of efficient and accountable institutions. Cross-cutting dimensions such as capacity development, gender, environmental sustainability, and crisis sensitivity will be addressed.

3.14. PEGASE is the European Union main programme to support the PA reform and development priorities. It channels support for the PRDP building upon the success of the previous Temporary International Mechanism (TIM), which attracted contributions from 19 international donors, of which 15 EU Member States, for a total of approximately EUR 190 million. PEGASE is open to international donors as an instrument covering a wider range of activities lasting three years, the same period as the PRDP. PEGASE supports a broad array of activities in the four priority sectors of the PRDP: Governance, Social Development, Economic and Private Sector Development and Public Infrastructure Development in areas such as water, environment or energy. The EU contributes roughly EUR 10 million annually to projects in the agricultural sector for land reclamation, helping vulnerable households by promoting the development of home gardens, financing the establishment of veterinary services, focusing on sustainable methods of low input farming and good water management and providing support to micro-finance institutions that specialize in providing credit to farmers.

3.15. The World Bank has created a mechanism to help pool and accelerate transfer of funds to the PNA: the Palestinian Reform and Development Plan Trust Fund (PRDP-TF). Managed by the World Bank, the PRDP-TF aims to support the PNA policy agenda as expressed in the PRDP

¹⁴ Source: A review of the Palestine Agricultural Sector, 2007 Op.cit.. Spain with 12% and Italy with 11% are the main contributors.

¹⁵ The Flash Appeal for Gaza, which has been launched to address the immediate humanitarian needs of the population, includes repair/rehabilitation of key agricultural assets and resources to tackle food security needs over the initial nine months. Agricultural stakeholders requested USD 30 million to fund 27 livelihood recovery projects, aimed at protecting the most vulnerable agriculture-dependent families. .

¹⁶ The UN Medium Term Response Plan (MTRP) is the ongoing strategic planning exercise to articulate the UN contribution to Palestinian priorities. The MTRP specifically addresses State Building and MDG issues.

by channeling budget support for its implementation over the three year period of 2008 – 2010. The TF is expected to channel at least USD 100 million in funding from donors in 2008.

3.16. Besides, the World Bank has a number of projects under implementation or in the pipeline. Of interest to the agricultural sector is a Land Administration Project assisting the PNA in introducing policy, legal and institutional changes to achieve efficient procedures for the issuance of land titles, registration of property transactions and transparent processes for the management and disposal of public land.¹⁷

3.17. A number of international and Palestinian NGOs are active in assistance to the agricultural sector providing services for agricultural projects implementation, transfer of technology, technical assistance, livelihoods and holistic approaches... According to available data¹⁸ they receive about 25% of total donors' funding for the agricultural sector.

3.18. Aid coordination is managed at the local level through the Local Development Forums (LDF), and the associated Strategy Groups (SGs) and Sector Working Groups (SWGs). These forums help maintaining the collective donor dialogue with the PNA ministries and agencies, and have been the primary venue for information sharing in terms of the PRDP process.¹⁹ FAO serves as the Technical Advisor of the Agricultural Sector Working Group (ASWG), co-chaired by MoA and the Government of Spain. The ASWG is part of the Economic Strategy Group (ESG) in which UNDP, the World Bank and major donors participate. FAO leads the agricultural sector and co-leads the food security sector in the humanitarian Consolidated Appeal Process (CAP) and in the Early Recovery Planning for the Gaza Strip.

IV FAO EMERGENCY AND REHABILITATION WORK

4.1. FAO's main objective in WBGS is to provide a safety net for food insecure farming households that can no longer rely on traditional livelihoods. FAO's beneficiaries are predominantly low income farmers and herders, many of whom are women, whose limited access to inputs and capital prevents them from diversifying and expanding production. FAO plays a coordinating role among the UN agencies, authorities and NGOs working to increase food security: it is currently running a portfolio of twenty emergency and rehabilitation projects

¹⁷ The project is the first phase of a more comprehensive Land Administration Program, which aims at enhancing economic growth by improving land tenure security and facilitating the development of efficient land and property markets in rural and urban areas through the development of an efficient system of land titling and registration based on clear, transparent and coherent policies and laws and supported by an appropriate institutional structure.

¹⁸ Source: A Review of the Palestinian Agricultural Sector. Op.cit.

¹⁹ "However, these groups have had limited success in increasing the levels of development assistance to projects proposed under the PRDP... Furthermore, these donor groups have yet to evolve towards a higher level of coordination that would unify donor efforts around agreed sector strategies and within collaborative funding mechanisms..." Source: World Bank –Palestinian Economic Prospects...September 2008

across WBGS worth more than USD 17 million benefiting more than 8000 Palestinian households or around 56000 people. The following subsectors are involved:

- Agriculture and livestock: projects are contributing to improved fruits and vegetable production, water resources management, aquaculture, capacity building and various multi-sectoral training programmes. Health and productivity of small livestock, on which many of the poorest farmers depend, is a major focus for FAO action. Urgently needed irrigation has also been a major FAO concern. New projects are promoting olive oil production, and introducing commercial Good Agricultural Practice (Global GAP) standards to improve the quality and marketability of local produce. Backyard agricultural production and cottage industries are being specifically aimed at female-headed households. Junior Farmers Field and Life Schools (JFFLS) have been introduced to target vulnerable youth.
- Information and analysis for sector coordination: a food security monitoring system is being developed to identify and target the most vulnerable households to allow for a more effective response from UN agencies and NGOs. FAO regularly updates information on both needs assessments and response programmes, in order to establish a systematic linkage between the two and provide critical information for policy making. Through this information system and through its advisory role to the Working Groups on Agriculture and Social Protection, FAO is also working towards improving the PNA capacity to manage information and coordinate interventions related to food security and agriculture.
- Avian Influenza (AI): efforts are underway to bolster the capacity of the PNA to detect, confirm and respond to AI outbreaks, paving the way for effective AI control strategies. MoA field staff is being trained in disease surveillance, outbreak investigations, laboratory diagnostic, and bio security and disease surveillance. Laboratories in Gaza City and Ramallah have been provided with essential testing equipment.

4.2. FAO is contributing to the strengthening of food security interventions in three main areas: improved information and needs response, improved policy research and institutional capacity building and inter-stakeholders coordination. Over the last few years, FAO and MoA have consolidated a constructive role in sector coordination on a number of priority themes including inter alia the Agricultural Projects Information System (APIS) a tool supported by the Spanish Cooperation, de-centralized stakeholder consultations to assess current agricultural interventions (identifying possible synergies among stakeholders and supporting the decentralized participatory approach in agricultural planning and policy making), assistance in cooperation with OCHA²⁰ and NGO teams, in the assessment of the impact of regional frost and droughts, the joint UN programmes for the MDGs, the initiative on soaring food prices... FAO also plays a coordination role among the UN agencies, authorities and NGOs working to increase food security and serves as lead technical agency for animal health control and avian influenza prevention.

²⁰ UN Office for Coordination of Humanitarian Affairs

V FAO ASSISTANCE TO THE DEVELOPMENT OF WBGS AGRICULTURE: PRELIMINARY CONSIDERATIONS

Approach

5.1. The design of an FAO Medium Term Strategy for assisting the agricultural sector of WBGS in the transition from emergency to development is based on:

- The policy guidelines of the PRDP and the main objectives of the MoA agricultural sector policy as outlined in the official papers.²¹ Policy changes that will be introduced by the 2011-2013 PRDP and the strategic priorities that will be identified by the new “Vision” for agricultural development (see Chap.VI) will be taken into account in due course.
- The ongoing FAO emergency and rehabilitation work, the experience gained so far and the need to build on the present achievements in order to identify immediate opportunities for future sustainable development programs;
- The ongoing FAO advisory and sector coordination work in both humanitarian and recovery frameworks, including food security information and analysis;
- The UN Medium Term Response Plan (MTRP), and
- The FAO comparative advantage and technical strengths.

5.2. FAO emergency and rehabilitation assistance to the agricultural sector has so far concentrated on restoring the productive infrastructure, on capacity building and on training programmes targeting poor farmers, female-headed households, and vulnerable youth. This approach which has demonstrated its validity for emergency relief and rehabilitation purposes will have to be integrated and complemented – in a development context – by addressing agricultural sector priorities with a holistic vision aimed at improving livelihoods and the capacity of the agricultural sector of WBGS to contribute effectively to the development of the country. This implies developing farming systems with and without irrigation, diversifying the cropping patterns, promoting participatory community projects for agricultural development, introducing value chains for adding value to local products, creating social capital by working with communities and farmers’ groups and building up local capacities to foster endogenous territorial development.

5.3. Participatory projects would address: i) poverty alleviation and food security, ii) the improvement of the standards of living of poor and vulnerable communities/villages and individual households through strengthening their capacities for local planning, self-help and more active participation in local decision making, and iii) job creation, income generation and value adding to local productions.

²¹ Namely: MoA – Palestinian Agricultural Policy, 2004, Op.cit.

The particular characteristics and constraints affecting the agricultural sector of WBGS would have to be taken into account trying to conceive and implement projects that would be consistent with the survival strategies of the Palestinian population in the short term and with the role that Palestinian agriculture could play in the medium to long term not only as an instrument for ensuring food security and for contributing to economic growth, employment and rural welfare but also as a sector framework for fostering technological innovations, mobilizing private sector investments for rural development, maintaining cultural heritage and exploiting the particular comparative advantage that the Palestinian countryside may offer in a context where peace and equal opportunities for all would prevail.

FAO's comparative advantage and technical strengths

5.4. In line with its worldwide mandate and the knowledge it has accumulated through its experience in a variety of agricultural and rural settings at world level, FAO has developed specific competence and experience in agricultural development normative work and technical fields which have a direct impact on food security, nutrition and standards of living of the rural people, on the production and distribution of food and agricultural products, on the livelihoods of rural communities and on the provision and access by consumers to sufficient nutritionally adequate and safe food. FAO can assist in the formulation of agricultural policies that contribute effectively to the economic and social development of the country and to the conservation, improvement and sustainable utilization of natural resources. Capacity building bringing together technical cooperation, access to knowledge and experience is an integral part of the work of FAO both as a facilitator and provider.

5.5. FAO has been associated since a number of years with the Palestinian agricultural sector and has accumulated valuable experience on programme delivery and effective response to the needs of the sector. The scenario which is developed with the Medium Term Assistance Strategy builds upon past experiences and on FAO's comparative advantage and technical strengths.

5.6. The contribution of FAO to the agricultural development of WBGS would be realized in full coordination and cooperation with related PNA institutions, UN agencies, local and international organizations and donors within the medium term goal of facilitating the difficult transition from emergency to development.

5.7. FAO assistance would focus on capacity building of farmers and farmer groups – the main stakeholders of the agricultural sector -, institution building, technology transfer to improve crop and livestock productivity, diversification of farming systems, and providing the technical justification for investments in infrastructure and services (extension, input supply, etc.) which will have to proceed in parallel to the capacity building effort in order to maximize impact. Initiatives targeting farmer groups, associations, communities, are the vehicle through which some of the ongoing FAO emergency and rehabilitation projects would be expanded to full scale, sustainable projects.

5.8. In summary, the technical fields of specific FAO competence that would be at the core of the FAO Medium Term Assistance Strategy would include (not necessarily in order of priority):

i. Water Management

Capacity building for improving the efficiency of small scale irrigation and introducing appropriate water control technologies: modernization of irrigation schemes, best practices for sustainable water use and conservation, water harvesting, integrated water-soil fertility management, conservation agriculture, drainage and salinity control, use of partially saline waters and training in water efficient drip and sprinkler irrigation systems. Preparation of water management plans including the linkage between water and agricultural policies, water legislation and environmental sustainability in a situation of rapidly growing water scarcity. Promoting and supporting the development of Water Users' Associations (WUAs) through FAO specific assistance modules adopting Participatory Training and Extension methods in Farmers' Water Management.

ii. Crop production

Dry land and irrigated crops improvement through capacity building for applied research and extension services – these latter through the introduction of Participatory Training and Extension methods and of the Farmers' Field Schools (FFSs) and Junior Farmers Field and Life Schools (JFFLS) approach; development and use of improved seeds and farm inputs and introduction of new crop varieties for dry land and irrigated agriculture; support to improved farming systems; introduction of Integrated Pest Management methods (IPM) for organic agriculture; improvements in post-harvest technologies; marketing; setting up of value chains and cottage industries. FAO may assist in the establishment of networks between local demonstration centres and regional research stations which will lead the local programme of work on a participatory basis with local extension agents and farmers' groups.

iii. Livestock

Capacity building and assistance in the formulation and implementation of projects aiming at increasing the supply of locally produced and safe livestock products and to increase income for producers from the sale of meat and milk products. Support to value chains, capacity building, technical assistance and assistance in formulation and implementation of projects to test and introduce improved technologies for ruminant production systems. Technology transfer for poultry production systems and assistance in the control of zoonotic and transboundary livestock diseases. Training of veterinarians, strengthening ongoing veterinary programmes and assisting the set-up of the necessary infrastructure.

iv. Fisheries

Projects for the expansion of sustainable aquaculture activities using both local and foreign species. Small-scale rural aquaculture in selected locations with interested farmers/fishermen groups. Training and demonstration and trial sites for cage fish culture for technology transfer to the private sector. The integration of fish farming with agricultural farming as a means to develop interest in integrated farming systems. Processing and marketing improvements including the hygienic handling of production and analysis of market prospects.

v. Natural resources management.

A coordinated approach to natural resources management integrating rangeland/nature/soil conservation for the benefit of rural communities and the whole population. Desertification issues. Projects designed with a holistic approach to land conservation and land use, implementing activities under community management for improving range/forest lands.

vi. Food safety and quality controls

Setting up modern food safety and quality control infrastructure and procedures, including all the necessary installations and border posts and complementary legislative measures.

vii. Food security

The establishment of a Food Security Monitoring System that would collect, analyze and evaluate data on the national food supply and access to food for planning, programme implementation and supervision. Assistance to national strategy formulation/update and institution capacity building. Assistance for the establishment of Early Warning Systems to improve the response capacity of national institutions against emergencies related to food security or weather and ecoclimatic emergencies.

viii. Policy and sector work, statistics

Formulation of policies on food security, agricultural sector plans, investment projects preparation. The establishment of a modern system of collection and analysis of agricultural statistics. Capacity building for WTO negotiations, capacity building for territorial programmes. Specific methodological tools and tutorials to help small rural communities in formulating small scale projects for rural development, small agribusinesses, investments in village infrastructure and other facilities at community level.

ix. Participatory Development

Assistance in formulation of participatory development projects, territorial development, development of farmers' associations for the establishment of value chains, building up social capital through participatory planning and capacity building of local institutions.

Criteria for FAO assistance

5.9. The setting of criteria for selecting priorities for FAO assistance would be important in order to utilize effectively available limited resources. In broad terms, to qualify for FAO assistance, projects would have to comply with: i) MoA priorities, ii) the main strategic goals of programmes and projects implemented through PNA and Donors' initiatives, and iii) FAO comparative advantage and the technical fields of FAO specific competence. FAO activities would be coordinated with Government and Donors' programmes through FAO participation in the Agricultural Sector Working Group.

Consideration would be given to the following:

- the socioeconomic situation in the project area, the presence of needed infrastructure and of the minimum conditions and requirements necessary for effective field work on development programs;
- the available institutional support both by PNA institutions and NGOs;
- synergies and complementarities with funding priorities of the international community. Availability of Donors' funding to complement FAO resources would be essential;
- FAO's general requirements for strengthening the quality of FAO's field programme, ensuring that projects contribute towards the achievement of the World Food Summit objectives and the Millennium Development Goals; and
- the need for flexibility so as to adapt to an environment in transition and to a medium term perspective which could eventually require new strategic approaches, and changes in priorities, activities and objectives.

Based on these premises, FAO assistance - that for the immediate future would focus on its important work on emergency and rehabilitation assistance for how long as needed - would have to respond over the medium term, to a number of criteria for selecting priorities:

- general objectives of food security, employment creation, poverty reduction and improved rural livelihoods;
- the presence of a substantive component of capacity building at national and local level for training of technical staff and farmers and for supporting the formation of social capital at territorial level;
- support to projects for the transfer of technology for increasing productivity and production of crops, livestock, fisheries and improved natural resources management;
- focus on the mentioned technical fields where FAO has a comparative advantage and where it has developed knowledge and experiences that can be easily transferred to field projects;
- consistency with the ongoing activities under the FAO emergency and rehabilitation programme so that the important work carried out so far is consolidated at field level, expanded as needed in demonstration areas and appropriated by government in its programme of work and budget;
- potential for agricultural development, farmers' interest and commitment, economic and financial feasibility and environmental soundness of the proposed activities/components;
- the possibility of strengthening partnerships and alliances to avoid duplication of activities and share responsibilities in activities/projects with common goals and target groups;
- assistance in policy initiatives such as preparing Palestinian teams for WTO negotiations, for which FAO has developed specific guidelines and training packages;
- built in sustainability through the use of participatory processes in the design and implementation of development projects. Participation of national institutions, NGOs and farmers in the execution of the works so as to ensure ownership, commitment and follow up after the termination of the project;
- a positive sustainable impact on environmental conservation, land management and sustainable rural development;

- promotion of gender equality and equity through the systematic compliance with FAO's stated policy of mainstreaming a gender perspective into its normative work and field activities.
- interest of PNA and donors for follow up with large scale investments in agricultural and rural development that improves the livelihoods of the rural people and result in a multiplier effect on resources mobilization.

5.10. The following Matrix summarizes structural constraints affecting the development of WBGS agriculture, MoA policies and FAO capacity to respond.

ISSUES, POLICIES AND FAO RESPONSE

STRUCTURAL CONSTRAINTS	MoA POLICIES	FAO RESPONSE
Limited investment in farm development, sustainable farming systems and crop diversification. Inefficient irrigation practices, limited knowledge of modern water management practices, water harvesting. Limited interest for diversification of farming systems based on improved technologies.	Promoting the optimal exploitation of agricultural resources based on economic viability, efficiency and social equity, ensuring their sustainability, preserving the environment and contributing to achieving food security. Define land use capability, encourage land reclamation. Increase the efficiency of water delivery and irrigation systems.	Promotion of Technical Assistance projects for crop and livestock diversification and aquaculture and introduction of new technologies. Assistance for defining land use and land capability. Capacity building of WUAs to improve efficiency of water use and improved water management.
Lack of an integrated strategy and of planning on the basis of projects. Unclear definition of the respective roles of government institutions the private sector, NGOs.	Taking an integrated rural development approach with agriculture at its core. Promoting people's participation and harmonization with civil society, integration of gender issues and strengthening farmers' organizations and those of other target groups.	Supporting the preparation of an updated Agricultural Development Strategy with participation of all stakeholders including an operational programme and project identification. Setting of criteria for defining the proper role of public and private sectors. Empowerment of local groups, creation of social capital, identification of comparative advantages, territorial strategies.
Traditional marketing strategies, limited processing of agricultural products, lack of post harvest treatment facilities, grading, packing, cold storage. Little attention to food quality and safety standards.	Improving the competitiveness of agricultural production in local and foreign markets. Encourage contract farming, joint ventures. Establish laboratories for quality control and quarantine centers.	Assistance in projects to strengthen Food Safety and Quality controls and WTO negotiations. Transfer of experiences on establishment of laboratories and quarantine centers. Technical advice in setting standards, developing local trademarks certification systems. Development of value chains incl. post harvest, grading, packing and cold storage facilities. Identification of needed incentives for the private sector to participate. Exposure to successful experiences in value chains abroad.
Limited private sector investments in the agricultural sector. Inadequate official agricultural credit systems for small farmers. Very limited public investments in infrastructure to create the proper incentive framework for private sector growth	Creating an enabling environment for private sector growth enhancing the private sector's contribution to rural and agricultural development. Development of agribusiness. Promotion of small farmers' credit.	Support to the definition of agricultural credit policy. Support to the preparation of infrastructure projects for national or external financing.. Identification of agribusiness opportunities and preparation of detailed feasibility studies for private sector investment..
Weak institutional support to the sector including poor M&E systems. Weak legal system supporting the agricultural sector. Weak extension services, lack of breeding programs to improve local plant varieties and livestock. Weak enforcement of water laws, no clear policy on water markets. Existence of land use conflicts for lack of land use planning. Absence of laws for grazing control in common areas. Outdated land registry system.	Strengthening the institutional and legislative framework supporting the agricultural sector and developing human resources to enable more efficient delivery of services. Reduce the problem of small holdings fragmentation.	Capacity building and assistance to MoA in agricultural planning and project preparation, M&E, food security. Introduction of innovative methodologies for the work of extension services. Farmers' Field Schools. Improvement of existing water laws and of policies on water markets. Organization of seed multiplication and distribution with farmers' groups. T.A. to small dairy and ruminant producers, together with investments in related structures. Capacity building in land administration, resolving conflicts in common grazing areas, modernization of land registries.

VI THE FAO MEDIUM TERM ASSISTANCE PROGRAMME: DESIGN AND OPERATIONAL PROPOSALS

General considerations

6.1. Besides political issues (Chapt.II), the WBGs agricultural sector faces structural constraints that limit its role in food security, in improving the livelihoods of the rural people and in contributing to the economic and social development of the country.

6.2. National agricultural development priorities are changing in light of the ongoing political and socioeconomic events, global economic and natural challenges including competitive markets and soaring prices, climate change, drought and other natural calamities, the problems of sustainable natural resources management and the complex requirements for meeting international quality standards. Agriculture in WBGs needs to be responsive to the aforementioned issues.

6.3. The MoA needs support in policy, strategy and operational planning so as to adapt its role to the changing environment and stakeholders' needs and address the State building goal. Programme and projects monitoring and evaluation functions are weak and need to be strengthened. Financial and technical support will enable MoA to play a leadership role, plan and implement effective response strategies and provide efficient services to the sector and to the relevant stakeholders.

6.4. Such services include an enhanced analytical capacity toward sector-wide policy and strategic planning, capacity for timely updating of subsector strategies and to run an efficient monitoring and evaluation system. The Palestinian Reform and Development Plan (PRDP) 2008-2010 outlines the goals for reforming public administration to create more efficient, effective and responsive public services. The proposed FAO assistance strategy for the medium term is designed to support the aforementioned policy goals complying with the PRDP, enhancing the institutional capacity of the MoA and strengthening the ability of the agricultural sector to respond to emerging national and global challenges.

Given existing policy constraints, the narrow path which leads out of emergency to development can only be covered through a step by step approach aiming at targeting in a first instance, those structural issues that can realistically be tackled and that if removed could pave the way to future larger scale developments once the political situation improves. FAO contribution to this approach would mainly consist in a first instance, in capacity building at institutional and grassroots level, assistance in policy improvements and in focusing on the transfer of those technologies that would constitute the backbone for sustainable growth in the medium term. There are two essential requirements that would enhance FAO role in this first phase of the transition from emergency to development: the

first one, that a consensus be achieved among all stakeholders on a shared “Vision” for the development of the agricultural sector: the “Vision” will provide a “mission statement” and the main strategic guidelines for achieving those medium term policy objectives that would be set by the 2011-2013 PRDP; and the second, that the MoA planning and project preparation capacities are sufficiently strengthened so as to become effective “drivers” in the development process.

6.5. Following on the above and taking into account: i) Government priorities, ii) the proposed approach, iii) FAO’s comparative advantage, iv) the criteria for selecting projects, v) the ongoing projects under execution with FAO assistance, and vi) the likelihood that future developments might rapidly change the economic and social perspectives and agricultural priorities set by the PNA and donors, it is proposed to plan FAO assistance to the MoA for the medium term (2010-2015) on a “rolling” basis, considering that a concrete programme of work has already been identified for the short term (see below) and that projects for implementation in the subsequent years would be prepared by Government and FAO during the first two years of programme implementation.

The Short Term

6.6. The FAO programme for the short term would include:

- continuation of FAO assistance for ongoing emergency and rehabilitation projects and for those planned or in the pipeline; and
- assistance for the formulation of an Agricultural Sector Strategy (the “Vision”) and for setting up in the MoA of a capacity for strengthening the General Directorate for Planning and Policy (GDPP) specifically on policy and project planning and monitoring and evaluation.

The formulation of a participatory shared “Vision” for agricultural sector development

6.7. There is consensus at PNA, MoA and donors’ level that taking into account ongoing developments and the needs of the sector, the time is ripe for an updating of the agricultural sector strategy using as a reference the policy guidelines detailed in the PRDP, the MoA policy papers and other substantive subsector policy statements.

6.8. The “Vision” would be prepared under the leadership and responsibility of the MoA with full FAO support, using a bottom up approach and with the participation of all agricultural sector stakeholders (PNA central and decentralized institutions, farmers, farmers’ groups, NGOs, private sector interests, commercial ventures, the professional associations...).

6.9. The systematic introduction of participatory approaches would be instrumental in building up a strong constituency and advocacy for the sector and strategically improve MoA’s planning and policy formulation capacity.

6.10. To ensure delivery of this outcome and impact, the expected outputs would include (i) an updated sector strategy covering assessment of agriculture sector performance, goals, and

challenges, institutional aspects and service delivery and the respective roles of the public and private sectors, an identification of the “drivers” for agricultural sector growth and guidelines for the setting of strategic priorities for the short and medium term; (ii) an operational programme for the implementation of the sector strategy and a road map; (iii) an analysis of key policy issues and an agenda for policy and institutional reforms; and iv) priority investments, and a time frame for implementation.

6.11. The “Vision” would be validated through Stakeholders’ Workshop consultations. Once approved, the “Vision” would be integrated into the national planning framework and the 2011-2013 PRDP. The need for special studies or assessments of specific interest to the MoA and other stakeholders would be taken into consideration and eventually proposed for further ad hoc investigations.

6.12. Draft Terms of Reference for the preparation of the “Vision” are presented in Appendix I.

Strengthening the capacity of the General Directorate for Planning and Policy (GDPP)

6.13. The PNA and the community of donors recognize the importance of agriculture and of its role to improve national food security, increase income and welfare of rural people and alleviate rural poverty. The present institutional support to the agricultural sector is weak. It translates not only into a reduction of the performance and coverage of the essential MoA activities but also in limitations affecting the contribution that the MoA can make to the development of economically justified and sustainable programs for the development of the agricultural sector. The complex transition from emergency to development will require the presence of a strong technical capacity at the level of the MoA for sector planning and the identification and preparation of investment and technical assistance projects including the capacity to supervise the formulation of feasibility studies for large scale programs.

6.14. FAO has a long standing experience in agricultural sector planning and project preparation and has developed unique capabilities in assisting Governments for the identification and preparation of development projects for donors’ and governments’ financing. FAO assists Governments in project identification and preparation, in training of local staff in project formulation and supervises project preparation by the local teams ensuring quality control and full participatory approaches.

6.15. The assistance, which will be provided by the proposed Project to the MoA will mainly aim at strengthening the capacity of the General Directorate for Planning and Policy (GDPP) including the Policy and Planning Department, the Project Preparation Department, the Technical and International Cooperation Department, the Monitoring and Evaluation (M&E) Department and the GIS Mapping Department. Capacity building of the MoA staff in agricultural sector planning and project preparation will be of key strategic significance for the PNA to translate the ambitious plans for the rehabilitation and development of the agricultural sector into operational programmes and projects for early implementation.

6.16. The proposed Project would support the present planning and project preparation capacity

of the MoA by providing additional technical and financial resources and training facilities to the GDPP. Financial and technical resources would also be provided for building up the capacity of the M&E Department of the GDPP with the objective of setting up a system for the M&E of agricultural programs and projects compatible with the requirements of the future M&E network of the Ministry of Planning - to be implemented at national level.

6.17. The assistance to be provided to the GDPP would build on and be fully integrated with the ongoing project “*Capacity building for the Ministry of Agriculture*” funded by the Spanish Cooperation. This project includes a component under FAO responsibility, for providing technical advice to the MoA in the following areas: i) the active participation of members in the Agricultural Projects Information System (APIS), ii) a consultative stakeholders’ needs assessment to identify gaps for MoA capacity building; and iii) developing a three-year action plan for MoA capacity building.

6.18. The project is considered of high priority. It would be of paramount importance for providing the MoA with an improved policy making capacity and with the needed instruments for leading the work on: i) the updating of the agricultural sector strategy and of the operational programmes on a regular basis; and ii) the formulation of detailed investment projects. The preparation of a project for a price information system could be included under this project. A more detailed (preliminary) description of the project is presented in Appendix II

The Medium Term

6.19. For the medium term the following broad activities are tentatively identified:

1. Assessment of the ongoing FAO supported emergency and rehabilitation work and of other projects that would come in the pipeline and identification and preparation of follow up projects/activities that would be coherent with the “Vision” statement, that would represent a priority for the MoA and for concerned stakeholders and that would deserve expansion to large scale for implementation as fully sustainable development projects.
2. FAO technical assistance projects consistent with FAO comparative advantage. They would be implemented following MoA request and on a first come first served basis. Tentatively, support programs as earlier mentioned, could include technical assistance and capacity building for food security programs, for improving the legislative and regulatory framework, for transboundary livestock diseases control, for crop and livestock improvements, for supporting farmers’ groups, water users’ associations, the establishment of value chains and small agroindustrial businesses, for projects based on the farmers’ field schools approach, for assisting in biological control of pests and diseases, for setting up early warning systems, for providing technical advice on water management policies, for supporting and building up the social capital of grassroots associations, for capacity building on the legislative and regulatory requirements for complying with international trade and food safety and quality standards, for fisheries development including aquaculture...
3. Assistance for the preparation of large scale investment projects for agricultural sector development providing additional support to the MoA in the case of particularly complex

projects and sector or subsector programs for external financing. In the years ahead it is likely that as the “Vision” would be updated and new priorities are identified, a number of innovative programs could be introduced including policy and sector wide approaches where FAO experience could provide added value.

VII CONCLUSIONS AND FOLLOW UP

7.1. The proposed Medium Term Strategy for FAO Assistance to the Agricultural Sector of WBGS has been formulated following the request of the PNA for an FAO role that would go beyond emergency work, provide the needed support for future sustainable development and contribute to State building.

7.2. The Medium Term Strategy proposes two activities for immediate implementation, the preparation of the “Vision” for Agricultural Sector Development and the Project for building up the capacity of the MoA in Planning, Project Preparation and Monitoring and Evaluation. These two activities proposed for implementation in 2009 and 2010 are in line with MoA priorities and are supported by the consensus of major multilateral and bilateral donors.

7.3. Appropriate monitoring tools would be included in the implementation of the Medium Term Strategy for FAO Assistance to the Agricultural Sector of WBGS taking into account the need to leave as much flexibility as possible in the annual planning so as to be able to introduce modifications as needed. FAO and MoA will discuss and set up appropriate arrangements for the annual review of the joint work programme as soon as convenient.

7.4. The findings and conclusions drafted in this report will be discussed during the third week of May 2009, in a meeting to be held in Ramallah between representatives of MoA, other PNA officials and FAO staff and any other participants to be invited at MoA discretion.

APPENDIX I

WBGS Preparation of a Shared Vision for Agricultural Sector Development

BACKGROUND

The role and importance of the agricultural sector in the WBGS can't be stressed more, as it:

- Provides foods and contributes directly to food security and poverty alleviation, the value of agricultural production exceeding one billion USD in 2006.
- Provides jobs to around 15% of Palestinians, in addition to part time and unpaid jobs, 30% of the women who work are working in agriculture.
- More than 20% of total exports originate from agriculture.

The Ministry of Agriculture assisted by UNDP and FAO, prepared Agricultural Policy and Strategy for Sustainable Development Documents which were endorsed in the Hebron Conference convened in October 1999. Later on, a medium term agricultural development plan (MTP) 2001 – 2005 was prepared to translate the policy and strategy recommendations and objectives into a coherent plan of action for the short and medium term.

The above-mentioned documents were developed on the main assumptions of progress in the peace process, and Palestinian control over their resources in a free and secure State.

Shortly after that, the second intifada erupted in September 2000. Major events and changes materialized since then that had negative impact on implementation of the policy and strategy.

In addition, several strategies, policies and plans have been developed at the macro and sectoral levels.

Time is ripe after ten years of such major changes to review the agricultural policy and strategy, to produce a new vision and objectives for the agricultural sector in WBGS, benefiting from experience and lessons learnt, and built on the current situation, realistic assumptions and scenarios.

FAO upon request by the Ministry of Agriculture will assist in formulating the new strategy for the agricultural sector to be called “**Shared Vision for Agricultural Sector Development**”, and seeking the services of a Palestinian Preparatory Group to perform the task.

1. SCOPE OF WORK

The purpose of this project is to formulate a new strategic vision and objectives, and from these develop an operational plan and a preliminary identification of investment projects for the

agricultural sector, to serve as the basis and guiding framework for future national and sectoral policies and plans, and to guide international assistance to the Agricultural Sector.

The main expected outputs are:

A. A **Shared Vision/Strategy** for the agricultural sector development document, including:

1. Background and justification;
2. Present status and role of the agricultural sector;
3. A review and evaluation of the past strategies, plans, achievements, experiences, challenges, problems and lessons learnt;
4. A needs assessment at macro, sectoral and sub-sectoral levels, with regard to institutional, legal, technical aspects and services since 1998 taking in consideration the results of the recent study to be conducted by FAO in this regard;
5. A stakeholder analysis (public sector, NGO's, civil society and private sector (including professional associations, traders, small businesses), donors and international organizations) identifying main constraints and opportunities, how they value their present and future role and investment plans taking into consideration plausible future political and economic scenarios;
6. Development of a realistic number of assumptions, which will guide the formulation of the future strategy in light of most plausible scenarios of the agricultural sector growth. This scenarios will justify the rationale for the strategic vision, achievable objectives and the operational programme for immediate implementation;
7. Identification of key drivers for agricultural growth (e.g., financing agricultural investments, the role of infrastructure or even incentives for the use of remittances from abroad, small scale social infrastructure, import substitution, agriculture-based 'green jobs', etc);
8. Identification of a strategic vision and objectives for the short and medium term for agricultural sector growth;
9. A new definition of the role of the public, NGO/CBOs and private sectors: preliminary strategic proposals for institutional requirements of MoA and other agricultural sector institution (these preliminary proposals will be formulated in detail as a follow-up activity to the Sector Strategy);
10. Implications of the new "Vision" in terms of adjustments to agricultural sector policies (for the 2011-2013 PRDP); The identification of the enabling environment for the private sector to invest in agriculture: preliminary definition of priorities in terms of policies, laws, infrastructure, economic incentives, international partnership agreements etc.;
11. Monitoring, impact assessment and evaluation framework; and
12. Recommendation of the next steps and the way forward.

B. An Operational Plan

1. Detailed implementation options and modalities for the recommended strategic vision and objectives taking into consideration the plausible future scenarios.

C. An Investment Plan, with preliminary identification of agricultural investment programmes /projects

1. Briefs on the major components such as objectives and outputs, target groups and beneficiaries, time frame, estimated costs and relations with the strategy and operational plan;
2. Strategic options for financing of on-farm investments and running costs: the policy dimension and available alternatives;
3. Preliminary assessment of investment economics, based on a review of available up-to-date information on costs and returns at farm level for major crops and livestock to justify strategic options on development priorities (additional work needed on comparative advantage and value chain analyses for specific crops and livestock, could be carried out in parallel or as a follow-up to the Sector Review, depending on availability of funding); and
4. Arrangements for monitoring, evaluation and reporting.

2. DUTIES AND RESPONSIBILITIES

A “Preparatory Group” will be identified and mobilized, comprising a team of professional consultants and a technical support team, who should have a proven track record and experience in the main areas of the task such as but not limited to: agricultural policy and strategy formulation, institutional support and capacity building, agriculture economics, rural sociology, agronomy, irrigation, livestock, extension, technology transfer and research, credit and marketing, and legislation.

The Preparation Team would comprise a core group, including a Leader assisted by two high level professionals, selected on the basis of their broad knowledge and association with agricultural sector issues and development strategies. This Team would be responsible for the drafting of the Shared Vision/Strategy, Operational Plan and Investment Plan documents. For technical matters, the Team would rely upon contributions from part-time specialized professionals who would be responsible for selected inputs into the strategy work. These latter would prepare well-focused annexes or working papers that would be used by the Preparation Team for selected topics to be dealt with in the Strategy. Major topics that require further investigation by specialized consultants or institutions are included in Annex 5. The final outputs of such investigations should be available within three months from starting the work on the strategy.

The Preparation Team, under the supervision of FAO and MoA, will provide the following services while formulating the strategy document (*Vision*), operational plan and investment plan, over a period of six months.

1. Assist the MoA in establishing the Strategy Steering Committee, including its composition, ToRs, tasks and duties, invitations, agenda preparation and minute-taking (Annex 6);
2. Hold a launching workshop for the strategy to discuss the objectives, methodology, expected outputs, management and the plan of work;
3. Conduct a literature review of the major related policy and strategy documents such as PRDP, food security strategy, research & extension strategy, water strategy and the major projects, changes, interventions and challenges that have materialized during the last decade, with their impact and consequences;
4. Prepare detailed ToRs for the short term experts and consultants;
5. In close consultations with the major national stakeholders assess and evaluate the results and findings of the reports to be prepared by the National Service Delivery Institutions (Annexes 1,2,3 and 4) and directly supervise their work;
6. Consult and interact continuously with NGO's and farmers' groups, and seek their active participation in the process. There is also the need to include in the 'target group', small businessmen, traders and representatives of professional associations;
7. Hold close consultations with the donors, seek their views, comments and interest in supporting the "Vision" findings, and the implementation of future interventions and projects;
8. Deliver periodical (at least once a month) briefings, updates and presentations to the Strategy Steering Committee and the LACS Agricultural Sector Working Group;
9. Produce the strategy document, the operational plan, and formulate the investment plan in both languages Arabic and English;
10. Conduct the Agricultural Strategy Validation Workshop (conference) to discuss and endorse the strategy and plans, and deliver the workshop/ conference report; and
11. Identify and prioritize the immediate actions and interventions (studies, assessments, surveys) needed to implement the Strategy, Operational Plan and Investment Plan.

The need to involve NGOs: *One comparative advantage of NGOs is their "local knowledge", of people/ CBOs, needs, networks etc, and of what is sociologically-possible in any community. This linkage would ensure that the Agricultural Sector Development Vision would focus on livelihood strategies at farm level, and include specific reference to the technologies currently used, means to transfer technology, the efficiency and effectiveness of the extension services etc. In this way the current institutional weaknesses in the perception of the target group will be highlighted.*

3. MANAGEMENT ARRANGEMENTS

1. The Preparation Team will be required to accomplish the tasks specified in the scope of work within six months from signature of the contract;
2. The preparation team will consult and coordinate with the Steering Committee in order to deliver due support to the Steering Committee and enable it to perform its tasks and responsibilities;
3. The Preparation Team will work under the leadership of the Ministry of Agriculture and the technical supervision of FAO, in close consultation and coordination with other stakeholders (public sector, NGO, civil society, donors and private sector whether national or international);
4. The Preparation Team is to submit a work plan a week after the contract is signed, which is subject to acceptance and approval of FAO and MoA;
5. The Ministry of Agriculture and FAO will deliver the needed technical oversight and managerial support to facilitate the work;
6. The Preparation Team shall provide the services of the following experts
 - Agricultural policy and strategy formulation and planning expert / team leader,
 - Agricultural and food security expert, and
 - Institutional and human resource development expert.

In addition to other short-term experts in fields such as agriculture economics, rural sociology, irrigation, livestock, extension and technology transfer, finance and insurance, marketing and legislation;

7. The Preparation Team shall take responsibility and charge of all the managerial and administrative support needed such as transport, communication, arrangements of meetings, documents production.....etc.

Annex 1

“WBGS - A Shared Vision for Agricultural Sector Development”

Terms of Reference for National Service Delivery Institution

“Crop Production”

Under the overall supervision of the MoA and FAO and the direct supervision of the Preparation Team, the selected National Service Delivery Institution will perform the following:

1. Review the literature, studies and other activities related to needs assessment in the field of crop production;
2. Identify experiences and lessons learnt in terms of methodology, modality, applications, participation and M&E;
3. Conduct preliminary analyses of costs/returns at farm level for major crops to justify strategic options on development priorities, including comparative advantage and value chain analyses;
4. Conduct participatory needs assessment covering major agro-ecological zones and agricultural activities such as rainfed and irrigated. The assessment shall cover all steps in the chain such as inputs, services delivery, production and post harvest, marketing;
5. Assure the participation and close consultation of relevant stakeholders of the PNA and target groups at all levels in all relevant subjects, in the various agro-ecological zones;
6. Recommend well identified interventions and measures to empower target groups and to improve ownership and sustainability of developmental activities;
7. Categorize and prioritize the needs of farmers;
8. Suggest appropriate interventions and activities to address the priorities;
9. Submit a draft report to the Preparation Team;
10. Discuss the outcome and findings in a workshop with the participation of the relevant stakeholders;
11. Integrate the comments of the workshop in the report;
12. Submit the final report in Arabic within two months from signing the contract;
13. Closely coordinate and consult with MoA relevant departments at Headquarters and in the field;
14. Participate in the drafting, review and finalization of the “Shared Vision”; and
15. Participate in the Workshop or Conference to be held to discuss and endorse the “Shared Vision” and contribute to it, as deemed necessary.

Annex 2

“WBGS - A Shared Vision for Agricultural Sector Development”

Terms of Reference for National Service Delivery Institution

“Livestock Production”

Under the overall supervision of the MoA and FAO and the direct supervision of the Preparation Team the selected National Service Delivery Institution will perform the following:

1. Review the literature, studies and other activities related to needs assessment in the field of animal/ livestock production;
2. Identify experiences and lessons learnt in terms of methodology and modality, applications, participation and M&E;
3. Examine and assess the services delivery systems, and identify strengths and weaknesses for the service suppliers;
4. Conduct participatory needs assessment covering major farm models and systems, such as small and medium size herds/ flocks (sheep, cattle, and poultry). The assessment shall cover all steps in the chain such as inputs, services delivery, production and post production;
5. Assure the participation and close consultation of relevant stakeholders at all levels, in all relevant subjects in the various agro-ecological zones;
6. Recommend well identified interventions and measures to empower targeted groups and to improve ownership and sustainability of developmental activities;
7. Categorize and prioritize the needs of farmers and herders;
8. Suggest appropriate interventions and activities to address the priorities;
9. Submit a draft report to the Preparation Team;
10. Discuss the outcome and findings in a workshop with the participation of the relevant stakeholders;
11. Integrate the comments of the workshop in the report;
12. Submit the final report in Arabic within two months from signing the contract;
13. Closely coordinate and consult with MoA relevant departments at Headquarters and in the field;
14. Participate in the Workshop or Conference to be held to discuss and endorse the “Shared Vision” and contribute to it, as deemed necessary; and
15. Participate in the drafting, review and finalization of the “Shared Vision” document.

Annex 3

“WBGS - A Shared Vision for Agricultural Sector Development”

Terms of Reference for National Service Delivery Institution

“Assessment of Agricultural Services”

Under the overall supervision of the MoA and FAO and the direct supervision of the Preparation Team the selected National Service Delivery Institution will perform the following:

1. Review the literature, strategies, studies and other activities related to agricultural services mainly extension and technology transfer, finance and credit and agricultural marketing;
2. Evaluate and assess the present status of the services delivery system including projects, activities and intervention that have been implemented since 1998 and examine their relevance to the strategies and plans such as the agricultural policy, extension and research strategy, MTDP, PRDP;
3. Conduct SWOT analysis for the services delivery system;
4. Hold close consultations with major stakeholders and integrate their comments and suggestions;
5. Recommend major strategic issues and principles to be included in the “Shared Vision”;
6. Submit a draft report to the Preparation Team;
7. Discuss the outcomes and findings in a workshop with the participation of the relevant stakeholders and integrate their comments in the report;
8. Submit the final report in Arabic within two months from signing the contract;
9. Closely coordinate and consult with MoA relevant departments of Headquarters and in the field;
10. Participate in the drafting, review and finalization of the “Shared Vision” document; and
11. Participate in the Workshop or Conference to be held to discuss and endorse the “Shared Vision” and contribute to it, as deemed necessary.

Annex 4

“WBGS - A Shared Vision for Agricultural Sector Development”

Terms of Reference for National Service Delivery Institution

“Land and Water Study”

Under the overall supervision of the MoA and FAO and the direct supervision of the Preparation Team the selected National Service Delivery Institution will perform the following:

1. Identify and review the major documents that have been issued since 1998 related to land and water;
2. Examine and assess the relevance and appropriateness of programmes, projects, activities and interventions as related to the stated policies and plans i.e agricultural policy, water policy, MTDP, PRDP;
3. Identify the challenges and opportunities in managing the land and water resources;
4. Recommend the optimal and sustainable land and water uses;
5. Submit a draft report to the Preparation Team;
6. Hold close consultations with major stakeholders and integrate their comments and suggestions;
7. Recommend major strategic issues and principles to be included in the “Shared Vision”;
8. Discuss the outcomes and findings in a workshop with the participation of the relevant stakeholders and integrate their comments in the report;
9. Submit the final report in Arabic within two months from signing the contract;
10. Closely coordinate and consult with MoA and other relevant institutions at Headquarters and in the field;
11. Participate in the drafting, review and finalization of the “Shared Vision” document; and
12. Participate in the Workshop or Conference to be held to discuss and endorse the “Shared Vision” and contribute to it, as deemed necessary.

Figure 1

WBGs - A Shared Vision for Agricultural Sector Development
Detailed Plan of Work

Activity/ Action	Time Frame (2009)									Responsibility	
	M	A	M	J	J	A	S	O	N	Implementation/ Preparation	Follow up/ Approval
1. Develop and approve the ToR										MoA	FAO/ MoA
2. Recruit the Preparatory Group										FAO	FAO
3. Deliver the detailed work plan										Team Leader	FAO/MoA
4. Facilitate/ consult with the Steering Committee		↔								Team leader	MoA/ FAO
5. Prepare the detailed outline of the vision, operational plan and investment programme		↔								Team	MoA/ FAO
6. Conduct the launching workshop										Team	Steering Committee
7. Conclude the sub contacts with the National Service Delivery Institutions			↔							FAO	FAO
8. Hold Steering Committee meetings			↔							Team leader	MoA/ FAO
9. Conduct literature review, collect data and interviews			↔							Team	Team leader
10. Conduct one subject matter studies			←-----→							National Institution	FAO/ MoA
11. Analyze the results and derive the issues and lessons learnt			←-----→							Team	Team leader
12. Develop the vision and objectives										Team	MoA/ team leader
13. Convene a joint meeting/ conference for the ASWG, the Steering Committee and other major stakeholders to present the vision and progress achieved						↔	↔			Team	MoA/ Steering Committee/ FAO
14. Deliver the vision document to FAO and MoA							Δ			Team	Team leader
15. Develop the operational plan								Δ	Δ	Team	Team leader
16. Discuss the operational plan in joint meeting / workshop							↔	↔		Team	MoA/ FAO
17. Deliver the operational plan to FAO and MoA								↔	↔	Team	Team leader
18. Develop the investment programme									Δ	Team	MoA/ team leader
19. Deliver the investment programme to FAO and MoA									Δ	Team	Team leader
20. Translate the documents								↔	↔	Translator	Team leader

Δ

↔

Table 1**Staffing Plan and Estimated Cost**

Experts	Weeks required	Qualification	Estimated costs (000)US
Strategy formulation/ team leader	24	Palestinian national with higher degree in agriculture; excellent track record on agricultural and political development issues in Palestine	
Agriculture and food security	12	Higher degree in agriculture; expert in Palestinian food security, with broad knowledge of agricultural research/ extension/ development issues on the international scene	
Institutional and HRD	12	Higher degree in public administration and management, with broad knowledge of institutions capacity building and project/ programme formulation	
Sub-contracted National Service Delivery Institutions			70-90
Sub-contracted Specialists in other topics including but not limited to the topics under Annex 5	24 in total		
Total	72 person weeks		

Annex 5

Topics That Require Further Investigation to Support Work for the “Shared Vision” Strategy Development

1. Detailed investigations on farmers and other agricultural operators’ needs assessment.
2. Detailed SWOT analysis for main stakeholders.
3. Multidisciplinary cross-cutting issues such as food security, rural development, farmers organizations.
4. Donors map for the agricultural sector.
5. Impact of the Separation Wall in the West Bank and the war in Gaza.
6. Impact of fluctuating food and input prices and frequent droughts.
7. Production function and comparative advantage of agricultural commodities.
8. Commodity chain analysis of major crops and commodities.
9. Demand function of olive oil.
10. Cost functions for livestock.

Annex 6

“Shared Vision” Steering Committee

Terms of Reference

A Steering Committee will be established to perform the following tasks and responsibilities:

1. Agree on the Preparatory Team’s plan of work and detailed outline;
2. Periodical review of progress, reports and findings;
3. Approve plans for major events such as the final Workshop/ Conference;
4. Clear the final draft of the “Shared Vision” and promote its endorsement; and
5. Assist in the dissemination of the “Shared Vision”, and in the identification of funding sources for the Operational Plan and the Investment Programme.

The Steering Committee will be chaired by a Senior Officer from the Ministry of Agriculture, and will include representatives from the following institutions:

- Ministry of Agriculture
- Ministry of Planning
- Water Authority
- Environment Quality Agency
- PNGO
- NARC
- Farmers Unions/ Associations
- FAO
- Spanish Cooperation

APPENDIX II

MoA: STRENGTHENING AGRICULTURAL SECTOR PLANNING AND PROJECT PREPARATION CAPACITY

PRELIMINARY PROJECT PROFILE

I BACKGROUND

1. Adequate exploitation of the resource base of the West Bank and Gaza Strip (WBGS) can pave the way to sustainable economic growth. Policy and structural adjustments must proceed in parallel with the implementation of well conceived development programmes which consider the priorities of the farming community and take into account the need to diversify farming systems by introducing appropriate technological innovations.
2. Even in a development framework emergencies occur, as a consequence of natural and man-made disasters. The challenge in transition from emergency to development is to link effectively an emergency response to a developmental strategy through a real recovery process. This is a formidable task and will have to face the main issues affecting the livelihoods of the Palestinian people and their social and economic prospects, including poverty, unemployment, weak social protection systems and the distorted incentives framework.
3. Realizing this vision calls for a series of policy reforms and the implementation of innovative development programmes. Progress is being made, but much remains to be done to support faster, more efficient and private sector-led economic growth.
4. The transition from emergency to development will require a holistic and participatory approach to the problems of the rural economy, building up social capital and setting the basis for sustainable growth.
5. The Palestinian Authority (PA) and the community of donors recognize the importance of agriculture and its role in improving national food security, increasing the income and welfare of rural people and alleviating rural poverty. The difficult transition from emergency projects to the rehabilitation and development of the agricultural sector will require strong

technical capacity in the Ministry of Agriculture (MoA) and related government institutions and agencies, in the following areas: sector planning; the identification and preparation of investment and technical assistance projects; and emergency planning and programming in conjunction with development programmes and strategies, including the capacity to supervise the formulation of complex feasibility studies when required. In this framework, FAO intends to strengthen its developmental approach in supporting the MoA and other stakeholders. Such support is a key response to the ongoing political situation in the WBGS, which undermines the goal of State-building and strongly jeopardizes the capacity of PA-line ministries to achieve their objectives.

- 6 Since the beginning of its activities in the WBGS in 2002, the Food and Agriculture Organization of the United Nations (FAO) has worked and will continue to work in close consultation and cooperation with the MoA at both HQ and field levels in the identification, design and implementation of all projects. FAO's multidisciplinary projects usually address the capacity building of relevant MoA field staff through technical, managerial and operational upscaling of MoA staff and directorates, who are then directly enrolled in project implementation. Tailored gender-sensitive and responsive theoretical and practical training sessions and workshops are usually organized for MoA field staff and other stakeholders, who will in turn convey the updated knowledge to the farmers in their respective fields.
- 7 Over the next three years, the MoA/FAO partnership will continue to focus on the above mentioned areas while expanding the Institutionalization Process focus. Such a shift would encourage the development of additional areas, including:
 - reviewing/updating agricultural policy and subsector strategies relevant to areas of MoA/FAO cooperation;
 - planning for the recovery of the agricultural sector in the WBGS; and
 - planning for future needs-oriented agricultural projects in line with the Palestinian Reform and Development Plan (PRDP), and/or to fill in the gap between emergency and development interventions, in response to the changing political, natural and socio-economical environment of the region.

The above areas for development are reflected in the UN Medium Term Response Plan, under formulation in close consultation between the UN system and the PA.

- 8 In this framework, clear complementarities exist between the United Nations Development Programme (UNDP)-led Capacity Development Programme (CD) and the FAO-led Institutionalization Process (IP). The latter will enable proactive participation in the CD Programme, focusing on the MoA's roles as a policy and regulatory body and facilitator for all stakeholders in the agricultural sector. The CD Programme is expected to invest in the MoA's long-term organizational development with a governance and public administration

focus. Complementarily, the FAO-led IP will focus on needs driven agricultural strategy formulation and implementation.

II RATIONALE AND JUSTIFICATION

9. The West Bank and Gaza Strip face a number of challenges which have a direct impact on all economic sectors and are related to the geopolitical situation, which includes: Israeli imposed restrictions on the movements of goods and services; jeopardized institutional capacities; and the deterioration of basic services and social indicators such as unemployment and absolute poverty, especially in Gaza where more than 60 percent of the population is classified as food insecure.
10. Economic distortions and ongoing restrictions affect the import and export markets and the overall investment climate, including financial and other support services. Economic distortions and marketing problems have reduced the return on investment for all major crops and livestock. Given these weak incentives, young people are rarely attracted to agricultural occupations leaving a number of farming areas at risk of being abandoned.
11. The major issues facing Palestinian agriculture today (namely low productivity and a low growth rate, and its inability to provide a dependable food supply and income for its population) are attributable both to the disruptions caused by Israeli military measures, and also to structural deficiencies, which do not provide any incentives to increase agricultural production and productivity. Currently WBGS agriculture is able to produce a significant proportion of domestic consumption only for limited number commodities, such as poultry, vegetables, olive oil, sheep and goat meat and dairy products. Agricultural products coming from Israel occupy a large percentage of Palestinian market, as they enjoy a comparative advantage in quality and regularity of supply, despite being more expensive. Palestinian agriculture is under increasing pressure to feed its population, which is growing at an annual rate of more than 3.5 percent. In addition, international aid policy has shifted away from development towards a short-term, emergency response. Such undesired change has been exacerbated by the political developments since January 2006. The PRDP provides a framework for fiscal and institutional reform, but its agricultural sector investment component is not organized around strategic objectives and resources allocation to the agricultural sector has been very limited.
12. The capacity of agricultural and government institutions - principally the MoA - to provide services to the sector has been substantially reduced since the eruption of the second *intifada* in 2001. This weak institutional support has damaged the performance and extent of

essential MoA activities, as well as reduced planning and project preparation capacity and the contribution that the institution can make to the development of economically justified and sustainable programmes to develop the agricultural sector. These limitations come at a critical moment during the transition period from emergency to rehabilitation and development activities.

13. FAO has extensive experience in agricultural sector planning and project preparation, and can effectively assist governments in the identification and preparation of development projects. Through its Investment Centre, FAO also trains local staff in project formulation and supervises project preparation by local teams, ensuring quality control and a full participatory approach.
14. The assistance provided by FAO to the MoA in this proposed project will aim to strengthen the capacity of the General Directorate for Planning and Policy (GDPP), including the Policy and Planning Department, the Project Preparation Department, the Technical and International Cooperation Department, the Monitoring and Evaluation Department and the GIS and Mapping Department. It is strongly recommended that this assistance be initiated as soon as possible in order to start staff training and the preparation of methodological documentation both in Arabic and English.
15. Capacity building of the MoA staff in agricultural sector planning and project preparation will be of key strategic significance to the PA in implementing their ambitious plans for the recovery, rehabilitation and development of the agricultural sector. In guiding the planning process, MoA will enhance its leadership of the large number of national and international actors.
16. Parallel to the strengthening of the GDPP, the Project will provide technical assistance and financial and human resources to strengthen the Monitoring and Evaluation Department (M&E) in the same General Directorate. This component will be fully coordinated with the Ministry of Planning (MoP) to ensure a coherent approach to data preparation and processing.

III DESCRIPTION

17. The proposed project aims to strengthen the technical capacities of the GDPP. It will provide technical resources and services to assist the MoA in the implementation of PA policy for the agricultural sector, in the preparation of projects for PA and/or donors' financing, and in the functions of monitoring and evaluation. FAO would provide technical assistance in capacity building and in the training of project staff, and would offer all methodological

tools for sector work and project preparation that have been developed by the FAO Investment Centre and the FAO technical divisions. This project will help consolidate the “Shared Vision” for the agricultural sector to be formulated in the second half of 2009 as a component of the FAO-led strategic planning initiative.

18. The assistance to be provided to the GDPP would comprise international and national staff seconded to the GDPP for a minimum period of three years and it will include the necessary facilities, equipment and support staff. The initial planning period of three years would be extended for successive periods to be decided in due course, following the results and recommendations of a performance evaluation, to be carried out jointly by the PA, FAO and the donor(s) who will finance the project.
19. The assistance to be provided to the GDPP would build on and be fully integrated with the ongoing project “*Capacity building for the Ministry of Agriculture*” funded by the Spanish Cooperation. This project includes an activity to be carried out by FAO for technical advice to the MoA in the following areas: i) the active participation of members in the Agricultural Projects Information System (APIS), ii) a consultative stakeholders’ needs assessment to identify gaps for MoA capacity building; and iii) developing a three-year action plan for MoA capacity building.
20. The Technical Assistance Work Programme would be finalized at the inception of the project by a Steering Committee under the chairmanship of the MoA and the technical support of FAO.
21. The Technical Assistance to be provided by the project would be headed by a national senior staff member of recognized capacity and experience. He would be assisted by a part-time senior international consultant with experience in agricultural sector planning and project preparation and by part-time international consultants (in training, monitoring and evaluation and other specific technical fields) – all provided under the FAO-supported technical assistance component – and by a team of Palestinian professionals covering the technical fields as needed (agricultural economics, agronomy, irrigation, livestock and monitoring and evaluation). In addition, funds would be made available to the GDPP to contract local consultants to assist in specific projects in certain technical fields on a part-time basis.
22. The monitoring and evaluation system would be set up through a contract with a specialized local institution. Implementation would be the responsibility of two local senior experts, assisted part-time during the first year by an international consultant.

IV IMPACT

23. The stakeholders and target beneficiaries of the proposed project would be mainly staff and consultants of the MoA and relevant institutions which have a direct interest in agricultural sector planning and project preparation, junior professionals who would participate in training courses to be organized by the project, individual farmers and groups participating in project preparation and implementation, and concerned persons from the private sector. By assisting in capacity building and in on-the-job training of staff and consultants of the MoA and of other institutions and agencies, the project will contribute to the development of the agricultural sector of the WBGS.
24. The direct impact of the project will be evaluated on the basis of:
- its contribution to the work plan of the MoA and the number of staff, consultants and private sector professionals trained. A review would be undertaken, together with the medium term evaluation, to assess the quality of the work in relation to the MoA's and other stakeholders' expectations;
 - the number of integrated agricultural development projects prepared and the support that the GDPP would provide to the formulation of government policies and agricultural sector plans and operational programmes; and
 - the multiplier effect that the training of the technical staff of the GDPP will have on other training to be directly provided by the same staff to other technicians in the course of their work.

V OUTCOMES AND OUTPUTS

25. The most immediate outcomes of the project would be:
- the training of senior MoA technical staff in sector planning, project preparation and monitoring and evaluation, using methods generally accepted by external donors and widely applied by the FAO Investment Centre in its current work with governments, donors and international financing agencies;
 - capacity building of MoA and seconded staff and consultants in agricultural sector planning and project preparation;
 - the training of junior professionals (see below); and
 - the preparation of appropriate documentation in both Arabic and English to support four (two per year) formal training courses to be held at the beginning of the project and during the course of project implementation.
26. Measurable outputs would be:

- assistance in the preparation of at least 10 projects in the agricultural sector ready for financing and implementation;
- the preparation of at least two subsector programmes; and
- the organization of at least four training courses with at least 12 participants each.

VI COSTS

27. To be estimated

VII SUSTAINABILITY

28. The sustainability of the project would be guaranteed by: (i) its priority in government plans; (ii) its participatory nature; and (iii) the commitment of donor funded programmes and the efforts of the international community to assist the agricultural development of the WBGS.

VIII RISKS

29. Except events due to the ongoing conflict and geopolitical problems, no major risks are expected. Some delays in project implementation might eventually occur owing to problems in finding suitable professionals to be integrated in the GDPP; however these delays will not jeopardize the overall approach and results.

IX IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS, MONITORING

30. The project would be executed under the overall responsibility of the FAO office in Jerusalem. Detailed arrangements would be worked out in due course. As mentioned, a comprehensive work plan would be established at project inception, by a Steering Committee under the chairmanship of the MoA and composed of representatives of FAO, the MoA, the MoP and interested donors.

31. The Steering Committee meetings would take place eight times during the project. Monitoring of project implementation would be carried out by representatives of the MoA, MoP, FAO and the donor/s, who will directly report to the Minister of Agriculture, FAO and to the donor/s. At midterm (during the second year) a review of the performance of the

project would be carried out jointly by the MoA, FAO and the donor(s). Periodic reports would be submitted by the project manager, to FAO and to the donor/s according to a schedule and modalities to be confirmed.

X ISSUES AND FOLLOW UP

32. Besides the overall strategy, justification and components, it is estimated that the major issues for discussion would be the following:
- the composition of the Technical Assistance team and the allocation of financial and human resources, including the type of expertise required;
 - arrangements for the eventual participation of other ministries and agencies in the training to be provided by the project; and
 - the duration of the first phase of the project. Depending on the resources available and the interest of the eventual donor/s the first phase could be extended, to allow for possible delays at the inception of the project.
33. The draft project proposal will have to be revised once agreement on the overall concept and issues is reached and the availability of financial resources for project implementation is confirmed.