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THE 2014 PALESTINE HUMAN DEVELOPMENT REPORT

DEVELOPMENT FOR EMPOWERMENT

THE 2014 PALESTINE HUMAN DEVELOPMENT REPORT | DEVELOPMENT FOR EMPOWERMENT



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Development FOR Empowerment



FOREWORD

Since 1990, the United Nations Development Programme (UNDP) has been issuing annual human development reports to assess the state of global development from a people-centred perspective; one that places the expansion of human capabilities, choices and opportunities at the heart of the development process.

Human development reports are not statements of UNDP policy: the independence of the writing team is crucial, allowing for a solid analytical critique based on an impartial political and cultural analysis.

Overall, the status of human development in Palestine based on traditional indicators shows limited relative progress in recent years compared to earlier periods. Significant achievements were made in traditional indicators (e.g. GDP growth, food security, health services) in the latter half of the first decade of the 2000s. Yet, much of this positive change was largely driven by external forces (e.g. international aid and adjustments in Israeli imposed restrictions) and past achievements were not necessarily indicative of sustainable development. Autonomy, capacity, and resiliency had not yet been adequately built into Palestinian systems, and the implications of this can be seen in the slow progress or, at times, a reverse in trends from 2010 onwards.

The theme of the 2004 Human Development Report was “empowerment”. Ten years later, the same theme has been chosen again, with a view to taking stock of developments on the path to Palestinian empowerment since that time, while taking into account the continued pertinence of this theme in the Palestinian context.

The Palestinian condition is deeply dominated by the Israeli occupation, which in essence constitutes a virtually complete reallocation of power away from the occupied to the occupying power. This, therefore, renders very difficult the pursuit of an empowerment agenda in the Palestinian context, which can be meaningfully changed only if the Israeli occupation ends.

Taking that into account, fundamental changes must be made to redress the asymmetry in the balance of power between the occupied and the occupying power. To this end, it is of paramount importance to revamp the existing framework of the peace process, with a view to enabling it to deliver on a two state solution.

In parallel, the Palestinians need to address the challenges relating to internal social order and conflict within their society. At the centre of this effort must be the pursuit of an agenda aimed at empowering the disadvantaged and inspiring the Palestinian people to believe in their capacity to achieve their objectives. Policies should be formulated and actions defined to ensure that the conditions for empowerment, including active participation, adequacy of information, accountability, and local organizing capacity are adequate to ensure effective empowerment.

The Palestinian Human Development Report for 2014 is the product of an independent research team, who have scrutinized Palestinian society and the occupation critically.

We hope that the Palestinian Human Development Report 2014 will be a useful tool for motivating discussion on human development issues in the oPt and beyond.

I wish to extend my thanks to all the contributors to the Palestinian Human Development Report 2104. My sincere hope is that the report makes a modest contribution towards achieving justice and peace in the region.

Frode Muring

UNDP Special Representative of the Administrator
April 2015

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Disclaimer: The analysis and policy recommendations of this Report do not necessarily reflect the views of the United Nations Development Programme. The Report is an independent publication commissioned by UNDP.

ABBREVIATIONS

ACRI	Association for Civil Rights in Israel
ANERA	American Near East Refugee Aid
BAC	Biotechnology Action Council
BBC	British Broadcasting Corporation
BERCEN	Biotechnology Educational and Research Center
BING	Biotechnology, Information Technology, Nanotechnology and Green Technology
COMET-ME	Community Energy Technology in the Middle East
CPI	Consumer Price Index
CSO	Civil Society Organization
ERC	Electricity Regulatory Council
ESCWA	Economic and Social Commission for Western Asia (UN)
EU	European Union
FAO	Food and Agriculture Association
FFP	Future for Palestine
FHT	Family Health Team
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GII	Gender Inequality Index
GNI	Gross National Income
GPP	Gaza Power Plant
HDI	Human Development Index
HDR	Human Development Report
ICT	Information and Communication Technology
IEC	Israel Electric Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
JDECO	Jerusalem District Electricity Company
JEA	Jerusalem Education Administration
JWC	Joint Water Committee
kW	Kilowatt
lcpd	Litres per capita per day
LGU	Local Government Unit
MCM	Million Cubic Meters
MDLF	Municipal Development and Lending Fund
MENA	Middle East and North Africa
MoEHE	Ministry of Education and Higher Education

MoH	Ministry of Health
MoLG	Ministry of Local Government
MoSA	Ministry of Social Affairs
MPI	Multidimensional Poverty Index
MW	Megawatt
NGO	Non-governmental Organization
NIS	Israeli New Sheqel
OCHA	Office for the Coordination of Humanitarian Affairs (UN)
oPt	occupied Palestinian territory
PCBS	Palestinian Central Bureau of Statistics
PEA	Palestinian Energy Authority
PELC	Palestinian Electricity Transmission Company
PLO	Palestinian Liberation Organization
PNA	Palestinian National Authority
PPP	Public-Private Partnership
PV	Photovoltaic
PWA	Palestinian Water Authority
R & D	Research and Development
RE	Renewable Energy
TARC	Technical and Applied Research Center
TVET	Technical and Vocational Education and Training
U.S.	United States of America
UAE	United Arab Emirates
ULF	Unified Leadership Framework
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNGA	United Nations General Assembly
UNICEF	United Nations Children's Fund
UNITAR/	United Nations Institute for Training and Research/Operational Satellite
UNOSAT	Applications Programme
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSCO	Office of the United Nations Special Coordinator for the Middle East Peace Process
USD	United States Dollar
VAT	Value-added Tax
WFP	World Food Programme
WHO	World Health Organization

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CHAPTER 1 | BACKGROUND

1.1. INTRODUCTION

The Human Development Report (HDR) has become a primary tool for measuring progress in human development in many parts of the world. In Palestine, the report has become an essential instrument for development on several levels.

The report affords policy makers an opportunity to assess progress over time in human development. In addition, it serves to suggest future directions for development by introducing new concepts and policy options for the attainment of development objectives and readjusting existing policies to ensure better and deeper reach of development interventions. The report provides local government, civil society, private sector, and community leaders with information regarding the current state of human development in Palestine, as well as options available to enhance the impact of development efforts on their constituencies.

At the international level, while the report does not necessarily reflect the views of the United Nations Development Programme (UNDP), the primary United Nations (UN) agency responsible for international development, its sponsorship by the UNDP greatly enhances its reach and relevance, including within the international donor community. In addition to its informational value, the report provides Palestine's international development partners with a useful tool for assessing the impact of their past development interventions, and for reflecting funding priorities going forward.

1.2. THEME: EMPOWERMENT

The theme of the 2004 Human Development Report was “empowerment”. Ten years later, the same theme has been chosen again, with a view to taking stock of developments on the path to Palestinian empowerment since that time, and taking into account the continued pertinence of this theme in the Palestinian context.

1.2.1 THE THEORETICAL CONTEXT FOR EMPOWERMENT

Empowerment is an act or a process by which people, individuals or groups, are enabled to have agency in making or influencing decisions that impact their lives. At its core, empowerment is about the concept of power, which, while subjective, does manifest itself politically, economically, and socio-culturally.

Due to the variance in individual traits, and social order or conflict, power, in any given society, tends to be asymmetrically distributed amongst individuals and communities. In some ways, this asymmetry is the product of values that reward success, as well as innovation and hard work. But, whether the product of the arbitrary focus of social order or conflict, or the adoption of values or norms that empower those willing and able to live up to them, the imperative of social justice, and the attendant social cohesiveness and stability, require that the ill effects of this asymmetry be dealt with by the adoption of policies and pursuit of interventions aimed at empowering – especially those who are unable to make it on their own.

The active pursuit of empowerment becomes even more essential as individuals with common traits become sufficient in number to form an underprivileged community, whether or not based on geography. It is at this level that social order or conflict becomes key to not only inhibiting the orderly development of a society, but also to creating or perpetuating a state of powerlessness, lack of agency, and disenfranchisement among broad segments of society, thereby leading to societal tension and imbalance.

What could aggravate this state of tension further is the perception, particularly on the part of the powerful, that the pursuit of power within a society is a zero-sum game. Under such conditions, those with power tend to fend off any attempt to empower the powerless by resisting any change to the status quo. What this static worldview ignores, however, is that with economic growth and important equalizers, such as education and training, acts of empowerment need not be a mere reallocation of a “finite stock” of power in any given society. Indeed, combined with the enormous benefits that are likely to flow from democratization and broad-based political participation, the expansion of possibilities on the demand and supply

sides of economic activity broaden the possibilities for overall empowerment, both directly and by providing a better context in which targeted, empowering interventions can be pursued.

Further, as advancements in science, technology, and innovation create opportunities for better empowerment strategies and interventions, the allocation of power in society should be periodically assessed. Such an assessment helps to identify new emerging groups of the “powerless”, and ensures that continuously changing state-of-the-practice policy interventions are adapted to the needs of human development.

1.2.2 | THE PRACTICE OF EMPOWERMENT

The World Bank defines empowerment as “*the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes.*”¹ In its “Empowerment and Poverty Reduction: A Sourcebook” (2002), the World Bank has authoritatively contributed to moving the concept of empowerment from the theoretical realm into the practical realm.² Recognizing that institutional reform is the cornerstone to achieving any empowerment objective, the document identifies four key elements of empowerment that must underlie institutional reform. These are:

- *access to information,*
- *inclusion and participation,*
- *accountability, and*
- *local organizational capacity.*

These key elements are intertwined and complementary. On the one hand, adequate participation requires access to sufficient information. Surely, access, however, would be of limited value in the absence of the capacity and possibility for participation. Similarly, without accountability, there would be little or no assurance regarding the effectiveness of inclusion and participation as instruments of empowerment.

While the goal of empowerment applies, and is relevant, to the full spectrum of development and governance, the Sourcebook stresses five main areas for intervention:

¹ World Bank (2011) ‘What is Empowerment?’, available at <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTEMPOWERMENT/0,,contentMDK:20272299~menuPK:486417~pagePK:148956~piPK:216618~theSitePK:486411,00.html>

² World Bank (Poverty Reduction and Economic Management) (2002) ‘Empowerment and Poverty Reduction: A Sourcebook’, Washington, DC: World Bank

- *provision of basic services,*
- *improved local governance,*
- *improved national governance,*
- *pro-poor market development, and*
- *access to justice and legal aid.*

Though not exhaustive, this list of areas of empowerment-promoting intervention is virtually all encompassing for the purposes of this report, which in the remainder of this chapter and subsequent chapters will seek to assess developments in the state of empowerment and to highlight empowerment-promoting interventions in the Palestinian context.

1.3. EMPOWERMENT IN THE PALESTINIAN CONTEXT

The Palestinian context is different from that of most states. For, apart from the formidable challenges which any meaningful empowerment agenda elsewhere in the world has to contend with, the task is rendered virtually impossible in Palestine, where the Israeli occupation inherently presents a dominant force for disempowerment – both directly, given its highly oppressive nature and the capriciousness and arbitrariness of its instruments of intervention in virtually all facets of Palestinian life in the West Bank (including East Jerusalem) and the Gaza Strip,³ and by retarding and vastly complicating any national effort aimed at attaining however modest a degree of empowerment that can be attained in spite of the occupation.

By exercising tight control over virtually all facets of life in the occupied Palestinian territory (oPt), the oppressive Israeli occupation has worked to disempower Palestinians collectively, albeit not uniformly, with some managing to be less disempowered than others. By at least partially blocking the above-mentioned empowerment channels, however, the occupation's highly capricious control regime has indeed led to the emergence and progressive entrenchment of what may be called a "disempowerment trap". This is so because the colonial occupation itself acts in the first instance to vastly limit the scope and space for empowering the occupied, which in turn fuels resistance to changes in the status quo on the part of the less disempowered among them, for fear that such change would chip away at their less unfortunate status in favour of the more disempowered; hence the trap – indeed, the entrapment.

³ Throughout this report, the term 'West Bank' will imply inclusion of East Jerusalem unless otherwise stated. Likewise, 'Gaza' and 'Gaza Strip' will be used interchangeably.

To the extent the foregoing analysis is valid, one could understandably argue that Palestinian pursuit of empowerment under occupation cannot amount to more than a Sisyphean task. For how can the empowerment channels be unblocked if it is the occupation itself that is blocking them? Carried to its logical conclusion, this line of reasoning could easily be construed as suggesting that not much, if anything at all, can be done to promote Palestinian empowerment under occupation. Apart from this being too strong a conclusion, however, it also ignores the positive dynamic that could flow from trying to break away from the "disempowerment trap". It is precisely the formulation of a strategy for setting in motion processes that have the potential to generate such dynamic that is the subject matter of this report.

Inevitably, the design of such a strategy, in terms of the choice of its basic components, as well as the priorities and timing of interventions, will be guided by what is doable under occupation, indeed, in spite of the occupation. But, it would be wrong to ignore the limits to what can be achieved from the pursuit of an ambitious empowerment agenda under the debilitating constraints and restrictions imposed by the Israelis occupation. Indeed, it would also be highly naïve to think that, by itself, a Palestinian effort to address own weaknesses will get the job done, or that it will not entail the risk of being, or at least being seen as, an exercise in adapting to the reality of a prolonged occupation. Consequently, it is of paramount importance to fully integrate efforts aimed at shaking the "disempowerment trap" into the broader national effort needed to enable the Palestinian people to exercise their right to self-determination. Thus, as Palestinians try to position themselves to do more to unblock the empowerment channels, especially those that are related to local and national governance and pro-poor economic development, they should keep well in view the need for related interventions to be supportive of their capacity to persevere in the face of the repressive occupation regime, on the path of ending it.

Such is the fundamental nature, indeed the irony, of the predicament that Palestinians must conquer. They must end the occupation before they can position themselves to reap the full benefits of empowerment. But, in order to end the occupation, they must strive to attain the critical mass of empowerment needed to end the occupation.

Box 1: Why Empowerment?

In assessing a potential theme for the 2014 Human Development Report on Palestine, several concepts were considered. However, by virtue of being both an important intermediate objective and a key vehicle for attaining the ultimate objective of liberation, empowerment stood out as the most compelling choice of a theme in the Palestinian context.

At the political level, empowerment highlights the need for independence as the only practical way to reallocate power from the occupier to the occupied in order to achieve the goal of real, lasting empowerment for the Palestinian people.

Internally, the cause of empowerment is promoted by, and empowerment itself advances, through active participation, accountability, and good governance. A government that is responsive to the needs of the people is guided by the understanding of what the people know to be their needs and delivers on those needs. In this sense, empowerment, as a process of positive change, sets the stage for good governance based on the active participation of citizens in the decision-making processes, thereby forming a strong foundation for democratic government by and for the people.

The effective use of the empowerment theme as a planning tool requires a proper identification of the powerless and their needs, it being understood that the universe of the powerless in any given society is subject to change over time as a result of changes in the state of knowledge and technology. External influences can also play a significant role in this regard, and all the more so in the Palestinian context, which is largely dominated by the reality of an occupation that has been not only highly oppressive, but also capricious and arbitrary in its control methods.

This makes the articulation and adoption of a fully integrated empowerment strategy a key national priority for Palestinians, not only in terms of high relevance of the substance and context of such a strategy to their intermediate and ultimate objectives, but also in terms of its adaptability, as a planning tool, to a constantly and unpredictably changing landscape of challenges and priorities due to the arbitrariness of the control regime enforced by the Israeli occupation.

It is in this view of the aforementioned considerations that “empowerment” was chosen as the theme of the 2014 Human Development Report on Palestine.

1.4. KEY EVENTS IMPACTING EMPOWERMENT IN PALESTINE FROM 2010 TO 2014

Since the last Human Development Report was published in 2010, several key events and developments have impacted empowerment in Palestine. While some have had a positive impact, on the whole there has been a marked deterioration in the state of Palestinian empowerment over the past four years. The international recognition of Palestinian readiness for statehood and the international recognition of the State of Palestine stand out as key positive developments. On the other hand, war-related human suffering and destruction in Gaza in 2012 and 2014, the continued siege of Gaza, continued Israeli settlement expansion, settler violence, the continued tight grip of the occupation's capricious control regime and heavy handedness (particularly in East Jerusalem and so-called "Area C"), and the deepening of East Jerusalem's isolation from the rest of the West Bank, all contributed to more deeply entrenching the reality of occupation in the oPt.

1.4.1. WINNING RECOGNITION OF READINESS FOR STATEHOOD

Motivated by the need to exert pressure on the "peace process" to produce that which it had failed to deliver since the early 1990s, and choosing to do so by enhancing the institutional capacity of the Palestinian National Authority (PNA), the Palestinian government launched in August 2009 an ambitious two-year plan that targeted winning international recognition of Palestinian readiness for statehood. In a technocratic sense, the Plan (entitled: "Palestine, Ending the Occupation and Establishing the State") constituted a framework within which the task of upgrading the PNA's institutional capacity was to be pursued on the basis of the overarching vision of a Palestinian state that was to embody the universally shared progressive values of equality, democratic and accountable government, openness, inclusiveness, and tolerance. This vision was to inform the selection, and guide the implementation, of sectoral interventions geared toward attaining the critical mass of positive change needed to enable the PNA to project the reality of a Palestinian state on the ground on the strength of well-functioning state institutions and adequate service delivery.

More importantly, the Plan was intended to constitute a fully integrated political vision in the sense of it being an instrument for capitalizing on the success in doing the necessary, namely, preparing for statehood, to bolster the case for ending the Israeli occupation by discrediting the various pretexts that had effectively, albeit unfairly, conditioned the Palestinians' fundamental right of self-determination on their success in demonstrating that they were state-worthy. Last, but not least, the successful implementation of the Plan, as would be reflected in improved institutional capabilities, governance, and service delivery, was to enhance the steadfastness

of the Palestinian people and their capacity to persevere under the adversity of the occupation on the path of ending it.

Viewed this way, the articulation of the vision embodied in the Plan, together with the Plan's elaboration and implementation, despite the obvious limitations associated with the effort to do so in a context heavily dominated by the reality of a highly oppressive occupation, as well as internal political separation and fragmentation, amounted to an act of Palestinian self-empowerment. This act of empowerment was to cumulatively generate the kind of transformative dynamic that would enable the Palestinian people to fully exercise their right to self-determination. As such, therefore, the Palestinians' effort to build from the ground-up (the so-called "bottom-up" approach), with a view to bringing about an end to the Israeli occupation on the strength of a revamped top-down political process, and one that was to be reinforced by a successful delivery on the part of the bottom-up component, had consciously and distinctly sought to attain empowerment by Palestinians breaking loose from the trap of victimhood and taking agency in their own liberation.

In the event, the Plan was successfully implemented, but its ultimate political objective was not achieved. To elaborate, in the technical sense of what the Plan was about, considerable progress was made in fortifying the PNA's institutions, in improving their functionality, and in enhancing their capacity to deliver services. In addition, a large number of small- and medium-size infrastructural projects were implemented, including in "Area C". Indeed, only a year-and-half into the implementation of the Plan, the PNA won international recognition of its readiness for statehood. This came in the form of a full endorsement by the PNA's key donors – assembled in a meeting of the Ad Hoc Liaison Committee (AHLC) that was held in Brussels in April 2011 – of reports by the World Bank, the United Nations (UN), and the International Monetary Fund (IMF), that were prepared for the purposes of that meeting. The central finding of the three reports was that, as measured by key socio-economic indicators, and also, importantly, in terms of the success it attained in strengthening its institutional capabilities in the context of good and improving governance, the PNA had crossed the threshold of readiness for statehood.⁴

This was a highly powerful conclusion, and, as envisaged when the Plan was conceived, it did generate some traction in the political realm of the "peace process". Indeed, as discussed in the following subsection, in its landmark resolution of December 4, 2012, which accorded Palestine a Non-member Observer State status, the United Nations General Assembly (UNGA) cited this conclusion as providing a basis for conferring upon Palestine, that status, as it (... "[commended]

⁴ UNSCO (2011) 'Palestinian State-Building: A Decisive Period', Ad Hoc Liaison Committee Meeting, Brussels, Apr. 2011. The six areas are: Governance, Rule of Law and Human Rights, Livelihoods and Productive Sectors, Education and Culture, Health, Social Protection, and Infrastructure and Water.

the Palestinian National Authority's plan for constructing the institutions of an independent state within a two-year period, and [welcomed] the positive assessments in this regard about readiness for statehood by the World Bank, the United Nations, and the International Monetary Fund...and as reflected in the Ad Hoc Liaison Committee Chair conclusions of April 2011 and subsequent Chair conclusions, which determined that the Palestinian Authority [was] above the threshold for a functioning State...".⁵

However, despite the unalloyed success the Plan had scored in winning international recognition of Palestinian readiness for statehood in a technical sense, which, in effect, reflected a realization of what was the best-case scenario when it was conceived, it is fair to say that the Plan did not fare nearly as well relative to its ultimate objective of setting in motion a political dynamic of the magnitude and momentum needed to enhance the prospects of bringing an end to the Israeli occupation. Given the heavy investment in the Plan and the state of positive anticipation it managed to garner, particularly internationally, it may be useful and instructive to examine some of the factors that may have contributed to this failure.

To be sure, there were some, particularly on the Palestinian side, who, from the very beginning, maintained that the Plan was, at best, too ambitious, with the skeptics among them considering that it was naive, if not outright absurd, to think that it was going to be possible for the Palestinians to build and fortify their institutions under occupation. In their view, the Plan amounted to little more than an exercise in adapting to the reality of a prolonged occupation, if indeed it was not intended to achieve just that objective. Even if this worldview were valid, however, it still would be useful to consider some of the channels of influence through which the failure in question had obtained. In other words, even if the Plan was doomed to fail, the question remains as to why and how it did fail. In this regard, an objective assessment of the context in which the Plan was conceived and implemented may offer the following possible explanations.

First, in sharp contrast with the professed enthusiasm about the Plan on the Israeli side, there was very little which the occupying power actually did to provide an enabling environment. For one thing, continued settlement activity did a lot to undermine confidence in whatever had remained of the prospects of viability of the two-state solution, and, as a consequence, to damage the standing of the PNA, which also suffered badly due to continued Israeli military raids into so-called "Area A" (urban areas of the West Bank), despite the obvious improvement in security conditions there. For another thing, the continued siege of Gaza, and its progressive isolation from the West Bank, together with frequent and at times very serious military escalation involving

⁵ UNGA (2012) Resolution adopted by the General Assembly: Status of Palestine in the United Nations. A/RES/67/19. <http://unispal.un.org/UNISPAL.NSF/0/19862D03C564FA2C85257ACB004EE69B>

a highly disproportionate use of force, substantially weakened the PNA and diminished its state-building programme in the eyes of the public, in addition, of course, to the major tragic loss of life, destruction, and human misery sustained as a result by the Palestinians living in Gaza. In addition, the Plan's implementation had coincided with a sharp rise in settler extremism, violence, and acts of outright terror against Palestinians, their property, and their places of worship. Last, but not least, while there was a significant reduction in the number of physical barriers to mobility in the West Bank over the period 2008-2009, there was only a trickle of improvement on that front subsequently. More importantly, despite this easing of physical restrictions, the functional restrictions associated with the occupying power's highly capricious control regime had remained largely in place during the implementation phase of the Plan, while "Area C", which constitutes more-than 60% of the landmass of the West Bank, remained virtually completely off-limits for the purposes of Palestinian economic and social development.

Second, notwithstanding its largess historically, the PNA's donor community had failed to deliver adequate economic aid during the critical phase of Plan implementation. Specifically, relative to jointly assessed PNA needs, there was an average shortfall of nearly 30% annually over the period 2010-2012. Worse, the shortfall was concentrated in the budget support component of overall aid allocations, thereby making it progressively more difficult for the PNA to meet its operational obligations, including salary payments. With financing shortfalls carried from one year to the next, the PNA found itself facing a severe financial crisis and having to switch to a crisis-management mode virtually throughout the implementation phase of the Plan. Indeed, the PNA's financial situation became completely untenable when, yet again, Israel moved to withhold the Palestinian revenues it collects on behalf of the PNA, in retaliation for the Palestinian move to gain Non-member Observer State status in the UN. This punitive measure, coming, as it did, in the midst of a pre-existing debilitating financial crisis, all but completely incapacitated the PNA, just when Palestinians were supposed to be reaping the benefits of the international recognition of their readiness for statehood.

Third, the state of political separation that culminated with the violent takeover of power by Hamas in Gaza in mid-2007, and the repeated failure to resolve it since, dampened the already dim prospects of the establishment of a sovereign Palestinian state on the entire territory occupied by Israel in 1967, thereby vastly complicating the task of the top-down component of the "peace process". Even at the height of active international and bilateral Israeli-Palestinian diplomacy, there was always the question of "what to do about Gaza", given the state of separation. This had imparted a sense of futility to the efforts exerted within the top-down component of the "peace process", but also equally to the national effort made on the path of getting ready for statehood, thereby weakening the buy-in into the paradigm of state-building as a means of helping end the Israeli occupation.

Fourth, the international enthusiasm, with which the launching of the Plan was received, was not matched by the extent of its adoption at the national level. Although it was adopted as the platform of the government, the Plan did not get the endorsement of other key components of the Palestinian political system, either formally or, perhaps more injuriously, in the sense of it being understood as a fully integrated political vision, not merely as an add-on to the top-down component of the national effort aimed at gaining statehood. This fatal shortcoming was much in evidence both in the choice and the timing of Palestinian diplomatic moves. To elaborate, the launching of the Plan had in effect signaled the going into effect of a quasi-contractual political arrangement between the PNA and the international community. The essence of that arrangement was that the international community would work to push the top-down component of the “peace process” to deliver Palestinian sovereignty in the event the PNA succeeded in projecting the reality of Palestinian statehood on the ground on the strength of a successful implementation of the Plan. Indeed, this rationale did appear to be valid, as nearly one year into the Plan's implementation, and with the PNA well positioned to deliver on its end of the bargain, the sense of positive anticipation on the part of the international community thus generated started to reflect itself in international consideration of what to do to reward the Palestinian success, which at the time appeared to be well in prospect. In the event, however, the question of “what to do for, or with, the Palestinians” started to give way to the question of “what to do about them”, as international anxiety started to set in vis-a-vis the Palestinians' intention to proceed quickly to secure full membership in the UN.

The above considerations may shed some light on what may have caused the Plan to fall short relative to its ultimate objective of enabling the Palestinian people to realize their fundamental right to self-determination, including their right to live as a free people with dignity in a country of its own. It may be ironic, but it certainly was unfortunate that what was to be a springboard for freedom, namely international recognition of Palestinian readiness of statehood, ended up being a basis of merely according Palestine a nonmember observer State status at the UN. Even more-than-two years after that landmark vote, the reality of the Israeli occupation remains more deeply entrenched than it ever was. Such was the fate of what otherwise was a most ambitious and authentic Palestinian act of self-empowerment.

1.4.2. | INTERNATIONAL RECOGNITION OF THE STATE OF PALESTINE

With the deadlock in the “peace process” on the heels of failed efforts to gain full UN membership in 2011 through the UN Security Council, the Palestinians took their case for independence to the UN General Assembly. On November 29, 2012, the UNGA accorded Palestine the status of Non-Member Observer State in the UN. The vote on this resolution, UN Resolution

Number 194, was favoured by an overwhelming majority: 138 in favour versus 9 against and 41 abstentions.

This vote allowed Palestine the opportunity to join a number of UN and international organizations, and to become a party to over 630 international treaties and agreements. In February 2014, the Palestine Liberation Organization (PLO) signed letters of accession to 15 international treaties and conventions.

Both in the run-up to the aforementioned UNGA vote and subsequently, there were several rounds of bilateral recognition of the State of Palestine that ranged from upgrading diplomatic representation to full-fledged recognition.

At some level, this reflected growing impatience on the part of the international community with the “peace process”, as it had been traditionally pursued for more than two decades, particularly vis-a vis its failure to bring Israeli settlement activity to a halt. It is true, however, that while the Palestinians derived a sense of political empowerment from these various acts and forms of international recognition, that empowerment is yet to alter the reality of continued, and progressively more deeply entrenched Israeli occupation.

Box 2: List of international treaties and conventions to which the State of Palestine is now a party, by accession:

1. The Four Geneva Conventions of 12 August 1949 and the First Additional Protocol
2. The Vienna Convention on Diplomatic Relations
3. The Vienna Convention on Consular Relations
4. The Convention on the Rights of the Child and the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in armed conflict
5. The Convention on the Elimination of All Forms of Discrimination against Women
6. The Hague Convention (IV) respecting the Laws and Customs of War on Land and its annex: Regulations Concerning the Laws and Customs of War on Land
7. The Convention on the Rights of Persons with Disabilities

8. The Vienna Convention on the Law of Treaties
9. The International Convention on the Elimination of All Forms of Racial Discrimination
10. The Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
11. The UN Convention against Corruption
12. The Convention on the Prevention and Punishment of the Crime of Genocide
13. The International Convention on the Suppression and Punishment of the Crime of Apartheid
14. The International Covenant on Civil and Political Rights
15. The International Covenant on Economic, Social and Cultural Rights

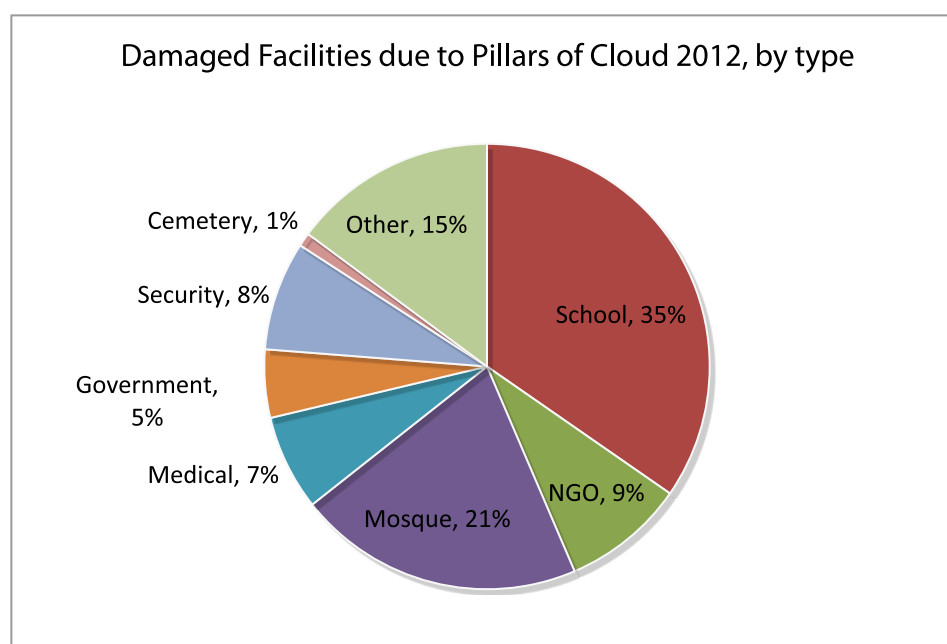
1.4.3. | MILITARY ESCALATION

Since the Israeli military operation in Gaza in late 2008, the Israeli army has twice attacked Gaza.

In November 2012, Israel launched a major attack on the Gaza Strip. The eight-day operation left 168 persons dead, including 36 children.⁶ It damaged 893 homes, 67 of which were totally destroyed and 162 severely damaged. A total of 168 facilities, 83 shops, and four factories were damaged. The attack ended following the signing of an Egyptian-brokered ceasefire agreement.

⁶ Al Mezan Centre for Human Rights (2012) 'Field Report on Israel's Attacks on Gaza. Violations of international human rights and international humanitarian law committed by the Israeli occupation forces in the reporting period: 14 November 2012 –21 November 2012', 21 Dec. 2012.

Figure 1: Facilities damaged in the Gaza Strip, 2012, as a result of the Israeli Operation Pillar of Cloud by type



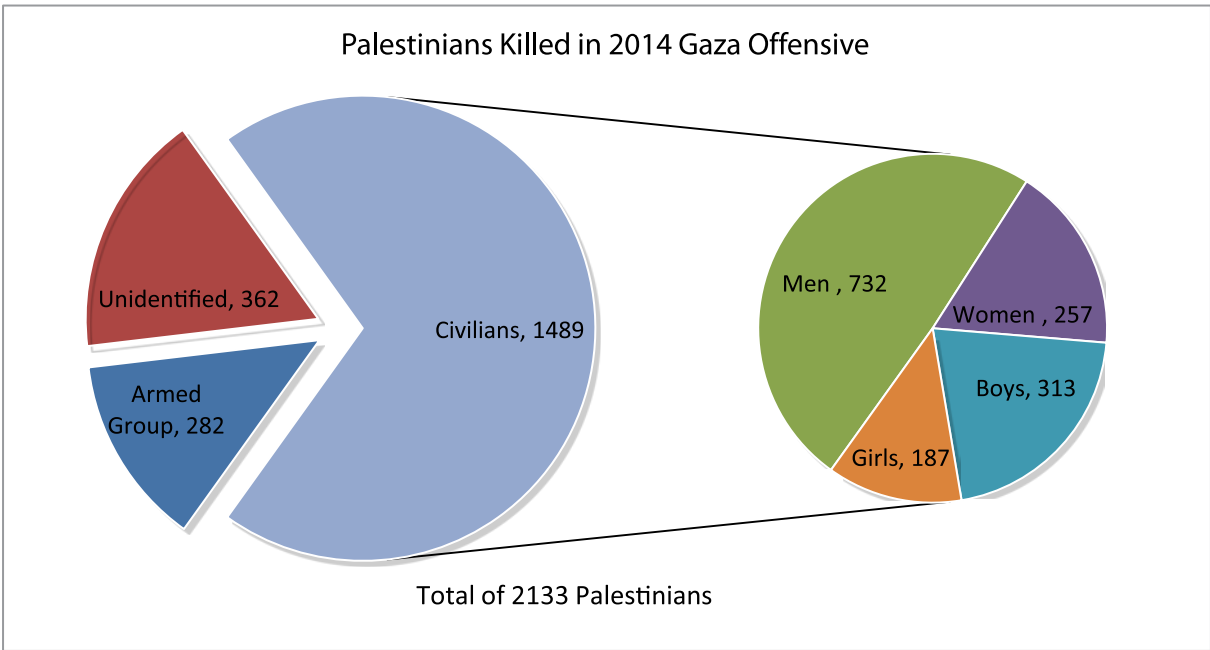
On July 7, 2014, Israel launched a massive, fifty-day attack on Gaza. This round of military escalation also ended with an Egyptian brokered ceasefire agreement, but not before leaving in its wake a catastrophic death toll, as well as massive destruction and a lot of misery.

A total of 2,145 people were killed, the majority of whom were civilians, including 581 children, in addition to over 11,000 injuries.⁷ Further, during the peak of the attack, over 600,000 Palestinians were displaced from their homes. Many of the displaced stayed at United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) schools in makeshift shelters. As of October 15, 2014, a total of 18 UNRWA schools continued to serve as shelters for 42,506 displaced persons whose homes were destroyed or severely damaged.⁸

⁷ State of Palestine (2014) 'The National Early Recovery and Reconstruction Plan for Gaza' for the International Conference in Support of the Reconstruction of Gaza, Cairo, Oct. 2014.

⁸ UNRWA (2014) 'Gaza Situation Report 65', 15 Oct. 2014.

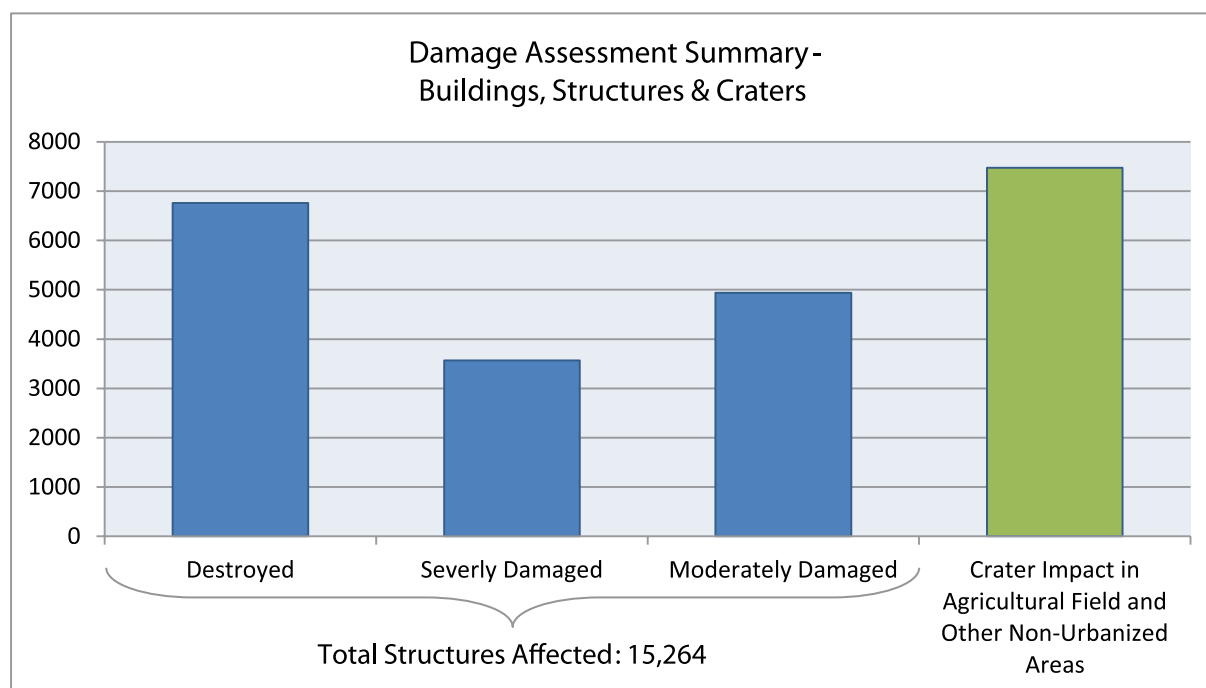
Figure 2: Palestinians Killed in 2014 Gaza Offensive (Source: UN-OCHA, 2014)



In addition to the tragic loss of life and human suffering as a result of the war, the severity of the damage in Gaza was enormous. According to a United Nations Institute for Training and Research Operational Satellite Applications Programme (UNITAR/UNOSAT) analysis, 6,761 structures were destroyed, 3,565 structures were severely damaged, and 4,938 were moderately damaged.⁹ Of these structures, almost 11,000 homes were rendered uninhabitable due to total destruction or severe damage. In addition, an estimated 40,000 homes were partially damaged.

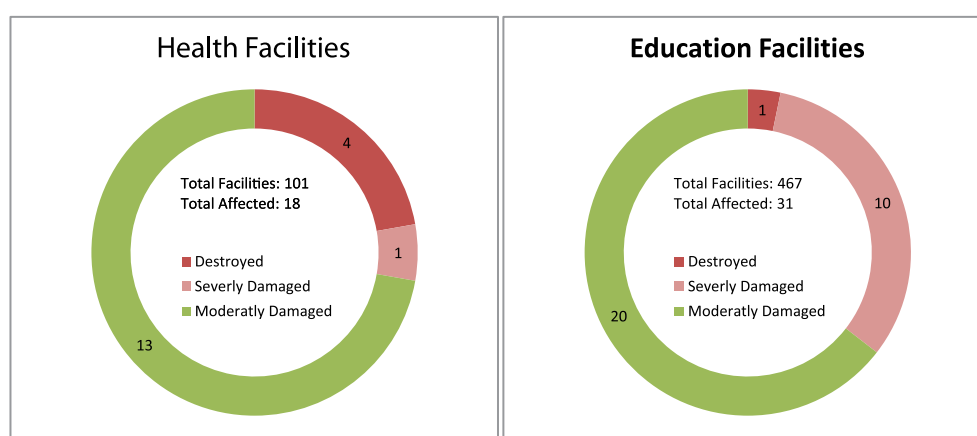
⁹ UNITAR/UNOSAT (2014) 'Impact of the 2014 Conflict in the Gaza Strip - UNOSAT Satellite Derived Geospatial Analysis' available at <http://www.unitar.org/impact-2014-conflict-gaza-strip-unosat-satellite-derived-geospatial-analysis>.

Figure 3: Infrastructure damage assessment summary for the July-August attack on Gaza, 2014



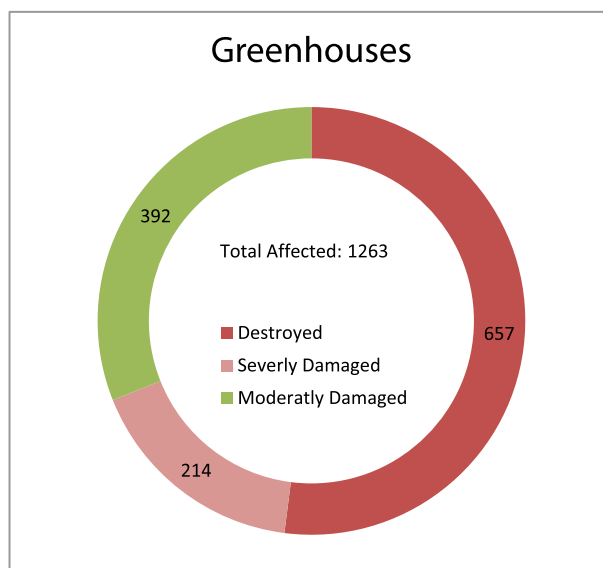
The analysis further showed 101 damaged health facilities, including four that were totally destroyed and one that was severely damaged. In addition, a total of 467 educational facilities were damaged. These included one totally destroyed and ten severely damaged facilities.

Figure 4: Damage and destruction of health and education facilities in Gaza by Israeli attacks, July-August 2014



Further, the analysis showed a significant impact on the agricultural sector with about 1,800 hectares damaged and 1,263 greenhouses affected, with a total of 657 greenhouses totally destroyed, 214 severely damaged, and 392 moderately damaged.

Figure 5: Damage and destruction of agricultural greenhouses in Gaza by Israeli attacks, July-August 2014



By comparing the 2014 attack to that of 2008/2009, the UNITAR/UNOSAT concluded that the damage was far greater in 2014. The number of destroyed buildings was 213% higher in 2014 than 2009, and the number of severely damaged buildings was 941% higher. The estimated costs of the damage to Gaza due to the 2014 attack vary, but factoring in the economic impact of the attack indicates that the cost can be conservatively estimated at \$5 billion United States dollars (USD).

In response to the latest attack on Gaza, the government developed the National Early Recovery and Reconstruction Plan for Gaza, which it presented to a donor conference for Gaza reconstruction held in Egypt in October 2014. The plan called for \$4 billion of funding for both recovery and reconstruction. The total donations pledged at the conference reached \$5.4 billion.

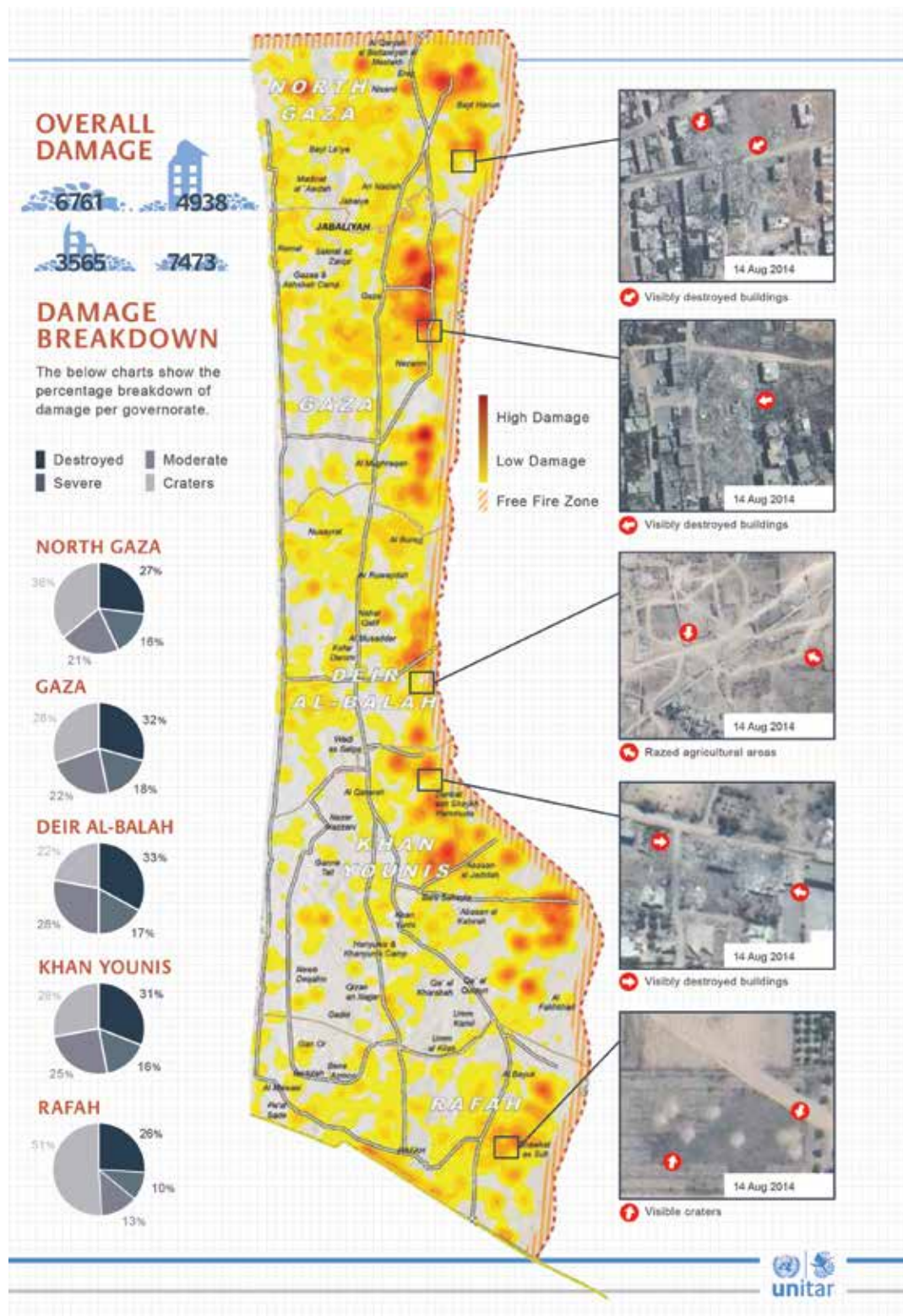
To date, very little construction has taken place and efforts continue to provide basic humanitarian assistance to the population through UNRWA, other UN agencies, and civil society organizations (CSOs). The humanitarian needs are immense given the fact that even

prior to the latest attack, the seven-year siege of Gaza rendered 80% of its residents aid-dependent, in addition to making 47% of them food insecure, and 40% unemployed.

The disempowering effects of the aforementioned rounds of military escalations was obviously most evidenced among Palestinians living in Gaza. These effects, however, were also deeply felt by Palestinians in the West Bank and elsewhere in the world, where there were many mass demonstrations of protest. But, there was also a massive relief effort, itself an act of empowerment, serving to overpower the deep sense of helplessness, despair, and anger, which dominated the scene early on.



Figure 6: Overall damage assessment summary for Gaza after Israeli military attacks, July-August 2014 (Source: UNITAR, 2014)



1.4.4. SETTLEMENT EXPANSION IN THE WEST BANK, INCLUDING EAST JERUSALEM

Since the last HDR was published in 2009, the construction of Israeli settlements in the West Bank, including East Jerusalem, has continued unabated. Under the Netanyahu government (2009-), policies that encourage settlement activity have been introduced, such as preferential funding programmes for settlers and settlements, and actual settlement construction and planning for future expansion has been especially high.

According to the Israeli watchdog organization Peace Now, during the period of 2009-2013, the Israeli government had implemented or began implementation of 6,867 new settlement units in the West Bank.¹⁰ There was a 300% increase in the number of settlement units authorized for future construction from 2011-2012, and there was a 123% increase in illegal settlement construction in 2013 compared to 2012. There have been record levels of tenders, approvals of future construction, and planning for settlement construction in East Jerusalem, in particular. Reports by the UN Office for the Coordination of Humanitarian Affairs (OCHA) show that, as of 2012, Israel had established a total of about 150 settlement centres in the West Bank since 1967, in addition to over 100 “outposts” established without official authorization.¹¹ The settler population has reached over 520,000 and the average rate of growth in 2012 was 5.3%,¹² compared to 1.8% for the Israeli population overall in that year.¹³

Settlement construction violates Article 49 of the Geneva Convention and has far-reaching adverse impact on the human development of Palestinians in the West Bank. Seizure of land for settlement construction and future expansion has limited the ability of Palestinians to develop infrastructure and service networks needed for sustainable development. It has also prevented Palestinian access to the vital resources of land and water, and it has exposed Palestinians to regular and repeated violent attacks by settlers.¹⁴ In total, over 43% of West Bank land is now allocated to Israeli settlement local and regional councils.¹⁵

¹⁰ Peace Now (2013) ‘Settlements & the Netanyahu Government: A Deliberate Policy of Undermining the Two-State Solution’, 16 Jan. 2013, available at <http://peacenow.org.il/eng/sites/default/files/summary-of-4-years-of-netanyahu-government.pdf>

¹¹ OCHA oPt (2012) ‘The Humanitarian Impact of Israeli Settlement Policies’, Update Dec. 2012, available at http://www.ochaopt.org/documents/ocha_opt_settlements_factsheet_december_2012_english.pdf.

¹² West Bank only, excluding East Jerusalem.

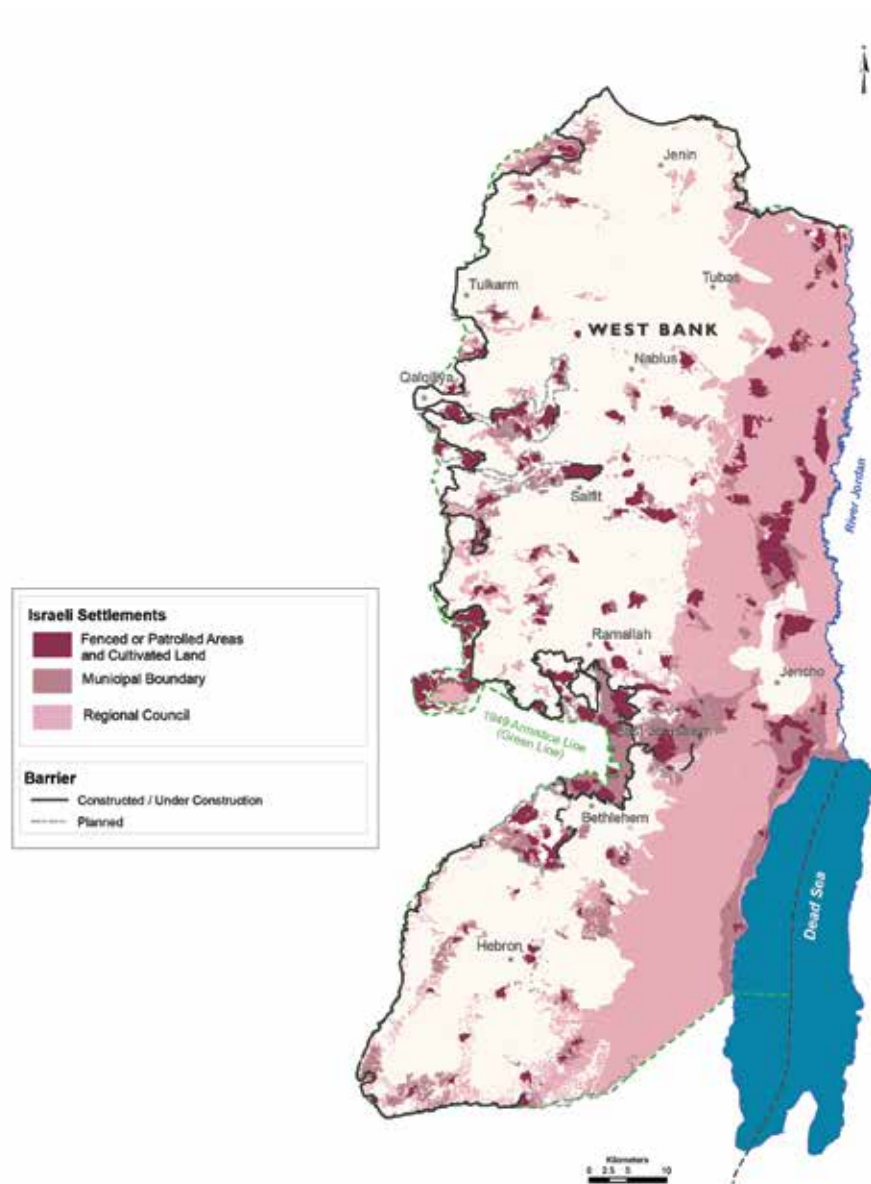
¹³ OCHA oPt (2012) ‘The Humanitarian Impact of Israeli Settlement Policies’, Update Dec. 2012, available at http://www.ochaopt.org/documents/ocha_opt_settlements_factsheet_december_2012_english.pdf.

¹⁴ In 2012, one Palestinian was killed and approximately 1,300 injured by Israeli settlers or security forces in incidents directly or indirectly related to settlements, including demonstrations. See OCHA oPt (2012) ‘The Humanitarian Impact of Israeli Settlement Policies’, Update Dec. 2012, available at http://www.ochaopt.org/documents/ocha_opt_settlements_factsheet_december_2012_english.pdf.

¹⁵ OCHA oPt (2012) ‘The Humanitarian Impact of Israeli Settlement Policies’, Update Dec. 2012, available at http://www.ochaopt.org/documents/ocha_opt_settlements_factsheet_december_2012_english.pdf.

In an immediate and physical sense, the settlement activity has done a lot of damage to the prospects of continued viability of the two-state solution paradigm. Less obvious, but no less damaging, was political disempowerment sustained by the PNA as the public at large began to see it as continuing to be invested in a framework of bilateral and multilateral diplomacy that merely provided a cover for continued settlement expansion.

Map 1: West Bank and Jerusalem land covered by Israeli settlements (Source: UN-OCHA, 2012)



1.5. CONCLUSION

The landscape of empowerment in any society is subject to change with changes in the state of knowledge, as well as changes in social order and conflict. This presents a need for regular assessment of the powerless in a society, and regular adaptation of policies and interventions, with a view to ensuring that the needs of the powerless are effectively addressed within the human development agenda.

The Palestinian condition is deeply dominated by the Israeli occupation, which in essence constitutes a virtually complete reallocation of power away from the occupied to the occupying power. This, therefore, renders very difficult the pursuit of an empowerment agenda in the Palestinian context, which can be meaningfully changed only if the Israeli occupation is brought to an end. Taking that into account, fundamental changes must be made to redress the asymmetry in the balance of power between the occupied and the occupying power. To this end, it is of paramount importance to revamp the existing framework of the peace process, with a view to ameliorating it to deliver on that which it has failed to deliver on for over two decades.

In parallel, the Palestinians need to address the challenges relating to internal social order and conflict within their own society. At the center of this effort must be the pursuit of an agenda aimed at empowering the disadvantaged and inspiring the Palestinian people to believe in their capacity to achieve their objectives. Policies should be formulated and actions defined to ensure that the conditions for empowerment, including active participation, adequacy of information, accountability, and local organizing capacity are adequate to ensure effective empowerment.

In addition to this introduction, the present report includes four chapters. The second chapter describes the status of human development in Palestine in 2014. Governance, being a key component for empowerment, is presented with policy recommendations in Chapter 3. The fourth chapter presents and provides policy recommendations for public services, another component central to empowerment. Finally, the way forward is presented in Chapter 5, summarizing recommendations for policies and actions aimed at empowering the Palestinian people, both with respect to governance and delivery of public services.



CHAPTER 2 | CURRENT STATUS AND TRENDS OF HUMAN DEVELOPMENT

2.1. INTRODUCTION

Human development in Palestine is heavily impeded by factors that adversely influence human security, as well as economic, social, and environmental predictability.

The Israeli occupation is the most significant obstacle to sustainable human development in Palestine. Both the occupation, and the magnitude, quality, and timeliness of external assistance, have largely shaped the path of human development indicators over the years by influencing the broader political and security situation. Such influences, which include periodic outbreaks of violence, the easing and tightening of Israeli-imposed restrictions on movement and access, and access to financial resources, have especially affected economic growth and the accessibility and quality of public services, thereby impacting social and economic development and the overall state of empowerment in the oPt.

Indices such as the Human Development Index (HDI) and Gender-related Development Index (GDI) are useful in that they provide a structure for the measurement and comparison of human progress and the relationship between income and well-being over time both within and across countries. Due to the heavy influence of external factors on human empowerment, and by extension human development in Palestine, however, changes over time in traditional indicator values may not necessarily reflect changes in the status of human development in a

meaningful way. Indeed, previous Human Development Reports on Palestine have criticized development indices as not adequately accounting for the unique circumstances faced by the Palestinian people.

Specifically, in its assessment of key trends in human development over the period 2005-2010, the 2009/10 HDR highlighted the prevalence of a “poverty of disempowerment” across Palestine – in the sense that many Palestinians had been kept in a state of dependency, although basic needs were found to be largely provided for through external aid. The report emphasized a high degree of positive correlation between progress, national autonomy, and youth and women empowerment.

This chapter examines the evolution in the status of human development in the oPt since the 2009/10 HDR, by highlighting key trends over recent years in five key areas: demography, economy and employment, poverty, education, and health. It seeks to assess progress under traditional human development indicators, as well as macroeconomic and other indicators especially relevant to the Palestinian context.

2.2. HUMAN DEVELOPMENT INDEX (HDI): AN OVERVIEW

The HDI is a summary measure that assesses long-term progress in three key dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living.¹⁶ These dimensions are measured by: life expectancy at birth (health); expected years of schooling for a child of school-entry age¹⁷ and the average number of years of education among the adult population¹⁸ (education); and the per-capita Gross National Income (GNI) (the well-being-income link).¹⁹

Palestine’s HDI score for 2014 was 0.686. This placed it in the “medium human development” category and at 107th out of 187 countries and territories indexed overall. In fact, Palestine is ranked near the top of the “medium human development” category, with 0.614 as the category average (compared to 0.89 for “very high”, 0.735 for “high”, and 0.493 for “low”). Between 2005

¹⁶ UNDP (2014) ‘Human Development Report 2014 - Sustaining Human Progress: Reducing Vulnerabilities and Building Resistance’, available at <http://hdr.undp.org/en/2014-report/download>.

¹⁷ The total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child’s life.

¹⁸ The average number of years of education received in a life-time by people aged 25 years and older.

¹⁹ The GNI is the aggregate income of an economy generated by its production and its ownership of factors of production, less the incomes paid for the use of factors of production owned by the rest of the world, converted to international dollars using purchasing parity power rates, divided by mid-year population.

and 2014, the Palestine's HDI score increased from 0.649 to 0.686, an increase of 5.7% or an average annual increase of about 0.7%.²⁰

Of the specific indicators incorporated into the 2014 HDI, life expectancy at birth for Palestinians was 73.2 years, mean years of schooling was 8.9 (with an expected 13.2 years of schooling), and per capita GNI was \$5,168. Palestine scored higher than the calculated average for the Arab country region group²¹ in health and education, but it fell significantly below other Arab countries in the “decent standard of living” measure of GNI (average of \$15,817 per capita).²²

Figure 7: Human Development Indicators 2014



Source: UNDP HDR, 2014

²⁰ It is important to note here that the indicators used to calculate the HDI have changed from year-to-year, and thus the value from 2009 cannot be directly compared with that of 2014, for example (e.g. adult literacy rate is no longer included and has been replaced by mean years of schooling).

²¹ Other countries included in the Arab regional category are Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, State of Palestine, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen.

²² It should be noted that the GNI for the Arab states was the highest in the world, and 15% higher than the world average.

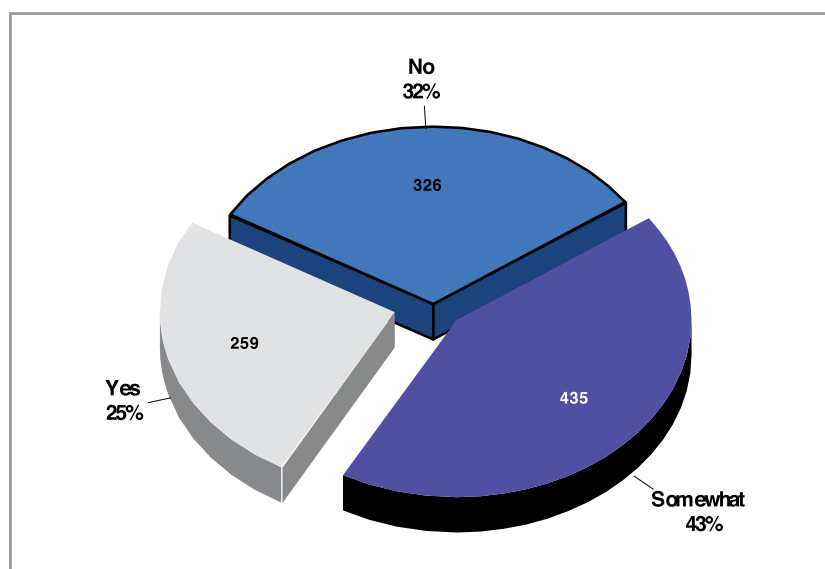
A cornerstone of human development is gender equality: women empowerment is an indispensable tool for advancing development and reducing poverty. The Gender-related Development Index (GDI) measures the gender gap in the human development achievements in the three dimensions discussed above: health, education and income. On the 2014 GDI, Palestine scored a female-to-male ratio of 0.974, placing it 41st out of 187 in this measure of how human development compares between genders. Life expectancy at birth was found to be higher in Palestinian women compared to men, but women have fewer numbers of mean years of schooling and fall significantly below men in the income category (with an estimated per capita GNI of \$1,651 compared to \$8,580 for men). Palestine showed a significantly higher GDI than the overall average for the Arab region group, suggesting greater gender equality. This is not to say that the gender gap in Palestine does not need to be urgently addressed. Indeed, the development of women recurs as a key theme engrained throughout this report.

Figure 8: Gender-related Development Index – 2014 Indicators for Palestine



Source: UNDP HDR, 2014

Figure 9: Public perception survey – “Do you think that women have sufficient equity in the Palestinian society?”



Palestine was not included in the 2014 Gender Inequality Index (GII), a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment, and the labour market (more on gender equality in these indicators is discussed throughout this chapter). Nor was Palestine included in the 2014 Multidimensional Poverty Index (MPI). It is generally useful to have both the HDI and MPI values, in order to round-out the development picture and identify the nature of a country's development trends: a low HDI value, for example, combined with a high MPI score (i.e. high per-capita income) would suggest that growth is not being adequately transformed into human development achievements; alternatively, high scores on both the HDI and MPI (i.e. high incidence and intensity of poverty) would suggest that development achievements are not being shared by the poorest.

Critical indicators such as income inequality or respect for human rights and political freedoms are not considered in the HDI. These indicators and others with particularly significant impact on the Palestinian people residing in the Gaza Strip and the West Bank, including East Jerusalem, will be discussed in the following sections.²³

²³ Statistics provided by the Palestinian Central Bureau of Statistics (PCBS) will be used in this report unless otherwise stated.

2.3. DEMOGRAPHY

Human development is inextricably linked to demography. A country's population growth trends reflect on the well-being of its people, and review of these trends is critical for understanding the country's path of transition. A review of population size and age structure can predict when that country will enter the so-called "demographic window of opportunity", defined as when a young state emerges to the point where the ratio of dependents (children and elderly) to working-age individuals begins to go down, reducing the collective burden and creating ripe ground for making significant human development achievements.

For the 2014 annual reporting year, the population of the State of Palestine was 4,550,368.²⁴ This includes a population of 2,790,331 in the West Bank (411,640 of whom live in East Jerusalem)²⁵ and 1,760,037 in the Gaza Strip. As of mid-2014, 73.9% of the population was living in urban areas, 16.7% in rural areas, and 9.4% in refugee camps.²⁶ The current rate of natural increase²⁷ is 2.9% (2.59% in the West Bank and 3.41% in the Gaza Strip). This represents a significant population growth: the world is growing at a rate of 1.2%, and Western Asia at a rate of 1.7%.²⁸ It is estimated that the growth rate of Palestine will peak around 2015, hitting a total population of 8.9 million by the year 2050.²⁹

Overall birth rates in Palestine have declined steadily since standardized data collection began in 1997. The Palestinian Central Bureau of Statistics (PCBS) predicts that the crude rate will continue to fall, from the current 32.3 births per one thousand of the population to 29.0 births per one thousand by 2020.³⁰ This trend will be partially offset, however, by an also declining crude death rate: from the current 3.7 deaths in one thousand to 3.4 in one thousand by 2020. Though growth may be slowing, the population of Palestine will still increase significantly in the coming decades, as forecasted by its young age structure.

²⁴ PCBS (2014) 'Population', available at http://www.pcbs.gov.ps/site/lang__en/881/default.aspx#Population.

²⁵ PCBS (2014) 'Localities in Jerusalem Governorate by Type of Locality and Population Estimates, 2007-2016', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/jerus.htm.

²⁶ PCBS (2014) 'On the Eve of International Population Day', Press Release, 10 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf

²⁷ Crude birth rate minus the crude death rate. It represents the portion of population growth (or decline) determined exclusively by births and death, expressed per 1,000 population annually.

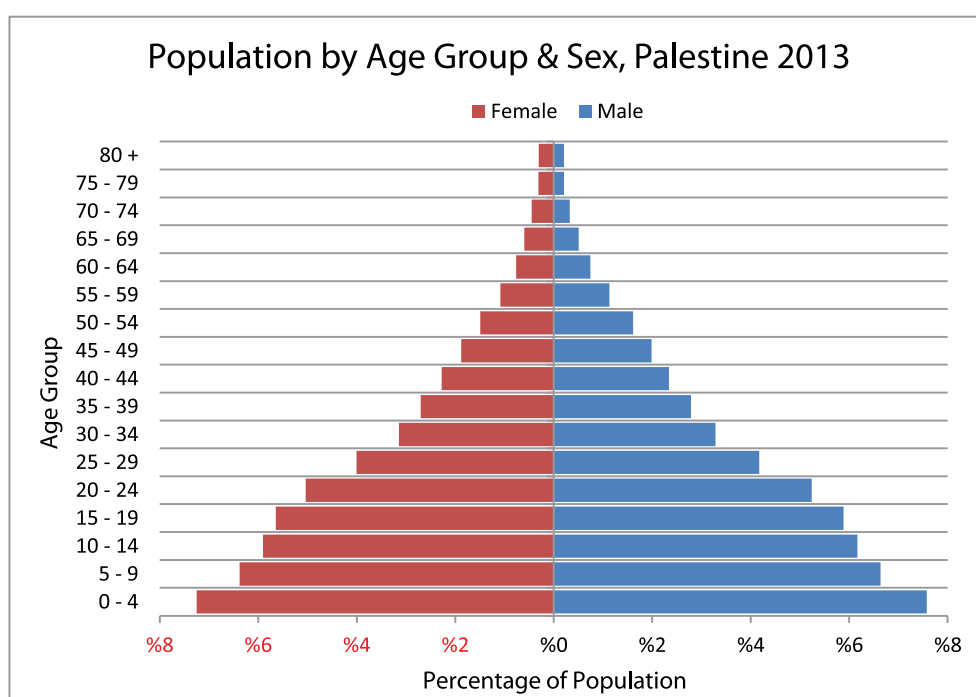
²⁸ Population Reference Bureau (2014) 'World Population Data Sheet', available at http://www.prb.org/pdf14/2014-world-population-data-sheet_eng.pdf.

²⁹ UN Economic and Social Commission for Western Asia (ESCWA) (2013) 'The Demographic Profile of Palestine', available at <http://www.escwa.un.org/popin/members/palestine.pdf>

³⁰ PCBS (2014) 'On the Eve of International Population Day', Press Release, 10 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf

A population's age structure deeply affects development opportunities and plays a major role in governance challenges.³¹ Over two-thirds (69.7%) of the Palestinian population is under the age of 30 years, and over one-third (39.7%) are under the age of 15.³² Only 2.9% of the population are 65 years or above. This age structure reveals what can be classified as a very young population.

Figure 10: Population of Palestine by Age Group and Sex



Source: Ministry of Health, 2013

Age structure is important as it reflects on a country's progression through the demographic transition (from high mortality and fertility rates to longer life expectancy and, finally, smaller family size), towards the "demographic window of opportunity". This period is defined as where the proportion of working-age individuals rises above the total dependency ratio. For 2013, the dependency ratio for Palestine was 74.8 (69.5 in the West Bank and 84.1 in the Gaza Strip).³³

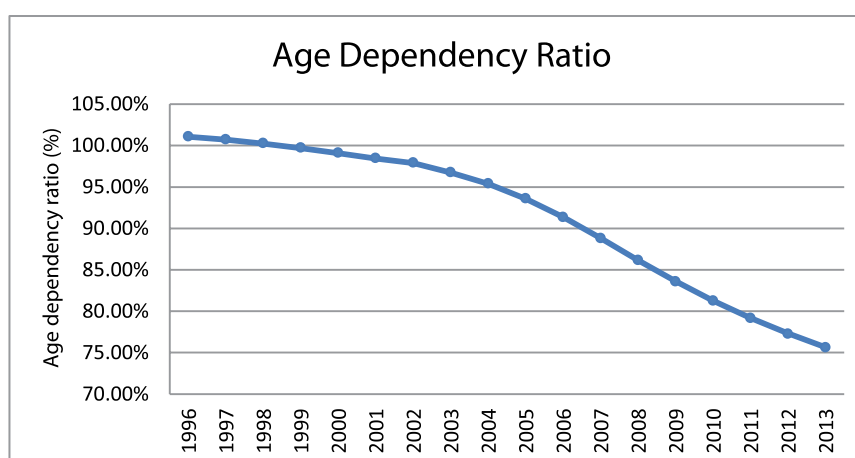
³¹ Population Action International (2010) 'The Effects of Age Structure on Development: Policy and Issue Brief', available at http://populationaction.org/wp-content/uploads/2012/01/SOTC_PIB.pdf

³² West Bank: 37.6% are aged 0-14 years, 30.1% aged 15-29 years, and 4.9% are 60 years or above; Gaza Strip: 43.2% are aged 0-14 years, 29.9% aged 15-29 years and 3.7% are 60 years or older. See PCBS (2014) 'Population', available at http://www.pcbs.gov.ps/site/lang__en/881/default.aspx#Population

³³ Dependency ratio is calculated as the number of persons below fifteen and above sixty-five per 100 persons aged 15-64 years. See MoH (2014) 'Health Annual Report: Palestine 2013', June 2013, available at <http://www.moh.ps/attach/704.pdf>

This ratio has been consistently falling since 1997. Looking at the current and projected age-sex distribution, the wide-based pyramid in 2010 suggests that the youth bulge will hit the labour market around 2050. Almost two thirds (65.6%) of Palestinians will be of working age at that time.³⁴

Figure 11: Age dependency ratio for Palestine, 1996-2013



Source: Ministry of Health, 2013

Box 3: Implications of a young state

The proportion of the population falling into the working-age group (15-64 years) has been increasing since 1980, reaching 57.4% in 2014.³⁵ This proportion is expected to continue to increase and, in 2050, an estimated 65.6% of the Palestinian population will be of working age. These figures, combined with the projected decline in fertility rates, suggest that Palestine is entering an important era of economic opportunity: where both dependency ratios are lowered, and a larger share of the population are available to enter the workforce. In effect, burdens are reduced and the chance of human development achievements being made are increased.

³⁴ ESCWA (2013) 'The Demographic Profile of Palestine', available at <http://www.escwa.un.org/popin/members/palestine.pdf>

³⁵ ESCWA (2013) 'The Demographic Profile of Palestine', available at <http://www.escwa.un.org/popin/members/palestine.pdf>

In order to take full advantage of this demographic dividend, it is critical that the Palestinian government and civil society implement policies and programmes to both engrain capacity in today's youth and to create sustainable future employment opportunities for these youth. Education and a well-functioning labour market are needed to optimize benefits from the demographic transition. Identification of strategic sectors for the Palestinian economy and support for related vocational training programmes, for both women and men, is critical. If the young population is adequately educated and directed into productive, sound careers, Palestine has the potential to experience significant positive development across all measures of well-being – social, economic, and environmental – in the coming decades.

The latest PCBS household survey shows a total fertility rate across Palestine of 4.4 children per woman (4.0 in the West Bank and 5.2 in the Gaza Strip).³⁶ There has been a decline in the number of persons per average household since 1997, falling from 6.4 to 5.2 overall (4.9 in the West Bank and 5.8 in the Gaza Strip).³⁷ The UN Population Division gives a current fertility rate of 4.1 for the State of Palestine (for the period of 2010-2015), projecting this to decrease to 3.2 for 2025-2030.³⁸ These rates are high when compared to the rest of Western Asia, which shows a regional average of 2.7 and 2.4 for the respective time periods. Palestine is predicted to have a total fertility rate of 2.57 children per woman for the 2045-2050 period, which suggests that the country is about twenty years behind the average regional rate – again, evidence of a young state with demographic transition and opportunity ahead.³⁹

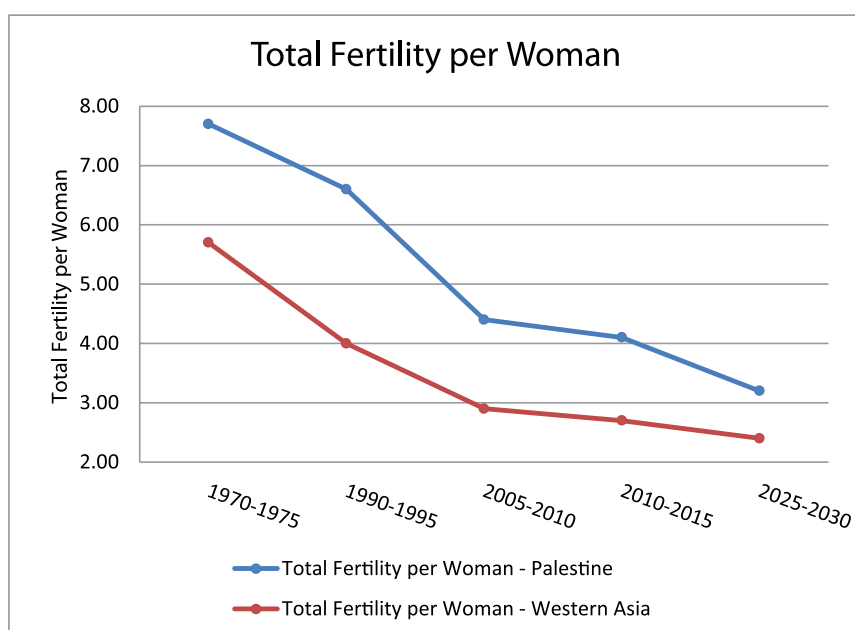
³⁶ See more on fertility and mortality in the Health section. Latest survey reflects 2008/2009.

³⁷ PCBS (2014) 'On the Eve of International Population Day', Press Release, 10 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf.

³⁸ UN Department of Economic and Social Affairs Population Division (2014) 'World Fertility Patterns 2013', available at <http://www.un.org/en/development/desa/population/publications/pdf/fertility/world-fertility-patterns-2013.pdf>.

³⁹ ESCWA (2013) 'The Demographic Profile of Palestine', available at <http://www.escwa.un.org/popin/members/palestine.pdf>

Figure 12: Total fertility rates over time



Source: UN Population Division data

Emigration is another demographic phenomenon with potential impact on the future development trajectory of Palestine. Multiple surveys conducted in the early 2000s showed that roughly a third of all Palestinians and over 40% of Palestinian youth would emigrate if they had the opportunity to do so.⁴⁰ These numbers were higher in the Gaza Strip. Overall, as of 2006, more than a million Palestinians wished to emigrate. The complex political and social conditions resulting from the persistent occupation of Palestine means that the looming opportunity presented by the demographic structure is threatened. There is a pressing need to invest in a more attractive, economically secure future at home for young Palestinians.

2.4. ECONOMY AND EMPLOYMENT

In recent years, the Palestinian economy has been characterized by positive but weakening Gross Domestic Product (GDP) growth, high unemployment, and high pressure on real wages.⁴¹ The Palestinian government is burdened by high public debt, especially to the private sector.

⁴⁰ Surveys were conducted by Bir-Zeit University and the Near East Consulting Corporation. See Yakov Faitelson (2009) 'The Politics of Palestinian Demography', *Middle East Quarterly* 16, no. 2 (Spring 2009), pp. 51-59.

⁴¹ IMF (2014) 'Between a Rock and a Hard Place - Recent Economic Developments in the Palestinian Economy', presented by Dr. Udo Kock, Ramallah, 19 Feb. 2014, available at <http://www.imf.org/external/country/WBG/RR/2014/021914.pdf>

Private sector growth has been stifled by Israeli restrictions on access and movement, as well as other influences associated with the occupation's highly capricious regime. Data from Palestinian firms surveyed in 2006 and again in 2013 showed no significant growth in capital investment or employment during this period due to the uncertainty and fragmentation related to Israeli-imposed restrictions.⁴²

When considering economic development in Palestine, it is important to note that growth patterns have been different in the Gaza Strip and the West Bank (including East Jerusalem). These trends and supporting Israeli government policies threaten the economic and social cohesiveness of these two regional entities, contradicting their designation as a single territorial and legal entity as enshrined in UN resolutions and the Oslo Accords.

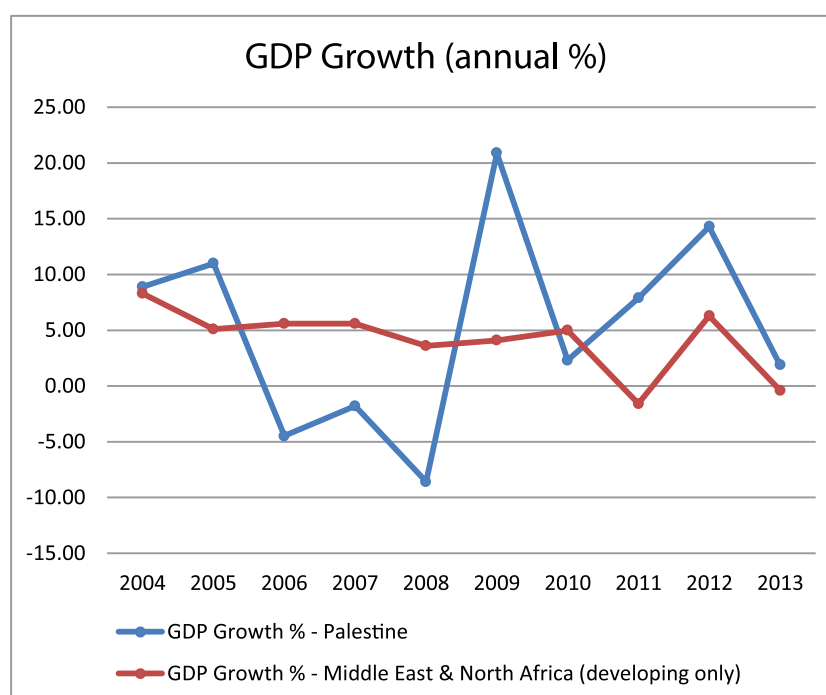
Real Gross Domestic Product (GDP)⁴³ per capita for Palestine, as calculated by the PCBS, was \$461 during the second quarter of 2014.⁴⁴ Regional disaggregation reveals, however, severe disparity in living standards between the West Bank and the Gaza Strip: \$591 per capita in the West Bank, and \$274 in the Gaza Strip. For the period of the second quarter of 2013 until the second quarter of 2014, growth in real GDP for Palestine overall was 0.9%. Again, analysis requires a regional perspective, as although the GDP for the West Bank grew by 5.2% in this 12-month period, the GDP of the Gaza Strip fell by 10.2%. (An important note: these figures consider the circumstances before the latest Israeli attack on Gaza, July-August 2014, which undoubtedly severely impacted the economy of the Gaza Strip, in particular.)

⁴² World Bank (2014) 'West Bank and Gaza Investment Climate Assessment: Fragmentation and Uncertainty', available at <http://documents.worldbank.org/curated/en/2014/01/20189765/west-bank-gaza-investment-climate-assessment-fragmentation-uncertainty>

⁴³ Gross Domestic Product or GDP is intended to be a measure of the value created by the productive activity of resident institutional units during a certain period in time.

⁴⁴ PCBS (2014) 'Preliminary Estimates of Quarterly National Accounts (Second Quarter 2014)', Press Report, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_NationalAccounts-Q2-2014e.pdf.

Figure 13: Palestine GDP growth (annual %)



Source: The World Bank

World Bank data show erratic trends of Palestinian GDP growth from 2004 to 2012, with overall annual growth as low as -8.6% (2008) and as high as 20.9% (2009).⁴⁵ This lack of economic predictability can be largely attributed to factors associated with the Israeli occupation. Periodic outbreaks of violence, the injection of foreign aid, and the initiation or cessation of peace talks can have dramatic impacts on Palestine's economic performance and outlook. These factors are often mutually reinforcing, and they contribute to the volatility of the economic climate.

The US-brokered peace talks of 2013 did not succeed and the consequent macroeconomic impact is yet to be seen. With crises of liquidity, public finances and unemployment having been a prevalent characteristic of the West Bank and Gaza for the past few years, however, and with the pre-existing conditions having been very weak, it is likely that overall economic conditions will worsen substantially in the aftermath of the failure of the most recent round of diplomacy, especially in view of the fact that the economic component of that round, namely, the "Economic Initiative for Palestine", never really took off.

⁴⁵ The World Bank. World Databank. Accessed January 1 2015. <http://databank.worldbank.org/data/home.aspx>

The effect of political- and security-related factors on the economy was especially evident during the 2004-2014 period. The Second Intifada, which erupted in late 2000, led to a severe contraction of the economy, and by the end of 2006, real GDP was 23% below its 1999 peak. Indeed, it was not before the year 2008 that the Palestinian economy, especially in the West Bank, started to fundamentally recover, on the strength of a combination of a substantial infusion of external aid, an easing of Israeli-imposed restrictions on movement in the West Bank, a substantial reduction in the PNA's overdue financial obligations to the private sector, and the beginning of implementation of what ended up being a \$1.1 billion package of small- to medium-size infrastructure projects, including in previously marginalized areas. In addition to the clearly positive impact the implementation of these projects had on the scope for job creation, it also helped impart a sense of hope and possibility, as well as a sense of empowerment, amongst the public.

Indeed, the confluence of the aforementioned factors helped propel the economy to an overall growth rate of 20.9% in 2009.⁴⁶ This overall improvement in economic achievement masks, however, the very poor performance in the Gaza Strip for much of the period since 2006 due to an intensification of the Israeli-imposed siege of Gaza, several rounds of major military escalation, as well as the process of political separation between the West Bank and the Gaza Strip since mid-2007. Despite this decidedly poor economic performance in the Gaza Strip, there were sporadic, and at times major, recoveries, albeit from a very low base, that were driven by the reconstruction in the aftermath of military escalation. This was evident in the post-2008/2009 Israeli attack on Gaza. Indeed, the stellar overall Palestinian economic performance in 2009, when the rate of economic growth reached 20.9%, largely reflected the substantial rebound in the Gaza Strip, when the rate of economic growth reached 26.6%. However, with the reconstruction effort yet to meaningfully begin, no such rebound, nor any rebound at all, has yet taken place in the aftermath of the July-August 2014 assault.

The volatile political and security situation likewise impacts the cost of living for the Palestinian population, as shown by abrupt, large fluctuations in the Consumer Price Index (CPI). The overall CPI for Palestine for September 2014 was 110.42 (base year 2010 = 100).⁴⁷ In the one-month period between June 2014 and July 2014, the overall CPI rose by 1.53%, and the CPI in the Gaza Strip alone increased by 3.14%. This sharp rise in inflation can be linked to

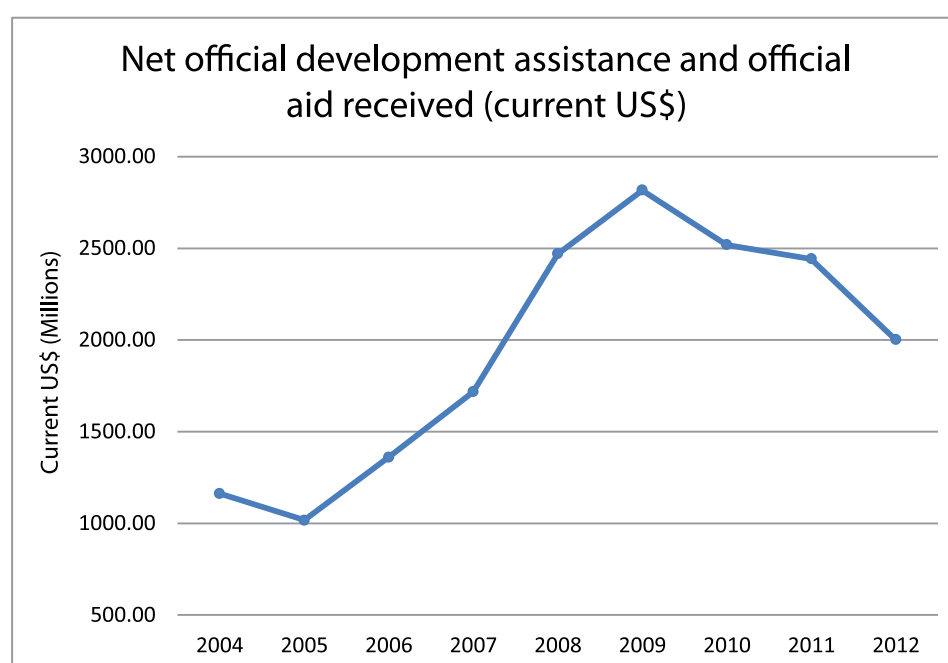
⁴⁶ World Bank (2012) 'Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth', July 2012, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GrowthStudyEng.pdf>.

⁴⁷ PCBS calculates CPI on sub-groups of fresh vegetables, milk products, flour, rice, fresh fruit, potatoes and other tubers, fresh meat, dried vegetables, and fresh poultry. See PCBS (2014) 'Palestinian Consumer Price Index, September, 09/2014: Increase in the CPI during September 2014 compared with previous month', 14 Oct. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_CPI092014E.pdf.

the last round of military escalation in the Gaza Strip, in mid-June. It may be noted that from September 2013 to September 2014, the CPI grew by 2.11%.⁴⁸

Another impediment to orderly economic development in Palestine is the heavy reliance on foreign aid. Despite overall levels of aid falling since 2009, Palestine remains one of the world's largest recipients of foreign aid on a per-capita basis, and the PNA has become increasingly dependent on donor assistance to fund its basic operations.⁴⁹

Figure 14: Net official development assistance and official aid⁵⁰ received by Palestine, 2004-2012



Source: The World Bank

⁴⁸ PCBS (2014) 'Palestinian Consumer Price Index, July, 07/2014: A sharp rise in the CPI due to the Israeli aggression on Gaza Strip during July 2014 compared with previous month', 14 Aug. 2014, available at <http://www.pcbs.gov.ps/site/512/default.aspx?tabID=512&lang=en&ItemID=1187&mid=3171&wversion=Staging>.

⁴⁹ World Bank (2012) 'Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth', July 2012, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GrowthStudyEng.pdf>.

⁵⁰ See <http://data.worldbank.org/indicator/DT.ODA.ALLD.CD>: "Net official development assistance (ODA) consists of disbursements of loans made on concessional terms (net of repayments of principal) and grants by official agencies of the members of the Development Assistance Committee (DAC), by multilateral institutions, and by non-DAC countries to promote economic development and welfare in countries and territories in the DAC list of ODA recipients. It includes loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). Net official aid refers to aid flows (net of repayments) from official donors to countries and territories in part II of the DAC list of recipients: more advanced countries of Central and Eastern Europe, the countries of the former Soviet Union, and certain advanced developing countries and territories. Official aid is provided under terms and conditions similar to those for ODA. Part II of the DAC List was abolished in 2005. The collection of data on official aid and other resource flows to Part II countries ended with 2004 data. Data are in current U.S. dollars."

The impact of the injection of aid during the 2005-2010 period was seen in the disparate development across sectors, favouring non-tradeables and the public sector. Public administration and public services grew from less than 20% of GDP in 1994 to more than 27% in 2010; industry and agriculture declined from 13% to 10% and 9% to 6%, respectively.⁵¹ In its 2012 report, the World Bank stressed the need for the establishment of a dynamic, private sector led economy as a key part of Palestinian state building. This fundamentally requires the easing of restrictions imposed by the Government of Israel, which prevent the development of a sustainable economic base by hindering investment and the movement of goods. Other comprehensive reports making the link between macroeconomic policy and human well being have supported this statement.

“All measures to revive the productive capacity of the Palestinian economy should be undertaken with a view to promote its ability to produce and export goods, including food.”⁵²

- WFP/UNRWA/FAO 2012

Notwithstanding the dominant impact of the occupation's capricious control regime on the performance and prospects of the Palestinian economy, the effectiveness of domestic policy choices and implementation can still be seen in the success of a policy agenda, which the PNA adopted in late 2007 with the aim of empowering local communities through investment in infrastructure in accordance with the priorities as seen by those communities. As a result, over the 2008-2012 period, that investment amounted to \$1.7 billion and, in all, more than 4000 projects were implemented, which led to a substantial increase in job creation, mainly in the construction sector. Indeed, the number of people employed in the construction sector nearly doubled during the 2009-2012 period, relative to the average of the 1997-2012 period, with noticeable positive spill-over effects in other sectors of the economy.⁵³

Employment in general, however, is still critically insufficient in Palestine. There has consistently been high rates of unemployment across the oPt. In the second quarter of 2014, 45.1% of labour

⁵¹ World Bank (2012) 'Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth', July 2012, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GrowthStudyEng.pdf>.

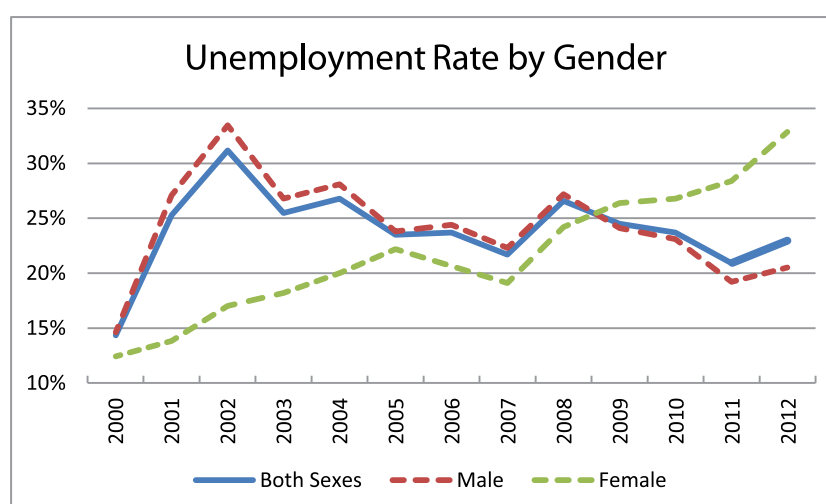
⁵² PCBS/UNRWA/FAO/WFP (2012) 'Socio-Economic and Food Security Survey 2012: West Bank and Gaza Strip, Palestine', available at http://unispal.un.org/pdfs/UN-PCBS_SocEconFoodSecSurvey2012.pdf.

⁵³ PCBS (2014) 'Number of Enterprises, Persons Engaged, and Main Economic Indicators in Palestine for Construction Activities 1997-2013', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Number%20of%20Enterprises,%20Persons%20Engaged%20and%20Main%20Economic%20Indicators%20in%20Palestine%20For%20Construction%20Activities%201997%20-%202012.htm

force participants⁵⁴ in the Gaza Strip and 16% of those in the West Bank were unemployed.⁵⁵ The unemployment rate in Palestine was 26.2%, overall. Broken down by gender, a severe disparity can be seen: 22.6% of males were unemployed, while more than a third (39.4%) of women were unemployed. The highest rates of unemployment overall were concentrated in the 20-24 year age group (42.8%). When considering individuals with full education (at least 13 years of schooling), the incidence of the highest rates was among females, with more than one of every two out of work (52.4%).

Since 2000, unemployment has consistently been highest in Gaza (approximately 34% on average versus 19% on average in the West Bank). Youth and females were consistently the least employed.

Figure 15: Unemployment rate by gender, 2000-2012



Source: PCBS

The International Labour Organization (ILO) has stressed that future employment is one of the biggest concerns facing Palestinian youth.⁵⁶ In a 2012 report, the organization listed key factors contributing to high and persistent unemployment in the oPt: restrictions on imports and exports (particularly impacting job creation in Gaza), restrictions on labour mobility and

⁵⁴ Unemployed persons are those individuals aged 15 years and above who did not work at all during the reference period, who were not absent from a job, were available for work and actively seeking a job during the reference period by one of the following methods: newspaper, registered at employment office, asked friends or relatives or any other method.

⁵⁵ PCBS (2014) 'Main Statistical Indicators in the West Bank and Gaza Strip', available at http://www.pcbs.gov.ps/Portals/_Rainbow/StatInd/StatisticalMainIndicators_E.htm.

⁵⁶ ILO (2012) 'The situation of workers of the occupied Arab territories', Report of the Director-General (Appendix), Conference Paper, June 2012, available at http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS_181071/lang-en/index.htm.

capital reallocation between the West Bank and the Gaza Strip, low private sector investment in non-construction related industries, high reservation wages,⁵⁷ and the small size of most enterprises.⁵⁸

Like overall economic growth, unemployment rates have risen and fallen based largely on political and security factors. Looking at IMF-reported statistics from 1995-2012, it can be seen that, after a sharp decline in unemployment in the years immediately following Oslo, unemployment in Palestine rose overall from 2000-2014. Unemployment rates went from a low of 12.4% in 1999,⁵⁹ to a peak of 32% in 2002 (during the Second Intifada, corresponding to tightened Israeli restrictions), falling, and then rising again to 26% in 2008 (corresponding to the blockade on Gaza).⁶⁰ Similarly, given its high dependence on work in Israel, the Palestinian economy was unique in experiencing abrupt, substantial increases in the rate of unemployment – sometimes a doubling of that rate overnight – as a consequence of a full enforcement of the “closure regime”, which has been a part of the landscape to varying degrees since the mid-1990s.

Since 2010, unemployment rates have been lower in East Jerusalem than in the West Bank overall.⁶¹ Lower unemployment rates – especially amongst females – are unique characteristics of the labour force in East Jerusalem. The main reason for this is the absorption of labour force into the Israeli labour market, and also low labour force participation ratios. As such, the measure does not reflect on indigenous source of strength. Palestinians in East Jerusalem are often disproportionately impacted by restrictive Israeli policies and practices, like those related to obtaining licences and the very high cost thereof. Indeed, employment opportunities in East Jerusalem are quite limited, with that largely reflected in housing and business development.

Labour force participation is a key indicator of the extent of labour market activity and effectiveness in providing job opportunities. Latest statistics (October 2014) show that the

⁵⁷ The reservation wage is defined as the lowest wage rate at which a worker would be willing to accept a particular type of job. In the Palestinian context, a problem has been that some job seekers choose to accept temporary unemployment or underemployment while waiting for a job in the public sector or in Israel or Israeli settlements, where wages are higher than those in the Palestinian private sector.

⁵⁸ IMF (2012) ‘West Bank and Gaza: Labor Market Trends, Growth and Unemployment’, available at <https://www.imf.org/external/country/WBG/RR/2012/121312.pdf>.

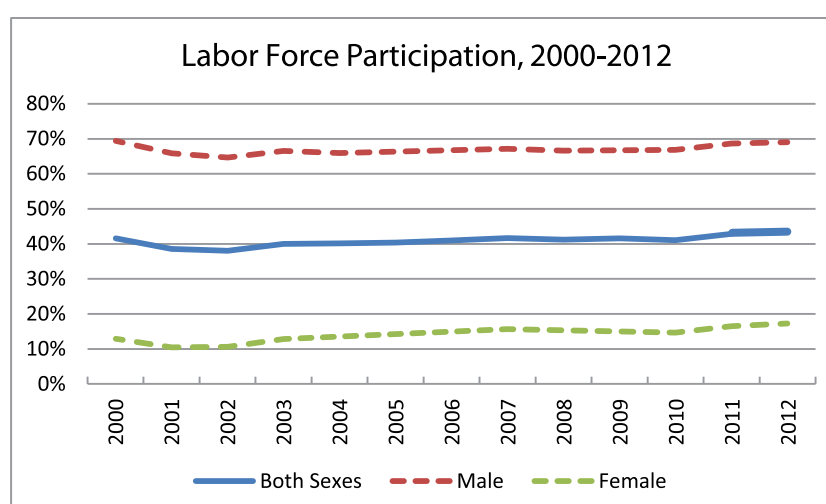
⁵⁹ PCBS (2012) ‘Labour Force Participation, Employment, Unemployment and Average Daily Wage in NIS for Wage Employees in the Palestinian Territory by Governorate (ILO Standards), January - March, 2012’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Labor%20Force%20Annual.htm.

⁶⁰ IMF (2012) ‘West Bank and Gaza: Labor Market Trends, Growth and Unemployment’, available at <https://www.imf.org/external/country/WBG/RR/2012/121312.pdf>.

⁶¹ UNCTAD (2013) ‘The Palestinian Economy in East Jerusalem: Enduring annexation, isolation and disintegration’, available at http://www.un.org/depts/dpa/qpal/docs/2014Ankara/P2%20MAHMOUD%20ELKHAFIF%20gdsapp2012d1_en.pdf.

labour force participation in Palestine for persons aged 15 years and above is 46%.⁶² This breaks down to 46.4% in the West Bank and 45.2% in the Gaza Strip. There is a significant gap in the participation rate between males and females: 71.8% of males were participating in the labour force, and only 19.7% of females. Annual statistics for 2013 were similar, with participation at that time four times higher amongst men than women at year's end.⁶³ Female participation in the Palestinian labour force is especially low amongst those living in East Jerusalem, probably due to the smaller role of the agricultural sector in Jerusalem, and the reluctance of women in East Jerusalem to seek employment in the Israeli economy.⁶⁴ It is important to note that a PCBS study found that women outside the labour force were more vulnerable to physical violence.⁶⁵

Figure 16: Labor force participation, 2000-2012



Source: PCBS

Labour market developments in Palestine over the past two decades have reflected slow growth performance, and employment growth has been insufficient to absorb the growing labour force. An estimated real annual growth rate of at least 8% (and 3% productivity growth)

⁶² PCBS (2014) 'Labour Force Survey: April-June 2014, Round (Q2/2014)', Revised Press Report on the Labour Force Survey Results, 2 Oct. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_LFSQ22014E.pdf.

⁶³ PCBS (2014) 'Palestinian Labour Force Report 2013 - On the occasion of May 1st, International Worker's Day', Press Release, 1 May 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IWD2014E.pdf.

⁶⁴ UNCTAD (2013) 'The Palestinian Economy in East Jerusalem: Enduring annexation, isolation and disintegration', available at http://www.un.org/depts/dpa/qpal/docs/2014Ankara/P2%20MAHMOUD%20ELKHAFIF%20gdsapp2012d1_en.pdf

⁶⁵ UN Women/Palestinian National Authority Ministry of Women's Affairs (2011) 'Cross-Sectoral National Gender Strategy: Promoting Gender Equality and Equity 2011-2013', available at <http://www.unwomen.org/~media/headquarters/media/publications/en/unwomenoptfullpalestiniangenderstrategy2011.pdf>.

is needed to absorb new entrants and achieve reasonable unemployment and wage growth rates.⁶⁶ Both the IMF and the World Bank have stressed the need to remove restrictions on movement and access in order to improve the functioning of Palestine's labour market.⁶⁷

As of November 2014, wage employees made up 63.5% of the labour force in the West Bank, and 75.3% in the Gaza Strip.⁶⁸ The private sector was the largest employer in Palestine (67.5% of employed persons in the West Bank and 54% in Gaza). The public sector (15.6% of the employment in the West Bank and 41% in Gaza), UNRWA (0.6% in the West Bank and 5% in Gaza), and Israeli settlements (16.3% in the West Bank) were the next largest employers.⁶⁹ The average daily wage for wage employees was NIS 90.7 in the West Bank and NIS 66.1 in the Gaza Strip.^{70, 71} Wages were significantly lower in the private sector than in the public sector, with a real average daily wage of only 53 NIS in 2013. Since 2008, private sector real wages declined in both the West Bank and the Gaza Strip. This discrepancy can be attributed to downward pressure on the private labour market, caused by restrictions on access and movement that hinder investment and thus job creation.⁷²

While higher than in the private sector, wage payments in the public sector were often subject to interruption and delay, particularly during periods when Israel resorted to punitively suspend the revenues it collects on behalf of the PNA, and also under the fiscal pressures emanating from aid shortfalls. In addition to the harm they inflicted on public sector employees and the banking system, wage delays had the effect of undermining confidence in the PNA, hampering its institution-building effort, and, more generally, discrediting its state-building programme.

As highlighted by the IMF mission to the West Bank and Gaza in late 2013, the delaying of wage payments to public sector employees is a major obstacle faced by the Palestinian economy. The Mission Chief blamed this delay on a lack of financing options for the PNA,

⁶⁶ IMF (2012) 'West Bank and Gaza: Labour Market Trends, Growth and Unemployment', available at <https://www.imf.org/external/country/WBG/RR/2012/121312.pdf>.

⁶⁷ World Bank (2012) 'Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth', July 2012, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GrowthStudyEng.pdf>.

⁶⁸ PCBS (2014) 'Main Statistical Indicators in the West Bank and Gaza Strip', available at http://www.pcbs.gov.ps/Portals/_Rainbow/StatInd/StatisticalMainIndicators_E.htm.

⁶⁹ PCBS (2014) 'Main Statistical Indicators in the West Bank and Gaza Strip', available at http://www.pcbs.gov.ps/Portals/_Rainbow/StatInd/StatisticalMainIndicators_E.htm.

⁷⁰ The approximate exchange rate for NIS to USD for 2013 was 3.48.

⁷¹ Numbers for Palestine overall, not given. See PCBS (2014) 'Labour Force Survey: April-June 2014, Round (Q2/2014)', Revised Press Report on the Labour Force Survey Results, 2 Oct. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_LFSQ22014E.pdf.

⁷² IMF (2012) 'West Bank and Gaza: Labour Market Trends, Growth and Unemployment', available at <https://www.imf.org/external/country/WBG/RR/2012/121312.pdf>.

repeated delay of the transfer of clearance revenues, and the insufficiency of donor aid to cover fiscal deficits.⁷³ Unpaid wages stifle institution building and contribute to social instability.

Box 4: Restrictions on so-called “Area C” and economic losses

Over 60% of the land mass of the West Bank is under full Israeli administrative and security control. These swaths of land, so-called “Area C”, pose insurmountable obstacles to sustainable economic development in Palestine. In a 2013 study of the impact of Israeli-imposed restrictions in “Area C”, the World Bank estimated annual output losses associated with those restrictions at \$3.4 billion – or an equivalent of 35% of Palestinian GDP in 2011 – with a consequent loss of \$800 million in tax revenues annually.⁷⁴ Thus, the lifting of the restrictions would not only help to address the high degree of fragmentation of the Palestinian economic space in the West Bank, with clear implications for Palestinian empowerment, but it could cut the PNA’s fiscal deficit by half, thereby substantially reducing its need for donor support.

2.5. POVERTY

The poverty line by national standards for Palestine, as set by PCBS in 2011, is 2,293 NIS (\$637) per month for a family of two adults and three children. This line is based on the average consumption of essential food, clothing, housing, housekeeping and personal supplies, health care, education, and transportation. The most recent household survey shows that 25.8% of Palestine’s population lives in poverty (17.8% in the West Bank and 38.8% in the Gaza Strip),⁷⁵ with 12.9% of individuals living in “deep poverty” – considered as living on a monthly income of NIS 1,832 (US \$509) or less per month for food, clothing, and housing (7.8% in the West Bank and 21.1% in the Gaza Strip).

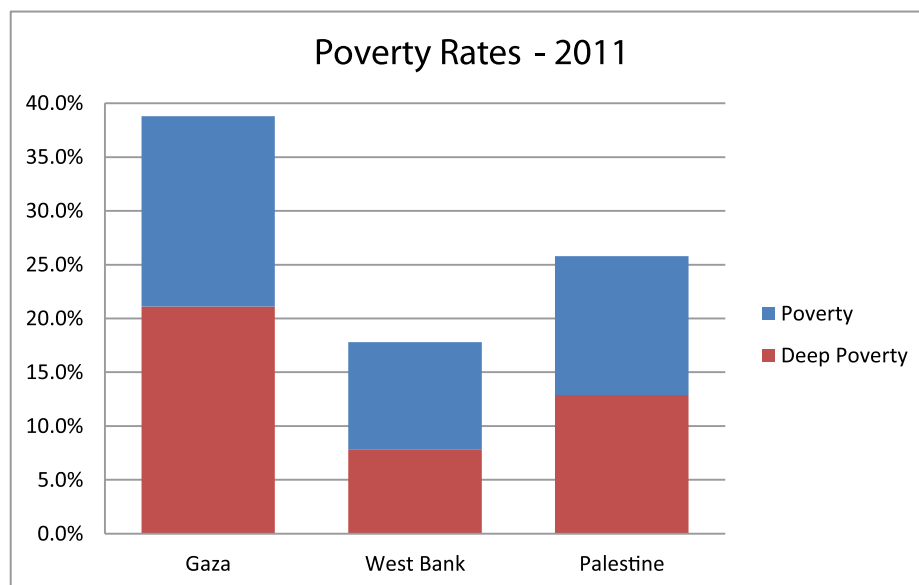
⁷³ IMF (2014) ‘Statement at the Conclusion of an IMF Mission to the West Bank and Gaza’, Press Release no.14/44, 6 Feb. 2014, available at <https://www.imf.org/external/np/sec/pr/2014/pr1444.htm>

⁷⁴ World Bank (2013) ‘West Bank and Gaza: Area C and the Future of the Palestinian Economy’, 2 Oct. 2013, available at <http://documents.worldbank.org/curated/en/2013/10/18836847/west-bank-gaza-area-c-future-palestinian-economy>.

⁷⁵ PCBS (2014) ‘On the Eve of International Population Day’, Press Release, 10 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf.

The population of Palestine has become more impoverished in recent years. The highest incidence has consistently been in the Gaza Strip, with more than 700,000 people currently living in poverty. This trend mainly reflects the devastating impact of the Israeli-imposed siege and attacks on Gaza. Poverty rates are undeniably linked to political security and, specifically, Israeli-imposed blockades.

Figure 17: Poverty rates in Palestine by region



Source: PCBS

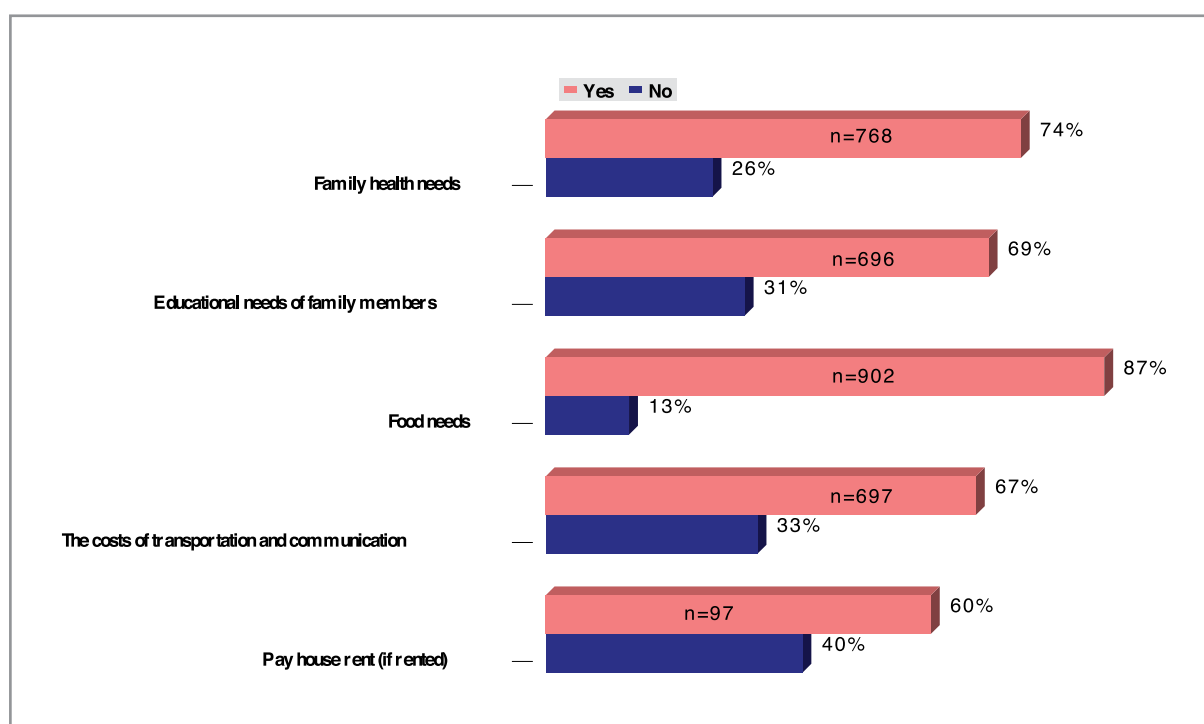
For Palestinians living in Jerusalem, poverty is widespread. A 2014 report released by the Association for Civil Rights in Israel (ACRI) found that more than 75.3% of the residents of East Jerusalem – and 82.2% of children – lived in poverty by international standards by the end of 2013.⁷⁶ The report pointed to the contribution of the separation barrier to poverty, as well as the systemic social, economic, and institutional marginalization of Palestinian residents.

To cope with poverty, Palestinians have adopted a wide range of strategies. Aid agencies play a major role in addressing immediate needs of households during times of crises, especially in Gaza, but households also employ a diverse mix of coping mechanisms, including relying on friends and extended family and prioritizing saving for higher education at an early stage in a child's life.⁷⁷

⁷⁶ ACRI (2013) 'Situation Report: The State of Human Rights in Israel and the OPT 2013', available at <http://www.acri.org.il/en/wp-content/uploads/2013/12/SituationReportEng2013.pdf>.

⁷⁷ Laura E. Mitchell (2009) 'Making Ends Meet: Gender and Household Coping Strategies in the West Bank', Fafo-report 2009:48, available at http://www.fafo.no/media/com_netsukii/20138.pdf.

Figure 18: Public Perception – “Is the economic situation of your family in the current period able to meet needs?”



Women face additional barriers to getting out of poverty. In its cross-sectoral strategy for gender equality, UN-Women found that discriminatory legislation, cultural norms governing issues such as property-ownership and employment opportunities, and the concentration of female employment in certain sectors contribute to the economic marginalization of women in Palestine.⁷⁸ These factors impede the economic empowerment of women, thus making them more vulnerable to poverty.

In many cases, women continue to be discouraged from working outside the home and are expected instead to focus on child rearing, housekeeping, and cooking.⁷⁹ This stigma keeps women from entering the labour force and poses yet another barrier to ending the cycle of poverty. There is evidence, however, that this stigma is becoming less widespread. A study by the Fafo Institute for Applied International Studies found that significant social change has

⁷⁸ UN Women/Palestinian National Authority Ministry of Women's Affairs (2011) 'Cross-Sectoral National Gender Strategy: Promoting Gender Equality and Equity 2011-2013', available at <http://www.unwomen.org/~media/headquarters/media/publications/en/unwomenoptfullpalestiniangenderstrategy2011.pdf>

⁷⁹ ACRI (2012) 'Policies of Neglect in East Jerusalem: The Policies that created 78% Poverty Rates and a Frail Job Market', May 2012, available at http://www.acri.org.il/en/wp-content/uploads/2012/05/The-Poverty-Policy-in-East-Jerusalem_ACRI_May-2012_ENG.pdf

occurred in the West Bank surrounding women's roles over recent decades.⁸⁰ Both young and married women were found to be more likely to be encouraged to pursue higher study and seek public sector employment in 2009 compared to twenty years earlier. Financial pressure on households has contributed to this shift in norms, as few households can rely on a single source of income.

Women's empowerment is an indispensable tool for getting households out of poverty and for human development, in general. Education both empowers women to become aware of and act on their fertility choices, and increases the chances of stable employment.⁸¹ While nearly universally valid, the predicament and challenges facing Palestinian women are especially compelling, as captured by the World Bank Managing Director Caroline Anstey when she said:

"Women the world over are still fighting for change but Palestinian women face economic and political challenges that make this battle even harder."

- World Bank Managing Director Caroline Anstey. May 15, 2013⁸²

Linked to poverty levels, the degree of food security enjoyed by a people must be considered as an indicator of human development. The Food and Agriculture Organization (FAO) defines food security as existing when "all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life."

Food insecurity in Palestine is very high: in 2013, the majority of households spent more than half of their income on food, and one third of all households were classified as food insecure.⁸³ This was up from 27% in the 2009-2011 period. UNRWA is the largest food aid provider in the oPt and is responsible for providing food aid to the refugee population while the World Food Programme (WFP) is the largest food aid provider to non-refugees. In their June 2014 joint press release, the PCBS, FAO, UNRWA, and WFP found that high rates of poverty caused by unemployment (due largely to the lack of economic empowerment under occupation), high

⁸⁰ Laura E. Mitchell (2009) 'Making Ends Meet: Gender and Household Coping Strategies in the West Bank', Fafo-report 2009:48, available at http://www.fafo.no/media/com_netsukii/20138.pdf.

⁸¹ Population Action International (2010) 'The Effects of Age Structure on Development: Policy and Issue Brief', available at http://populationaction.org/wp-content/uploads/2012/01/SOTC_PIB.pdf.

⁸² World Bank (2013) 'World Bank Managing Director Emphasizes Gender and Inclusive Development in Palestinian Territories', Press Release, 15 May 2013 available at <http://www.worldbank.org/en/news/press-release/2013/05/15/world-bank-managing-director-emphasizes-gender-and-inclusive-development-in-palestinian-territories>

⁸³ These latest statistics were found through a 2013 survey conducted by the PCBS, UN agencies and the food security sector. Study forthcoming. See PCBS/FAO/UNRWA/WFP (2014) 'Food Insecurity in Palestine Remains High', Joint Press Release, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf.

food prices, lower levels of aid, and a slowing of economic growth since 2011 were the main drivers of food insecurity.⁸⁴

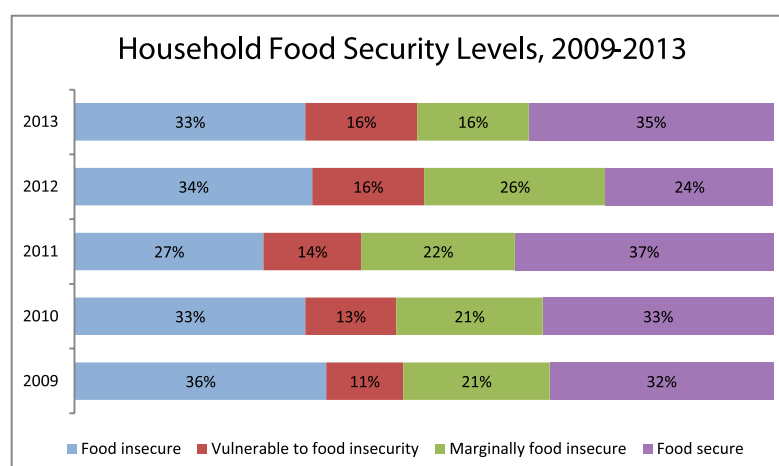
“Food insecurity in Palestine can only be sustainably improved by addressing the root causes of the crisis, such as the on-going blockade on Gaza and access restrictions in the West Bank.”⁸⁵

- PCBS, FAO, UNRWA, and WFP Joint Press Release. June, 2014.

Again, because trends in the West Bank and the Gaza Strip have taken different trajectories, it is critical to regionally disaggregate the data. In the West Bank, 19% of the population is food insecure. In Gaza, more than half of the population (57%) is food insecure, with the Israeli blockade of the Strip being the main explanatory variable in this regard.

Overall rates of food insecurity in Palestine did not change from 2012 to 2013. Refugees in the West Bank, however, experienced some improvement, with rates of food insecurity dropping from 23% to 20% -- only somewhat higher than those for the West Bank non-refugee population (19%). In the Gaza Strip, food insecurity rates are significantly lower amongst the refugee population when compared to non-refugees (54% versus 63%). This is likely due to the humanitarian assistance provided by UNRWA.

Figure 19: Food security levels in Palestinian households, 2009-2013



Source: PCBS

⁸⁴ PCBS/FAO/UNRWA/WFP (2014) 'Food Insecurity in Palestine Remains High', Joint Press Release, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf.

⁸⁵ PCBS/FAO/UNRWA/WFP (2014) 'Food Insecurity in Palestine Remains High', Joint Press Release, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf.

Food security statistics may suggest that the wealth gap in Palestine is in fact growing: though food insecurity has deepened over past years, the number of households defined as being food “secure” has also increased: from 24% in 2012 to 35% in 2013. Other data suggest that the gap between the rich and the poor in Palestine remains relatively stable. The latest figures from the World Bank, using data from the period of 2004-2009, show that income distribution ratios have remained comparable - with the richest 20% of the population holding between 41%-45% of the wealth, and the poorest 20% holding 6.5%-7.5% of the wealth. Differences in the availability, use, and type of coping mechanisms may contribute to increasing food security, despite a relatively unchanging income distribution.

Box 5: Empowering women and youth through Microwork

In work done by both the ILO and the joint task force of WFP/UNRWA/FAO, two key priorities for the Palestinian development agenda relating to poverty and food security were highlighted: 1) pursuit of gender equality in the workforce and 2) improved competitiveness of the Palestinian economy in global markets.^{86, 87} “Microwork” in the digital economy is a burgeoning field that could at once significantly address both of these priorities.

Microwork is defined as small, online business tasks from market research or data entry to graphic design. A 2013 World Bank feasibility study highlights the potential for microwork to create up to 55,000 part-time jobs in Palestine in the next five years.⁸⁸ The study reveals great employment opportunity for the country’s women and youth, on the strength of high levels of tech-literacy and Internet access. As it is based on online, digital products and services, microwork can be performed remotely, anywhere, anytime – therefore providing viable jobs despite the Israeli-imposed restrictions on labour-related movement. Jobs in microwork could thus address the high levels of under- and unemployed women outside of Palestine’s cities, especially.

⁸⁶ ILO (2012) ‘The situation of workers of the occupied Arab territories’, Report of the Director-General (Appendix), Conference Paper, June 2012, available at http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS_181071/lang-en/index.htm.

⁸⁷ PCBS/UNRWA/FAO/WFP (2012) ‘Socio-Economic and Food Security Survey 2012: West Bank and Gaza Strip, Palestine’, available at http://unispal.un.org/pdfs/UN-PCBS_SocEconFoodSecSurvey2012.pdf.

⁸⁸ World Bank (2013) ‘Feasibility Study: Microwork for the Palestinian Territories’, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/Finalstudy.pdf>.

“Microwork’s unique value proposition is that it can be performed anywhere at any time across geographical boundaries, using commonly available computers and Internet connections. It is particularly relevant to the Palestinian Territories as it enables local youth and women to access jobs in the global knowledge economy.”

- Siou Chew Kuek, ICT Policy Specialist at the World Bank

2.6. HEALTH

Impaired health exacerbates poverty and undermines development.⁸⁹ Palestine faces special development challenges when it comes to health. In its latest country cooperation strategy for Palestine, WHO identified Israel’s occupation of Palestine as having a major adverse impact on the health of the people.⁹⁰ The political situation in the oPt further compounds health risks and constrains normal development. A comprehensive study on health in the West Bank and the Gaza Strip published in 2009 showed that conflict is an additional hazard to the health of the Palestinian population, not only because it causes death, injury, and disability, but also because it prevents access to health services and leads to displacement, marginalization, and discrimination.⁹¹

The current Palestinian health system is made up of fragmented services that grew and developed over generations and different regimes. Health services are delivered by the Ministry of Health (MoH), UNRWA, nongovernmental organizations (NGOs), and the private sector. In 2013, there were 80 hospitals in Palestine with a capacity of 12.5 beds per 10,000 of the population.⁹² UNRWA provides health services to a significant segment of the population, particularly in the Gaza Strip.

In terms of traditional indicators of health, WHO describes the health status in Palestine as “commendably reasonable”.⁹³ The life expectancy of Palestinians has continued on an upward trend and is projected to rise from the current 73.2 years to reach 78.7 years during the period

⁸⁹ Augustin Kwasi Fosu (2007) ‘Poverty and Development’, *Bulletin of the World Health Organization* 85, no. 10, Oct. 2007, pp.733-820.

⁹⁰ WHO (2010) ‘Country Cooperation Strategy for WHO and the Occupied Palestinian Territory 2009-2013’, available at http://applications.emro.who.int/docs/CCS_Occupied_Palestinian_Territory_2010_EN_14486.pdf?ua=1.

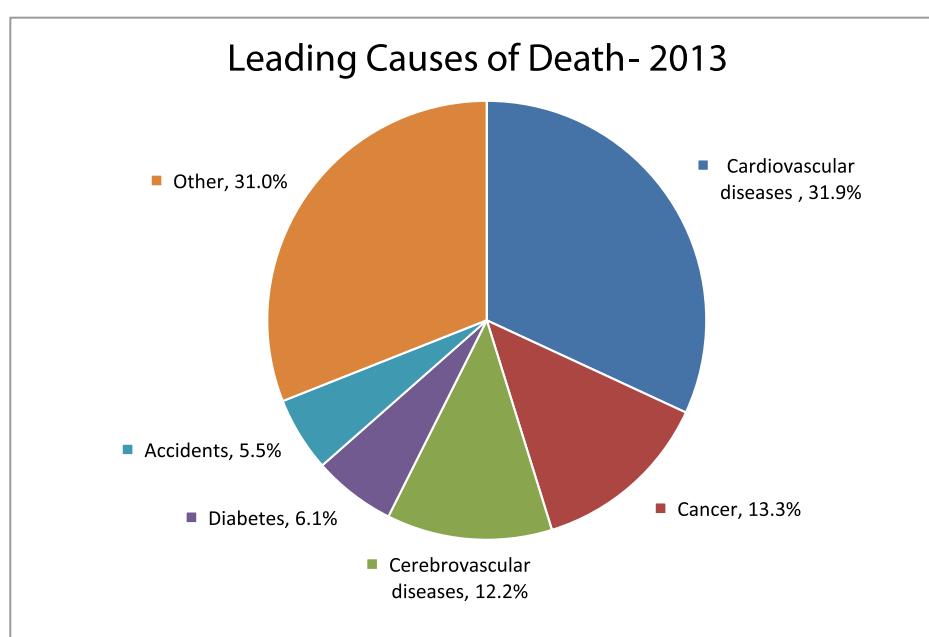
⁹¹ Rita Giacaman et al. (2009) ‘Health status and health services in the occupied Palestinian territory’, *The Lancet* 373, no. 9666, 7 Mar. 2009, pp. 837-849.

⁹² MoH (2014) ‘Health Annual Report: Palestine 2013’, June 2013, available at <http://www.moh.ps/attach/704.pdf>.

⁹³ WHO (2010) ‘Country Cooperation Strategy for WHO and the Occupied Palestinian Territory 2009-2013’, available at http://applications.emro.who.int/docs/CCS_Occupied_Palestinian_Territory_2010_EN_14486.pdf?ua=1.

2045-2050.⁹⁴ Non-communicable diseases such as cardiovascular diseases, hypertension, diabetes, and cancer have overtaken communicable diseases as the main causes of morbidity and mortality. In 2013, the leading causes of death in the West Bank were cardiovascular diseases (31.9%), cancer (13.3%), cerebrovascular diseases (12.2%), and diabetes mellitus (6.1%). WHO notes, however, that the burden of non-communicable disease is increasing due to effects of the political and socio-economic situation and the rise in both life expectancy and unhealthy behaviour, such as smoking.

Figure 20: Leading causes of death in the Palestinian population, 2013



Source: UNDP HDR, 2014

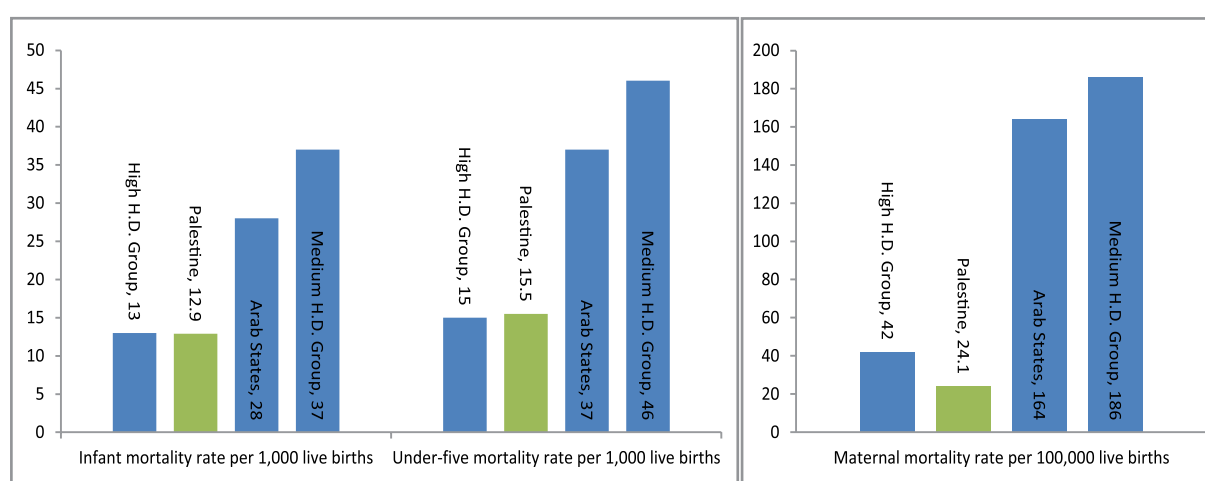
During the latest WHO reporting period of 2009-2013, Palestine succeeded in preventing many fatal and disfiguring diseases as schistosomiasis, leprosy, diphtheria, plague, poliomyelitis, and rabies. Vaccination and immunization programmes in Palestine are in line with WHO standards, offering free vaccination to all children. In fact, the proportion of one-year old children in Palestine lacking immunization for both measles and DTP (diphtheria, tetanus, and pertussis) is only 2% - even lower than the 2014 average for countries in the “very high” HDI human development category.⁹⁵

⁹⁴ ESCWA (2013) ‘The Demographic Profile of Palestine’, available at <http://www.escwa.un.org/popin/members/palestine.pdf>.

⁹⁵ UNDP (2014) ‘Human Development Report 2014 - Sustaining Human Progress: Reducing Vulnerabilities and Building Resistance’, Statistical Table 7: Health, Children and Youth, available at <https://data.undp.org/dataset/Table-7-Health-Children-and-Youth/d27x-j4an?>.

WHO's positive assessment of health achievements in recent years is reaffirmed by the latest statistics from the MoH.⁹⁶ The under-five mortality rate was down to 15.5 deaths per 1000 live births in 2013, from 28.2 in 2008, and the infant mortality rate in 2013 was 12.9 deaths per 1000 live births, which was down significantly from 25.6 in 2006. Current rates for both of these indicators are in fact much higher than the average for the "medium human development" group in the 2014 HDI, and more comparable to the average for the "high human development" group. Maternal mortality in Palestine in 2013 was 24.1 per 100,000 live births (26.1 in the West Bank and 21.9 in the Gaza Strip) – up slightly from 23.7 in 2012, after declining significantly from 2009-2011. The proportion of pregnant women with anemia is declining, and almost all pregnant women (98.8%) receive antenatal care from registered health practitioners.⁹⁷ These trends indicate achievements in child and maternal health in Palestine.

Figure 21: Infant, under-five & maternal mortality rates for Palestine compared to other HDI categories: the High and Medium Development category averages and the Arab States group average



Source: UNDP HDR 2014

Nutrition data, however, suggest a bleaker picture. From 1996-2014, the prevalence of chronic malnutrition (stunting) among children under five years old rose from 7.2% to 10.9%,⁹⁸ and the

⁹⁶ MoH (2014) 'Health Annual Report: Palestine 2013', June 2013, available at <http://www.moh.ps/attach/704.pdf>.

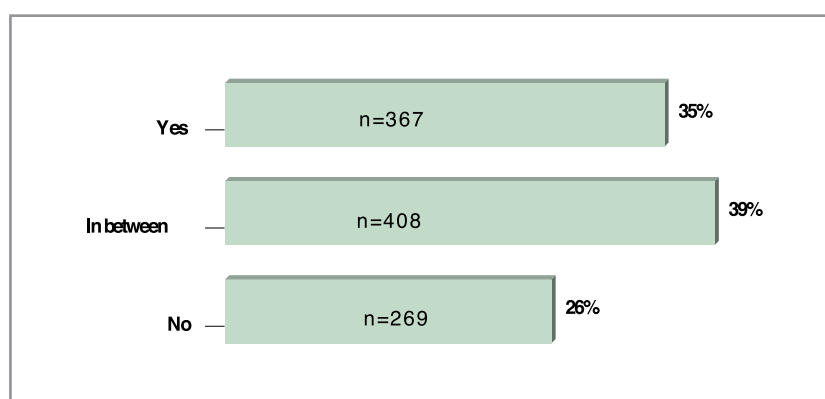
⁹⁷ UNDP (2014) 'Human Development Report 2014 - Sustaining Human Progress: Reducing Vulnerabilities and Building Resistance', Statistical Table 7: Health, Children and Youth, available at <https://data.undp.org/dataset/Table-7-Health-Children-and-Youth/d27x-j4an?>.

⁹⁸ UNDP (2014) 'Human Development Report 2014 - Sustaining Human Progress: Reducing Vulnerabilities and Building Resistance', Statistical Table 7: Health, Children and Youth, available at <https://data.undp.org/dataset/Table-7-Health-Children-and-Youth/d27x-j4an?>.

FAO considers 15% of the total population of Palestine as “undernourished”.⁹⁹ Protein-deficient diets are likely to be the main cause of malnutrition and under-nutrition.¹⁰⁰

As mentioned above, the Palestinian population is impacted by conflict-related determinants of health. Mental health continues to be an increasing concern, as reported by the MoH. A 2011 study by researchers at BirZeit University surveyed a total of 18,631 residents of Gaza in 3,017 households to explore the health-related quality of life in the aftermath of the 2008/2009 Israeli attack on the Strip.¹⁰¹ Most respondents (86.7%) reported moderate (41.9%) and high (44.8%) levels of human insecurity, and almost half (48.8%) reported moderate (35.3%) and high (13.5%) levels of individual distress. It was found that the population suffered severe psychological injury, stress, and grief on a broad scale.

Figure 22: Feeling secure



Source: Near East Consulting Perception Survey

Those who do suffer from mental health problems often do not have access to adequate health services. ACRI reports that 85-90% of adults and 90% of minors in East Jerusalem who require mental health care, for example, are not able to access it.¹⁰² The separation barrier restricts patient and medical staff access to hospitals in Jerusalem, and restrictive policies make it difficult for needy West Bank residents to enter Jerusalem for treatment. This lack of adequate access to health services is a serious challenge to progress on health in Palestine. During the military assault on Gaza in

⁹⁹ FAO (2010) 'Nutrition Country Profiles: Palestine', available at http://www.fao.org/ag/agn/nutrition/pse_en.stm

¹⁰⁰ UNICEF (2009) State of Palestine: Early Years', available at <http://www.unicef.org/oPt/children.html>.

¹⁰¹ Niveen M.E. Abu-Rmeileh et al. (2011) 'Health-related Quality of life of Gaza Palestinians in the aftermath of the winter 2008–09 Israeli attack on the Strip', *The European Journal of Public Health* 22, no. 5, 15 Sept. 2011, pp. 732-737.

¹⁰² ACRI (2013) 'Situation Report: The State of Human Rights in Israel and the OPT 2013', available at <http://www.acri.org.il/en/wp-content/uploads/2013/12/SituationReportEng2013.pdf>.

2008/2009, 14 of 27 hospitals in Gaza and 29 ambulances were severely damaged; and access to healthcare for ordinary patients was severely restricted, as emergency aid often took priority.¹⁰³ During the 2014 Israeli attack on Gaza, at least 15 out of 32 hospitals were damaged and six closed down as a result; out of 97 primary health centres monitored for damage and closures, 45 reported damage and 17 were closed, while four were completely destroyed.¹⁰⁴ Even prior to the summer 2014 Israeli attack on Gaza, almost half of patients in the Gaza Strip were not able to get the medicine they need.¹⁰⁵

It is difficult to understate the impact of the Israeli occupation on health in Palestine. In its final analysis, the 2009 Lancet report, commissioned by WHO to look at social determinants of health, stressed the need to tackle the root cause of health:

“Hope for improving the health and quality of life of Palestinians will exist only once people recognise that the structural and political conditions that they endure in the occupied Palestinian territory are the key determinants of population health.”¹⁰⁶

“Health status and health services in the occupied Palestinian territory” report, 2009

2.7. EDUCATION

The status of education in Palestine shows a mixed picture. Although the population is one of the most literate in the world, the education system is in disrepair and failing, due largely to effects of the Israeli occupation: insufficient school infrastructure, lack of adequately trained teachers, and a lack of access to schooling in marginalized areas. Since 1948, education has served as a central means to empowerment within the Palestinian community.¹⁰⁷ As recognized by the UN and enshrined in the International Covenant on Economic, Social and Cultural Rights, education is a fundamental human right and everyone is entitled to social and international order in which this right can be fully realized. The Israeli occupation and its associated practices and policies have undermined the Palestinians’ capacity to fulfil this right in the Gaza Strip and the West Bank, including East Jerusalem.

¹⁰³ Rita Giacaman et al. (2009) ‘Health status and health services in the occupied Palestinian territory’, *The Lancet* 373, no. 9666, 7 Mar. 2009, pp. 837-849.

¹⁰⁴ OCHA (2014) ‘Gaza Initial Rapid Assessment’, 27 Aug. 2014, available at <http://unispal.un.org/UNISPAL.NSF/0/F5F968C3F38D8D2785257D4F004A26B6#sthash.C8H2a71S.dpuf>.

¹⁰⁵ World Bank. Palestinian Reform and Development Plan. 2008-2010. <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/PRDP08-10.pdf>

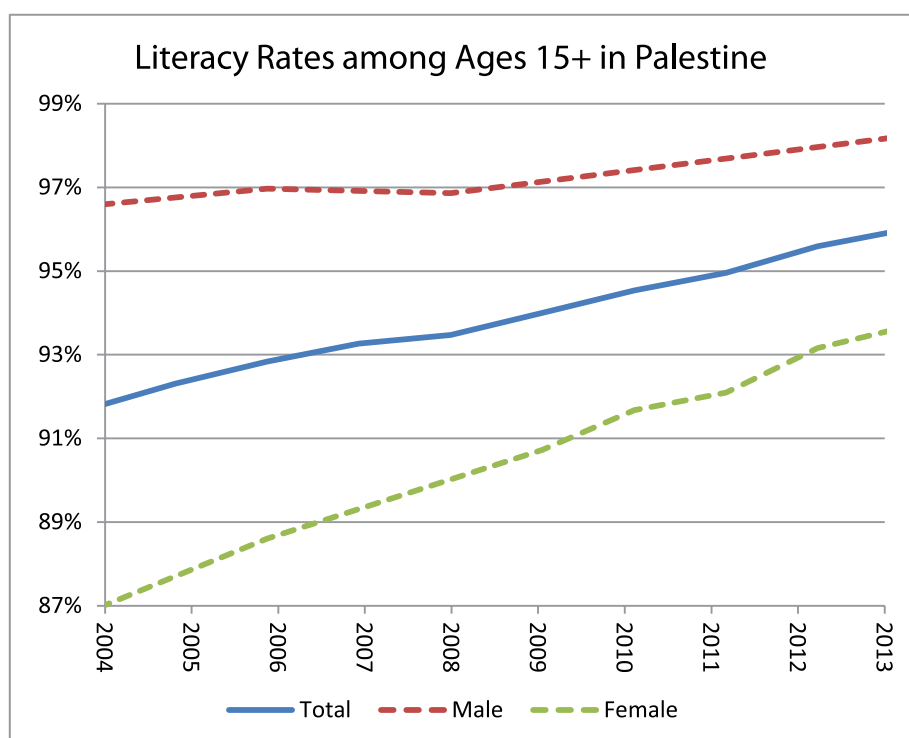
¹⁰⁶ Rita Giacaman et al. (2009) ‘Health status and health services in the occupied Palestinian territory’, *The Lancet* 373, no. 9666, 7 Mar. 2009, pp. 837-849.

¹⁰⁷ Save the Children Alliance (2001) ‘Palestine: The education of children at risk’, presented to the 57th Session of the UN Commission on Human Rights, March 2001.

The latest statistics show that 96.3% of the population of Palestine is literate.¹⁰⁸ This rate is even higher than that of the UNDP 2014 HDI “high human development” category average. Women have made great strides in literacy over the past two decades, with the rate jumping from 78.6% in 1995 to the current 94.1%. Amongst males, 98.4% are literate. Literacy rates are highest in the Gaza Strip, with a literate population of 96.8%, compared to 96% in the West Bank.

Indeed, the illiteracy rate in Palestine is one of the lowest in the world.¹⁰⁹ Illiteracy amongst individuals over the age of 15, as of the end of 2013, was 3.7%. This was down from 13.9% in 1997. Illiteracy is highest in rural areas (4.5%), compared to urban areas (3.6%) and refugee camps (3.2%). The rate is highly genderized, however, with 5.9% of women considered illiterate compared to only 1.6% of men. Palestine has made progress in the education of women, with the rate falling substantially from 20.3% in 1997 to less than 6% at present.

Figure 23: Literacy rates in Palestine, 2013



Source: PCBS

¹⁰⁸ PCBS (2014) 'Literacy Rate of Persons (15 Years and Over) in Palestine by Age Groups and Sex, 1995, 1997, 2000-2013', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Education-1994-2013-11E1.htm

¹⁰⁹ PCBS (2014) 'Illiteracy Rates in Palestine reduced from 13.9% in 1997 to 3.7% in 2013', Press Release, 8 Sept. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntLitDy2014E.pdf.

School enrolment amongst Palestinians is generally high.¹¹⁰ At the end of 2013, a total of 1,151,702 students were enrolled; 1,009,639 at basic level (grades 1-10) and 142,063 at secondary level (grades 11-12). There are comparable proportions of males and females enrolled in basic education, though more males attend secondary school. The American Near East Refugee Aid (ANERA) found that 38% of children in the West Bank and Gaza are enrolled in preschool, compared to 25% for children in the Middle East and North Africa (MENA) region and 50% for the world as a whole.¹¹¹ As of 2013, 9.4% of individuals aged 15 years and above had not completed any stage of education, while 12.1% had completed a bachelor degree or a higher university education.¹¹²

Across all of Palestine, there has been a major reduction in dropout rates overall since the mid-1990s, but an increase, however, in recent years.¹¹³ The highest dropout rates are seen at the secondary school level. The dropout rate for males enrolled in secondary school is 2.4%, compared to 2.5% for females. In basic education, more males than females dropout (0.9% compared to 0.5%). Dropout rates overall are lower in the Gaza Strip, which may be attributed to the larger role of NGOs and other CSOs in providing education services.

A major barrier to the provision of quality education is the state of school infrastructure in Palestine. In 2013, there were 2,784 schools in the country – 1,842 basic and 942 secondary. There were 2,094 schools in the West Bank and 690 schools in the Gaza Strip.¹¹⁴ A study by ANERA on early-childhood education found that only four preschools are public, and 1,132 are run by non-profit organisations such as UNRWA.¹¹⁵ This highlights the critical role of civil society in education, discussed further in Chapter 4.

In Jerusalem, education falls under the jurisdiction of the Israeli Ministry of Education and the Municipality's Jerusalem Education Administration (JEA). Schools serving Palestinians in East Jerusalem receive disproportionately low budget allocations and suffer from more classroom

¹¹⁰ World Bank and Bisan Center for Research and Development (2006) 'The Role and Performance of Palestinian NGOs: In Health, Education and Agriculture', Dec. 2006, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/294264-1166525851073/NGOreportDec06.pdf>.

¹¹¹ ANERA (2014) 'Early Childhood Development in the West Bank and Gaza', ANERA Reports on the ground in the Middle East Volume 5, Feb. 2014, available at http://www.anera.org/wp-content/uploads/2014/02/ECD_Report_West_Bank_and_Gaza_WEBVIEW.pdf.

¹¹² PCBS (2014) 'On the Eve of International Population Day', Press Release, 10 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf.

¹¹³ PCBS (2012) 'Palestinian Children - Issues and Statistics Annual Report, 2012', Apr. 2012, available at http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1863.pdf.

¹¹⁴ PCBS (2014) 'Number of Schools and Kindergartens by Region and Stage, 1994/1995-2013/2014', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Education-1994-2013-03E.htm.

¹¹⁵ ANERA (2014) 'Early Childhood Development in the West Bank and Gaza', ANERA Reports on the ground in the Middle East Volume 5, Feb. 2014, available at http://www.anera.org/wp-content/uploads/2014/02/ECD_Report_West_Bank_and_Gaza_WEBVIEW.pdf

overcrowding compared to other schools in Jerusalem.¹¹⁶ A study by ACRI suggested that a shortage of more than 2000 classrooms in East Jerusalem is the main cause of the low public school attendance rate of only 53%. The report also found that only 6% of children in East Jerusalem between the ages of three and four years attend public preschools, due primarily to the shortage of approximately 400 classrooms.

A September 2014 press release by the Palestinian Ministry of Education and Higher Education (MoEHE) highlighted the impact of the conflict on school infrastructure: more than 180 of the 690 schools in the Gaza Strip had been damaged to the point of needing extensive construction and repair as a result of the Israeli attack on the Strip during the summer of 2014.¹¹⁷ This meant school was delayed for over 475,000 school children in the Gaza Strip, and the quality of learning environment impacted long-term. Similarly, a June 2012 ILO report on the situation of workers in Palestine called for “urgent action to address the education crisis in East Jerusalem, to cease the demolition of schools in the West Bank, and to stop the erosion of skills in Gaza.”¹¹⁸

Higher education in Palestine reveals a more promising picture. Despite economic hardship, households continue to prioritize investing in higher education for their members.¹¹⁹ From 1993 to 2011, the enrolment rate of students in higher education increased by 940%.¹²⁰ A higher proportion of females are enrolling each year.¹²¹ The gender gap is narrowing and overall enrolment rates are increasing, suggesting a positive trend in higher education. There are a total of 53 accredited post-secondary education institutions in the West Bank and the Gaza Strip (34 in the West Bank, 18 in Gaza, and 1 open university). These include traditional universities (9 in the West Bank and 5 in Gaza), university colleges (12 in the West Bank and 6 in Gaza), and community colleges (20 in the West Bank and 7 in Gaza).¹²² Over 300 fields of study are offered through these institutions, and over half of enrolled students are female. Higher degrees such as PhDs and Masters are less common in refugee camps and rural areas.

¹¹⁶ ACRI (2013) ‘Situation Report: The State of Human Rights in Israel and the OPT 2013’, available at <http://www.acri.org.il/en/wp-content/uploads/2013/12/SituationReportEng2013.pdf>

¹¹⁷ PCBS (2014) ‘Illiteracy Rates in Palestine reduced from 13.9% in 1997 to 3.7% in 2013’, Press Release, 8 Sept. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntLitDy2014E.pdf.

¹¹⁸ ILO (2012) ‘The situation of workers of the occupied Arab territories’, Report of the Director-General (Appendix), Conference Paper, June 2012, available at http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS_181071/lang--en/index.htm

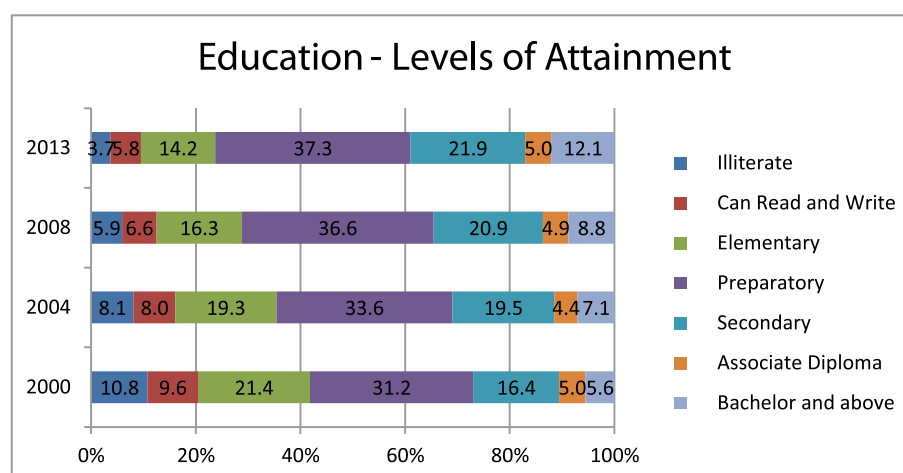
¹¹⁹ Laura E. Mitchell (2009) ‘Making Ends Meet: Gender and Household Coping Strategies in the West Bank’, Fafo-report 2009:48, available at http://www.fafo.no/media/com_netsukii/20138.pdf.

¹²⁰ MOEHE (2011) ‘Palestinian Higher Education Statistics 2010/2011’, available at <http://www.mohe.gov.ps/Uploads/admin/Matweyeh2011.pdf>.

¹²¹ A. Koni, K. Zainal, & P. M. Ibrahim, (2012) ‘An Overview of the Palestinian Higher Education’, *International Journal of Asian Social Science* 2, no. 12, pp. 2322-2329.

¹²² MOEHE (2013) ‘Statistical Yearbook 2012/2013’, available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>.

Figure 24: Levels of educational attainment in Palestine, 2013



Source: PCBS

Major barriers exist, however, for high school graduates who would like to pursue higher education. Palestinian graduates living in East Jerusalem, for example, find it “extremely difficult” to gain admission to Israeli universities.¹²³ Likewise, graduates of Palestinian higher learning institutions such as Al-Quds University, have “great difficulty” receiving formal recognition of their degrees inside Israel. Restrictive Israeli-imposed policies also impact higher education students, especially through preventing Gaza secondary school graduates from studying at post-secondary institutions in the West Bank.¹²⁴

2.8. CONCLUSION

Overall, the status of human development in Palestine based on traditional indicators shows limited relative progress in recent years compared to earlier periods. To gain an accurate picture of trends, however, it is essential that factors influencing progress be analysed.

Significant achievements were made in traditional indicators (e.g. GDP growth, food security, health services) in the latter half of the first decade of the 2000s. Yet, much of this positive

¹²³ ACRI (2013) ‘Situation Report: The State of Human Rights in Israel and the OPT 2013’, available at <http://www.acri.org.il/en/wp-content/uploads/2013/12/SituationReportEng2013.pdf>.

¹²⁴ Gisha: Legal Center for Freedom of Movement (2006) ‘Limitations on Access to Higher Education For Palestinian Students’, Position Paper Submitted to the Knesset Committee for Education, Culture and Sport, Dec. 2006, available at http://www.gisha.org/UserFiles/File/publications_english/Publications_and_Reports_English/Position_Paper_Dec_06.pdf.

change was largely driven by external forces (e.g. international aid and adjustments in Israeli-imposed restrictions) and past achievements were not necessarily indicative of sustainable development. Autonomy, capacity, and resiliency had not yet been adequately built into Palestinian systems, and the implications of this can be seen in the slow progress or, at times, a reverse in trends from 2010 onwards. Despite being home to the most literate population in the Arab world, for example, a deficient labour force and an undiversified economy continue to limit the ability of many Palestinians to rise out of hardship, as reflected by higher rates of poverty. The previous Human Development Report on Palestine had described the Palestinian people as suffering from a “poverty of disempowerment”.

Since the last report was published, however, significant steps have been made towards the creation of a viable Palestinian state, driven by major government intervention beginning in 2009. The Palestinian authorities have restructured and reorganized government institutions to increase efficiency and effectiveness, a greater proportion of the government budget has been allocated to social services, and the government is putting increasing emphasis on harnessing the capacity of the private and civil society sectors. In 2011, Palestine’s progress in institution building was acknowledged by the UN, the World Bank, and the IMF, as these institutions considered that the PNA had crossed the threshold of readiness for statehood, with institutional capabilities having developed to the point where sustainable human development achievements would be truly indicative of genuine progress. With such improvement in the framework within which human development objectives may be pursued, this year’s report will focus on opportunities and next steps empowering the Palestinian people.





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CHAPTER 3 | GOVERNANCE

“Good governance is always and everywhere important. In the Palestinian context, it is also hugely important as an enabler in the quest for greater legitimacy and international attention and support.”

Salam Fayyad, Foreign Policy Magazine- October, 2014

3.1. NATIONAL GOVERNANCE¹²⁵

3.1.1. OVERVIEW

In the political sphere, the concept of governance has come to be understood as referring to the overall framework within which policies, rules, and behavioural norms and practices interact to define and shape official roles and responsibilities, as well as relationships within a government, both at the local and national levels, and, ultimately, between the government and its citizens. Governance issues that define the relationship between the governed and those who govern in the Palestinian context require the adoption of a national strategy with two

¹²⁵ The discussion here draws heavily on: Salam Fayyad. Foreign Affairs Magazine. October, 2014.

mutually reinforcing components. The first, namely, the “top-down” component, which involves an overall effort aimed at ensuring that the Palestinian people’s right to self-determination within the framework of international law and legitimacy is preserved and promoted, while the second, the “bottom-up” component, is about perseverance on the part of the Palestinians. Specifically, this component addresses the Palestinian people’s efforts to project the reality of the Palestinian state on the ground despite the occupation, with a view to enhance their steadfastness on their land and provide maximum support for the top-down component in delivering a lasting settlement that fulfils the rights and aspirations of the Palestinian people, including the right to live as free people with dignity in a fully sovereign state on the territory occupied by Israel in 1967, namely, the Gaza Strip and the West Bank, including East Jerusalem.

This chapter addresses the key components related to the bottom-up approach to ensure perseverance of the Palestinian people under the occupation, on the road to ending it. These components are national governance, local governance, the judiciary, and the civil society.

Since mid-2007, the state of governance in Palestine has been most adversely impacted and vastly complicated by the political separation that followed the violent takeover of power by Hamas in Gaza, which led to, inter alia, the emergence and subsequent entrenchment of a duality of institutional structures and regulatory frameworks in the context of two distinct, and completely separate political entities, one in the West Bank and another in the Gaza Strip.

With the state of governance being a key determinant of the state of empowerment, any meaningful consideration of a national empowerment strategy has to importantly be informed by a vision that is inspired by the need for the overall governance framework to be supportive of national empowerment. In the Palestinian context, however, just as it is not possible to even begin such a consideration without taking into account the adverse impact of, and the severe constraints associated with, the Israeli occupation on the scope for improving governance, it should be equally obvious that the state of political separation has not only retarded the Palestinian effort toward improving governance at the national level, but it has also undermined that effort and, in some important respects, degraded the quality of governance. In this regard, one need not look further than the progressive deterioration in the extent or effectiveness of accountability within the overall governance framework in the oPt since the onset of political separation in mid-2007. This was largely a consequence of the suspension of the operation of the Palestinian Legislative Council, which ultimately led to an excessive concentration of power within the executive branch of government, thereby undermining the constitutional principle of separation of powers, and, in the process, contributing to a significant erosion in the independence of the of the judicial branch, and shrinkage in the availability and quality of the public space in which civil society operates.

Given the virtual impossibility of attaining meaningful and durable improvements in national governance without first setting in motion a credible process that can lead to ending the state of political separation, and before turning to a consideration of important governance issues in local governance, the judiciary, and civil society, it may be useful to first consider in this chapter the basic features of a framework within which the task of bringing the political separation to an end may be meaningfully pursued.

3.1.2. | ENDING THE STATE OF POLITICAL SEPARATION

Despite its failure to deliver on its ultimate objective of ending the Israeli occupation, the national liberation strategy (with both of its top-down and bottom-up components), which was outlined in Chapter 1, could usefully be used as a basis for putting together the basic elements of a national effort that could lead to ending the state of political separation. However, in the identification of those elements, and in addition to taking into account factors that may have contributed to the failure of the aforementioned liberation strategy, as per the analysis provided in Chapter 1, due consideration must be given the need to avoid the pitfalls that led to repeated failure in the past several attempts at achieving national reconciliation.

Obviously, the elements of failure have varied, at least in the extent of their relevance, across the successive failed rounds of diplomacy in the context of the top-down component of the "peace process", as well as the various rounds of national reconciliation talks. In a conceptual sense, however, a common thread has perhaps been the failure to adequately recognize the strong interrelatedness of, on the one hand, the bottom-up and the top-down components of the "peace process", and, on the other hand, between the "peace process" and the effort needed to realize the allegedly-shared national objective of ending the state of separation. It would, therefore, seem sensible to pursue the goal of improving national governance, as a means of promoting Palestinian empowerment, in the context of a framework that can simultaneously address the requirements of both the "peace process" as well as the process of national reconciliation. For, in this worldview, the question of how the Palestinians ought to constitute themselves to enhance their chances of success in securing effective international engagement, including with Israel, and the question of how they should position themselves to manage their domestic affairs effectively, are indeed inseparable.

3.1.3. A FRAMEWORK FOR FIXING THE PEACE PROCESS AND ENDING THE SEPARATION

As indicated above, there is considerable overlap between the requirements of success in revamping the "peace process" and those needed to end the state of political separation. Insofar as the "peace process" is concerned, it is clear that adjustments to the existing paradigm need to be made before embarking on yet another attempt at restarting internationally brokered Israeli-Palestinian negotiations. Indeed, with the progressive widening of the gap between the maximum on offer by Israel and the minimum acceptable to Palestinians in the course of several rounds of diplomacy since the mid-1990s, and with the prospects of emergence of a sovereign Palestinian state on the territory occupied by Israel in 1967 having correspondingly diminished over the same time period, it is necessary to revisit two key tenets of the Oslo framework that have lost validity. The first relates to the question of Palestinian representation in the context of both the "peace process" and national governance, while the second to the long since expiry in 1999 of the timeline envisaged under the Oslo framework for concluding negotiations on the so-called permanent status issues.

Beginning with the latter, it is abundantly clear that continuing to operate within a framework whose timeline has long expired cannot but perpetuate the absurd situation whereby Palestinians would continue to have to choose either to accept whatever Israel was prepared to offer in negotiations or to continue to live under its oppressive occupation. If anything, this cannot but aggravate the pre-existing asymmetry in the balance of power between the occupying power and the occupied. Indeed, redressing this asymmetry is a key ingredient of the overall effort needed to fix the "peace process". This can in part be achieved by securing Israeli acceptance of an internationally mandated date for ending its occupation and a mutually agreed path for getting there. Other key adjustments to the existing paradigm include the need for Israel to symmetrically reciprocate the formal recognition of its right to exist in peace and security, which was extended to it by the PLO in 1993, by recognizing the Palestinians' right to a sovereign state on the territory it occupied in 1967 in its entirety. In addition, Palestinians should not continue to be hamstrung in their effort to end the state of political separation by continued insistence on the part of the international community on a rigid application of the "Quartet principles", particularly since those principles derive their validity from the Oslo framework, whose integrity has been undermined by the expiry of its timeline, and since acceptance of the Oslo-equivalent of those principles, namely, acceptance of the two-state solution, has not been internationally expected of the various constituents of Israeli government coalitions for much of the period since 1996. Furthermore, there needs to be a cessation of all Israeli practices that are in violation of Israel's obligations as the occupying power under international law. Needless to say, these practices, which include the siege on Gaza, settlement activity,

and home demolitions, undermine Palestinians' right to live with dignity on their land, as they proceed to attain national unity and persevere in their effort to project the reality of their state on the ground.

The aforementioned adjustments to the Oslo framework are necessary if there is to be a possibility for the top-down component of the peace process to break away from the string of failures along what has been nothing but a downward spiral for more than twenty-one years of diplomacy. However, absent an adjustment in the sphere of Palestinian representation to reflect the erosion in the standing of the PLO and the concomitant rise in the popularity of non-PLO factions, largely as a consequence of Oslo's failure to deliver Palestinian statehood, but also due to a major deterioration in the human condition in the oPt, as well as the fact that the PNA did not always govern well, the Palestinians are not likely to be well-positioned to take full advantage of the effort to level the playing field. Nor will they be able to end the state of separation en route to improving national governance, which is necessary for attainment of the critical mass of empowerment needed to end the Israeli occupation.

Any meaningful attempt at restoring congruence to the framework of Palestinian representation must be driven by a determined will to create a sense of genuine partnership in decision making at the national level in matters that pertain to national governance and international engagement. There is a variety of ways by which this can be achieved. But, if disturbing the delicate architecture of Palestinians' international relations is to be kept to a minimum, the following approach could be usefully considered:

- Until such time it becomes possible to expand the membership of the PLO, whether through elections or some other mechanism that may be agreed, the PLO, together with its platform, should be left alone, while permitting it to retain the title of "sole legitimate representative of the Palestinian people."
- The Unified Leadership Framework (ULF), which includes all PLO factions and those not affiliated with it should be activated and tasked with collectively informing the decisions of the Executive Committee of the PLO on all matters of high national interest.
- Membership in the ULF by non-PLO factions is not to require acceptance on their part of the PLO's platform.
- The ULF is to assess and determine the length of time needed to address and complete the most pressing tasks of rebuilding Gaza and reunifying the state official institutions and legal frameworks after nearly eight years of separation.
- The ULF and its members is to adopt a time-bound commitment to nonviolence, keeping in mind that it would make sense to have the term of that commitment correspond to the time needed to accomplish the tasks of reconstruction and reunification.

- A national parliamentary based unity government representing the full political spectrum (with actual factional representation) is to be formed and empowered to the fullest extent afforded by the Basic Law.
- The government is to commit to holding fair, free, and inclusive national elections no later than six months before the end of the time period referred to above, and the current legislature is to be reconvened immediately.

The foregoing discussion is not meant to be exhaustive of all the elements and details that may end up being incorporated in the framework outlined above. Nor is it intended to be dismissive of other approaches to promoting Palestinian empowerment by first ending the state of political separation on the path to ending the Israeli occupation. Indeed, particularly since the failure of the most recent round of Israeli-Palestinian negotiations, the ensuing sense of complete disillusionment with the "peace process" has led to a plethora of ideas--some new and many not very new-- on what the Palestinians should do (see, for example, Bashir Bashir, ed. 2015, Nathan Brown, 2015, and, for an analysis of a variety of approaches that have been suggested, see Daniel Kurtzer, 2014).

Ultimately, of course, it is up to us as Palestinians to decide and adopt a viable liberation strategy, and we move toward forging a consensus on a particular strategy, we should keep well in view the need for that strategy to be driven by the pressing need for us to attain the critical mass of self-empowerment needed to end the Israeli occupation and enable us to exercise our right to self-determination.

3.2. LOCAL GOVERNANCE: A CORNERSTONE OF SERVICE DELIVERY

3.2.1. OVERVIEW

"The Government affirms the significant role which local government units play in delivering services to citizens. The Government is committed to developing the capacities of local government units, promote their participation in the development process, and help them attain financial and administrative independence."

- Palestinian National Authority, "Ending the Occupation, Establishing the State"¹²⁶

¹²⁶ PNA. (2009) 'Ending the Occupation, Establishing the State', Program of the Thirteenth Government, Aug. 2009.

A cornerstone of empowerment and, by extension, human development, is the ability of people to determine their needs and organize to improve their conditions. Within this context, the role of local government is essential to community wellbeing.

The Palestinian Local Government Law No (1) of 1997 provides a large service delivery role for local government units (LGUs). Services provided by local government range from electricity to water and from public health to local economic development.¹²⁷ The responsibility of local governments, and by extension the impact of this level of government on its citizens, is instrumental to community development.

There are over 401 LGUs in the West Bank and Gaza. These units include 137 municipalities and 241 village councils, in addition to 23 popular refugee camp committees.

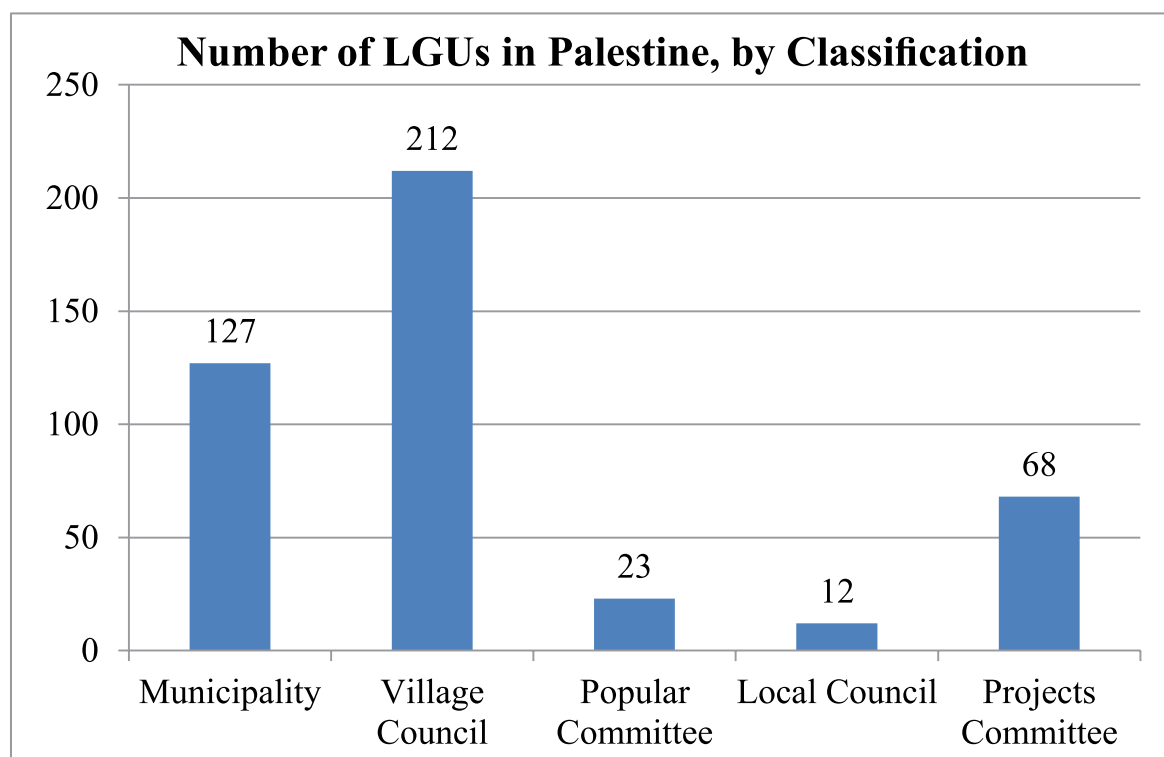
The local governance sector in Palestine faces a wide array of challenges, including financial, administrative, and capacity challenges. The relatively large number of LGUs serving a population of about 4.7 million people in the West Bank and Gaza means a high local government unit-population ratio, presenting unique challenges. On top of this, a weak regulatory framework has resulted in conflicting institutional mandates, unclear division of roles and responsibilities (especially between the central and local governments), a loosely defined gubernatorial mandate, and a tendency towards a more centralized authority. Finally, the issue of incomplete coverage of local government jurisdictions to all communities in Palestine has contributed to insufficient citizen participation in local governance, with some communities still lacking access to formal services altogether.

In its 2004 Local Governance Reform, the UNDP identified areas in need of development towards improved local governance systems.¹²⁸ These included improvements to the regulatory framework in order to delineate the roles and responsibilities of the different institutions involved in local governance, and the empowerment of LGUs through a more decentralized system design. The report prescribed detailed interventions to enhance local administration, as well as the financial independence and sustainability of local governments.

¹²⁷ Healthcare, education, and social services remain under the responsibility of central government agencies.

¹²⁸ UNDP and MoLG (2004) 'Reform Action Plan for the Palestinian Local Government System', 20 May 2004, available at http://www.lgf.ps/documentsShow.aspx?ATT_ID=969.

Figure 25: Number of LGUs in Palestine by classification



Box 6: Responsibilities of local government units in Palestine

The Palestinian Local Authority Law No (1) of 1997 defined the responsibilities of local councils in Article (15). These include the following:

- Planning and zoning, in addition to local roadway development and maintenance.
- Issuing building construction permits.
- Electricity, water/wastewater and solid waste management.
- Issuing business permits and regulating and inspecting restaurants, coffee shops, movie theatres, clubs, and sports facilities.
- Establishment of local markets and regulating flea markets.
- Monitoring and responding to issues impacting environmental and public health, including licensing of slaughterhouses, monitoring of food supplies and products.
- Creation and monitoring of public clinics, health emergency centres, and hospitals in cooperation with relevant government agencies.

- Establishment and monitoring of public parks and open spaces, including swimming pools.
- Emergency response to natural disasters and establishing provisions for adequate response.
- Establishment and monitoring of museums, public libraries, cultural and sports clubs, and music clubs in cooperation with government agencies.
- Establishment and regulation of the operation of road and maritime transport facilities in cooperation with relevant agencies.
- Establishment of cemeteries.

Aside from local government councils, Joint Service Councils (JSCs) can be established in accordance with the law. These councils are responsible for the provision of specific services, including solid waste management and disposal, water and wastewater management.

In follow-up, UNDP produced an updated report on the sector in 2009 which revealed continued shortcomings in the regulatory framework, limited progress in the field of public administration (especially with regards to the relationship between the Ministry of Local Government - MoLG - and LGUs), and continued weaknesses in LGU revenue generation.¹²⁹ The report identified progress in capacity building within individual LGUs, especially in financial management, largely as a result of the introduction of computerized systems. It further stressed the importance of the creation of the Municipal Development and Lending Fund (MDLF) as a “positive step towards coordinating assistance for development”.

Similar conclusions were reflected in the PNA’s 2011-2013 Cross Sectoral Strategy for Palestinian Local Government and Administration Sector. In response to continued challenges faced by the sector, the PNA identified several strategic goals including key interventions, as summarized in Figure 26.

¹²⁹ UNDP (2009) ‘Update of Diagnostic Report for Local Governance System in the occupied Palestinian Territory’, available at <http://www.undp.ps/en/newsroom/publications/pdf/other/lgsp.pdf>

Figure 26: Strategic Goal and Interventions Identified by the PNA's 2011-2013 Cross Sectoral Strategy

Strategic Goal	Key Initiatives
Strengthening principles and practices of good governance	Regular local elections
	Enhancing transparency, accountability and participation
	Moving gradually towards decentralization
Enabling sector institutions to acquire effective capabilities in administration, technical and financial fields	Restructuring the LGUs
	Improving the regulatory and institutional frameworks
	Increasing revenues of LGUs
Promoting PPP at local government levels	Stimulating and establishing partnerships for local development

3.2.2. RECENT DEVELOPMENTS IN LOCAL GOVERNANCE AND SERVICE DELIVERY

In line with the PNA's 2011-2013 Cross Sectoral Strategy for Palestinian Local Government and Administration Sector, local elections were held in October 2012 in the West Bank. Although they were not held in the Gaza Strip, these elections can be considered the single most important achievement for citizen empowerment at the local level in Palestine since the previous elections of 2006.

In addition to the holding of local elections, substantial progress has been made in improving the efficiency, accountability, and transparency of LGUs across Palestine. Reforms have focused on improved financial management, the introduction of automated financial management systems, and the training of many local government staff in fields related to their work. Attention is still needed, however, to improve the regulatory framework. There is a need to clarify and balance the relationship between the central and the local governments, and to further promote the decentralization of power.

Box 7: Balancing central and local government powers

The relationship between the MoLG and LGUs remains a key point of conflict in the Palestinian system of local governance.

The system of central government guidance and oversight, as provided for under the MoLG, remains in place from the time when local government councils were appointed. With the move towards citizen-elected local councils, however, the situation arose where elected local representatives report to appointed regional and national officials. As such, aspects of the Ministry's mandate may run counter to basic principles of democracy and should therefore be reviewed. Moreover, the role of governors as the chairs of governorate coordination councils (which include, amongst others, elected mayors), adds yet another layer of complication to the governance structure at the local level.

In order to further empower local governments and, by extension, the communities they serve, it is suggested that consideration be given to the following recommendations:

- Local government elections be held in a timely and regular manner.
- The MoLG produce a three-year road map to build the capacity of LGUs and expand their coverage, enabling the Ministry to operate under a new mandate restricted to policy development and arms-length oversight of LGUs, and planning and service delivery functions outside LGU jurisdictions.
- The role of governors be more clearly defined, with a view to eliminating any overlap with functions of the MoLG, other central government agencies, and LGUs.

The Palestinian central government has pursued several policies over recent years geared towards improving public service delivery. This has entailed a consideration of the need to address the systematic problem of the large number of small-sized local communities with LGUs unable to deliver adequate services due to a lack of financial resources and capacity. The primary focus of this consideration was to take advantage of economies of scale in order to achieve cost and efficiency improvements in service provision.

The amalgamation of communities and the creation of Joint Planning and Service Councils were examples of the central government's policy response to this need. In 2011, the government decided that all communities with populations of less than 1,000 inhabitants should be joined

with the nearest LGU. These amalgamation efforts, however, have largely failed, with LGUs resisting the policy, as many of the smaller communities feared losing political influence to larger communities; while, likewise, larger communities feared losing resources to smaller communities.

It is worth noting that none of the amalgamation decisions was taken without extensive prior consultations with local communities that established a clear majority support for amalgamation. However, together with the definition of political representation, which the amalgamation effort entailed, the failure, on the part of the central government, to provide adequate financial resources in support of improved service delivery at the overall amalgamated community level, all but derailed the amalgamation effort.

Box 8: Implications of LGU amalgamation attempts

Ignisia is a small community of 500 persons in the Nablus area. In 2011, it was joined with Sabastia, the nearest LGU. The citizens of Ignisia, like most communities in Palestine impacted by amalgamation policies, refused the decision: they boycotted local elections and refused to work in partnership with the local council in Sabastia. To date, the citizens of Ignisia refuse to pay their electricity bill directly to the Sabastia council -- instead, they pay the bills to the local Mukhtar, the head of their previous council, who in turn pays the electricity bill to the Sabastia council on their behalf.

While the amalgamation policy was designed to streamline service delivery and enhance sustainability of service provision, the refusal of amalgamation by most communities is indicative of the need for greater local stakeholder participation in system re-design, towards a system built around stronger incentives, with greater emphasis on local decision-making as opposed to centralized government decisions.

Also under the 2011 reform plan, a decision was made to generalize the use of the Joint Planning and Service Councils, which began in 1997. The experience of this model of integrated local government has been mixed, as out of the 86 different councils formed in 2011, most have been disbanded or are inactive, with only about 20 presently active. Inactive councils continue to employ staff with salaries paid by municipal councils, thereby further aggravating their financial difficulties.

Councils that remain active are generally those that were established to provide waste management and/or water services. These bodies proved to be more sustainable based on innovative incentive structures built into their development at the design stage. The Joint Service Council for Hebron and Bethlehem for Solid Waste Management, established with support from the World Bank, is one such success.

Learning from the success of certain Joint Planning and Service Councils and not others, it is important to engage in rigorous planning at the design stage in order to ensure adequate incentive mechanisms are incorporated into institutions.

Beyond the amalgamation of LGUs and the establishment of JSCs, the government pursued further local government reforms through its adoption of the Electricity Law of 2009 (amended in 2012). The law aimed to address the need to improve electricity network coverage and lower distribution costs by providing for the establishment of electricity distribution and transmission companies.

In accordance with the law, the Electricity Regulatory Council (ERC) was established in 2010. The ERC took several decisions to merge all municipalities into electricity distribution companies. To date, however, implementation of the law has been hindered most notably by barriers to the transfer of electricity distribution functions from municipalities to private companies. Many municipalities feared the loss of potential revenue and, without adequate incentives built-in to encourage connection with local companies, these LGUs instead opted to continue providing services independently. Additionally, perception of inadequate management by distribution companies has also prevented municipalities from handing over distribution functions.

Box 9: Governance of the electricity sector

Electricity has been an important source of revenue for many LGUs. At the same time, this sector has been a major source of revenue leakage for the central government.

The central government collects taxes on behalf of LGUs, including property and roadway use taxes, then transfers the funds to the individual LGUs, which then

use these funds for their operations. In recent years, the transfer of these funds to LGUs has not been consistent or regular. As a result, most LGUs, unable to cover their operating expenses, stopped paying for electricity purchased from the Israeli Electricity Company (IEC) in full. The Israeli government responded by subtracting the LGUs' outstanding amounts from the taxes it collects on behalf of the PNA.

To address the damaging impact of this leakage on the already strained finances of the government, and to ensure the continued ability of local governments to provide services, dues to LGUs collected on their behalf by the central government must be transferred to the LGUs in a consistent and timely manner.

In addition to electricity, local councils have faced challenges in providing quality water and wastewater services. The 2014 Water Law attempts to address the issue through the creation of regional water utilities. However, development of the institutions of the water sector, in accordance with the new law, is moving forward slowly.

3.2.3. FINANCING

The provision of almost all public infrastructure at the local level, excluding public schools and hospitals, is the responsibility of LGUs. This includes roads and transport facilities, parks, open spaces, community centres, slaughterhouses, and water and electricity networks. While specialized utility entities provide electricity and water services in many localities, all other infrastructure services must be provided by the local governments.

The weak financial position of LGUs in Palestine, combined with strained central government finances, entailed a high degree of dependence on international donors to fund basic infrastructure needs. However, many LGUs face severe revenue shortages to handle operating and maintenance, including that associated with existing infrastructure.

This lack of financial independence undermines the autonomy of LGUs and limits their ability to provide quality services. Fees have been the traditional source of LGU funding, with electricity and water tariffs adding to the revenue generation of some municipalities. LGU revenue collection, however, was barely adequate to meaningfully cover more than their operational needs, if that. Shortfalls in collection and failure, on the part of the central government, to transfer LGU dues with regularity vastly undermined the capacity of LGUs to provide services.

While it is the responsibility of LGUs to ensure the collection of dues, and it is the legal obligation of the central government to transfer dues to LGUs, more must be done by LGUs to reach financial independence. In this regard, partnerships with the private sector can play a valuable role in opening the door for improvements to infrastructure and services at the local level.

The concept of public-private partnership (PPP) is not new to Palestinian LGUs. A study by the MDLF found that almost half of Palestinian municipalities already have some kind of small-scale partnership with local businesses in place.¹³⁰ Yet, less than 13% of municipalities implemented larger scale PPP projects.

One factor key to the success of PPP projects is the potential for return on investment. The small size of most Palestinian LGUs is reflected in small market potential with minimal returns on investments, if any. As such, over half of Palestinian LGUs cannot benefit from PPP projects if investing alone, and it is unlikely that the majority of those who can benefit would be able to participate in medium or larger scale infrastructure development projects. Additionally, legal and technical expertise is required in the PPP planning and design phases if the public interest is to be adequately protected. Smaller LGUs, and most medium-sized ones, lack such capacity.

There is a need to create a more enabling environment for PPPs. As a starting point, LGUs should begin by evaluating the potential for PPPs by defining their needs, available assets, and potential resources. LGUs should also develop clear strategies for the involvement of partners, with multiple LGUs joining together to achieve the economy of scale necessary to provide viable service through PPP.

The central government can also play an essential role in enabling the success of PPPs. Specifically, with long-pending court cases having been a major source of hindrance in this regard; the central government should ensure that Palestinian courts are able to handle all related litigation in a timely manner.¹³¹ The central government can also play a role in preparing LGUs for PPPs, whether through capacity-building efforts or through providing assistance in identifying and/or designing opportunities and interventions.

¹³⁰ MDLF (2009) 'Study of Public Private Partnership in the Municipalities', Oct. 2009, available at <http://www.mdlf.org.ps/Files/Docs/Study%20of%20Public%20Private%20Partnership.pdf>.

¹³¹ MDLF (2009) 'Study of Public Private Partnership in the Municipalities', Oct. 2009, available at <http://www.mdlf.org.ps/Files/Docs/Study%20of%20Public%20Private%20Partnership.pdf>.

Box 10: The potential for local PPPs in Palestine

PPPs should be encouraged as a way for LGUs to diversify their revenue sources, in addition to securing funding to help them meet parts of the requirement for infrastructure development and improved availability and quality of public services.

To benefit from PPP projects, communities can join together to create conditions for sufficient returns on PPP projects, thereby attracting investment. In joining together, smaller municipalities will be able to access the know-how of larger municipalities, with experience with such projects. The Joint Service Council of Hebron and Bethlehem for solid waste is an example whereby LGUs joined together to implement a sustainable PPP project.

To facilitate the success of PPPs, the central government should work toward providing an enabling regulatory framework, especially with respect to ensuring adequate capacity of the courts to deal with litigation in a timely manner. The central government can also play a role by assisting LGUs in defining potential PPP projects and building their capacities in the field.

3.3. THE JUDICIAL SYSTEM: UPHOLDING THE BASIC LAW

3.3.1. OVERVIEW

“The judicial authority shall be independent and shall be exercised by the courts at different types and levels.”

Article (97) 2003 Amended Basic Law

Access to justice in a timely manner is an essential ingredient of empowerment. Justice, civil or criminal, as a service to the public, is an indication of responsive governance. A high degree of public satisfaction with, and trust in the justice system is a key pillar of governance at the national level.

The Palestinian court system consists of: (1) formal courts that handle all civil and criminal cases, (2) religious courts that handle civil affair cases, and (3) martial courts. The formal court system includes the Supreme Court, appeals court, first instance court, and magistrate court.

In general, the functioning of the Palestinian judiciary is not viewed by the public as satisfactory. A 2012 survey by the Palestinian Center for the Independence of the Judiciary and the Legal Profession (MUSAWA), a Palestinian CSO, found that 50% of those surveyed trust the formal courts compared to 70% who trust the religious courts.¹³² Moreover, the survey found that 45% of those who do not try their cases before a court do so due to lack of trust, with this problem being especially pronounced in Gaza. A 2008 PCBS survey found that only 42% of Palestinians would go to courts in the case of a dispute.¹³³

Importantly, the 2008 PCBS survey found that, based on personal experience, 86% of respondents believed that judge rulings were made independently. This finding suggests that the lack of public trust in the court system may be due to factors other than a sense of system illegitimacy. One principal factor contributing to public discouragement may be the inadequate number of judges relative to the overall caseload.

A 2013 PCBS/UNDP report found that understaffing in formal courts, religious courts, the Attorney General/Public Prosecution Office and, more significantly, in the Enforcement Department of the Higher Judicial Council is a cause for concern.¹³⁴ The total number of judges in Palestine is 217, of which 184 are in the West Bank and 33 are in Gaza. There are 7.6 judges per 100,000 people in the West Bank, compared to 12.7 in Jordan, 16 in Egypt, and 15.4 in Tunisia. Comparing the number of judges with caseloads, it can be seen that there is a critical understaffing problem.¹³⁵

¹³² MUSAWA (2012) 'The Second Legal Monitor Report for the Situation of Justice in Palestine', Apr. 2012.

¹³³ PCBS (2008) 'Preliminary Findings on Governance Survey of the Palestinian Territory 2008', Press Release, available at http://82.213.38.42/Portals/_pcbs/PressRelease/7okmE.pdf.

¹³⁴ PCBS/UNDP (2013) 'A Review of Palestinian Justice and Security Sector Data', Aug. 2013, available at http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book2036.pdf.

¹³⁵ Figure 27 shows the number of civil court cases by stage of proceedings for 2012. The total includes both new submittals in 2012 and cases carried over from 2011.

Figure 27: Number of Judges by Type of Court

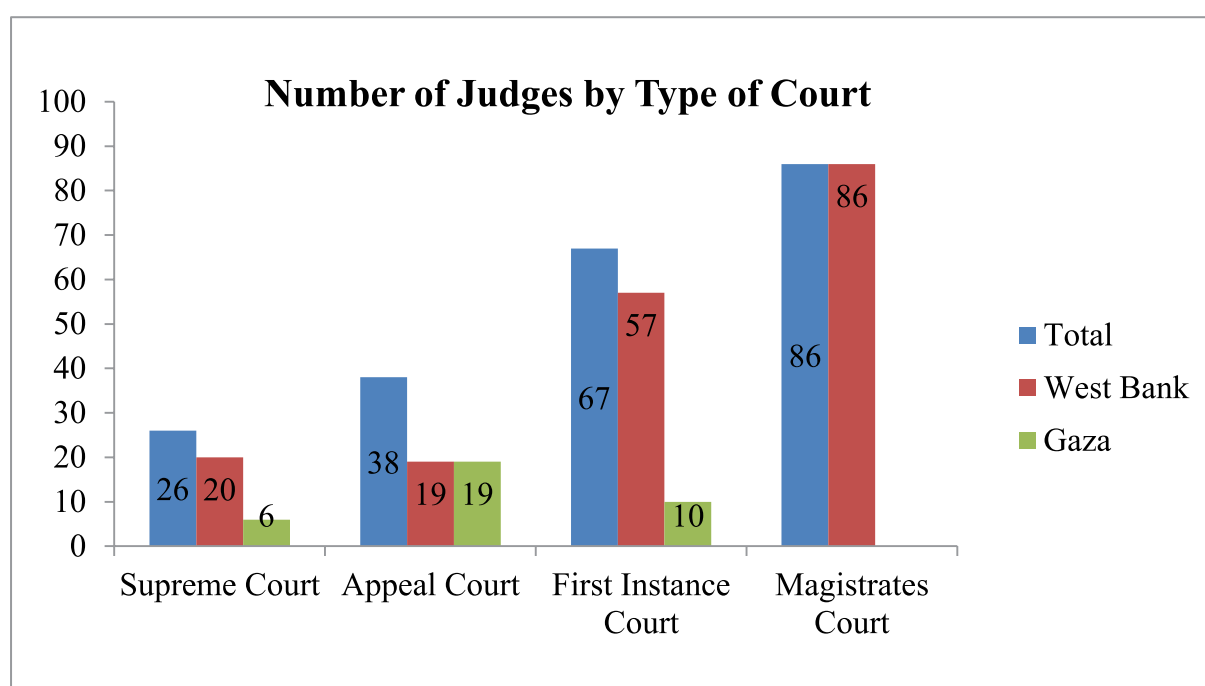


Figure 28: Civil Court Matters in the Palestine by Stage of Proceeding by Region 2012

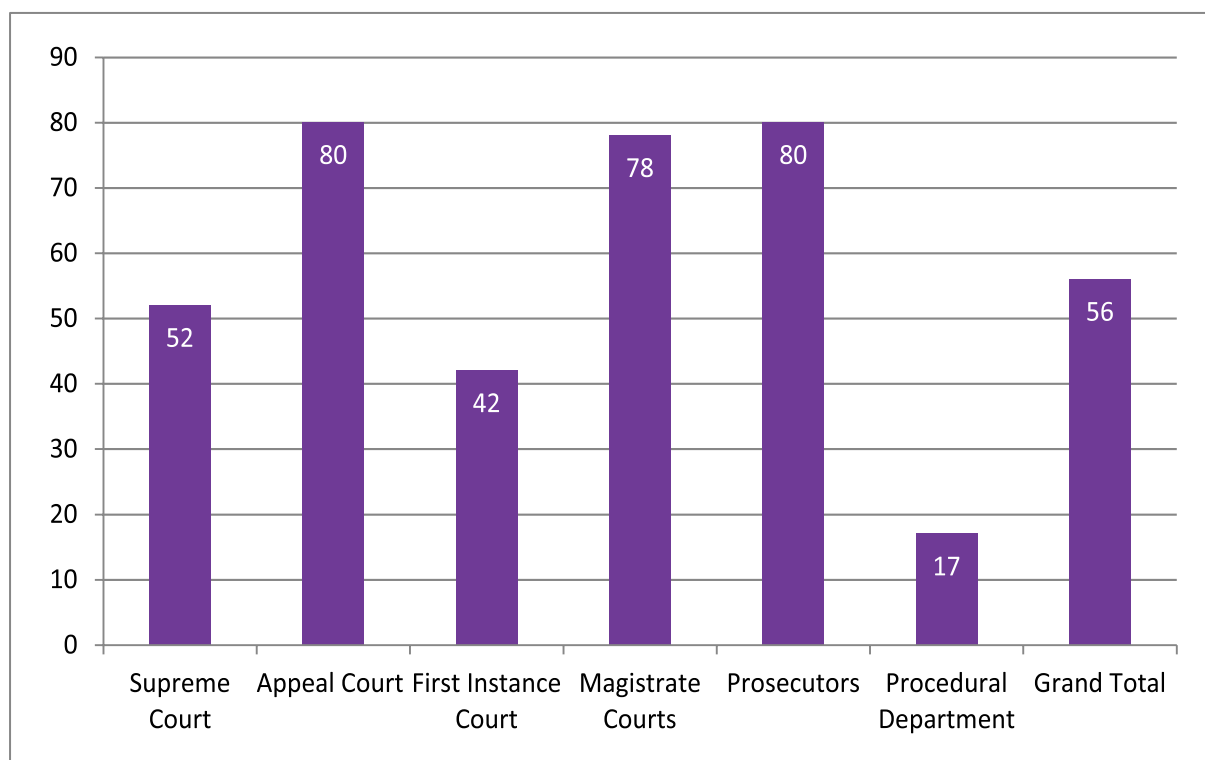
Stage of Proceeding	Palestine	West Bank	Gaza Strip
Carried From Last Year	180,658	114,609	66,049
Submitted	279,018	213,546	65,472
Total of Court Matters	459,676	328,155	131,521
Decided	234,499	184,639	49,860
Pending	225,177	143,516	81,661

Source: PCBS 2013

Assuming equal distribution of matters on all judges in the West Bank and Gaza, each judge would be entrusted with almost 2,120 court matters per year, or eight cases per workday based on 260 workdays per year. This explains the high delays and low turnover from year to year,

and the frustration of the public with the court system. This is in addition to the potential impact on quality that could arise under such a high workload.

Figure 29: Percent of matters decided in the West Bank by court type or prosecutor, 2012



Source: PCBS 2013

Further analysis of data for civil cases in the West Bank illustrates the severity of the problem. Overall, only 56% of matters placed before courts in Palestine in 2012 were decided.¹³⁶ The procedural department fared the least well, deciding on only 17% of the matters before it. First instance courts resolved 42% of cases, while the Supreme Court resolved 52%. The appeals court, the magistrate court, and the prosecutor's office resolved 80% of matters put before them.

Results indicate the immediate need for staffing and increased capacity within the procedural department that handles notifications for both the civil and religious systems. Likewise, additional staffing is needed to help alleviate delays at both the courts of appeal and the first instance courts.

¹³⁶ PCBS (2012) 'Court Matters in the West Bank by Type of Court, Type of Matter, 2012', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/crv04_2.htm.

In addition to the problems associated with understaffing, the 2013 PCBS/UNDP report on the Palestinian justice and security sector and the 2011-2013 Justice Sector Strategy identified other key challenges hindering the delivery of timely justice. Policies and interventions for further development of the sector were outlined in the 2011-2013 strategic plan. Efforts should be made to implement this plan.

Box 11: The importance of adequate capacity in the courts

Severe understaffing is the primary cause of delayed court rulings resulting in a frustrated public, half of whom opt not to seek resolution through the court system. This lack of trust undermines the rule of law and reflects gravely on public confidence in Palestinian governance in general. Further, such delays violate the Palestinian 2003 Amended Basic Law, as per Article (30) paragraph (1), which states “*Litigation procedures shall be organized by law to guarantee prompt settlement of cases.*”

Efforts to address the understaffing, especially in the procedural department and the magistrate and appeals courts, should be prioritized. Additionally, efforts should be made by the Palestinian government to implement the remaining provisions of the 2011 - 2013 justice sector strategy to ensure an adequate, responsive justice system.

3.3.2. | ACCESSION TO INTERNATIONAL TREATIES AND CONVENTIONS

The accession of Palestine to international treaties and conventions is an important consequence of the 2012 UNGA resolution that upgraded the status of Palestinian representation at the UN. Accession affords Palestine the opportunity to further improve its institutions of governance and service delivery, based on the obligations of state parties to such conventions. These obligations include building efficient systems and mechanisms, operating at higher standards, and reporting.

Box 12: The accession of Palestine to international legal agreements on human rights

In April 2014, Palestine, through its status as a Non-member Observer State at the UN, signed and ratified the main UN human rights treaties, including the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights and the Conventions on the Rights of the Child; the Elimination of Discrimination Against Women; and Against Torture, Apartheid, and Genocide. By formalizing its human rights obligations, which entail being subjected to monitoring and regular review by the relevant treaty bodies, the State of Palestine is not only expected to abide by international human rights standards, but is also obliged to take active steps to correct and prevent any violations. These human rights treaties impose obligations on the Palestinian government to respect, protect, and fulfil human rights of people under its authority and effective control and emphasize the need to protect and respect the role of a vibrant civil society and human rights organizations, as well as promote accountability and respect for the rule of law.

In addition, the signing of these treaties would strengthen efforts to pursue accountability for human rights violations that may occur in Palestine, such as arbitrary arrests, torture and ill treatment of detainees, defying court orders to release detainees, and arbitrary restrictions and suppression of freedoms of press, speech, expression, association, and assembly. This, in turn, entails the need for a stronger, more responsive judicial system.

In order to meet the differing requirements of international conventions and treaties, governance institutions and their standards of operation should be brought in line with acceptable state practice. Institutional frameworks should be reviewed, especially in the justice sector, with a view to ensuring their adequacy and compliance under international norms and treaties. This consideration should, going forward, form a key organizing principle in guiding the Palestinian Government's effort in upgrading its institutional and regulatory capabilities to bring Palestinian governance standards into alignment with international norms and requirements.

3.4. THE ROLE OF CIVIL SOCIETY

As outlined in the UNDP's Strategy on Civil Society and Civic Engagement, the role of CSOs in the human development agenda is becoming more important.¹³⁷ The global development community is moving beyond seeing CSOs as mere project implementers, and, instead, acknowledging them as critical partners with a variety of roles in service delivery, especially in view of their ability to bring state and society together, which is key to human development and real empowerment.

Palestinian CSOs have a long history of providing social services. These include the vast majority of services in early childhood education, specialized health care, and service in the agriculture sector.¹³⁸ In addition, Palestinian civil society is the main provider of higher education, as well as key services to the challenged, orphans, and elderly.

Non-state actors are critical to the development context in that they can: 1) provide citizen-led accountability mechanisms to support government reforms and thereby ensure democratic gains are translated into developmental gains; 2) provide pathways for implementation and achievement, especially where the government's reach is limited due to financial or other considerations; 3) improve the effectiveness of aid by strengthening country ownership of the development effort and enhancing coordination; and 4) they can play an important role in promoting development gains through private aid flows.¹³⁹

CSOs can be both service providers and advocates for the poor and marginalized. As such, they provide, and promote the provision of, a broad spectrum of services relating to poverty alleviation and human development across multiple fields, ranging from health and education service to more specific areas, such as emergency response, democracy building, conflict resolution, human rights, finance, environmental management, and policy analysis.¹⁴⁰

¹³⁷ UNDP (2012) 'UNDP Strategy on Civil Society and Civic Engagement', 1 Oct. 2012, available at http://www.undp.org/content/undp/en/home/librarypage/civil_society/UNDP-Strategy-on-Civil-Society-and-Civic-Engagement-2012/.

¹³⁸ World Bank (2013) 'Supporting Non-Governmental Organizations: Improving the Quality and Sustainability of NGO Social Service Delivery', available at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/MENAEXT/WESTBANKGAZAEXTN/0,,contentMDK:22641181~pagePK:141137~piPK:141127~theSitePK:294365,00.html>.

¹³⁹ UNDP (2012) 'UNDP Strategy on Civil Society and Civic Engagement', 1 Oct. 2012, available at http://www.undp.org/content/undp/en/home/librarypage/civil_society/UNDP-Strategy-on-Civil-Society-and-Civic-Engagement-2012/.

¹⁴⁰ Nicola Banks and David Hulme (2012) 'The role of NGOs and civil society in development and poverty reduction', *Brooks World Poverty Institute Working Paper* 171, June 2012, available at <http://civil20.org/upload/iblock/9b1/rolengo.pdf>

Box 13: Oversight and the role of CSOs

With the Palestinian legislative council suspended since mid-2007, the executive branch gained substantial power without the benefit of formal oversight. During this period, the Palestinian civil society's role in the accountability chain acquired added importance, but that task was hindered by lack of formal accountability.

Historically, Palestinian CSOs have also been leaders in monitoring and reporting on government violations of basic rights, including in the form of political imprisonment and restrictions on freedom of speech and freedom of the press. In doing so, CSOs have played an essential role in supporting basic human rights and freedoms. Likewise, particularly in recent years, CSOs have driven monitoring and reporting efforts targeting Israeli violations of international law in the oPt, and, in the process, became an authoritative source for documenting these violations.

The role of CSOs becomes especially important in the context of a young state such as Palestine. Especially with the rise of social media and interconnectedness, young people are seeking less formal and more creative organizations through which to engage in change. CSOs can contribute to more meaningful participation of youth in democratic governance.¹⁴¹

A comprehensive study undertaken by the World Bank on the role and performance of NGOs in Palestine in health, education and agriculture found that these organizations play a large role in agriculture and vocational training and preschool education.¹⁴² The role of CSOs is most important where the PNA lacks capacity, or where the cost of private sector services is high. It was found that the level of beneficiary satisfaction with NGO services is high, and in many cases higher than for comparable PNA services. Improvement is needed, however, in accountability, and in ensuring that CSO services are available to the poor and marginalized. The study concluded that, because of the political situation and the young age of the population, the role of CSOs as service providers in Palestine will increase over time and, as such, donors should recognize this through appropriately enhanced levels of support.

¹⁴¹ UNDP (2012) 'UNDP Strategy on Civil Society and Civic Engagement', 1 Oct. 2012, available at http://www.undp.org/content/undp/en/home/librarypage/civil_society/UNDP-Strategy-on-Civil-Society-and-Civic-Engagement-2012/.

¹⁴² In 2006, in education, 92% of pre-school services were provided for by NGOs (21%) and the private sector (71%). In vocational training, 25% of services were provided for by these non-state actors. In agriculture, 71% of services were provided for by NGOs and the private sector (53% by NGOs and 18% by the private sector). See World Bank and Bisan Center for Research and Development (2006) 'The Role and Performance of Palestinian NGOs: In Health, Education and Agriculture', Dec. 2006, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/294264-1166525851073/NGOreportDec06.pdf>.

Box 14: Palestinian civil society in the eyes of the people

A 2008 PCBS survey on the governance of the oPt indicated that 97.3% of Palestinians agreed that NGOs played an effective role in the society and 95.7% of them agreed that NGO programmes were based on the needs of society.

The survey, which assessed the perception of the Palestinian people in many spheres of governance, found most to be substantially under-performing, but showed effectiveness and responsiveness of the Palestinian civil society in the eyes of the people. This is an indication of the closeness of the civil society to the people, a relationship that should be capitalized on by the government, by way of empowering CSOs as a means of empowering the people.

CSOs face a number of unique challenges to effective, efficient project implementation. Restrictions and constraints imposed by Israeli authorities were reported as the main obstacles to operation. Major needs of the sector include fundraising, provision of equipment and technology, networking, cooperation on the part of the local community, and capacity building.¹⁴³

Palestinian civil society has both the potential and proven ability to monitor and affect governance toward the attainment of human development objectives.¹⁴⁴ Thus, civil society's needs for capacity building, funding, and improved coordination and targeting of CSO-led services should be accorded utmost importance in the coming years. A specific focus should be on engaging women's organizations, reaching out to organizations with grassroots women's groups, and encouraging the participation of young women.

The role of the Palestinian civil society, in all aspects of Palestinian life cannot be overstated. Empowering the Palestinian civil society means improved services to the public, especially the marginalized and disadvantaged. In addition, the Palestinian civil society has been on the forefront in the Palestinian political struggle for independence by promoting and defending Palestinian rights.

Empowering the civil society means the need for full and active government support. A dynamic civil society is the cornerstone to democratic governance, and is instrumental

¹⁴³ Amjad Al-Maliki et al. (2008) 'Census for Non-governmental Palestinian Organizations 2007', Palestine Economic Policy Research Institute (MAS).

¹⁴⁴ Amal Abusrour (2009) 'The Atkin Paper Series - Palestinian Civil Society: A time for action', Mar. 2009, available at <http://icsr.info/wp-content/uploads/2012/10/1242995685ICSRAmalAbusrourReport.pdf>

in providing essential services where the government's coverage is lacking, and private sector potential is limited. Therefore, civil society is vital to good governance, and the public is best served when the government considers it a full partner.

3.5. RECOMMENDATIONS

Without adequate governance institutions in place, empowerment of individuals and groups cannot be achieved and, to the contrary, further disempowerment can be expected.

In Palestine, the civil society presents an opportunity for empowering groups and individuals. The public believes civil society organizations to be highly effective in delivering services that respond directly to their needs. As such, Palestinian civil society should be further empowered through improved mechanisms for financing and capacity building to improve sustainability of services. Empowerment of the civil society is ultimately empowerment of the people.

The role of civil society in national governance has acquired added importance in an environment where formal governance structures found themselves seriously challenged by the state of political separation - now in place for nearly eight years. A lack of unified governance, with accountability, has created conditions for more poverty, duality of laws and institutions, a weakened justice system, and a degeneration of the state of rights and privileges of citizenship. This state of affairs has reinforced the devastation and adversity brought by the highly oppressive Israeli occupation, which even by itself, was driving many to leave or to want to leave the oPt.

At the local level, clarification of the roles and responsibilities between the central and local governments is needed. In order to further empower local governments and, by extension, the communities they serve, it is suggested that 1) local government elections be held in a timely and regular manner; 2) the MoLG produce a three-year road map to build the capacity of LGUs and expand their coverage; and, 3) the role of governors be more clearly defined. Problems associated with the high number of relatively small LGUs needs to be addressed, partially through partnership initiatives (e.g. Joint Services Councils) and through a re-attempt at amalgamation with greater local stakeholder participation in system re-design. Responses to local councils' weak financial situation include creating an enabling environment for small- and medium-sized LGU participation in PPP projects, and addressing the mismanagement problem in the electricity distribution sector by requiring regular transfers of dues owed to LGUs by the central government.

The Palestinian public trust in the judiciary system is very low, undermining the rule of law and reflecting negatively on the state of governance as a whole. Courts, especially the appeals and magistrate courts, and the procedures department must be adequately staffed to reduce the long delays and backlog of cases. Further, continued effort should be made to upgrade the justice system through the implementation of provisions remaining under the 2011 - 2013 justice sector plan.

The accession of Palestine to international treaties and conventions imposes new institutional requirements, including with respect to standards of operation. Accession affords Palestine a great opportunity to improve its quality of governance and service provision, including those related to empowerment of the judiciary and protection of human rights, leading to the empowerment of the people. Institutional reform and development plans should ensure that international treaty provisions are adequately reflected in Palestinian regulatory and institutional frameworks.



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CHAPTER 4 | PUBLIC SERVICES

4.1. INFRASTRUCTURE

4.1.1. OVERVIEW

Infrastructure, an essential vehicle for human empowerment is the backbone of a future Palestinian state. The Millennium Development Goals acknowledge the infrastructure development-poverty reduction link, based on evidence showing a direct correlation between investment in infrastructure services and sustainable development in developing and transitioning countries.¹⁴⁵ Specifically, cross-country analyses have shown that three critical infrastructure variables have significant positive impacts on HDI scores: access to electricity, access to clean drinking water, and road density.¹⁴⁶ Electricity and water are especially important to health and education indicators.

¹⁴⁵ Christopher Willoughby (2004) 'Infrastructure and the Millennium Development Goals (session on Complementarity of Infrastructure for Achieving the MDGs, Berlin 27 Oct), 2 Oct. 2004, available at http://siteresources.worldbank.org/INTSDNETWORK/Resources/infrastructure_mdg.pdf.

¹⁴⁶ Jeet Bahadur Sapkota (2014) 'Access to Infrastructure and Human Development: Cross-Country Evidence', Japan International Cooperation Agency Research Institute Working Paper no. 70, Mar. 2014, available at https://jica-ri.jica.go.jp/publication/assets/JICA-RI_WP_No.70_2014.pdf.

Although the state of infrastructure in the West Bank has improved under PNA efforts with donor assistance, services are still weak and barriers to implementation remain. In Gaza, the already dire state of infrastructure has been exacerbated by Israeli attacks targeting strategic infrastructure, including Palestine's only power plant in July 2014.¹⁴⁷ Across Palestine, electricity, water and sewerage, and transport systems and networks are underdeveloped.

There are different infrastructure service providers in Palestine. The central government plans infrastructure development and oversees the implementation of a wide array of infrastructure projects. These include projects related to water and wastewater, roads, clinics and hospitals, and education facilities. At the local level, municipalities and village councils are primarily responsible for providing infrastructure related to internal roadways, water and wastewater networks, solid waste collection, parks, and maintenance of schools. UNRWA provides health and education services for the refugee population, but is not obligated to provide large-scale infrastructure-related services, such as electricity, distribution of drinking water, collection of wastewater, and solid waste. Because of the high population density in the Gaza Strip population, local government bodies often provide services for both the general public and refugee populations in coordination with UNRWA.

Israeli government-imposed restrictions on access and movement (e.g. for constructions supplies and financial investment) and delays on approvals pose challenges to the implementation of major infrastructural projects.¹⁴⁸ In the West Bank, permits for construction in "Area C" are required by Israeli authorities, and existing facilities are frequently destroyed, preventing reliable service provision. In Gaza, severely inadequate water and wastewater services and systematic destruction of critical infrastructure, including the Strip's only power plant have contributed to a worsening of the human condition.

This section focuses on three key areas relating to infrastructure: electricity, water and wastewater, and solid waste. Obstacles to achieving adequate public services are discussed, and recommendations for empowering the Palestinian people to overcome these are put forward.

¹⁴⁷ World Bank (2014) 'Gaza: Fact Sheet August 1, 2014' available at <http://www.worldbank.org/content/dam/Worldbank/gaza-fact-sheet-final140801-ECR.pdf>.

¹⁴⁸ Integrated Regional Information Networks (2011) 'Analysis: Donor aid boosts West Bank infrastructure despite impediments', 29 July 2011, available at <http://www.irinnews.org/report/93374/analysis-donor-aid-boosts-west-bank-infrastructure-despite-impediments>

4.1.2. | ELECTRICITY

Palestine relies on two main energy sources: electricity, and energy produced directly from petroleum and natural gas.¹⁴⁹ The energy sector is characterized by 1) a lack of domestic traditional fossil fuel energy sources and 2) a lack of ability to exploit available resources.

In its latest strategic national plan, the Palestinian Energy Authority (PEA) pointed to the ongoing Israeli occupation and Israeli control over borders and large areas of West Bank land as the main impedance to energy infrastructure projects.¹⁵⁰ Targeting of energy infrastructure by the Israeli military in Gaza and in “Area C” in the West Bank continues to prevent Palestinians from enjoying access to adequate services. Considering these barriers, innovative interim solutions including more widespread deployment of solar photovoltaic (PV) systems can improve energy security in Palestine.

Electricity accounts for one third of Palestine’s energy consumption. The bulk of this is imported. In 2012, 91% of the total 5,370.4 gigawatt hours (GWh) of available electricity in Palestine was imported,¹⁵¹ almost completely from Israel. In that same year, 96.1% of imported electricity and 88.7% of the total electricity supply was purchased from the Israel Electric Corporation (IEC).¹⁵² Domestically produced electricity accounts for less than 10% of the total supply (7.4% in 2012). The remainder of Palestine’s electricity is imported from Egypt (2.3%) and Jordan (1.6%). The proportion of imported to domestically produced electricity has increased since 2007, suggesting growing energy insecurity.

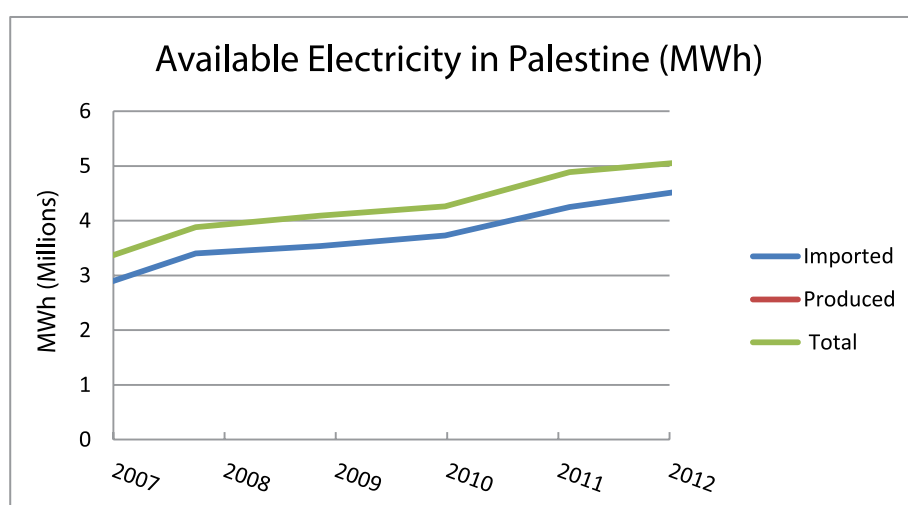
¹⁴⁹ Palestine does have natural gas reserves, in the Gaza Marine field. The PNA was granted a 25-year exploration licence for this region off of the Gaza Strip, but discovered reserves have yet to be exploited due to political barriers. See Simon Henderson (2014) ‘Natural Gas in the Palestinian Authority: The Potential of the Gaza Marine Offshore Field’, Eastern Mediterranean Energy Project Policy Brief, Mar. 2014, available at <http://www.washingtoninstitute.org/policy-analysis/view/natural-gas-in-the-palestinian-authority-the-potential-of-the-gaza-marine-o>.

¹⁵⁰ PEA (2011) ‘Palestinian National Plan 2011-2013: Energy Sector Strategy’, available at <http://www.mopad.pna.ps/secstra/Sector%20Strategy%20Summary%20-%20Energy.pdf>.

¹⁵¹ PCBS (2013) ‘Quantity of Available Electricity (MWh) in Palestine, 2007-2012’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/EB-%20EA3%202012.htm;
PCBS (2013) ‘Imported Energy in Palestine by Type of Energy and Region, 2012’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/EB-%20EA2%202012.htm.

¹⁵² PCBS/PWA (2014) ‘World Water Day’, Press Release, 20 Mar. 2014, available at <http://www.pcbs.gov.ps/site/512/default.aspx?tabID=512&lang=en&ItemID=1058&mid=3171&wversion=Staging>.

Figure 30: Available electricity in Palestine



Source: PCBS

Until recent years, Palestine has relied solely on its only fuel-burning power plant for domestic electricity production. The Gaza Power Plant (GPP) is expensive, inefficient, and low capacity, providing less than 10% of Palestine's electricity needs. The plant was critically damaged in an Israeli airstrike on July 29, 2014, and is expected to produce a much smaller share of electricity until at least 2016. Specialized parts for repair of the plant are difficult to access under the blockade and, even in the normal operating context; the plant often operates below full capacity due to a lack of diesel. Because of the GPP's reliance on expensive diesel, fuel shortages due to lack of financial resources or periodic border closures mean that domestic electricity production in Gaza is highly variable and unpredictable.

An analysis by UN-OCHA found that, as of January 2014, Gaza suffered from a suffocating electricity deficit of 54%.¹⁵³ Purchases from Israel (120 MW) and Egypt (28 MW) combined with the low-operating capacity of the GPP (60 MW, assuming operation at 50% capacity) meant that only 46% of Gazans' electricity needs were met, forcing regular and extended blackouts of up to 16 hours per day. The impact of such disruptions is disproportionately felt by the poorest, as backup generators are costly and often not available.

¹⁵³ OCHA oPt (2014) 'The Humanitarian Impact of Gaza's Electricity and Fuel Crisis', Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

Figure 31: Gaza electricity deficit March 2014



Source: UN-OCHA, March 2014

Across Palestine, access to electricity is hindered by high costs. The retail price of electricity for residential users in Palestine is the highest in the MENA region, averaging 19 US cents per kilowatt hour (kWh).¹⁵⁴ Moreover, dependency on imports means that local and central governments have limited decision-making power over tariff-setting. The IEC raised residential tariffs twice between 2010 and 2014, each time by 8%.¹⁵⁵ The high cost is burdensome for a population of relatively low income, and it stifles economic growth by making businesses less competitive.

¹⁵⁴ Emma Aberg. Solar Power in the MENA Region. A Review and evaluation of policy instruments for distributed solar photovoltaic in Egypt, Palestine and Tunisia. IIIEE Thesis, 2014.

¹⁵⁵ Emma Aberg. Solar Power in the MENA Region. A Review and evaluation of policy instruments for distributed solar photovoltaic in Egypt, Palestine and Tunisia. IIIEE Thesis, 2014.

Figure 32: Public perception of energy prices (electricity, gasoline, and kerosene and diesel)

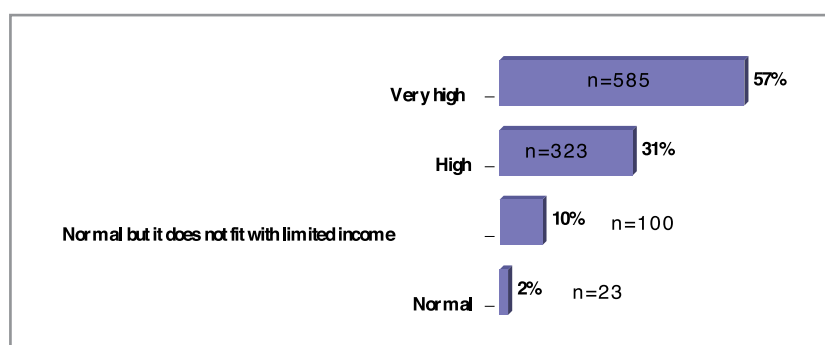
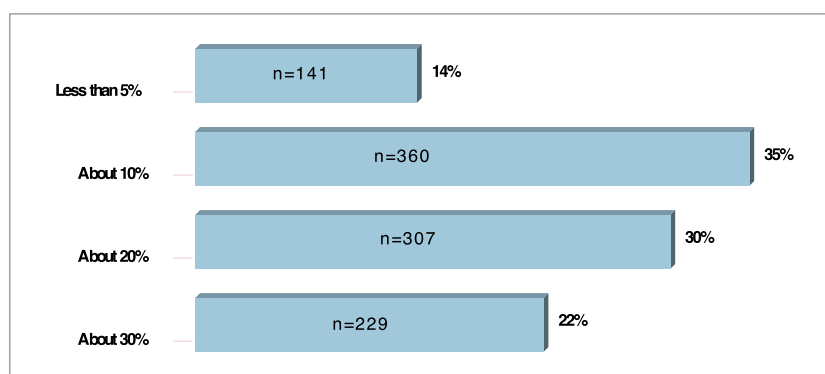


Figure 33: How much do you spend on energy per month out of your income?



The PCBS's latest household survey shows that over 99% of Palestinian households are now connected to public electricity networks.¹⁵⁶ Though this is an impressively high percentage, it masks critical issues that prevent adequate user access: transmission capacity is insufficient and losses are high, tariffs are high, and security of supply is low. Furthermore, unregistered Bedouin communities across the West Bank – an estimated 40,000 people – are not considered in the PCBS connection statistic. Of the 157 Bedouin and herder communities in “Area C”, 118 of these (a total of approximately 16,000 people) do not have household access to electricity.¹⁵⁷

For those who are connected, electricity is distributed by regional companies (five in the West Bank and one in Gaza), with remaining areas covered by local councils. A significant number of local councils do not subscribe with distribution companies, resulting in a fragmented system that poses challenges to efficient and equitable service provision.

¹⁵⁶ PCBS 2014

¹⁵⁷ PCBS (2014) ‘Household Energy Survey, July 2013’, available at <http://www.pcbs.gov.ps/pcbs-metadata-en-v4.2/index.php/catalog/204>.

The sale of electricity to residents is the primary source of revenue for many Palestinian local governments, in addition electricity-related financial income accounts for more than 40% of local government revenue in the West Bank.¹⁵⁸ There is a long-standing non-payment problem, however, whereby Palestinian local governments do not pay bills owed to the IEC. In exchange for maintaining supply of electricity, Israeli authorities collect on the unpaid debt by deducting from the tax revenues Israel collects on behalf of the PNA. In effect, this resulted in a substantial fiscal problem for the PNA, one which started to gather due to poor collection during the second intifada and became especially acute in the wake of a disruption in the transfer of local government dues by central government, reaching a peak of 9% of GDP in 2007. In response, the PNA instated beginning in 2008 a number of administrative measures aimed at eradicating the culture of non-payment that had become deeply entrenched and resumed the transfer of local government dues with regularity. As a result, the size of the problem diminished quite considerably as by the end of 2012, what remained of it amounted to less than 2% of the GDP, which almost completely reflected the cost of financing by the central government of electricity imports for Gaza, against the backdrop of poor collection and high cost of power generation there. Subsequently, however, there was a reversal in this favourable trend, as the transfer of local government dues stopped to be made with regularity or to any adequate extent, thereby leading to an accumulation of debt to the IEC of the order of about \$500 million.

Overall, electricity debt has contributed to an approximate NIS 7 billion (\$2 billion) in lost tax revenue for the PNA between 2002 and 2014.¹⁵⁹ To address this problem and ensure cost recovery for electricity services, a change in debt collection policy is needed. Policy reform should address the need for increased accountability, oversight, and enforcement. Based on the progress in repayment seen from 2008-2012, a full payment policy of dues to local government by the PNA is important. Additionally, to address the root problems of user inability to pay and energy reliance on Israel, greater encouragement of alternative energy deployment and creative cross-sector projects are recommended (see *Box 19: Empowering social service providers through solar PV*).

Distribution networks in both Gaza and the West Bank are severely under-maintained, leading to significant losses.¹⁶⁰ In the West Bank, for example, approximately 24% of electricity is lost between distribution and end-use.¹⁶¹ This compares to transmission loss rates of only 14% in

¹⁵⁸ Agence Française de Développement (2010) 'Local Government in Palestine', Oct. 2010, available at <http://www.afd.fr/webdav/shared/PUBLICATIONS/RECHERCHE/Scientifiques/Focales/02-VA-Focales.pdf>.

¹⁵⁹ Dr. Yousef Daoud (2014) 'A Socio-Economic Analysis of Renewable Energy Usage in Palestine', 4 Sept. 2014, available at <http://ps.boell.org/en/2014/09/04/socio-economic-analysis-renewable-energy-usage-palestine>.

¹⁶⁰ OCHA oPt (2014) 'The Humanitarian Impact of Gaza's Electricity and Fuel Crisis', Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

¹⁶¹ Palestinian Electricity Regulatory Council (2012) 'Annual Report 2012'.

Jordan and 6.5% in Israel.¹⁶² Losses can be attributed to both technical (transmission losses) as well as non-technical factors (e.g. user non-payment and grid theft). More information is needed to track losses and implement regulations to address these severe deficits, though bill collection rates are low and theft is used as a coping mechanism in some un-served areas, particularly in “Area C”. In early 2014, a national public company, the Palestinian Electricity Transmission Company Ltd (PETL), was established with the mandate to regulate the sector, facilitate the production of new supply, and reduce electricity-related national debt. The company will put a special focus on repairing existing and establishing new transmission networks.

Inadequate access to electricity severely impacts other critical public services, including health, education, and water and wastewater services. High costs burden users, with the electricity costs for most hospitals exceeding \$50,000 per month. In Gaza, shortages disrupt education services and prevent access to life-saving medical technologies. As of January 2014, 300 medical machines in Gaza were out of service because of lack of electricity.¹⁶³ Likewise, agricultural well operation, water treatment and distribution, and wastewater collection and treatment require the use of electrical pumps.

Box 15: Empowering social service providers through solar PV

Reliable availability of electricity supply is important for the provision of quality social services. Civil society plays a critical role in service provision in Palestine. The majority of specialized health, preschool and higher education, and services for the disadvantaged, elderly and children are provided for by the civil society sector. Operating expenses of these groups continue to be a core challenge to their sustainability and development. Hospitals and educational institutions, especially, are burdened with high electricity costs.

To cope with these costs, institutions often raise fees, effectively transferring the burden to a population already plagued by high rates of poverty. Student and staff strikes at Palestinian universities have been held in response to such fee hikes, further disrupting quality of service.

To address electricity insecurity faced by service providers in Palestine, partnerships with CSOs are showing great success. An example is the use of renewable energy

¹⁶² Palestine Economic Policy Research Institute (2014) ‘The Electricity Sector: Current Status and The Need for Reform’, Final Report, Round Table Discussion no. 4, 21 May 2014, available at <http://www.mas.ps/2012/sites/default/files/RT%204%20Background%20paper%20English.pdf>.

¹⁶³ OCHA oPt (2014) ‘The Humanitarian Impact of Gaza’s Electricity and Fuel Crisis’, Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

to improve energy security and reduce the financial burden on schools, freeing up valuable funds for investment in student well-being. Hebron University has a student body of over 8,500 students. Its monthly electricity bill reaches over \$12,500 and it is steadily rising with the continued growth of the university. Future for Palestine (FFP) has partnered with the university to install a 1 megawatt-capacity solar PV plant on university infrastructure. Half of the money saved by the installation (as a result of reduced electricity bills) goes towards reducing running costs, and the other half to a poor student's fund. At the Arab-American University of Jenin, FFP has implemented a similar programme, with 50% of revenues going towards poor students fund and the remainder to scientific research.

Alternative Energy: Solar Power

To improve energy availability, Palestine is moving towards greater deployment of renewable energy (RE) technologies and, especially, solar photovoltaic (solar PV).¹⁶⁴ A reliable, sustainable source of electricity is a prerequisite to building resilient communities, and, considering the country's current energy dependency, high electricity tariffs, and high number of annual sun hours, solar PV is a tool for achieving this goal. The use of solar power in general is not new to Palestinians, as more than 70% of households use rooftop solar water heaters. With improvements in the regulatory framework, solar PV could play a meaningful role in the overall energy balance in Palestine.

In its 2011-2013 national strategic plan, the PEA noted that the exploitation of RE, especially solar power, was very low.¹⁶⁵ In response, the PEA launched an RE strategy for 2012-2020 with the goal of producing 10% of its electricity from RE sources. Out of the total RE installed capacity target of 130 MW by 2020, solar PV is planned to contribute about half of this.¹⁶⁶ Wind power has thus far not been meaningfully implemented in Palestine, as Israel has banned the import of large-scale wind turbines. Al-Ahli Hospital in Hebron sought to install a 700 kW wind turbine, funded by the EU, but Israel did not allow the import of the wind turbine. Based on steps currently being taken in Israel, however, wind power may become feasible in the near future and research and development in Palestine should continue.

¹⁶⁴ Palestinian Energy & Environment Research Center (2014) available at <http://www.pec.com.ps/>.

¹⁶⁵ PEA (2011) 'Palestinian National Plan 2011-2013: Energy Sector Strategy', available at <http://www.mopad.pna.ps/secstra/Sector%20Strategy%20Summary%20-%20Energy.pdf>.

¹⁶⁶ Dr. Yousef Daoud (2014) 'A Socio-Economic Analysis of Renewable Energy Usage in Palestine', 4 Sept. 2014, available at <http://ps.boell.org/en/2014/09/04/socio-economic-analysis-renewable-energy-usage-palestine>.

Solar PV is becoming more feasible. The price of solar PV systems is falling and payback periods of less than five years are achievable. Annually, each kilowatt peak (KWp) of solar PV can produce 1,750-1,800 kWh of electricity. The combined capacity of solar PV plants across Palestine is currently estimated at 5-6 MW, with around 50 private Palestinian enterprises driving development of the sector. The largest plant in the region is a 710-kilowatt (kW) plant in Jericho, built by Future for Palestine in partnership with the Jerusalem District Electricity Company (JDECO). Other projects are underway, targeting solar deployment in municipalities (e.g. a 470 kW plant in Tubas funded by the Czech Republic, and a 350 kW plant in Jericho funded by Japan), CSOs, including hospitals and educational institutions, and marginalized communities, such as refugee camps, Palestinians living in the Old City of Jerusalem, and Bedouin communities in “Area C”. The UNDP is building a 100 kW PV plant at the St. Joseph Hospital in Jerusalem as a pilot. A lack of funding for the development of solar plants, and the absence of an adequate regulatory framework needed to encourage private sector investment in solar PV, however, have been the main inhibitors of solar PV deployment to-date.

The existing RE regulatory framework in Palestine supports only household-level solar PV implementation, while opportunities for larger-scale commercial deployment are largely underexploited. Targeted regulations and policies need to be implemented in order to improve the investment climate and open the door to large-scale electricity production by solar PV. Additionally, the feed-in-tariff system for residential connections as implemented by the Palestine Solar Initiative (the government body created to oversee solar power implementation under the 2020 RE strategy), is not sustainable due to the lack of ability of the central government to reimburse household producers. The high productivity of solar PV (i.e. high number of sun hours), combined with the high cost of traditionally produced electricity, suggest that grid parity is near and that a net metering system is feasible. Thus, a net metering scheme with no subsidy is recommended for Palestine. To support a net metering scheme, regulatory incentives are needed, for example, to allow and encourage grid connection by distribution companies. Additionally, tax incentives could be usefully considered.

Solar PV has already proven to be a driver of economic growth in Palestine. If supported by adequate technical and vocational education and training (TVET) programmes, the sector could create a significant number of jobs for both skilled and manual labourers. The private RE sector is growing, with an estimated 30 companies already in operation in the West Bank and 20 in Gaza. Moreover, the sector is particularly attractive to donor organizations, as already shown by the large-scale projects being implemented by the UAE, Japan, and others. Because aid often does not cover operating costs of beneficiaries, the funding of solar plant implementation is a feasible alternative for addressing this need: considering the relatively short payback period on PV plant capital investment (4-5 years) and the long life span of PV

plants (an average 20-30 years), donors can provide Palestinian communities with sustainable long-term benefits by supporting investment in solar power facilities.

Looking ahead, there is a great potential for solar PV to contribute to community empowerment and sustainable human development in Palestine if adequately supported.

Box 16: Energy security and community perseverance in marginalized areas

Solar PV is an invaluable tool for addressing issues of energy insecurity in Palestine, where some communities, including in Jerusalem, so-called “Area C”, and refugee camps, suffer disproportionately from isolation and a lack of public services. Local CSOs, such as Future for Palestine and COMET-ME, are filling an important gap in this respect. CSO-led installation of household solar PV systems in these areas works to empower these communities and has already resulted in significant measured results in various spheres of human development.

Many of the approximate 40,000 Palestinians that live in the Old City of Jerusalem, for example, are marginalized and suffer from higher rates of poverty. The Old City is plagued by a high incidence of poverty, and, as a consequence, the electricity distribution company (JDECO) has faced serious problems in collecting on bills there. Future for Palestine, a Palestinian non-profit development company, is addressing the lack of access to sustainable electricity with their “Endowment of the Old City of Jerusalem” programme. Under this programme, revenues generated from solar PV generation subsidize the electricity bills of 5,000 Palestinian families living the Old City, which once fully implemented will reduce bills of paying users by an average 25%. In refugee camps across Palestine, there is a critical electricity non-payment problem. A model similar to that used in the Old City Endowment project could be applied in refugee camps, where poverty rates are highest.

The Bedouin population in the West Bank can also benefit from solar PV. “Area C” is home to the Bedouin communities, some of which are denied from connection to the electricity grid by Israel. Moreover, thousands of Bedouins remain at risk of displacement due to outstanding demolition orders, especially with regard to the E1-Plan that targets the expansion of Israeli settlements between East Jerusalem and “Ma’ale Adumim”. Providing electricity and other basic needs to Bedouin communities is important in order to enhance their ability to remain on their land and persevere in the face of the adversity associated with the oppressive and capricious policies and practices of the occupying power. Other hamlets, severely impacted by the Israeli settlement enterprise in “Area C”, are also denied access

to the grid. These communities remain reliant on time-consuming dry farming and raising cattle with very low productivity.

The installation of solar PV systems for the benefit of the Bedouin communities, and others denied access to electricity can, therefore, bring about a substantial improvement in their well-being and state of empowerment, particularly amongst women, who as a result of exposure to electricity-operated equipment and media gain access *“to different information and ideas and they experience a sense of independence and a greater degree of autonomy.”* - Excerpt from *“Like water for the thirsty: Renewable Energy Systems in Palestinian Communities in the South Hebron Hills”*, a COMET-ME report.¹⁶⁷

Picture 1: FFP Jerusalem Endowment 710 kW Solar Plant in Jericho



Recommendations:

Palestine’s direct dependence on Israel as a supplier of electricity in the West Bank, combined with the fact that fuel supplies needed to run the GPP are primarily imported from Israel, means that Israel controls over 97% of the electricity supply in Palestine overall.¹⁶⁸ Reforms are

¹⁶⁷ COMET-ME (2012) ‘Renewable Energy Systems in Palestinian Communities in the South Hebron Hills’, Nov. 2012, available at http://comet-me.org/wp-content/uploads/2012/09/Cmt_ShuliReport_Eng_F_spreads.pdf.

¹⁶⁸ PEA (2011) ‘Palestinian National Plan 2011-2013: Energy Sector Strategy’, available at <http://www.mopad.pna.ps/secstra/Sector%20Strategy%20Summary%20-%20Energy.pdf>.

needed to ensure that Palestinians gain greater autonomy and decision-making authority over this resource, which is linked so closely to human development and empowerment. Increased access to reliable energy will ameliorate the effects of external shocks and price volatility. Investing in adequate, financially and environmentally sustainable power generation facilities must be a priority for the Palestinian authorities. Steps forward include implementing new and repairing existing electricity infrastructure (especially transmission networks), and addressing the national electricity debt by ensuring regular transfers of dues owed to local governments.

Considering Palestine's energy dependency and high electricity costs, solar PV can play an important role in empowering Palestinians and facilitating sustainable human development in the country. This goal can be promoted by the implementation of a net metering scheme, complemented by investment incentives and a greater promotion of creative solar PV implementation for the benefit of CSOs and marginalized populations, with a view to reducing cost and, through that, facilitating the attainment of various human development objectives.

4.1.3. | WATER AND WASTEWATER

The lack of sustainable access to energy resources, aging and leaking infrastructure, and Israeli-imposed limitations on the development of water and wastewater management infrastructure are the key causes of the major problems plaguing water and wastewater services in both the West Bank and Gaza. These include: water shortages bordering on a state of emergency and humanitarian crises in many areas, a lack of disinfection and treatment options resulting in serious risk to human and environmental health, and missed opportunities for wastewater reuse. There is significant underinvestment in the sector, with more being invested in small-scale emergency projects than in major infrastructure.¹⁶⁹ In addition, water infrastructure and water resource management institutions remain inadequate.

“The sector continues to operate in a very inefficient emergency mode, with far reaching economic, social and environmental consequences. Water-related humanitarian crises are in fact chronic in Gaza and in parts of the West Bank.”

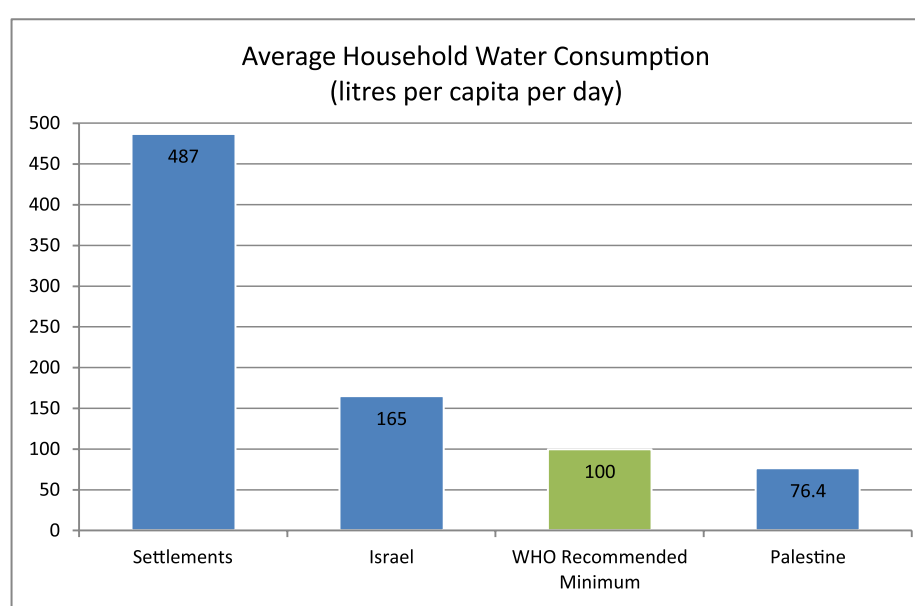
- World Bank Assessment of Restrictions on the Palestinian Water Sector Report, 2009¹⁷⁰

¹⁶⁹ World Bank (2009) 'West Bank and Gaza: Assessment of Restrictions on Palestinian Water Sector Development', Sector Note Apr. 2009, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WaterRestrictionsReport18Apr2009.pdf>.

¹⁷⁰ World Bank (2009) 'West Bank and Gaza: Assessment of Restrictions on Palestinian Water Sector Development', Sector Note Apr. 2009, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WaterRestrictionsReport18Apr2009.pdf>.

Domestic water consumption in Palestine is widely supply constrained, with per capita consumption of 76.4 litres per day (lcpd) substantially below the WHO recommended standard of 100 lcpd.^{171, 172} This is primarily due to Israeli-imposed restrictions in the water sector, which work to not only limit availability directly, but also as a consequence of missed opportunities for wastewater reuse.¹⁷³ In Bedouin communities in the West Bank, water consumption hardly reaches 20 lcpd.¹⁷⁴

Figure 34: Household water consumption in the West Bank in comparison with Israeli settlements in the West Bank, Israel, WHO recommended amount and Areas A and B



Source: UNDP, 2013

¹⁷¹ WHO recommends 20 lcpd for basic drinking and sanitation needs, and 50 lcpd as the minimum water requirement including household needs, and 100 lcpd for “optimal” supply. See WHO/UNICEF Joint Monitoring Programme (2011) ‘A Snapshot of Drinking-water and Sanitation in the Arab States – 2010 Update’, Prepared for the 2nd Arab Water Forum, 21-24 Nov. 2011, Cairo, available at http://www.wssinfo.org/fileadmin/user_upload/resources/Arab-States-Six-pager-Final.pdf.

¹⁷² PWA (2013) ‘Status Report of Water Resources in the occupied State of Palestine 2012’, Oct. 2013, available at <http://www.pwa.ps/userfiles/file/%D8%AA%D9%82%D8%A7%D8%B1%D9%8A%D8%B1/%D8%AA%D8%B5%D9%86%D9%8A%D9%81%201/WR%20STATUS%20Report-final%20draft%202014-04-01.pdf>.

¹⁷³ PWA (2013) ‘Status Report of Water Resources in the occupied State of Palestine 2012’, Oct. 2013, available at <http://www.pwa.ps/userfiles/file/%D8%AA%D9%82%D8%A7%D8%B1%D9%8A%D8%B1/%D8%AA%D8%B5%D9%86%D9%8A%D9%81%201/WR%20STATUS%20Report-final%20draft%202014-04-01.pdf>.

¹⁷⁴ UNDP (2013) ‘INFOCUS: Bedouins in the occupied Palestinian territory’, Sept. 2013, available at <http://www.undp.ps/en/newsroom/publications/pdf/other/Bedouins%20in%20the%20occupied%20Palestinian%20territory.pdf>.

A 2013 PCBS household survey found that a relatively high proportion of households is connected to a piped water network: 96.4%, compared to 88.4% in 2009.¹⁷⁵ Similar to the high rate of electricity grid connections, this masks critical issues, including high losses. Around 40% of supplied water is lost due to aging pipeline networks, unregulated water use and poorly maintained installations.¹⁷⁶ Aside from its obvious implications for the state of human well-being, this loss of water has economic consequences. The Palestinian Water Authority (PWA) has noted that a reduction of water losses (non-revenue water) from 38% to 35% alone would result in increased revenue of \$40 million over ten years.¹⁷⁷

In Gaza, water losses due to leaking infrastructure account for more than 50% of supplied water¹⁷⁸ being lost, and more than 30% of connected households have access to water only for 6-8 hours once every four days due to electricity shortages.¹⁷⁹ Those relying on wells and water pumps often don't have the fuel or electricity to collect water, further reducing access.

“Water losses totalling 77.3 MCM in 2012 are the main problem faced by the water sector and greater efforts are required from the Palestinian government to repair the leakage of water from the water network and reduce the quantity of water losses.”

- PCBS World Water Day 2014 Press Release

As with electricity, water and wastewater services in Palestine are largely controlled by Israel. Israel exerts full control over resources from the Jordan River, as well as the West Bank's main water source, the Mountain Aquifer. The most recent estimates show that total local water resources available for all purposes for Palestinians was 349 million cubic meters (MCM) in 2012: 156 MCM in the West Bank and 193 MCM in Gaza Strip.¹⁸⁰ Most of this comes from pumped groundwater reserves (253.3 MCM), followed by water purchased from the Israeli company Mekorot (56.6 MCM), and the remainder is abstracted from springs (39.3 MCM). The

¹⁷⁵ PCBS (2013) 'Household Environment Survey 2013', Press Release, 19 Nov. 2013, available at <http://www.pcbs.gov.ps/site/512/default.aspx?tabID=512&lang=en&ItemID=949&mid=3172&wvversion=Staging>.

¹⁷⁶ PCBS (2014) 'World Environment Day', Press Release, 5 June 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_WEnvDy2014E.pdf

¹⁷⁷ PWA (2014) 'Non-Revenue Water Reduction Strategy', available at <http://www.pwa.ps/userfiles/file/%D8%B3%D9%8A%D8%A7%D8%B3%D8%A7%D8%AA%20%D9%88%D8%B3%D8%AA%D8%B1%D8%A7%D8%AA%D9%8A%D8%AC%D9%8A%D8%A7%D8%AA/NON-REVENUE%20WATER%20REDUCTION%20STRATEGY.pdf>.

¹⁷⁸ PWA (2011) 'Executive Summary for the Strategic Water Sector Plan in Palestine 2011 - 2013', available at http://www.lacs.ps/documentsShow.aspx?ATT_ID=6014.

¹⁷⁹ OCHA oPt (2014) 'The Humanitarian Impact of Gaza's Electricity and Fuel Crisis', Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

¹⁸⁰ PCBS (2013) 'Selected Indicators for Water Statistics in Palestine, 2006-2012', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/water/water-E-timeseries.htm.

amount purchased from Mekorot has increased significantly since 2006 (43.9 MCM that year).

In Gaza, over-pumping of the Strip's primary water sources, the Coastal Aquifer, is highly unsustainable. In 2012, 189 MCM was extracted from the Coastal Aquifer and about 95% of this water was brackish, requiring further energy for treatment.¹⁸¹ Over-pumping increases the risk of groundwater contamination, causes irreversible damage to the aquifer and, as such, poses long-term threats to the environmental, human health, and economic services.

Wastewater service provision in Palestine is characterised by low rates of collection and treatment, resulting in widespread environmental degradation and missed opportunity for wastewater reuse. Only 55.5% of households in Palestine benefit from piped wastewater collection (a minor increase from 52.1% in 2009).¹⁸² The majority of the population relies on cesspits for wastewater storage, often emptying these into the surrounding environment.¹⁸³

In the West Bank, wastewater infrastructure is insufficient and, as a result, an estimated 25 MCM of untreated effluent is discharged annually at more than 350 locations.¹⁸⁴ This inadequate collection of wastewater has resulted in environmental degradation and pollution of water resources across the region. Of the wastewater collected, only approximately 3% is treated and there is no planned or regulated use of resulting effluent. Four wastewater treatment plants are in operation, serving the municipalities of Hebron, Ramallah, Tulkarem, and Jenin. Only one of these plants is large-scale, however, and all operate at around 10-30% efficiency.¹⁸⁵ A new large-scale plant has been constructed in Jericho by the Japan International Cooperation Agency to improve sanitary conditions and mitigate groundwater contamination. Overall, the lack of wastewater reuse results in missed opportunities, particularly in agriculture.

In Gaza, additional obstacles to adequate water and wastewater service provision exist. There are three sewage treatment plants in Gaza, serving Beit Lahiya, Gaza City, and a low-capacity primary treatment lagoon in Rafah. Although some investment has been directed towards

¹⁸¹ PWA (2013) 'Status Report of Water Resources in the occupied State of Palestine 2012', Oct. 2013, available at <http://www.pwa.ps/userfiles/file/%D8%AA%D9%82%D8%A7%D8%B1%D9%8A%D8%B1/%D8%AA%D8%B5%D9%86%D9%8A%D9%81%201/WR%20STATUS%20Report-final%20draft%202014-04-01.pdf>.

¹⁸² PCBS (2013) 'Household Environment Survey 2013', Press Release, 19 Nov. 2013, available at <http://www.pcbs.gov.ps/site/512/default.aspx?tabID=512&lang=en&ItemID=949&mid=3172&wversion=Staging>.

¹⁸³ N. Stel et al. (2012) 'Multi-Stakeholder Processes, Service Delivery and State Institutions: Service Provision and the Legitimacy of State Institutions in Situations of Conflict and Fragility: Experiences from Burundi, DR Congo, Nepal and the Palestinian Territories Synthesis Report', Peace Security and Development Network, no. 30, Feb. 2012 available at http://doc.utwente.nl/82599/1/20120216_MultiStakeholder_Service_Provision_and_State_Legitimacy_in_Situations_of_Conflict_and_Fragility.pdf.

¹⁸⁴ PCBS (2011) 'Household Environment Survey, 2011 Main Findings', Dec. 2011, available at http://www.pcbs.gov.ps/Portals/_PCBS/Downloads/book1813.pdf.

¹⁸⁵ World Bank (2009) 'West Bank and Gaza: Assessment of Restrictions on Palestinian Water Sector Development', Sector Note Apr. 2009, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WaterRestrictionsReport18Apr2009.pdf>.

upgrading the three existing wastewater treatment plants in recent years, the plants function intermittently due to the lack of energy for operating and damage caused by Israeli military action. Because of a lack of operating capacity over the past year, up to 90 million litres of partially treated sewage was each day discharged from these plants into the Mediterranean Sea.¹⁸⁶ No new plants have been constructed despite immediate need, and unconnected households (about 40%) use cesspits for wastewater disposal. In August 2014, shortly after the Israeli attack on Gaza, more than 80% of water wells were not functioning and 1.2 million people lacked access to water and sanitation services.¹⁸⁷ Wastewater plants were largely not functioning and large amounts of raw sewage were discharged into the open environment (on top of the regular partially-treated discharge), raising concerns for human and environmental health. An estimated \$20 million is needed to repair the damage done to Gaza's water and wastewater infrastructure that was sustained last summer.¹⁸⁸

A large-scale focus on wastewater reuse for irrigated agriculture is a key part of addressing problems in both the agriculture and water sectors in Palestine. The development of "new", alternative water resources through the reuse of treated wastewater is a stated priority of the PNA.¹⁸⁹ Complex barriers to implementation exist in the West Bank, however, including tight regulations requiring overly high effluent quality standards, Israeli-imposed restrictions on access to land needed for treatment plant construction, and social and cultural barriers to reusing wastewater. In Gaza, a lack of capacity (fuel, personnel) to operate existing and develop new wastewater treatment plants is the main barrier to moving ahead on meaningful wastewater reuse.

It is the terms of agreement under Annex 3, Article 40 of the Oslo II Accord, "Water and Sewage", that has been perhaps the greatest limiting force on the development of water and wastewater services in the West Bank. Subsections 4 and 5 of the Article, establish a joint Israeli-Palestinian decision-making body, the Joint Water Committee (JWC). Under the arrangement, both Israeli and Palestinian representative groups have veto power over proposed water and wastewater infrastructure projects. In its 2009 assessment of restrictions on the sector, World Bank highlighted this arrangement as a key underlying factor of

¹⁸⁶ OCHA oPt (2014) 'The Humanitarian Impact of Gaza's Electricity and Fuel Crisis', Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

¹⁸⁷ World Bank (2014) 'Gaza: Fact Sheet August 1, 2014' available at <http://www.worldbank.org/content/dam/Worldbank/gaza-fact-sheet-final140801-ECR.pdf>.

¹⁸⁸ World Bank (2014) 'Gaza: Fact Sheet August 1, 2014' available at <http://www.worldbank.org/content/dam/Worldbank/gaza-fact-sheet-final140801-ECR.pdf>.

¹⁸⁹ Improvement of wastewater services is a stated priority of the Palestinian authorities. Key policy documents guiding the wastewater sector include the National Water Policy (1995), the Palestinian National Water Plan (2000), the Water Resources Management Strategy (2008), the Water Sector Reform Programme (2011), and the PWA Strategic Water Sector Plan 2011-2013 (2011).

failure in the water sector, describing the arrangement as a “joint governance system, with asymmetries of power and capacity that does not facilitate rational planning and development of Palestinian water resources and infrastructure.”¹⁹⁰ Palestinian project proposals to the JWC face disproportionately extensive time delays and rigorous application requirements. For the reporting period 1995-2008, average wait times were 347 days for Palestinian projects versus 68.2 days for Israeli projects.¹⁹¹ Disparities in power, information, and capacity between Israeli and Palestinian committee members of the JWC and subsequent exploitation results in unjust decision-making by the committee.¹⁹²

Box 17: Addressing the water-agriculture link: Sustainable techniques and new technology

Agriculture is a key pillar of the Palestinian economy. The sector contributes approximately 4.1% of GDP and employs over 10% of labour force participants.^{193, 194} Growth is restricted, however, by a lack of available water resources. Most crops are rain-fed, and irrigation is rare: only 5.9% of agricultural crops are irrigated.¹⁹⁵

More than 80% of water resources in the West Bank are under Israeli control.¹⁹⁶ The Joint Water Committee approval process required under the Oslo Accord effectively gives Israeli authorities veto control on water and wastewater infrastructure decisions in the West Bank, including much-needed agricultural wells and treatment systems for wastewater reuse. In its 2009 comprehensive assessment of restrictions on the Palestinian water sector, the World Bank found that the cost of missed agricultural development in the West Bank as a result of a shortage of water for irrigation has

¹⁹⁰ World Bank (2009) ‘West Bank and Gaza: Assessment of Restrictions on Palestinian Water Sector Development’, Sector Note Apr. 2009, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WaterRestrictionsReport18Apr2009.pdf>.

¹⁹¹ Jan Selby (2013) ‘Cooperation, Domination and Colonisation: The Israeli-Palestinian Joint Water Committee’, *Water Alternatives* 6, no. 1, pp. 1-24.

¹⁹² N. Stel et al. (2012) ‘Multi-Stakeholder Processes, Service Delivery and State Institutions: Service Provision and the Legitimacy of State Institutions in Situations of Conflict and Fragility: Experiences from Burundi, DR Congo, Nepal and the Palestinian Territories Synthesis Report’, *Peace Security and Development Network*, no. 30, Feb. 2012 available at http://doc.utwente.nl/82599/1/20120216_MultiStakeholder_Service_Provision_and_State_Legitimacy_in_Situations_of_Conflict_and_Fragility.pdf.

¹⁹³ PCBS (2012) ‘Percentage Distribution of Employed Persons in the Palestinian Territory by Economic Activity and Sex, 1995-2011’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Employed%20Person%20by%20sector.htm.

¹⁹⁴ PCBS (2014) ‘Percentage contribution to GDP by region and economic activity for the quarters of the years 2000-2014 at constant prices: 2004 is the base year’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/GDP-Contribution2011-2014E.htm

¹⁹⁵ PCBS (2011) ‘Palestinian Central Bureau of Statistics cooperation with Ministry of Agriculture Announces the main results for the agricultural Statistics Survey, 2010/2011’, available at http://www.pcbs.gov.ps/Portals/_pcbs/PressRelease/MOA-PCBS2011Agri_E.pdf.

¹⁹⁶ PNA Ministry of Agriculture (2010) ‘Agriculture Sector Strategy “A Shared Vision” 2011-2013’, July 2010, available at http://www.lacs.ps/documentsShow.aspx?ATT_ID=3991

been estimated at 10% of GDP and 110,000 jobs.¹⁹⁷ In Gaza, agricultural production still relies on basic, inefficient water systems and a shortage of building materials for water wells prevents improvements. Moreover, unsustainable over-pumping of the Strip's primary water resource, the Coastal Aquifer, has led to a shortage of fresh, non-brackish water for crops.¹⁹⁸

Programmes and policies that address the water-agriculture link are urgently needed. Improvements in water efficiency and water reuse can be achieved through widespread implementation of sustainable techniques, including rainwater harvesting and improved technologies such as modern irrigation systems. Both small- and large-scale wastewater treatment and reuse for irrigation could create new, much-needed supplies, as called upon under the Oslo Accord on water and sewage. At present, irrigation by treated wastewater in Palestine is very limited.

CSOs have already made progress in empowering Palestinians through public education in sustainable agriculture and local implementation of improved water technologies, including the Palestinian Agricultural Relief Committee, which has worked with over 160,000 people on these issues in the West Bank and Gaza Strip.

Recommendations:

Across Palestine, targeted investments for large-scale water and wastewater infrastructure must increase and systems of governance better coordinated. Existing networks must be repaired to limit water losses. The Palestinian private sector can play a vital role in the execution of necessary infrastructure projects and, with the introduction of suitable technical training programmes, skilled labour for the water and wastewater sector can increase. With a focus on removing institutional barriers and implementing creative local solutions, water shortages can be alleviated and the agricultural sector strengthened through the collection, treatment, and reuse of wastewater.

Palestinian authorities must continue to make the implementation of adequate infrastructure (main trunk lines, new networks, reservoirs and pumping stations) a priority, in tandem with the

¹⁹⁷ World Bank (2009) 'West Bank and Gaza: Assessment of Restrictions on Palestinian Water Sector Development', Sector Note Apr. 2009, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/WaterRestrictionsReport18Apr2009.pdf>.

¹⁹⁸ ANERA (2010) 'Agriculture in the West Bank and Gaza', ANERA Reports on the ground in the Middle East Volume 1, Aug. 2010, available at <http://www.anera.org/wp-content/uploads/2013/12/AgReport.pdf>

development of additional water supplies through wastewater reuse and improved sustainable exploitation of existing resources. Improved monitoring of wastewater treatment and reuse can contribute to public confidence in the use of such additional resources.

The energy-water link can be better addressed. Energy security for the operation of wastewater treatment plants can be strengthened by using solar PV to run plants, which is an especially critical need in Gaza. Across Palestine, agricultural wells which usually rely on diesel for operation can be connected to the electricity grid – cutting operating costs by nearly 50%. These savings could be passed through to end users, and, by enhancing competitiveness, they can contribute efficiently toward improving the state of empowerment.

To facilitate improvements in water and wastewater infrastructure in the West Bank, the flawed approval process as implemented through the Oslo-created JWC must be addressed. The JWC mechanism, created by the Oslo regime, has not only failed in ensuring equitable wastewater management in the West Bank, but has in fact acted as a hindrance to achieving this stated objective of the Oslo Accord. The approval of Palestinian wastewater treatment infrastructure projects by the JWC should be prioritized and wastewater development allowed to evolve through a phase-in, transitional approach to effluent quality standards – such as that taken by Israel in its early stages of development. In the short-term, small-scale, local solutions should be considered in light of the current Oslo-imposed institutional barriers to large-scale infrastructure implementation.

4.1.4. SOLID WASTE

Improved solid waste management in Palestine has been a priority of the PNA since its creation in 1994. The current state of services shows high collection rates but poor disposal options, posing serious threat to human and environmental health. Widespread groundwater reserves (and the need to protect them) combined with the current lack of sanitary landfills and the small size of land under Palestinian administrative control, pose difficulties to sustainable, safe solid waste management.

Local authorities are primarily responsible for waste collection across Palestine, providing service in 73.4% of municipal areas, though UNRWA and CSOs also play an important role. UNRWA provides collection services in refugee camps (20 localities in the West Bank and eight in Gaza), and the private sector is playing a growing role in waste collection in the West Bank. In recent years, major achievements have been made in coverage rates for the collection of solid waste across Palestine. There is now some form of solid waste collection service offered to almost 99% of households in Palestine (with 100% coverage in Gaza), up from 82% in

2007.¹⁹⁹ About 40,000 people living in the West Bank (1.5% of its total population) are still without collection services. These are mostly rural communities, especially in “Area C”.

In a study of 132 municipalities and councils in seven West Bank districts, it was found that although municipal solid waste collection service was available for 98% of residents, no proper treatment or landfill procedure was followed for the collected waste in most of these areas.²⁰⁰ Most cities and villages were found to burn waste in open dumps or use random open dumping – both of which pose threats to human and environmental health – and only Nablus was found to dispose of solid waste according to “acceptable” standards.

Municipalities are faced with a lack of suitable disposal options. In the West Bank, Israeli-imposed land access restrictions prevent the construction of adequate sanitary landfills. In Gaza, the extreme density of population means there is a critical lack of available land for safe waste disposal. Access to land is especially important for solid waste disposal, as landfills can pose major health risks if situated too near to inhabited areas.

At present, there are three sanitary landfills in the West Bank and three in the Gaza Strip.²⁰¹ The capacity of existing landfills remains far below demand and more are urgently needed. With a lack of landfill sites, random dumping increases. Rates of random dumping also increase in times of heightened political violence or tightened Israeli-imposed restrictions on movement. During the Second Intifada, for example, the number of random dumpsites in the West Bank surged from 100 in the year 2000 to 190 by 2003.²⁰² Due to the hydro-geography of the West Bank and Gaza, unregulated dumping over groundwater reserves – the main source of domestic and industrial water – risks contamination and subsequent human health crises. Only two of the existing landfills (the new Al-Minya landfill east of Bethlehem and the Zahrat Al Finjan landfill near Jenin) are of a modern design with sufficient lining to protect groundwater from contamination.

In Gaza, major barriers to effective solid waste management include near-saturation of the existing three landfills, a high reliance on shallow groundwater reserves, limited land space, rapid population growth, dwindling ability of users to pay, and shortages in municipal finances.²⁰³

¹⁹⁹ PCBS (2010) ‘Number of Localities in the Palestinian Territory by the Doer of Solid Waste Collection and Governorate, 2010’, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/lcs_tab2E.Solid%20Waste.htm.

²⁰⁰ Issam A. Al-Khatib et al. (2007) ‘Trends and problems of solid waste management in developing countries: A case study in seven Palestinian districts’, *Waste Management* 27, no. 12, pp. 1910-1919.

²⁰¹ MoLG/PNA (2010) ‘National Strategy for Solid Waste Management in the Palestinian Territory 2010-2014’, May 2010, available at <http://www.molg.pna.ps/studies/TheSolidWasteManagementStrategy2010-2014.pdf>.

²⁰² Issam A. Al-Khatib et al. (2007) ‘Trends and problems of solid waste management in developing countries: A case study in seven Palestinian districts’, *Waste Management* 27, no. 12, pp. 1910-1919.

²⁰³ World Bank (2011) ‘Project Information Document (PID) Concept Stage’, Report no. AB6166, 9 Feb. 2011, available at <http://unispal.un.org/UNISPAL.NSF/0/C4C0F3782109A5798525783A0071FBFC>.

UNCTAD and UN-OCHA have both emphasized that access to “Area C” is essential for the expansion of public infrastructure.²⁰⁴ As the only remaining area of the West Bank where there are large areas of open land that is safely removed from more highly populated regions, “Area C” is necessary for landfill construction. Rigorous permit applications required by Israeli authorities, however, and lengthy review processes pose barriers to developing infrastructure in this area. In Ramallah, urban sprawl has resulted in a settlement neighbouring on an over-utilized local landfill, resulting in waste being dumped instead in over 30 unregulated sites. Local authorities proposed the Rammun landfill project in 2007 in response to the situation, and the PNA has listed the landfill as a national priority project, which will improve the currently deteriorated environmental situation.²⁰⁵ The project has not yet been implemented, however, due to delays in approval by the Israeli authorities.

Though barriers to the development of solid waste management infrastructure remain, Palestinian authorities have made progress in closing unsafe disposal sites. Several landfills designated as unsafe were closed in recent years. Moreover, in 2010, the Palestinian authorities adopted the 2010-2014 National Strategy for Solid Waste Management in the Palestinian Territory. The national strategy emphasizes the development of regional sanitary landfills managed by Joint Services Councils, to achieve economies of scale and cost recovery in waste management.

Box 18: Joint Services Councils for solid waste management

The Joint Services Council model shows promise for improved solid waste management in Palestine. In this model, multiple local government councils join together to form a single waste management body to achieve cost effectiveness. Joint Service Councils often partner with private companies to achieve more integrated regional waste management, and, as they are more attractive borrowers than single small local government units, are better at accessing financing.²⁰⁶

²⁰⁴ UNCTAD (2014) ‘Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the Occupied Palestinian Territory’, July 7 2014, available at http://unctad.org/meetings/en/SessionalDocuments/tdb61d3_en.pdf.

²⁰⁵ PNA Ministry of Planning and Development (2012) ‘Second Annual National Development Plan Monitoring Report 2012’, available at http://www.mopad.pna.ps/en/images/PDFs/PPNP%20Summary-English%20Translation_22082013.pdf. See more at: Ben Hattem (2014) ‘West Bank landfills acting as pits for foreign aid’, 23 July 2014, available at <http://www.middleeasteye.net/essays/landfills-become-pits-foreign-aid-west-bank-1373293510#sthash.LfqkUG9X.dpuf>.

²⁰⁶ Kahir Hafith Abdallah Mahmoud (2012) ‘Development Strategy for Joint Services Councils in North west bank’, An-Najah National University, available at <http://scholar.najah.edu/content/development-strategy-joint-services-councils-north-west-bank>

The Jenin Joint Services Council (JSC), for example, is managed by a board of 20 mayors and heads of villages in the Jenin area. The mission of the JSC is: to provide an organized and effective solid waste management service; to seek long-term sustainability of the service by building technical capacities within local authorities, and to raise public awareness and promote effective public participation. The JSC has succeeded in closing and rehabilitating 85 random dumpsites in the region, implementing a new sanitary landfill to serve northern West Bank governorates (the Zahrat Al Finjan landfill), and reducing waste burning by implementing large-scale waste recycling projects.²⁰⁷

A joint council for solid waste management has also been formed in Gaza (the Deir El-Balah Joint Services Council), and another joining the local governments in the Hebron and Bethlehem governorates. The Joint Service Council of Ramallah and Al-Bireh is leading construction of the new Rammun landfill.

Box 19: Organic waste management solutions: Composting and biogas production

Municipal solid waste in Palestine is approximately 74% organic matter.²⁰⁸ Once collected and separated, this organic “waste” can be recycled into nutrient-rich fertilizer through basic composting processes. With additional processing, biogas can be captured from this material to produce energy for direct household consumption. The benefits of these practices are exponential: diverting waste volume from dumpsites and lowering the waste management burden on local government, while protecting human and environmental health; empowering those working in the agricultural sector by increasing productivity; and improving energy security for rural and marginalized Palestinian populations.

In both the West Bank and Gaza, tight Israeli-imposed restrictions on imports limit the availability and selection of crop fertilizers. This lack of access to modern agricultural applications hinders the competitiveness of Palestinian farmers. Local governments are already generally aware of the benefits of composting to agricultural productivity (a study of 132 municipalities and councils found that 78%

²⁰⁷ Jenin JSC, (2011) ‘Joint Services Council for Solid *Waste Management* in Jenin’, Power Point, available at <http://enpi-seis.ew.eea.europa.eu/south/palestine/country-visit/presentations/solid-waste-mgmt-in-jenin-shawahneh.pdf/download>.

²⁰⁸ I. Khatib and N. Al-Khateeb (2009) ‘Solid waste treatment opportunities in the Palestinian authority areas’, *Waste Management* 29, no.5, pp. 1680-1684.

of all surveyed communities had knowledge of the values of composting),²⁰⁹ and many farmers already practice composting at a small scale.²¹⁰ Pilot community projects have been underway in both the Gaza Strip and the West Bank, and international donors are also showing interest in investing in composting projects.²¹¹ For example, composting sites in Rafah and Beit Lahiya in Gaza were implemented by UNDP.²¹² There is significant untapped potential for composting projects in Palestine, particularly in the northwest region of the West Bank. In this region, agricultural waste is commonly dried and then burned, causing water, land, and air contamination. With the implementation of accessible sites and effective public education, a win-win situation for the environment and the economy could be achieved.

Likewise, biogas production linked to organic waste management presents opportunities for more sustainable solid waste management in Palestine, especially in Gaza. Due to the high density of population and the limited available land in the Gaza Strip, the combining of solid waste management with energy production is highly desirable. Biogas pilot projects are already underway in the West Bank, and though such facilities require more substantial investment and expertise, the feasibility is high.

Recommendations:

There is a need for open waste dumping and waste burning to end, and for the implementation of sustainable solid waste management to protect human and environmental health. Key recommendations for improving solid waste management in Palestine include enhanced coordination, such as that being led by the establishment of Joint Services Councils; an increased role of the private sector and public-private partnerships, like those between Joint Services Councils and local companies; the implementation of creative solutions, including addressing the potential for sustainable organic waste management through composting combined with biogas production; and continued effort to lift Israeli-imposed barriers to sanitary landfill construction in “Area C”.

²⁰⁹ I. Khatib and N. Al-Khateeb (2009) ‘Solid waste treatment opportunities in the Palestinian authority areas’, *Waste Management* 29, no.5, pp. 1680-1684.

²¹⁰ ANERA (2010) ‘Agriculture in the West Bank and Gaza’, ANERA Reports on the ground in the Middle East Volume 1, Aug. 2010, available at <http://www.anera.org/wp-content/uploads/2013/12/AgReport.pdf>.

²¹¹ Japan International Cooperation Agency initiated the Project for Capacity Development on Solid Waste Management in Jericho and Jordan River Rift Valley in 2005 to enhance the capabilities of waste management administrators. See http://www.jica.go.jp/english/our_work/thematic_issues/management/study.html.

²¹² State of Israel Coordination of Government Activities in the Territories (2012) ‘Projects in Gaza 2010-2012’, available at http://www.cogat.idf.il/SIP_STORAGE/FILES/5/3505.pdf.

Recycling needs to be further explored across Palestine, and a continued emphasis put on ensuring monitoring and enforcement against random dumping – a practice which poses significant risks to human and environmental health. Palestinian authorities can contribute to this through public education and the initiation of a national plan mapping out and enforcing regulated solid waste disposal sites. Applications for landfill construction in “Area C” should be expedited and permits granted.

4.2. HEALTH

4.2.1. OVERVIEW

The Palestinian public health service system has taken many years to develop and, despite continued weaknesses, it is a symbol of the Palestinian people’s ability to build effective state institutions. However, with people living longer, and non-communicable diseases and chronic conditions becoming more relevant, the healthcare system must overcome its current rigidity and adapt to the needs and choices of a growing population.

In recent years, the Palestinian government has made improvements to health-related services and infrastructure. Policies designed to support a more active role by private healthcare service providers have helped achieve broader service coverage, but a highly bureaucratic system and a lack of competition between service providers pose obstacles to further achievements. There is a need for heightened transparency and accountability throughout the healthcare system. The health insurance system is inadequate. Insured care is provided at government-operated centres only, which comprise less than two-thirds of health facilities, and through a cumbersome and problematic process of referral to other facilities. A well-conceived reform effort that is anchored on the model of universal healthcare coverage should therefore be viewed as a high priority.

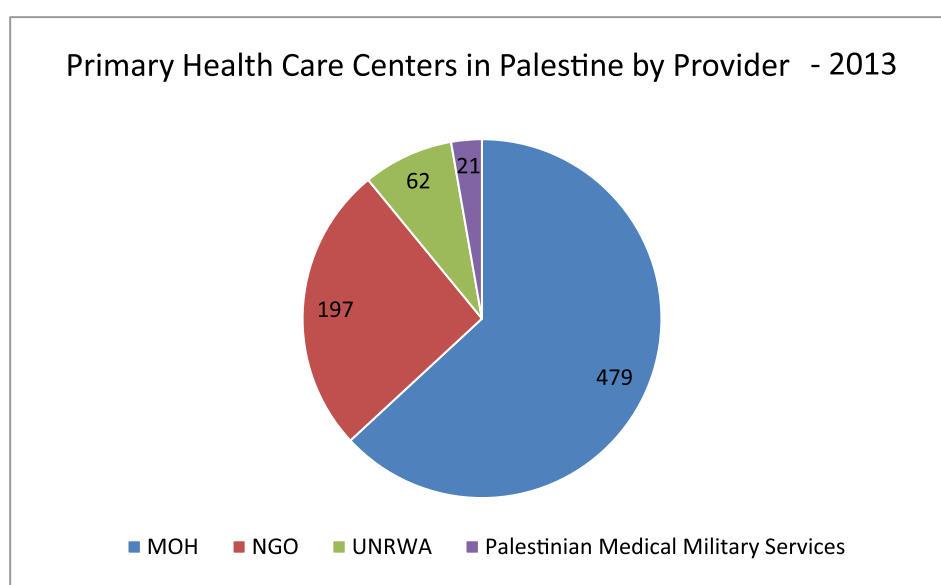
The Palestinian healthcare system is comprised of three main components: primary, secondary, and tertiary healthcare. Four main groups provide services across these components: the government (the largest provider), UNRWA, the private sector and civil society organizations.²¹³ In 2013, there were 80 hospitals in Palestine with a capacity of about 12.5 beds per 10,000 of the population.²¹⁴ The Ministry of Health (MoH) employs approximately 24,000 people and

²¹³ The Police Medical Services provides medical care to the police forces and their families in the West Bank.

²¹⁴ MoH (2014) ‘Health Annual Report: Palestine 2013’, June 2013, available at <http://www.moh.ps/attach/704.pdf>.

owns and operates 25 of the 80 hospitals in the West Bank and Gaza with just over 3,000 beds, or 55% of the hospital bed capacity in Palestine.²¹⁵ The MoH also operates about 64% of the country's primary healthcare centres and clinics (479 of a total 759). UNRWA (which caters to the refugee population), the private sector and civil society combined make up the remaining 45% of hospital bed capacity and 36% of primary healthcare centres.

Figure 35: Primary health care centers in Palestine by provider, 2013



Source: PCBS

Box 20: The role of UNRWA in healthcare service provision

In the Gaza Strip, UNRWA provides healthcare services to most of the 1.2 million-refugee population through its 22 primary health-care centres.²¹⁶ In the West Bank, UNRWA serves both the refugee population (about 475,000 in 2012) as well as some Bedouin communities in “Area C” and elsewhere in the West Bank (49 Bedouin communities served in 2012).

In response to the changing health needs of the Palestinian refugee population, UNRWA launched a reformed programme, the Family Health Team (FHT) approach,

²¹⁵ MoH (2014) 'Health Annual Report: Palestine 2013', June 2013, available at <http://www.moh.ps/attach/704.pdf>.

²¹⁶ UNRWA (2014) 'Health in the Gaza Strip', available at <http://www.unrwa.org/activity/health-gaza-strip>.

in 2011. This approach is based on WHO-indicated values of primary healthcare, and offers comprehensive primary healthcare services based on holistic care of the entire family, emphasizing long-term provider-patient relationships and ensuring person-centeredness, comprehensiveness and continuity.

The MoH is also the primary regulator of the sector, responsible for licensing and monitoring the performance of private and civil society healthcare providers. A clear shortcoming of the system is that the Ministry monitors its own services, which is obviously problematic from an accountability and best practice point of view.

Box 21: The need for enhanced health financing and rationalized expenditure

“In order to improve the accessibility of health services for the poor, unemployed, and other groups unable to afford services, the Palestinian Ministry of Health partners with related government bodies to improve the transparency and effectiveness of health financing. In this regard, MoH seeks to rationalize healthcare spending, review and assess its current health insurance system, review the pricing system, develop service purchasing mechanisms, integrate budgeting and planning systems with gender-responsive budgeting (GRB) and improve financial management considering the information availability for health financing and healthcare costing.”

- National Health Strategy 2014-2016, Palestinian Ministry of Health

Health expenditures made up 13.0% of Palestine's total GDP in 2012.²¹⁷ A total of \$1,261.9 million was spent, with the government and households as the main financiers of healthcare expenditures. The national health accounts for 2012 revealed that household health expenditures reached 39.8% of total healthcare spending, government expenditures contributed 38.7%, average expenditures by non-profit organizations totalled just under 20%, and direct aid and insurance companies contributed the remainder.

As with other providers of public services in Palestine, healthcare providers face unique and significant obstacles to quality service provision. In Gaza, for example, the Israeli blockade,

²¹⁷ PCBS (2014) 'Preliminary Results of National Health Accounts in Palestine at Current Prices for 2011-2012', Press Release, 17 Feb. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_NHA_2012E.pdf.

severe energy deficits, and Israeli military attacks have prevented access to needed medical supplies and left healthcare facilities and related equipment operating well below capacity. As of January 2014, 300 medical machines in Gaza were out of service because of a lack of electricity.²¹⁸ In 2014, the number of patients allowed to cross through Rafah into Egypt to access health services dropped by 95% compared to the year before, and 15% of patients referred to Israel or the West Bank for medical procedures were denied access by Israeli authorities.²¹⁹ A shortage of adequately trained medical staff is also a major problem, particularly in Gaza, and civil society organizations have begun identifying programmes for addressing this gap.

Box 22: The health sector crisis in the Gaza Strip

Repeated military attacks on the Gaza Strip have severe implications for the already critical health services crisis. Combined with a spike in the need for healthcare services during times of violence, border control is tightened and access to fuel and necessary medical aid supplies goes down. During the latest summer's attack on the Gaza Strip, 41 leading civil sector organizations providing health services in Gaza joined together to release a call for immediate international action.²²⁰ The organizations called on the international community to work with the government of Israel, as the primary duty bearer, to "ensure an immediate and sustained opening of the crossings so that patients can access the care they need and Gaza's hospitals can restock critically low supplies".

The World Health Organization also called for immediate donor support to address the healthcare crisis caused by Israeli military action.²²¹ WHO highlighted the very low level of response and preparedness of the Palestinian health sector overall, as the system in the West Bank also suffered from a shortage of financial resources and medical supplies and was thus unable to adequately respond to the needs of the Gaza Strip population.

The most recent attack on Gaza is expected to have a long-lasting impact on the quality of healthcare services, as infrastructure was damaged and the number of patients in need of long-term care has increased. At least 15 out of 32 hospitals

²¹⁸ OCHA oPt (2014) 'The Humanitarian Impact of Gaza's Electricity and Fuel Crisis', Mar. 2014, available at http://www.ochaopt.org/documents/ocha_opt_electricity_factsheet_march_2014_english.pdf.

²¹⁹ Medical Aid for Palestinians (2014) '41 organizations warn of Palestinian health sector crisis', available at <http://www.map-uk.org/news/archive/post/112-41-organizations-warn-of-palestinian-health-sector-crisis>

²²⁰ Medical Aid for Palestinians (2014) '41 organizations warn of Palestinian health sector crisis', available at <http://www.map-uk.org/news/archive/post/112-41-organizations-warn-of-palestinian-health-sector-crisis>

²²¹ Reuters (2014) 'Gaza healthcare services on brink of collapse - WHO', 10 July 2014, available at <http://www.reuters.com/article/2014/07/10/us-palestinians-israel-health-idUSKBN0FF2IY20140710>.

were damaged and six closed down; out of 97 primary health centres monitored for damage and closures, 45 reported damage and 17 were closed, while four were completely destroyed.²²²

“The recent conflict in Gaza severely impacted on the health and wellbeing of the entire population. Large-scale population displacement, shortages of water and electricity, environmental health hazards, loss of income and many more factors increased drastically the vulnerability of the majority of the population at a time when the siege of Gaza and the financial crisis of the government had already left the system on the brink of collapse. The chronic situation of the health sector therefore is a major underlying cause for the impact of the conflict on the health system in Gaza today and unless addressed systematically a recovery of the health sector to a stronger and more resilient health system is highly unlikely.”

- WHO Health Cluster in the occupied Palestinian territory, Gaza Strip Joint Health Sector Assessment Report, September 2014²²³

In the West Bank, Israeli-imposed restrictions on movement and access to “Area C” has resulted in limited access to healthcare for many Palestinians. Similarly, restricting the movement of both people and goods to and from Jerusalem has resulted in fragmented access to quality service: patients requiring specialized healthcare offered only in Jerusalem are often denied access, while hospitals in Jerusalem requiring staff or equipment coming from the West Bank are often prevented from receiving these critical resources. In rural areas, health facilities are especially lacking. This is due largely to the high number of small local government units, lacking in the resources to provide sufficient local healthcare services. Residents of rural areas, especially those in “Area C”, must incur additional transport-related time and cost to access healthcare services.

Across Palestine, access to specialized healthcare is hindered by the need for Israeli-issued permits, restrictions on travel, and increased cost and time associated with the separation wall and Israeli settlements in the West Bank and the siege of Gaza. A study found that 175,228 patients and their companions from both the West Bank and Gaza applied for permits to access healthcare in 2011 - of these, 19% had their permit denied or delayed, and at least six

²²² OCHA (2014) ‘Gaza Initial Rapid Assessment’, 27 Aug. 2014, available at <http://unispal.un.org/UNISPAL.NSF/0/F5F968C3F38D8D2785257D4F004A26B6#sthash.C8H2a71S.dpuf>.

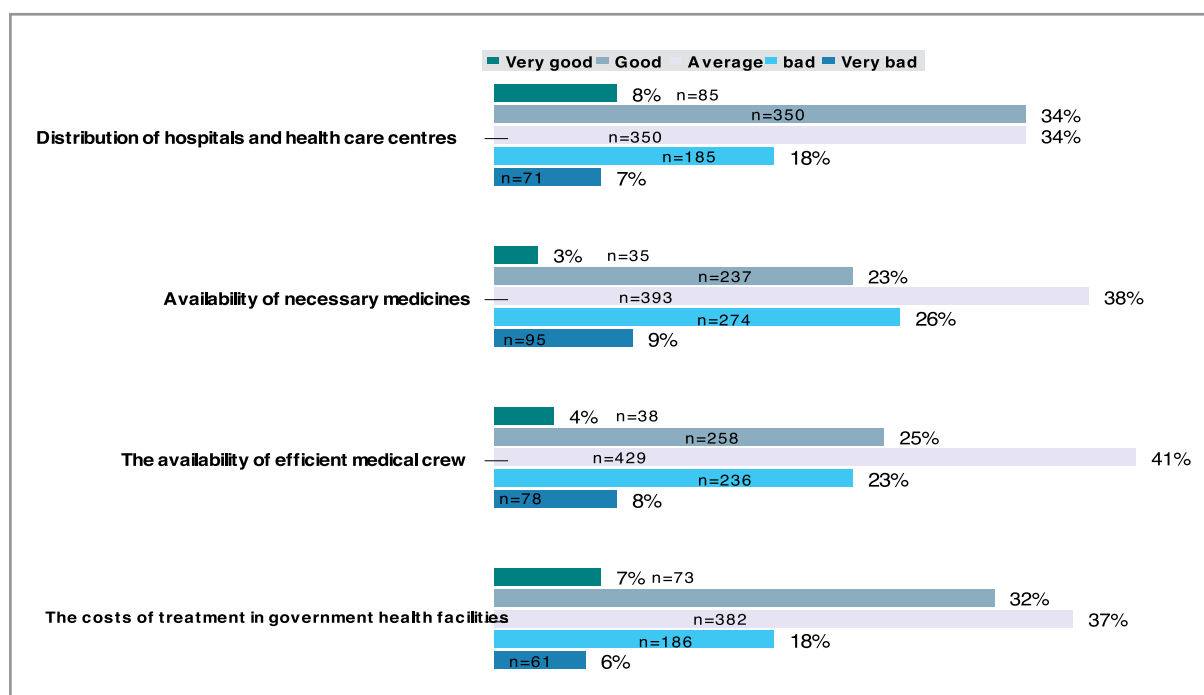
²²³ Health Cluster in the occupied Palestinian territory (2014) ‘Gaza Strip: Joint Health Sector Assessment Report’, Sept. 2014, available at http://reliefweb.int/sites/reliefweb.int/files/resources/Joint_Health_Sector_Assessment_Report_Gaza_Sept_2014.pdf

patients in Gaza died while waiting for permit approval. The most frequent reason given for permit denial was “security”. The same study found that in only 5% of cases were ambulances permitted to enter East Jerusalem.²²⁴

Box 23: Healthcare services in rural West Bank communities

A shortage of nearby healthcare services means that much of the population living in rural areas in the West Bank suffer disproportionately from a lack of quality healthcare. Israeli control over development in “Area C”, combined with the large number of small communities, makes coordinating for effective service provision difficult. The Al-Rashayde Bedouin community of Bethlehem, for example, includes about 2,000 people and has no well-equipped healthcare centre nor a physician or nurse.²²⁵ The nearest hospital is 25 km away in Bethlehem city.

Figure 36: How would you rate the government health services in the following areas?



²²⁴ Anita Vitullo et al. (2012) 'Barriers to the access to health services in the occupied Palestinian territory: a cohort study', *The Lancet* 380, Special Issue, 8 Oct. 2012, pp. 18-19.

²²⁵ UNDP (2013) 'INFOCUS: Bedouins in the occupied Palestinian territory', Sept. 2013, available at <http://www.undp.ps/en/newsroom/publications/pdf/other/Bedouins%20in%20the%20occupied%20Palestinian%20territory.pdf>.

4.2.2. PUBLIC HEALTH SECTOR ACHIEVEMENTS

Since the inception of the PNA in 1994, the number of primary healthcare centres in the West Bank and Gaza has increased by 65%. In recent years, Palestinian authorities have focused their healthcare sector strategy on the development of physical infrastructure, increasing access to quality equipment, and improving systems of care.

Interventions have been largely successful, and the public health situation has continued to show substantial improvements. The number of tertiary healthcare facilities increased by almost 20% during the 2010-2013 period, mostly through the upgrading of existing primary care centres. Additionally, the number of primary healthcare centres increased by 5%, with most new facilities implemented in rural areas, especially in “Area C”. An improved monitoring system was implemented, and many out-dated healthcare systems replaced with more modern, automated systems. The MoH also worked to improve human resource qualifications amongst its staff, and directed more resources towards primary and preventative care.

The government also made efforts towards stemming systematic corruption in the healthcare system. Between 2010-2013, the PNA renegotiated agreements with both domestic and international providers of services, and introduced tighter procurement controls over the services provided by non-governmental actors.

Key challenges to further improvements in the sector, as identified by the MoH in its latest national strategic plan, include: Israeli occupation policies and their political, economic, and social consequences; dependence on donors for operation and development of the sector; shortages in specialized workforce and a migration of qualified personnel; high rates of poverty and unemployment; weak coordination and communication among providers; and a lack of alternative plans for emergency situations including financial shortages.²²⁶

Notwithstanding the progress achieved since the early 1990s, government efforts to provide better healthcare services across Palestine are still inadequate. The public health financial burden is large and growing, and unpaid dues to hospitals and suppliers are high. Systemic problems with accountability and transparency still exist. Government interventions have largely succeeded in maximizing benefits under the current healthcare system, through physical infrastructure and system efficiency improvements, but the system itself remains fundamentally weak.

²²⁶ MoH (2014) ‘National Health Strategy 2014-2016’, available at <http://www.moh.ps/attach/617.pdf>.

4.2.3. NEEDS OF THE SECTOR

The system of public healthcare insurance in Palestine is inadequate and continues to be a priority area for reform. Although under the current system the entire Palestinian population is theoretically insured to some extent, equitable access to quality healthcare at reasonable prices for all is yet to be achieved, and the costs of the system are posing challenges for the short and longer term. In his March 2013 address at the 2013 Lancet Palestinian Health Alliance Conference, the WHO Regional Director identified health financing and “ensuring universal and equitable access to healthcare at a price the country can afford” as a key challenge, in light of a shift towards the non-communicable disease burden.²²⁷ A long-term solution needs to be found for achieving affordable universal access to healthcare.

“Even if the financial gap can be closed in the short term, there will be an on-going issue about the costs of healthcare. The key is not to lose sight of the goal of universal and equitable access to care. The research community has a role here too, examining the options for achieving this goal that will command the greatest public support.” – WHO March 2013 ²²⁸

At the policy level, the healthcare system in Palestine can be described as rigid and government-controlled, with virtually all decisions placed in a handful of bureaucrats, eschewing equitable access and rendering much of the population powerless in choices related to service provision. Due to its rigid design, the system lacks the ability to sufficiently adapt to the changing needs of the population, and opportunities for quality improvements and cost reductions are missed. A principal policy shortcoming in the public health insurance system is that it does not take advantage of, nor allow for competition between, service providers.

The issue of health insurance must be addressed. At present, most specialized care needs are outsourced, with low transparency and accountability attached to referral decisions. A new system is needed whereby insurance for each type of service is introduced, and consumers are allowed the choice of where to access required services. Under such a system, public healthcare service providers will be in a better position to compete with other providers of services, ultimately reducing cost of healthcare while improving quality.

²²⁷ Dr. Ala Alwan (2013) ‘Health Priorities in the Occupied Palestinian Territory’, Address to Lancet Palestinian Health Alliance Conference, Cairo, 18-19 Mar. 2013, available at http://applications.emro.who.int/docs/RD_Speech_Mesg_2013_EN_14851.pdf.

²²⁸ Dr. Ala Alwan (2013) ‘Health Priorities in the Occupied Palestinian Territory’, Address to Lancet Palestinian Health Alliance Conference, Cairo, 18-19 Mar. 2013, available at http://applications.emro.who.int/docs/RD_Speech_Mesg_2013_EN_14851.pdf.

Under the existing insurance system, a patient may be transferred to another facility, whether in the West Bank, Gaza, or outside Palestine, in Jordan, Egypt, or Israel. The referral is not based on any systematic, standardized decision-making process, however, and lies in the hands of state bureaucrats. As such, decisions on medical referrals lack both transparency and accountability, and patients may suffer from unequal access to quality service provision as a result. Amongst the public, there is the perception that decisions favour certain service providers over others, raising concerns of legitimacy amongst the public. This perception of favouritism and discrimination leads to discontent with the broader healthcare system.

Figure 37: Perception survey – “In your opinion, the transfers of medical procedures to hospitals outside Palestine accomplished according to?”

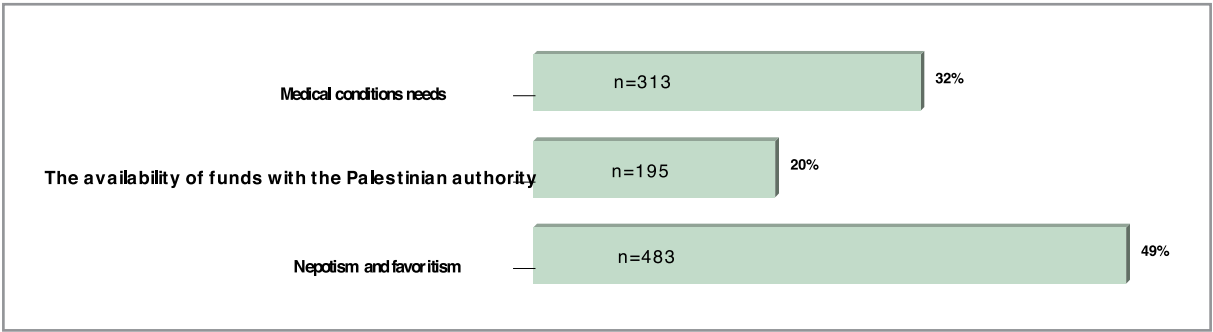
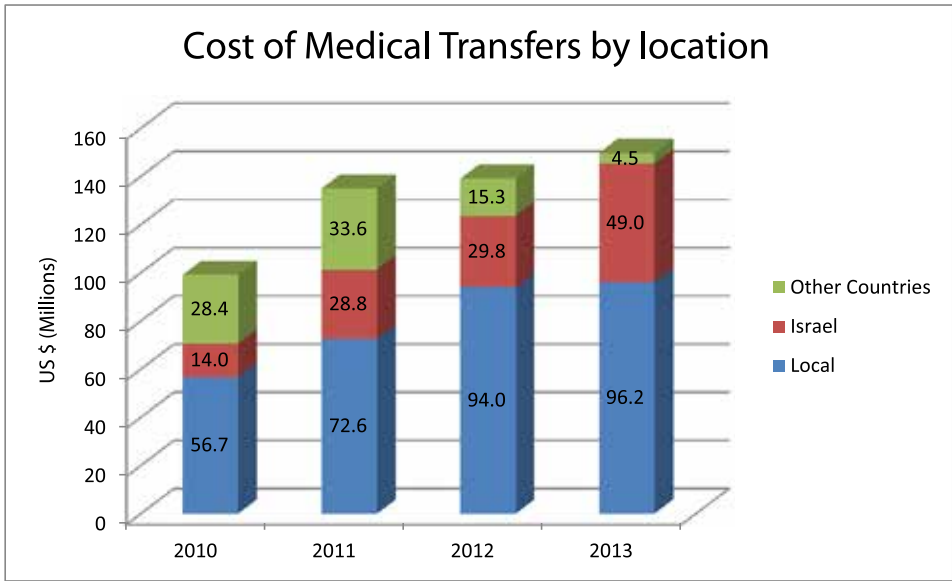


Figure 38: Cost of medical transfers



The decision-making process related to medical referrals was initially developed with the aim of controlling costs. In practice, however, it can be argued that the process actually did not work out as intended, as it allowed a wide scope for discretion, and with it impropriety, or, at least, the perception of it together with a great deal of discontent.

There is also the need to separate service provision and regulatory functions at the institutional level. At present, the MoH is both the primary service provider and sector regulator. In order to enhance accountability and ensure better quality of service, it is recommended that there be a separation of service delivery and performance monitoring functions, with the Ministry acting as a regulatory body and creating a new independent arm responsible for service provision. Under such a reformed system, the Ministry would focus on sector policy, development, and performance monitoring and enforcement.

Moreover, an independent government healthcare service body could be structured regionally, to allow for competition between different regional agencies. Under an adequate regulatory framework based on global best practices, competition could drive down costs while improving overall quality of care. A price cap tariff structure for specialized care, for example, could ensure affordability of services while still allowing consumer choice. It is especially important that adequate provisions be incorporated into system design in order to minimize redundancies and ensure coverage for currently under- or un-served communities.

4.2.4. RECOMMENDATIONS

The debilitating effects of the Israeli occupation and Israeli military action on the Palestinian healthcare sector are very much in evidence. It is critical that restrictions on health-related goods and services be lifted and service provision be uninterrupted.

Within the national context, however, it is recommended that the sector undergo further reform to more deeply empower the Palestinian population in providing and accessing quality services. Separating the regulatory, policy, and monitoring functions of the public health system from service delivery will ensure more accountability and enhanced quality of care. Implementation of an autonomous public healthcare service delivery model can set the stage for needed fundamental change. A properly structured regulatory framework that provides for regional competition with adequate oversight can improve the quality of care while reducing overall healthcare costs. Health insurance reform can also be a source of empowerment, if guided by the need to have a rules-based universal coverage with a scope for consumer choice and competition among providers.

4.3. EDUCATION

4.3.1. OVERVIEW

A quality education system that provides Palestinians with relevant, high-value skills and knowledge is an essential tool of empowerment. With over one-third of the population under the age of 15 years and over two-thirds under the age of 30 years, Palestine is a very young state.²²⁹ Estimates of demographic trends show that more children will be entering school each year until the year 2050.²³⁰ This points to the approaching “demographic window of opportunity”: as youth move through schooling, the workforce will experience an influx of labour, dependency ratios will go down, productivity will boom, and people will rise out of poverty. This process is, however, highly dependent on the services, systems and policies in place to support the education and employability of Palestinians.

Traditionally, education has been highly valued by Palestinians. Literacy rates are the highest in the Arab world (particularly amongst women) and school enrolment is also high. Palestinian families continue to prioritize saving for higher education even while suffering from poverty.²³¹ Unfortunately, the academic and vocational potential of the population is limited by the poor state of the education system. Major challenges in the education sector include insufficient and poor quality school infrastructure; a weak pre-schooling system; a lack of adequately trained teachers (and training programmes to address this need); and the prevention of access to education by Israeli-imposed restrictions on the movement of both students and teachers. For those students who are able to access formal schooling, curricula are often rigid and out-dated. There is a need to diversify curricula to include more technology and other emerging fields of study in order to develop a competitive next generation labour force. For marginalized populations living in East Jerusalem, “Area C”, and rural areas, the severity of these problems is heightened.

²²⁹ West Bank: 37.6% are aged 0-14 years, 30.1% aged 15-29 years, and 4.9% are 60 years or above; Gaza Strip: 43.2% are aged 0-14 years, 29.9% aged 15-29 years and 3.7% are 60 years or older. See PCBS (2014) ‘Population’, available at http://www.pcbs.gov.ps/site/lang__en/881/default.aspx#Population.

²³⁰ ESCWA (2013) ‘The Demographic Profile of Palestine’, available at <http://www.escwa.un.org/popin/members/palestine.pdf>.

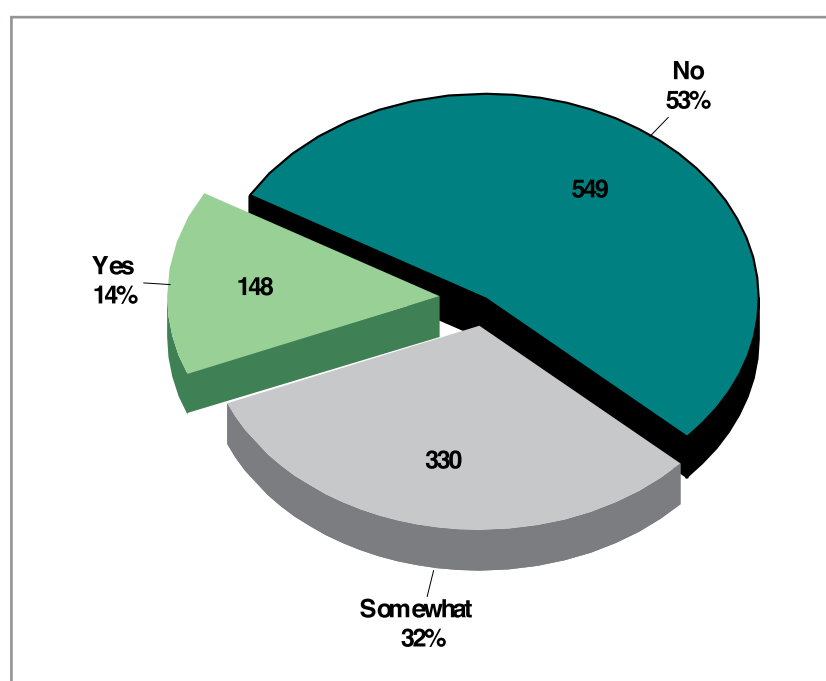
²³¹ Laura E. Mitchell (2009) ‘Making Ends Meet: Gender and Household Coping Strategies in the West Bank’, Fafo-report 2009:48, available at http://www.fafo.no/media/com_netsukii/20138.pdf

“...uncertainty has become part of everyday life for a student, teacher, and administrative staff.”

- Ministry of Education and Higher Education 2014²³²

These challenges contribute to a reduced quality of learning environment in many schools across Palestine, which in turn impacts public perception of the worthwhileness of attending school. A UNICEF study on young Palestinian school dropouts found that perceptions about learning quality and achievements were the most common reason for youth dropping out of school.²³³ More than half of those interviewed felt that “education is useless”. Without an interest in schooling, youth will forego opportunities for training and higher learning, leading to widespread impacts on social and economic development. Solutions must be found to improve the quality of academic opportunities. There is the need to implement a more nurturing, supportive learning environment conducive to success.

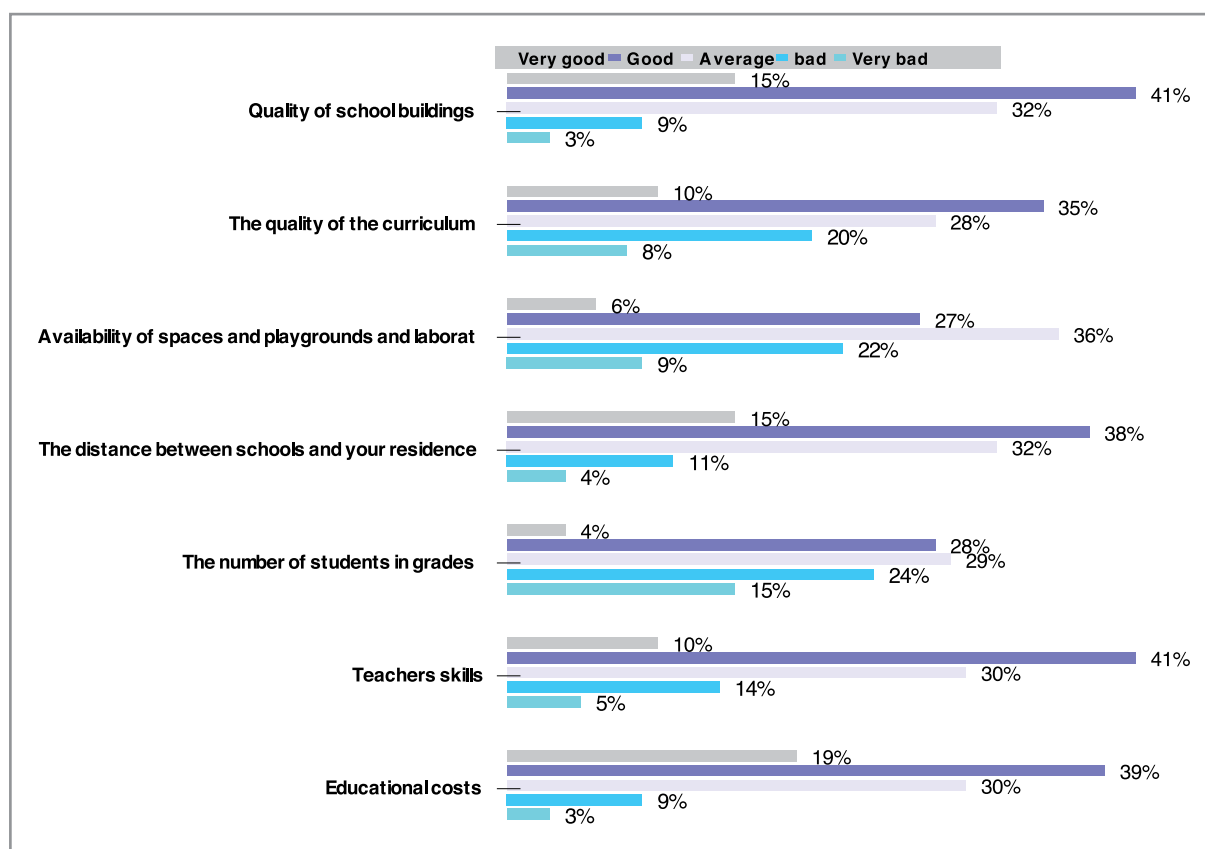
Figure 39: Public perception – “Do youth have equal opportunities in education, training and work?”



²³² MOEHE (2014) 'Palestine 2020: A Learning Nation - Education Development Strategic Plan 2014-2019', Feb. 2014, available at http://www.mohe.gov.ps/Uploads/ramamohe/Summary%20of%20Palestine%202020-A%20Learning%20Nation_Feb%2024_2014.pdf.

²³³ UNICEF (2006) 'Occupied Palestinian Territory, Reasons, Protective and Remedial Measures (Study on dropout in Palestinian schools)', East Jerusalem: United Nations Children's Fund.

Figure 40: Public perception of the quality of government educational services in their community

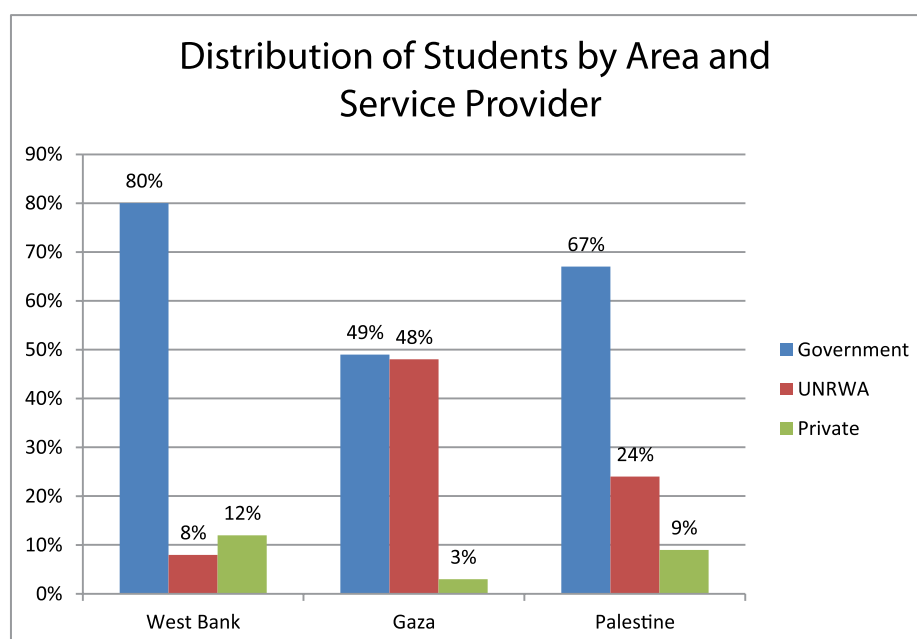


Formal education in Palestine is provided for by three main actors: government, the private/civil sector and UNRWA. Public schools fall under the responsibility of the Ministry of Education and Higher Education (MoEHE). In 2013, 67% of students in Palestine attended public schools. As Palestine's largest service provider, MoEHE has a wide range of responsibilities and is overburdened. Civil society and the private sector are increasingly relieving this burden and working in coordination with MoEHE to fill gaps. UNRWA is responsible for providing education services in refugee camps, which accounted for 24% of students overall. The remaining 9% of students attend schools managed by the private/civil sector (under the regulatory overview of MoEHE).²³⁴ The role of the private and civil society sectors in providing education services is important. At the pre-school level, for example, services are provided almost exclusively by these non-governmental actors, with the role of the private sector rapidly increasing.²³⁵

²³⁴ MOEHE (2014) 'Palestine 2020: A Learning Nation - Education Development Strategic Plan 2014-2019', Feb. 2014, available at http://www.mohe.gov.ps/Uploads/ramamohe/Summary%20of%20Palestine%202020-A%20Learning%20Nation_Feb%2024_2014.pdf.

²³⁵ MOEHE (2014) 'Palestine 2020: A Learning Nation - Education Development Strategic Plan 2014-2019', Feb. 2014, available at http://www.mohe.gov.ps/Uploads/ramamohe/Summary%20of%20Palestine%202020-A%20Learning%20Nation_Feb%2024_2014.pdf.

Figure 41: Educational service provision by provider



Source: Ministry of Education and Higher Education

Box 24: The role of UNRWA in education in Palestine

The United Nations Relief and Works Agency (UNRWA) plays an important role in education in Palestine. In Gaza, UNRWA runs 245 schools, serving over 225,000 students. In the West Bank, UNRWA operates 99 educational facilities serving 50,000 students, as well as two vocational training centres serving 1400 students.²³⁶

In 2011, UNRWA launched a four-year education reform programme to “meet the needs of the evolving demands of an education system in the twenty-first century”. The reform is focused on training teachers, providing equal access to all children, a relevant and accessible curriculum, a suitable school environment, and well-developed learning resources including the use of new technologies. The UNRWA reform programme is an example of the ways in which actors other than the Palestinian government are addressing key challenges and leading the way to improved quality of education across Palestine.

²³⁶ UNRWA (2014) ‘What We Do: Education’, available at <http://www.unrwa.org/what-we-do/education>

In East Jerusalem, the Palestinian population faces additional obstacles to quality education. Israeli-imposed restrictions on curriculum content, the construction of school infrastructure, and the movement of people are debilitating and the system has been described as “failing”.²³⁷ Formal education in East Jerusalem is provided for by the Israeli Ministry of Education, the private sector, Awqaf (under MoEHE), and UNRWA. The MoEHE can only provide limited service in this area and instead relies on CSOs, the private sector, and direct international assistance to serve this vulnerable population, reinforcing the critical role of civil society in public service provision in Palestine. Major problems in the system today include a chronic shortage of classrooms and other facilities (with over 2000 classrooms urgently needed),²³⁸ access and movement restrictions for both students and teachers, a shortage of adequately trained teachers, demolitions and closure orders, and overall poor coordination between service providers.

Discriminatory Israeli policies have resulted in a significantly lower budget allocation for Israeli Ministry of Education-operated Palestinian schools in Jerusalem when compared with other Israeli secular public schools in Jerusalem. Based on the Ministry’s annual budget for 2012, it was found that the average Palestinian high school student was allocated NIS 12,000 versus NIS 24,500 allocated to the average high school student at other secular Israeli public high schools.²³⁹ Reflecting this poor learning environment, dropout rates in Jerusalem are the highest in Palestine. Over a third (36%) of students fail to complete the full-expected twelve years of schooling.²⁴⁰

Rural communities in the West Bank also suffer disproportionately from a lack of access to education. A major contributing factor is the widely dispersed nature of communities. There are over 400 registered municipalities (including village councils) across the West Bank, and most have very small populations (approximately 60 have fewer than 1000 residents). Community budgets are often too low to develop adequate schools. Distances between villages are far and transport networks insufficient, and construction of schools in new locations of better access for multiple communities is restricted by Israeli control of “Area C” in between communities. The lack of accessible schools increases the burden on families with children that must travel to another community for schooling. The situation has created the conditions for a high drop-

²³⁷ ACRI/Ir-Amin (2013) ‘Annual Status Report: The Failing East Jerusalem Education System’, Aug. 2013, available at <http://www.acri.org.il/en/wp-content/uploads/2013/09/EJ-edu-report-2013.pdf>.

²³⁸ ACRI/Ir-Amin (2013) ‘Annual Status Report: The Failing East Jerusalem Education System’, Aug. 2013, available at <http://www.acri.org.il/en/wp-content/uploads/2013/09/EJ-edu-report-2013.pdf>.

²³⁹ Lior Dattel (2013) ‘How much money does your child receive from the Ministry of Education?’, 18 July 2013, available at <http://www.themarket.com/career/1.2075019>.

²⁴⁰ European Union Head of Missions (2014) ‘Report on Jerusalem’, 18 Mar. 2014, available at <http://www.kaapeli.fi/akys/pdf/EAST%20JERUSALEM%20REPORT%20-%20HOM%20.pdf>

out rate in rural areas, especially amongst girls. This is because as transport costs increase for accessing schooling, many families end studies for girls as a strategy to save money.²⁴¹ Girls have been shown to be disproportionately impacted by the lack of access to schooling in rural areas, hindering their development and entry into the labour force and resulting in missed opportunities to lead families out of poverty.

In schools across Palestine, there is a need for better facilities and teaching aids, including new classroom technologies. Improving school facilities is directly correlated with higher academic achievement, as shown by a 2011 MoEHE study that examined differences in the academic performance of students across schools.²⁴² The addition of educational aids was specifically recommended as a way to improve schools with low academic achievement.

The structure of formal schooling in Palestine is made up of four stages: pre-school (kindergarten), primary school (grades 1-10), secondary school (grades 11-12) and higher education. The only compulsory stage is primary.

4.3.2. K-12

In Gaza and the West Bank (excluding East Jerusalem), pre-school serves children aged 4-6 years. Pre-school services are not compulsory in Palestine. Nor are they provided by the MoEHE. Instead, CSOs (usually women-led charitable organizations) and UNRWA provide the vast majority of pre-school services. The sector is women-dominated, in both teaching and management positions. The number of pre-schools run by the local private sector is increasing rapidly.²⁴³

Box 25: The Israeli occupation of East Jerusalem and early childhood education

In East Jerusalem, there are several pre-schools run by the Israeli Ministry of Education, but CSOs and the private sector still play the main role. The Free Education Law passed by the Israeli government (in effect 2012) legislates free pre-school education for children ages 3-4 years.

²⁴¹ UNDP (2013) 'INFOCUS: Bedouins in the occupied Palestinian territory', Sept. 2013, available at <http://www.undp.ps/en/newsroom/publications/pdf/other/Bedouins%20in%20the%20occupied%20Palestinian%20territory.pdf>.

²⁴² MOEHE (2012) 'Lessons Learned from High Achieving Schools', available at [http://www.mohe.gov.ps/Uploads/ramamohe/PCU%20Study%20\(1\).pdf](http://www.mohe.gov.ps/Uploads/ramamohe/PCU%20Study%20(1).pdf).

²⁴³ MOEHE (2014) 'Palestine 2020: A Learning Nation - Education Development Strategic Plan 2014-2019', Feb. 2014, available at http://www.mohe.gov.ps/Uploads/ramamohe/Summary%20of%20Palestine%202020-A%20Learning%20Nation_Feb%2024_2014.pdf.

The Association for Civil Rights in Israel accuses the Israeli government itself to be in violation of this law based on the severe shortage of pre-school opportunities for Palestinians in East Jerusalem. Over 400 new classrooms would be needed to accommodate the Palestinian children aged 3-4 years in Jerusalem who do not currently have access to school.²⁴⁴

Pre-school education has been shown to have a significant positive impact on later childhood and even early adulthood development.²⁴⁵ Pre-school opportunities become even more important to development in communities with high rates of poverty, due to the lack of playgrounds and other social opportunities for young children.²⁴⁶ Because pre-school education is not compulsory in the West Bank and Gaza, this means there is no standardized curriculum. Guides for teachers are lacking and children are often not exposed to themes important to healthy development. A case study by UNICEF on child friendly schooling in Palestine found that there was a great need to 1) invest in the development of educational and teaching aids for pre-school educators and 2) integrate cognitive-awareness activities such as drama and role play.²⁴⁷ Psychosocial, emotional and cognitive health education in pre-schools is currently lacking.

At the primary school level, enrolment is high. The lowest rates of schooling are seen in rural areas, based largely on the lack of access to schools as discussed above. In Palestine overall, there are about equal proportions of male and female enrolment in the basic school years (grades 1-4), suggesting achievements in gender equality in early education. Classroom capacity remains a problem, however, with an average of 27.3 students in each primary school class in the West Bank, and 36.1 in the Gaza Strip.²⁴⁸ This is higher than the recommended number of students for a child-friendly schooling approach. An estimated 80% of all schools in Gaza run double shifts to accommodate students, reducing class time by almost one-third.²⁴⁹ Crowded classrooms work against the goal of a supportive and empowering environment for students.

²⁴⁴ ACRI/Ir-Amin (2013) 'Annual Status Report: The Failing East Jerusalem Education System', Aug. 2013, available at <http://www.acri.org.il/en/wp-content/uploads/2013/09/EJ-edu-report-2013.pdf>.

²⁴⁵ UNICEF (2011) 'Child Friendly Schools - Case Study: Occupied Palestinian Territory', available at http://www.unicef.org/cfs/files/CFS_case_study_-_Occupied_Palestinian_Territory.pdf

²⁴⁶ ACRI/Ir-Amin (2013) 'Annual Status Report: The Failing East Jerusalem Education System', Aug. 2013, available at <http://www.acri.org.il/en/wp-content/uploads/2013/09/EJ-edu-report-2013.pdf>.

²⁴⁷ UNICEF (2011) 'Child Friendly Schools - Case Study: Occupied Palestinian Territory', available at http://www.unicef.org/cfs/files/CFS_case_study_-_Occupied_Palestinian_Territory.pdf

²⁴⁸ MOEHE (2013) 'Statistical Yearbook 2012/2013', available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>.

²⁴⁹ UNICEF (2011) 'Child Friendly Schools - Case Study: Occupied Palestinian Territory', available at http://www.unicef.org/cfs/files/CFS_case_study_-_Occupied_Palestinian_Territory.pdf.

The current national curriculum for the primary school and secondary school (grades 1-12) was developed between 1998 and 2006. The curriculum is based largely on out-dated methodologies and its complex, overly intensive nature has been identified as one of the obstacles to achieving quality education in Palestine.²⁵⁰ There is an immediate need for a comprehensive reform of the current curriculum in order to meet the needs of the modern workforce and the values of modern Palestine.

Box 26: The Israeli occupation and school curricula in East Jerusalem

In Jerusalem there are additional challenges to implementing a resilient national curriculum. Public schools in Jerusalem, as well as private schools receiving funding from the Israeli Ministry of Education, are required to use the Israeli-edited version of the curriculum (this policy was implemented in 2011). Furthermore, as reported by the EU Head of Missions, efforts by the Israeli authorities to remove the Palestinian national curriculum completely from East Jerusalem schools intensified in 2013.²⁵¹ Three public schools in East Jerusalem have introduced the Israeli national curriculum in Arabic as an optional alternative.

“Call on Israel to assure the integrity of the Palestinian schooling system by maintaining the Palestinian curricula in East Jerusalem schools; improving significantly school infrastructure as well as addressing the shortage of classrooms and of trained teachers in such schools.”

– EU Head of Missions 2014 report recommendation

Along with an appropriate curriculum, capable teachers are essential to an effective education system. Though Palestinian public schools have not had a shortage in the number of teachers, the system has always struggled with a chronic shortage of qualified teachers.²⁵² Civil society organizations are beginning to play an important role here, in designing and implementing teacher training programmes to support educators and alleviate the burden on the MoEHE.

²⁵⁰ UNICEF (2011) ‘Child Friendly Schools - Case Study: Occupied Palestinian Territory’, available at http://www.unicef.org/cfs/files/CFS_case_study_-_Occupied_Palestinian_Territory.pdf.

²⁵¹ European Union Head of Missions (2014) ‘Report on Jerusalem’, 18 Mar. 2014, available at <http://www.kaapeli.fi/akys/pdf/EAST%20JERUSALEM%20REPORT%20-%20HOM%20.pdf>.

²⁵² UNICEF (2011) ‘Child Friendly Schools - Case Study: Occupied Palestinian Territory’, available at http://www.unicef.org/cfs/files/CFS_case_study_-_Occupied_Palestinian_Territory.pdf.

4.3.3. TVET AND HIGHER EDUCATION

After completion of compulsory education (primary school), students have the opportunity to pursue an academic or vocational stream in grade 11 and 12, followed by higher education. As secondary schooling is not compulsory, a significantly lower proportion of students continue on to this level compared to primary school. UN-Women has pointed to the lack of women enrolled in TVET programmes, including agriculture, as the reason for high unemployment rate among women with more than 13 years of schooling.²⁵³

Box 27: Higher education in Palestine

There are a total of 53 accredited post-secondary education institutions in the West Bank and Gaza Strip (34 in the West Bank, 18 in Gaza, and 1 open university). These include traditional universities (9 in the West Bank and 5 in Gaza), university colleges (12 in the West Bank and 6 in Gaza), and community colleges (20 in the West Bank and 7 in Gaza).²⁵⁴ Over 300 fields of study are offered through these institutions, and over half of enrolled students are female.

Most institutions of higher education continue to be run by civil society organizations. Of the 14 universities in the West Bank and Gaza, all but four universities are NGO-run, with one being a public university and three being owned and operated by the private sector. Operating expenses of almost all of these institutions continue to be a core challenge to their sustainability and development, and innovative partnerships such as those incorporating solar PV to subsidize electricity costs show promise (see Infrastructure and Environment – Electricity section).

A major need in the secondary and post-secondary education systems is the rejuvenation of offered programmes to include innovative fields of study geared towards the future needs of the Palestinian economy. The Palestinian economy is showing promising transition towards an economy focused on emerging technology-based markets. So far, educational programmes have not kept pace with the changing needs of the labour market, with the Palestinian private sector consistently reporting that it is unable to find workers with the needed skills. A 2012 World Bank report emphasized that in order for the Palestinian economy to integrate into the

²⁵³ UN Women/Palestinian National Authority Ministry of Women's Affairs (2011) 'Cross-Sectoral National Gender Strategy: Promoting Gender Equality and Equity 2011-2013', available at <http://www.unwomen.org/~media/headquarters/media/publications/en/unwomenoptfullpalestiniangenderstrategy2011.pdf>.

²⁵⁴ MOEHE (2013) 'Higher Education Statistical Yearbook 2012-2013', available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>

global marketplace, it is critical that its education system prepare students for the modern workplace.²⁵⁵

“Education must go beyond basic literacy and provide students with the high-level cognitive skills and behavioural skills required by competitive industries.” – World Bank

Technical and vocational education and training (TVET), for example, holds the potential to produce skilled workers who can bring the country’s economy to a new level of competitiveness. This type of schooling is important for the future knowledge economy, as it prepares workers at the basic and intermediate occupational levels, including craftsmen and technicians. Enrolment in TVET is still very low compared to academic studies, however, and the streams offered are out-dated. TVET in Palestine is provided mainly in training centres, vocational schools and community colleges. Poor coordination between different service providers has resulted in a fragmented system within which overall sectoral goals are unclear, and programme accreditation and technical qualifications are not standardized.

At present, secondary school students in the vocational stream can choose from one of only four fields: agriculture, commerce, industry and tourism. Existing streams should be reformed and new options introduced in order to reflect emerging market needs and engrain relevant specialized skills in students. These markets include the “BING” technology groups (biotechnology, information technology, nanotechnology and green technology), which have huge potential for sustainable growth in the coming years. The lack of adequately developed and equipped TVET centres must also be addressed. Modern classroom aids must be more broadly implemented.

In tandem, enrolment in fields of study relating to emerging market needs must be encouraged. Only 6.4% of the total number of secondary level students are currently enrolled in TVET programmes, with the remaining 93.6% opting for the academic stream.²⁵⁶ In higher education institutions, only 521 of the total 213,581 students (0.2%) were enrolled in a vocational programme during the 2012/2013 school year.²⁵⁷ These proportions have not changed significantly in recent years, suggesting that interest in TVET has not grown. Enrolment can

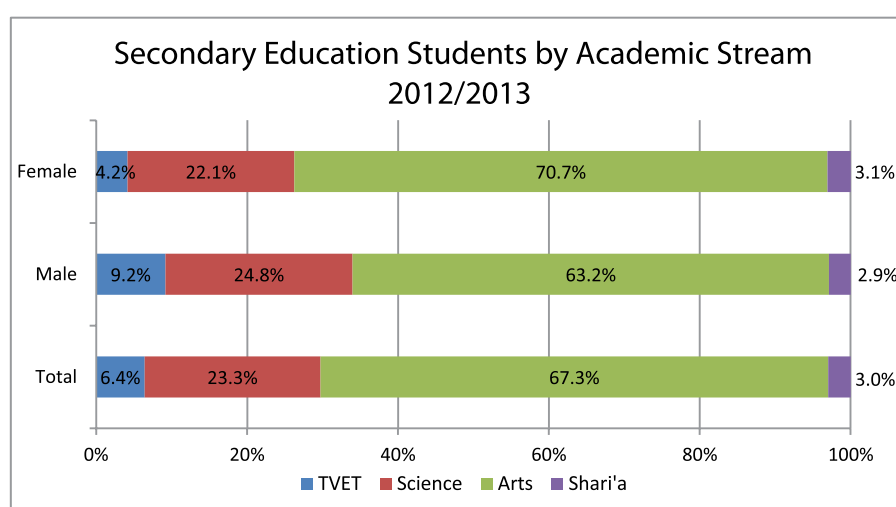
²⁵⁵ World Bank (2012) ‘Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth’, July 2012, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/GrowthStudyEng.pdf>.

²⁵⁶ MOEHE (2013) ‘Higher Education Statistical Yearbook 2012-2013’, available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>.

²⁵⁷ MOEHE (2013) ‘Higher Education Statistical Yearbook 2012-2013’, available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>.

be boosted through public awareness campaigns, curricula reform, and improved quality of learning environment. Enrolment of women in TVET, especially, must be promoted, as only 4% of women secondary school students chose the TVET stream (compared to 9% of men), with the rest choosing the academic programme.²⁵⁸ Current fields of study under TVET are especially limited for women, as they are confined to low-market value skills, such as sewing and cooking. The capability of women to be leading actors in the new economy needs to be capitalized on via the introduction of innovative, exciting fields of TVET study.

Figure 42: Distribution of Secondary Education Students by Academic Stream



Source: Ministry of Education and Higher Education

Box 28: Women in TVET: A new frontier

Women who pursue higher education have the potential to become higher income-earners, make more informed fertility choices, and contribute to positive human development.

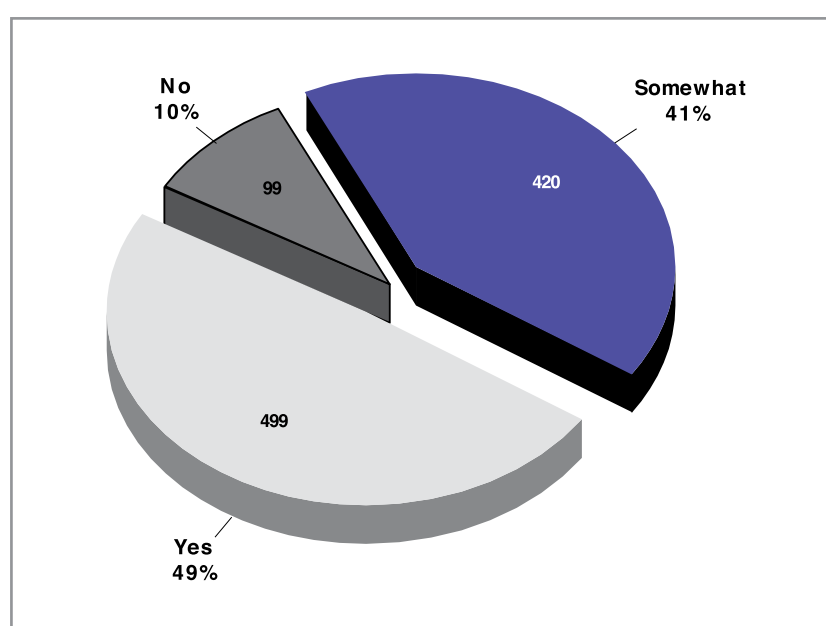
In recent years, most female students of higher education were still enrolling in traditionally female-dominated degree programmes such as education, social services and humanities. These choices of study have been reflected in the large share of women in the labour force working in education and social services. In

²⁵⁸ MOEHE (2013) 'Higher Education Statistical Yearbook 2012-2013', available at <http://www.mohe.pna.ps/List/Daleel/Daleel2012-2013.pdf>.

2013, however, business administration passed education and humanities as the most common degree for female higher education graduates.²⁵⁹ Enrolment statistics suggest that women are becoming more interested in non-traditional fields.

In order to build on this trend and support the employment of women in non-traditional jobs, female enrolment in innovative programmes under a reformed TVET and higher education system should be encouraged. Introduction of cutting-edge fields of training plus an emphasis on TVET enrolment can both fulfil future skilled labour market needs and empower women to contribute to a competitive economy.

Figure 43: Is university education in Palestine capable of producing competencies qualified for the job market?



At the level of higher education, curricula and research programmes must be adjusted to better reflect the needs of the future Palestinian economy. Current trends show a growing interest in business studies: in the 2012/2013 academic year, the majority of both female and male higher education students graduated with a degree in business administration.

²⁵⁹ PCBS (2014) 'Educational fields and labor market for individuals aged 20-29 years in 2013', Press Release, 2 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_Areas-of-study-2013e.pdf.

This trend is promising, as entrepreneurship and business development skills are important for economic empowerment.²⁶⁰ Likewise, engineering programmes (especially electrical engineering) and information and communication technology (ICT) programmes are strong, with related opportunities offered at most higher education institutions. Potential has also been realized in the field of biotechnology; with universities now offering related programmes and the Bethlehem University even hosting a UNESCO Biotechnology and Educational Research Center (see *Box 34: The BING economy and education in Palestine*). Quality programmes focused on specific emerging fields of study, however, including alternative energy and the broader BING technology group, are still lacking.

To adequately support a transition to a new economy, along with rejuvenated curricula there is a need for more research and development (R&D) efforts at the higher education level. In 2013, the total R&D expenditure in Palestine (not including private sector spending) was \$61.4 million. Institutions of higher education contributed only 23% of total investment in R&D, which was almost equal to the amount spent by the NGO sector (20.9%).²⁶¹ The governmental sector contributed 56.1% of the outlays.

Box 29: Challenges to higher education in East Jerusalem

A 2012 study revealed that Palestinian graduates living in East Jerusalem find it “extremely difficult” to gain admission to Israeli universities.²⁶² Likewise, Jerusalemites graduating from Palestinian higher learning institutions such as Al-Quds University have “great difficulty” receiving formal recognition of their degrees by institutions within Israel. Teachers are often unable to have their degrees recognized by Israel, thus exacerbating the state of public services in East Jerusalem. Only recently, in April 2014, did the Israeli court rule that medical degrees from Al Quds University must be recognized.

Restrictive Israeli-imposed policies also impact higher education students, especially through preventing Palestinian secondary school graduates from studying at post-secondary institutions in the West Bank.²⁶³ Because of its proximity

²⁶⁰ PCBS (2014) ‘Educational fields and labor market for individuals aged 20-29 years in 2013’, Press Release, 2 July 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_Areas-of-study-2013e.pdf.

²⁶¹ PCBS (2014) ‘Main Results of Research & Development Survey in Palestine, 2013’, Press Release, 1 Oct. 2014, available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_ResDevSur2013E.pdf.

²⁶² ACRI (2014) ‘East Jerusalem 2014 - By the Numbers’, 24 May 2014, available at <http://www.acri.org.il/en/2014/05/24/ej-numbers-14/#fn1>.

²⁶³ Gisha: Legal Center for Freedom of Movement (2006) ‘Limitations on Access to Higher Education For Palestinian Students’, Position Paper Submitted to the Knesset Committee for Education, Culture and Sport, Dec. 2006, available at http://www.gisha.org/UserFiles/File/publications_english/Publications_and_Reports_English/Position_Paper_Dec_06.pdf

to the separation barrier, Al-Quds University's Abu Dis campus is subject to frequent raids by and clashes with the Israeli army. In recent years these raids and attacks have become more frequent, with two incidents in the 2011-12 academic year, 26 incidents in 2012-13 academic year, and 25 from the beginning of the 2013-14 academic year.²⁶⁴

Box 30: The BING economy and education in Palestine: Biotech as an example

The "BING" technologies – biotechnology, information technology, nanotechnology, and green technology – have significant untapped potential in Palestine. These emerging fields can contribute to major achievements in human development while forming a resilient, sustainable knowledge economy.

The link between agriculture and biotechnology can be taken as an example. Agriculture is a primary sector of Palestine's economy, but is still operating well below potential. There is significant opportunity for private sector investment in biotechnology, for example, that can reap spin-off benefits for development across sectors. The high population growth rate implies rising local market demand for food products, and the Palestinian people's aspirations of national and economic independence from the Israeli occupation necessitate the reduction of Palestinian reliance on Israeli agricultural products. An educated Palestinian workforce capable of advancing agricultural productivity and the sustainability of processes is of utmost importance. Being able to implement and take advantage of available biotechnology tools is equally as important. Ultimately, Palestinian universities and technical and vocational training institutions must develop the necessary programmes to equip the current and future generations with the knowledge and skills needed in the many fields of biotechnology, especially in agriculture. Moreover, Palestine is home to a few pharmaceutical companies and other relevant manufacturers that could benefit from such programmes.

In 1995, the Biotechnology Action Council (BAC) founded the UNESCO Biotechnology Educational and Research Center (BERCEN) at Bethlehem University. The Center has since established a laboratory for the detection of bacterial and viral diseases in plant propagation material. Currently, Bethlehem

²⁶⁴ European Union Head of Missions (2014) 'Report on Jerusalem', 18 Mar. 2014, available at <http://www.kaapeli.fi/akys/pdf/EAST%20JERUSALEM%20REPORT%20-%20HOM%20.pdf>.

University and the Palestine Polytechnic University in Hebron jointly offer a Master's degree in Biotechnology with specializations in either Biomedical Sciences or Plant Technology. An-Najah National University in Nablus only offers a minor programme in biotechnology, and the Technical and Applied Research Center (TARC) at the Palestine Technical University (Khodori Institute) has a laboratory for biotechnology research. The Islamic University in Gaza offers biotechnology degree programmes at the undergraduate and graduate levels.

Despite these steps, there is a large gap at both the TVET and higher education levels for targeted programmes in BING technologies. This gap needs to be addressed in order to produce the skilled labour essential to cope with market needs and develop a competitive, sustainable economy.

4.3.4. RECOMMENDATIONS

Major obstacles to quality education exist at all levels of the Palestinian education system. Despite challenges caused by the Israeli occupation of Palestine, action can still be taken at the national level to re-design the education system to produce a more competitive, skilled workforce.

Specifically, emphasis should be placed on improving curricula – particularly at the TVET and higher education levels – to offer programmes in innovative fields of study relevant to emerging market needs. Achieving the objectives set out by the MoEHE and the Ministry of Labour in their joint 2010 TVET Strategy should continue to be a priority for the Palestinian government. These include supporting TVET reform and programme harmonization with a new governance model, and ensuring sufficient financing for the sector. Improving the quality of TVET and increasing enrolment in related programmes (by both men and women) is critical if Palestine is to succeed in creating a competitive and productive knowledge economy.

At the primary level, the development of new and renovation of existing school infrastructure is critical. The availability of effective teaching aids – including modern technologies and more relevant, accessible curricula – must be improved. Teacher training programmes are needed to develop more confident, capable teachers in light of the special challenges faced by Palestinian schools.

Across all levels of education, legal reform should be considered. This includes enactment of the proposed vocational training law to better coordinate the sector, and laws to make both

the pre-school and secondary levels of school compulsory. A “free pre-schooling” policy for children of ages 4-6 should also be considered.

To completely close the gender gap in access to education across all levels, continued emphasis should be placed on encouraging girls to continue education. Rural school facilities should be developed, and new programmes introduced for women students in TVET.

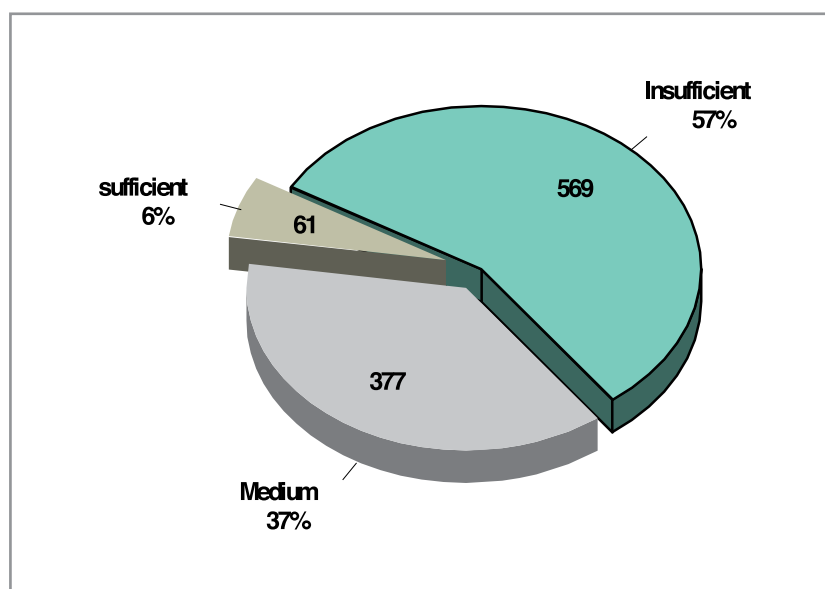
Finally, within a more coordinated framework, the Palestinian government should take advantage of expertise and capacity in the private and civil society sectors. These actors can help set relevant and standardized curricula, define training needs, and provide practical opportunities for new graduates.

4.4. SOCIAL SERVICES

4.4.1. OVERVIEW

Empowering the weakest is key to achieving social justice and equitable human development. The obligation is on the State to fulfil basic social rights of all groups without discrimination and, as such, social safety net programmes should target vulnerable and marginalized groups including women and the poor, disabled, elderly, and orphans. The State of Palestine has recognized the indispensable right of social protection for its citizens, but due to a lack of financial and operational capacity, government-provided social services have been unable to meet the needs of these groups. Civil society organizations play a critical role in social service provision in Palestine.

Figure 44: Perceptions survey – “Do you think that the services and facilities provided to the disabled and the elderly are sufficient, medium, or insufficient?”



4.4.2. SERVICE PROVIDERS AND TARGET GROUPS

In the first decade of the 2000s, important steps were taken towards improving social services, including legal reform (the Pension Law No. 7 of 2005 and the Labour Law No. 7 of 2000) and the introduction of basic social programmes targeting traditional in-need groups such as poor families, the elderly, and the disabled.

Box 31: The Palestinian government’s strategic plan for social services

In its 2014-2016 Strategic Plan, published June 10 2014, the government put forward a plan to develop a rights-based, more integrated, holistic social protection system.²⁶⁵ The reformed system is intended to bridge the development gap between different regions in the country. The government aims to improve the financial sustainability of the social services system and reduce its reliance on foreign aid. One of the policy priorities is to complete building a rights-based social protection regime that provides quality services, decent life and opportunities for all people, especially the poor, individuals with disabilities, children, youth, women and the elderly.

²⁶⁵ PNA Ministry of Planning and Development (2014) 'National Development Plan 2014-2016: State Building to Sovereignty', available at http://www.mopad.pna.ps/en/images/PDFs/Palestine%20State_final.pdf.

Despite these and other improvements, however, the public social service system has been unable to keep up with the devastating effects of repeated economic shocks. As outlined in the International Covenant on Economic, Social and Cultural Rights, States must take steps to progressively realize social rights, maximizing available resources. In the Palestinian context, large financial deficits and successful financial crises have considerably constrained the PNA's capacity to provide social services. This inadequacy is compounded by the early stage of development of government social service institutions. The inability of the system to adequately support the population during times of heightened need was seen in increased rates of poverty and food insecurity during much of the period since 2000.

To overcome shortcomings in government-provided services, Palestinian civil society organizations and international organizations including UNRWA, UNDP, UNICEF, the FAO and WFP have been critical players in the social services sphere. Funding institutions such as the EU and the World Bank play an important role in partnering with these organizations and other key providers in order to facilitate the sharing of information, the streamlining of programmes, and the coordination of assistance. Significant improvements have been made across the NGO-provided aid system: the application of more advanced targeting mechanisms, better integration and coordination of programmes, and general streamlining of aid efficiency. Difficulties still exist, however, in coordinating the multiple players involved in aid at all levels. Continued effort to reduce inefficiencies and misallocation of aid is needed.

The Ministry of Social Affairs (MoSA) focuses on social programmes for the general public, and both the MoSA and the key CSO providers listed above implement targeted programmes aimed at empowering specific vulnerable groups. These groups include the poor, elderly, disabled, and orphans, as well as special groups that face disproportionate challenges in Palestine: the Bedouin population, refugees, and people living in East Jerusalem.

Bedouins are a traditionally nomadic people, with approximately 40,000 members of various Bedouin tribes living in the West Bank, and an estimated 60% of these living in "Area C".²⁶⁶ As discussed earlier in this report, all Palestinians living in "Area C" lack conditions for sustainable human development: freedom of movement is restricted, construction of buildings, including housing infrastructure, is often not allowed and destruction of property and assets is common. Settlement expansion and related activity severely impacts daily life, and there is a general lack of law enforcement. Bedouins, in particular, are disproportionately impacted by the occupation, as restrictions on movement and land access often prevent them from leading their traditional

²⁶⁶ UNDP (2013) 'INFOCUS: Bedouins in the occupied Palestinian territory', Sept. 2013, available at <http://www.undp.ps/en/newsroom/publications/pdf/other/Bedouins%20in%20the%20occupied%20Palestinian%20territory.pdf>.

livelihood of subsistence agriculture and herding. Because Palestinian authorities have limited ability to provide social services in this area, civil society plays an especially important role in social assistance for Bedouins.

A significant proportion of the Palestinian population are registered as refugees. About 430,000 live in camps, with the remainder living in cities and towns outside of camps. Refugee camps are densely populated and unemployment is high. UNRWA provides social services for the refugee population. As of the beginning of 2013, 292,000 Palestinian refugees from over 70,000 families received assistance under UNRWA's Social Safety Net programme which includes food assistance and modest cash assistance.²⁶⁷

Palestinian residents of Jerusalem are another vulnerable segment of the population requiring special attention. Affordable housing in East Jerusalem, in particular, is an immediate basic and strategic need. A shortage of housing has caused property prices to rise in recent years, and Israeli planning regulations highly constrain the construction of new Palestinian homes. When compared to household income, affordable housing by international standards exists only in the Kafr Aqab and Anata communities (areas cut off from the rest of Jerusalem by the separation wall), where high-density construction is allowed. Higher density planning in other areas of East Jerusalem is forbidden by Israeli authorities, preventing economy of scale and leaving many Jerusalemites without sustainable housing options. As a result, room densities in East Jerusalem are high: there is an average 1.9 persons per room, and over 13% of households have room densities of 3 persons per room or more, indicating "slum housing" conditions under UN-Habitat standards.²⁶⁸

"In East Jerusalem I witnessed the inadequate housing conditions and deficiencies in basic infrastructure faced by Palestinian neighbourhoods and villages. The policies adopted by Israeli authorities severely restrict Palestinians from building legally through various means. ...Israel is obligated under international law to find an appropriate housing solution for the protected persons, the Palestinian residents, living under its occupation"

- Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context, Ms. Raquel Rolnik. February 2012.²⁶⁹

²⁶⁷ UNRWA (2014) 'What We Do: Relief & Social Services', available at <http://www.unrwa.org/what-we-do/relief-social-services>.

²⁶⁸ International Peace and Cooperation Center (2013) 'East Jerusalem Housing Review 2013', available at <http://www.fespal.org/wp-content/uploads/2013/10/East-Jerusalem-Housing-Review.pdf>.

²⁶⁹ Raquel Rolnik (2012) 'Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context', Preliminary remarks on the mission to Israel and the Occupied Palestinian Territory, 30 Jan. - 12 Feb. 2012, available at <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=11815#sthash.klsBHcmz.dpuf>.

Box 32: Affordable housing in Jerusalem – A basic and strategic need

The lack of affordable housing for Palestinians living in East Jerusalem has far-reaching consequences. Aside from acting as fundamental barrier to sustainable human development, the lack of housing options forces many Palestinians to relocate away from Jerusalem to other more affordable areas of the West Bank. In Ramallah, for example, housing is more affordable and closer to amenities and services, and housing loans are more accessible. Jerusalemites who leave Jerusalem risk losing their residency rights, which undermines Palestinian national rights and interest in the city.

Picture 2: A home demolition in East Jerusalem (Source: UN-OCHA)



Other vulnerable groups in Palestine, including people with disabilities, the elderly, and orphans, are served both by the MoSA and by civil society organizations. Charitable organizations run most homes for the elderly and orphans. The MoSA provides social services to citizens through programmes to combat poverty, empower people economically, rehabilitate people with disabilities, provide social care and advocacy, provide family and childcare and protection, and enhance partnerships with charitable organizations.

4.4.3. FORMS OF ASSISTANCE AND NEEDS

Since the early 2000s, much of the social assistance available to Palestinians has evolved from emergency, relief-based aid to more targeted, strategic aid programmes with a focus on empowerment. UNRWA launched its emergency food assistance programme in late 2000, for example, in response to the drastically diminished socioeconomic conditions resulting from the onset of the Second Intifada, but has since moved towards income-based and poverty-based mechanisms for aid allocation, instead. UNRWA has taken steps to reform eligibility criteria for its social safety net programmes, including the introduction of a family- and field-specific method of poverty-level determination that better targets those most in need.

Similarly, with a strong and effective leadership by MoSA, two major direct assistance programmes – the World Bank-funded “Social Safety Net Reform Project” and the EU-funded “Special Hardship Case” programme – were merged in 2010. Under the reform, multiple existing cash transfer systems were integrated and mechanisms for data sharing between providers improved. The sector in general is becoming better-coordinated and social assistance more efficiently allocated, with overlap reduced and more effective targeting mechanisms applied. Donor-led programmes have also worked to build capacity in MoSA institutions, with the goal of improving the Palestinian government’s ability to address high levels of poverty, malnutrition, and unemployment for the short- and long-terms.

Cash transfer – or cash assistance – has been an indispensable tool for combatting poverty in Palestine in the short-term. Often unpredictable economic shocks and outbreaks of violence have rendered the population especially vulnerable at times over the past fifteen years. The economic and social systems have been unable to absorb these shocks, and the transfer of cash directly to families from both the MoSA and aid organizations has been an effective way to boost resilience immediately. The current PNA-administered cash transfer programme has been hailed as one of the more advanced cash assistance programmes in the MENA region

and, from its launch in 2010, the number of beneficiary households has increased by more than 60%.²⁷⁰

“Building a social protection strategy with four measures; promotion, protection, prevention and empowerment is a long-term objective, it will take several years before development into a more comprehensive strategy that shall more appropriately address poverty through the management of risk prevention, risk mitigation, and ex-post risk coping. Yet the currently escalating poverty rate and the increase in vulnerability entail an urgent need to develop a strategy aimed at reducing poverty in the short-term so as to help poor and vulnerable families to build sustainable adaptation strategies without having to wait for many years until a national social protection policy has been developed. And for that purpose, [cash transfers] have proven successful to address poverty alleviation and reduction in the short run.”

– MoSA 2010 report

Likewise, food assistance plays an important role in meeting both the immediate and longer-term food needs of many Palestinians. Due mainly to poverty resulting from the effects of the Israeli capricious control regime in the West Bank and the blockade on Gaza, sufficient nutritious food, despite its availability, is difficult to access for many, and the WFP reports that about one third of all Palestinian households – 1.6 million people – are unable to meet their basic food expenses.²⁷¹ The WFP and FAO co-partner with the Palestinian government to guide the food security sector in Palestine, with UNRWA playing an important implementation role. Emergency food relief is provided under these programmes, as well as early disaster recovery, school food programmes, and programmes to strengthen the capacity of the MoSA to improve long-term food security.

Affordable housing is another especially critical social service in Palestine. Due to Israeli-imposed building restrictions as discussed above, Palestinian residents of Jerusalem are especially in need of housing subsidy programmes. In “Area C”, shelter relief is commonly needed for those who have had their dwellings demolished by Israeli authorities. In Gaza, repeated military attacks have exacerbated an already severe shortage of adequate, safe housing. In the latest attack on Gaza, an approximate 18,000 housing units were damaged (including over 2,000 completely destroyed) and 108,000 Palestinians were left homeless and

²⁷⁰ Samira Hillis et al. (2013) 'Designing an Advanced Cash Transfer Programme in the Palestinian Territories', World Bank MENA Knowledge and Learning, May 2013, available at <https://openknowledge.worldbank.org/handle/10986/16119>

²⁷¹ <http://documents.wfp.org/stellent/groups/internal/documents/projects/wfp267422.pdf>

in need of long-term housing solutions.²⁷² Housing in Gaza is often very high density, posing risks to human health and well being, and even before the latest military attacks, there was a deficit of 71,000 housing units.²⁷³ UNRWA and the Red Cross are examples of international organizations that provide high-capacity emergency shelter services. The Palestinian Ministry of Public Works and Housing provides a small number of units for specific groups but, for all practical purposes, government policy on affordable housing is severely lacking. More programmes focused on strategic planning for affordable housing for the long-term are needed. Possible interventions include plans for cooperative housing projects and economic incentives to encourage home ownership (e.g. subsidies, tax breaks, lowered interest rates on borrowing for home ownership).

Microfinance – or “micro-lending” – is another form of social assistance, and one that is growing in importance in Palestine. Microloans are small, direct loans that provide the poor (households and small businesses) with access to financing.

UNRWA is the largest provider of microloans in Palestine. The organization has branch offices in the West Bank and Gaza. Since the micro-lending programme was initiated in 1994, recipients in Gaza have received a total of 101,965 loans worth \$115.8 million and in the West Bank, 80,997 loans worth a total of \$115.64 million.²⁷⁴ Most loans are given to Palestinians identified as “low-income” – earning no more than double the poverty line. UNRWA loans given to women in the West Bank more than doubled in value from 2010 to 2012, and women now constitute 35% of UNRWA’s total microloan clients in the West Bank and 38% in Gaza – showing progress in women’s empowerment through this form of assistance. Another key target group is refugee youth between the ages of 18 and 30 years (23% of clients in Gaza). The success of UNRWA in providing social assistance through micro lending highlights the important role of donors and the need to find creative, accountable solutions to social needs.

Microloans are instruments of empowerment. This form of assistance can provide recipients with a “hand up” rather than simply a hand-out. Unlike one-time cash transfers or food hand-outs, microloans can reap dividends and in this way are more sustainable interventions. Microloans can increase the resiliency of both Palestinian households and small businesses, and empower them to survive the periodic shocks characteristic of the country’s economy. These vehicles are especially useful in the Palestinian context because micro-lending institutions are often more resilient than banks or government institutions in the face of volatile economic

²⁷² WFP (2014) ‘Protracted Relief and Recovery Operations: State of Palestine’, Executive Board Second Regular Session, Rome, 10-13 Nov. 2014, available at <http://documents.wfp.org/stellent/groups/internal/documents/projects/wfp267422.pdf>

²⁷³ OCHA oPt (2014) ‘Gaza Crisis’, 15 Oct. 2014, available at <http://www.ochaopt.org/content.aspx?id=1010361>.

²⁷⁴ UNRWA (2014) ‘What We Do: Microfinance’, available at <http://www.unrwa.org/what-we-do/microfinance>

conditions.²⁷⁵ Microloans can also spur economic development by covering capital investment costs of small enterprises in the absence of adequate government lending programmes, and acting as cushions for operating costs during acute economic downturns. As compared to direct relief aid, recipient accountability and financial planning is a prerequisite to obtaining social assistance through a microloan programme.

The microfinance market in the greater MENA region is relatively young in comparison with that of other regions, and it is estimated that the demand for microfinance services of some five million households is not met.²⁷⁶ Likewise, large untapped potential remains in Palestine: between 2007 and 2011, the number of active microloans in the West Bank and Gaza Strip rose from 20,000 to more than 43,000, and is predicted to continue to rise to at least 77,000 by 2015.²⁷⁷

The regulatory framework governing microfinance in Palestine was recently strengthened by requiring standard monitoring of the microfinance sector by the Palestine Monetary Authority. Early progress has been seen in addressing the on-going problem of a lack of uniform governance framework leading to poor monitoring, enforcement, and accountability of microfinance service providers.

Major issues which need to be addressed in the microfinance sector include a lack of diversity in the financing vehicles offered, and the high servicing costs associated with these loans. Recipients can be subject to interest rates upwards of 10% in order to cover servicing costs of the lending organization. Government policy should reflect the need to improve access and affordability of microloans for the poor, including the introduction of tax breaks and targeted subsidy programmes.

Box 33: Empowering women through microfinance

Microloans can have a particularly important role in empowering women. Asala, the Palestinian Businesswomen's Association, is a Palestinian NGO addressing this gap. Asala provides opportunities to empower women to get out of the traditional stay-at-home roles they are often assigned to, and is currently providing about

²⁷⁵ World Bank (2008) 'West Bank and Gaza Financial Sector Review', Dec. 2008, available at <http://unispa.un.org/pdfs/WBGFSSRreportDec08.pdf>.

²⁷⁶ GIZ (2012) 'About the Programme (Promotion of the Microfinance Sector in the MENA Region)', available at http://microfinance-mena.org/?page=about_me.

²⁷⁷ Palestinian Network for Small and Microfinance (Sharakeh) (2012) 'Microfinance in Palestine', available at http://www.lacs.ps/documentsShow.aspx?ATT_ID=4914.

4,000 loans to Palestinian women across the country. As is typical of the Palestinian microfinance sector, however, servicing costs associated with lending are high.

A snapshot of Asala's work: In 2013, Asala provided 53 training courses in project management, benefitting 641 women in the West Bank and Gaza. These courses covered areas of business management, marketing, and finance. The largest portion of loans in 2013 went to the agricultural sector (39 % of the total amount of loans of \$4,835,960). The number of loans that were granted to this sector was 1,423 with the total amount of \$1,813,930, followed by the trade sector at 31%, including 1,331 loans totalling \$1,451,280; then the production sector at 12% including 573 loans of \$559,200; then the services sector at 12%, including 489 loans of \$561,100 loans, and finally the consumption sector at 6% including 113 loans of \$291,350.²⁷⁸

4.4.4. RECOMMENDATIONS

Significant improvements have been made in social services in Palestine in recent years, driven by the civil society sector. As a result, social assistance is better coordinated and more effectively targeted than it was in the earlier years of the 2000s. Government institutions have been strengthened, and programmes directed towards a focus on engraining long-term resilience into the population rather than emergency relief alone.

Civil society organizations have proven effective in providing quality social services. These groups are leading implementation of cutting edge mechanisms and processes to streamline the sector and reduce redundancies. Government policy and regulatory framework should reflect and enable the role of CSOs, particularly considering their important role in the course of a further strengthening of state institutions. Innovative government-CSO partnerships can yield mutual benefits. In the case of renewable energy, NGOs can provide solar power, for example, that offsets the operating expenses of hospitals and educational institutions. Similarly, government interventions, such as subsidies and tax incentives, can help CSOs access the equipment and physical infrastructure they need to provide better-quality services.

Looking ahead, government institutions should address the financial sustainability of the public social service system. The introduction of a reformed pension system and a national health

²⁷⁸ Asala (2014) 'Annual Report 2013', available at <http://www.asala-pal.com/files/English%20Part%20%284%29.pdf>

insurance plan with consumer choice could yield valuable returns for reinvestment back into social services. The application of pension schemes has so far been limited to the public sector, leaving private sector employers and workers reliant on alternative coping mechanisms for social security. Compared to a well-designed pension system, these non-governmental mechanisms make little contribution to capital accumulation for investment and economic growth.²⁷⁹ Furthermore, all three existing public pension schemes under the PNA are defined-benefit, unfunded or partially funded schemes, which do not allow for capital accumulation or enable investments in the local economy.

Box 34: Palestine's new non-state social security scheme

In early 2014, a reformed social security act drafted by the National Social Security Committee was approved. Under the new programme, pensions, maternity, and employment injury benefits will be financed for private sector workers. Workers and employers will contribute 7.7% and 10.4% of earnings respectively; the total number of contributors to the scheme is projected to increase gradually from 82,646 in 2015 to 336,440 in 2025.²⁸⁰ This new scheme, designed on the basis of international good practice and with ILO assistance, will establish a more sustainable social safety net for the benefit of a very large segment of the Palestinian population. Unlike the current government-run Social Security System, the Non-state Pension is an individual system where entitlements and benefits are set by the contracting parties (employees and employers) and should result in a more robust, financially sustainable system. The system will be run by a public joint stock company under the supervision of the Palestine Capital Market Authority.

"Social security is a strategic priority for the International Labor Organization in the occupied Palestinian territory. The proposed scheme aims to extend coverage for all workers in the formal economy and their family members, as a means for providing income security, combating poverty, and social exclusion." - ILO Senior Social Security Specialist for the Arab States, Ursula Kulke

²⁷⁹ The Organization for Economic Cooperation and Development/The Portland Trust (2007) 'Developing a Private Sector Pension System in the West Bank and Gaza Strip', Aug. 2007, available at <http://www.oecd.org/countries/palestinianadministeredareas/49333349.pdf>.

²⁸⁰ ILO (2013) 'Palestinian Authority to adopt private sector social security scheme by 2015', 2 Dec. 2013, available at http://www.ilo.org/beirut/media-centre/news/WCMS_231142/lang--en/index.htm.

Microfinance can play a greater role as a form of social assistance, if a more coordinated, government-led micro-lending framework is introduced. The PNA took steps in this direction with a 2012 presidential decree setting the foundation for standardized monitoring of the microfinance sector under the Palestine Monetary Authority. National priority areas and sectors should be identified and targeted under microloan programmes – for example, encouraging the creation and development of small businesses that provide goods or services related to the technology sector or green growth, such as the BING technologies. Women should be targeted as micro-borrowers, based on their integral role in poverty alleviation.

Strengthened affordable housing services are needed, particularly for Palestinian residents of East Jerusalem. Community planning and collective development such as group land purchase should be encouraged, with public support and information for better housing services. Palestinian authorities could also usefully consider promoting the creation of social investment funds for housing development, and broadening and deepening the financial markets to widen the scope for mortgage financing.

4.5. THE IMPACT OF ACCESS AND MOVEMENT RESTRICTIONS

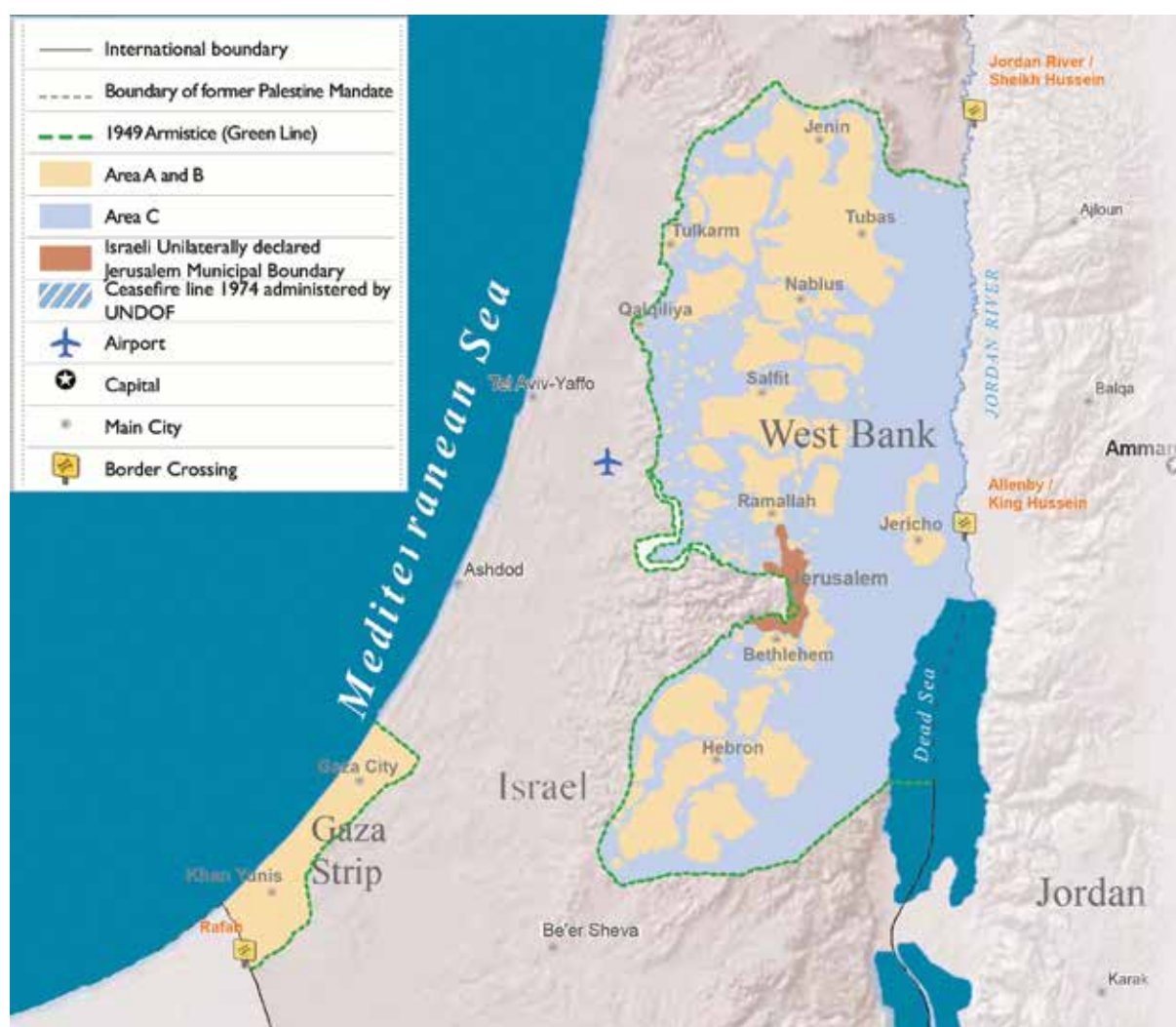
4.5.1. OVERVIEW

The availability and quality of public services in Palestine is heavily impacted by Israeli control over access and movement of people, goods, services, and investment both internally, within Palestinian territory, and externally, between Palestine and neighbouring states, with the Israeli imposed restrictions often impinging directly upon the fundamental right of freedom of movement as outlined in Article 13 of the Universal Declaration of Human Rights. The Palestinian population living in the Gaza Strip, and also in “Area C”, is most adversely impacted.

Universal Declaration of Human Rights. Article 13.

- *(1) Everyone has the right to freedom of movement and residence within the borders of each state.*
- *(2) Everyone has the right to leave any country, including his own, and to return to his country.*

Map 2: Division of the West Bank



Source: UN-OCHA, 2011

Restrictions stifle the Palestinian economy and limits access to public services by creating both physical barriers that serve to banning or highly limiting access and movement, as well as functional barriers that come in the form of highly restrictive, and often capricious, permit requirements. Therefore, the removal of these barriers represents an important first step in improving the Palestinian economy and in enabling and empowering the Palestinian people to provide, and have access to, adequate public services.

Box 35: Impact of the separation wall on access to health services

Access to adequate health services is a basic human right. Israeli roadblocks and checkpoints impede access to healthcare for the Palestinian population. This includes Israeli control over movement cross the separation wall bordering the West Bank, a barrier more than 710 km long – or more than twice the length of the armistice line of 1949 (the Green Line). Not only does the wall act as a physical and administrative barrier for the transport of patients needing assistance, healthcare workers, critical medicines, and health-related equipment, but it also effectively isolates a significant proportion of the population.

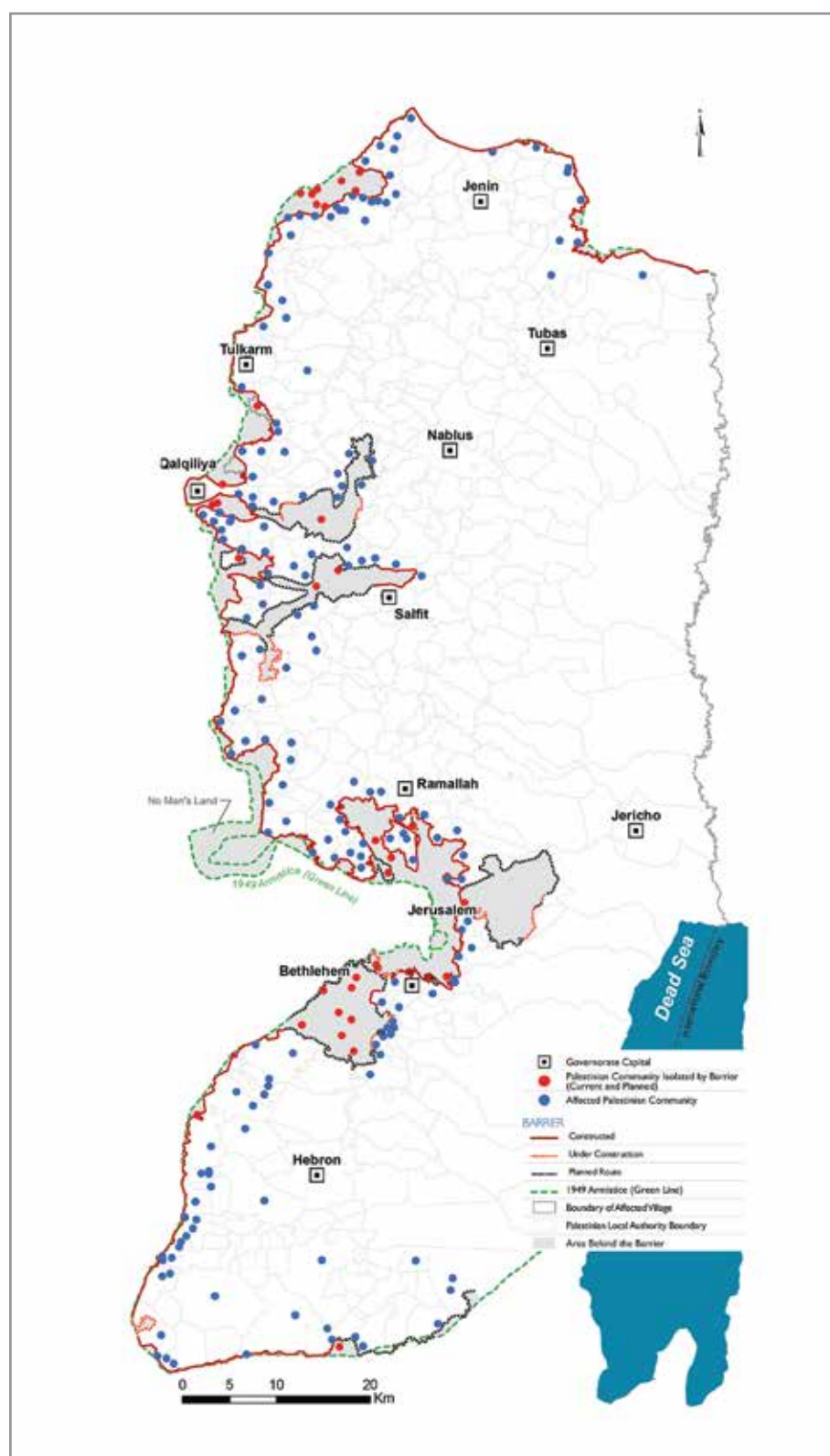
Approximately, 9.4% of West Bank landmass and more than 7,400 Palestinian residents are in the so-called “seam zone”, which is the area between the Separation Wall and the Green Line.²⁸¹ Few health services exist within this closed area, and people who live there face disproportionate challenges to accessing health services, for which they must usually travel into Jerusalem.



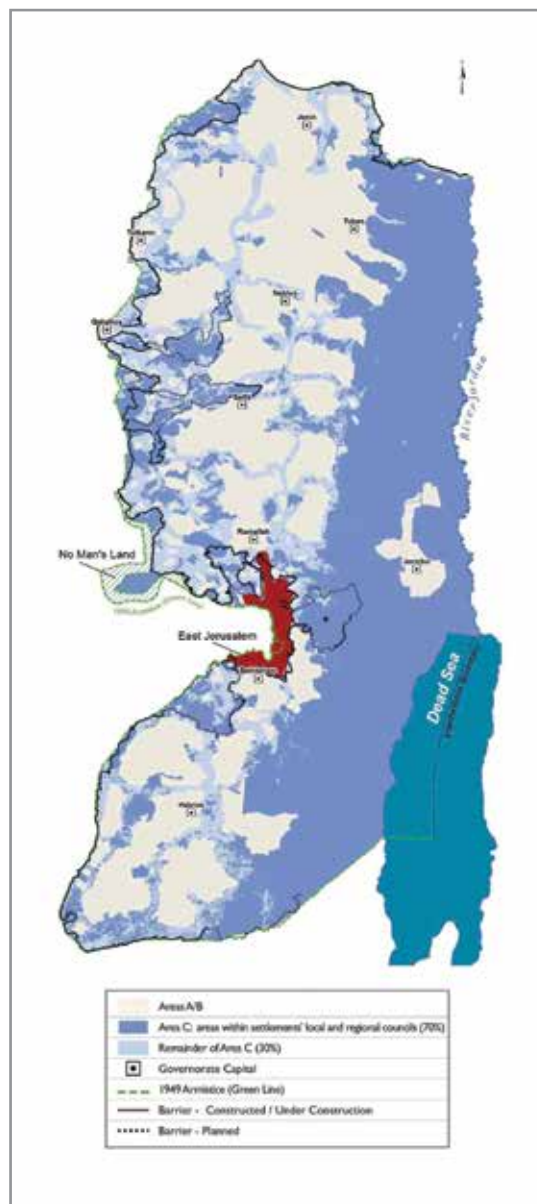
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²⁸¹ OCHA oPt/WHO (2010) 'The Impact of the Barrier on Health', Special Focus July 2010, available at http://www.ochaopt.org/documents/ocha_opt_special_focus_july_2010_english.pdf.

Map 3: Communities affected by the Separation Wall (Source: UN-OCHA)



Map 4: West Bank Fragmentation (Source: UN-OCHA)



4.5.2. INTERNAL RESTRICTIONS ON ACCESS AND MOVEMENT

The West Bank and Gaza are geographically separated, and the modality of safe passage arrangement operated by Israel for a short period of time in 1999 has since been closed off. Similarly, access to Jerusalem is restricted by a settlement belt, the Separation Wall, and checkpoints controlling the entry of all Palestinians from the West Bank and Gaza into the city. This regional fragmentation, combined with differently-applied Israeli policies, has resulted in each area taking different development trajectories, and thereby posing significant barriers to equitable, cross-country allocation of national resources and development benefits.

Box 36: The E1 Plan

The E1 zone is a 12 km² segment of the West Bank, located to the east of Jerusalem within “Area C”, in between East Jerusalem and the Israeli settlement of Ma’ale Adumim. The zone is home to a large community of the Jahalin Bedouin tribe, and is of special strategic significance to Palestine. As it directly links East Jerusalem with the rest of the West Bank, the E1 zone allows for contiguity of the West Bank (and therefore the Palestinian state), and maintaining Palestinian access through the E1 zone is integral. In November 2012, following UN recognition of the State of Palestine as a non-observer member state, the Government of Israel announced its intentions to move ahead the “E1 Plan”: a comprehensive settlement project to build thousands of apartment units and non-residential buildings in the E1 zone, effectively linking Ma’ale Adumim with Jerusalem and isolating East Jerusalem from the rest of the West Bank. The Israeli Civil Administration - the government arm responsible for planning in “Area C” - shortly thereafter approved two of the three E1 residential plans. Until 2012, the E1 Plan had been taken off of the table since 2009, against the backdrop of strong international objection.

If the Israeli government’s plan goes ahead, the West Bank will be divided into North and South segments with only a narrow corridor connecting the two, and East Jerusalem will be isolated from the rest of the west Bank. Thousands of Bedouins will be forcibly removed, in a flagrant violation of international law, and the detrimental effects of mobility restrictions on the well being of the Palestinian people, their environment, and economy, as a result of territorial fragmentation by Israel, will be multiplied. At the political level, the ensuing complete isolation of East Jerusalem is certain to shatter the little of what remains of the prospects of viability of a two-state solution.

Within the West Bank, including East Jerusalem, Palestinian access is severely hampered and controlled by settlements and a control and closure regime that comprises a system of checkpoints, the Separation Wall, and a myriad of capricious permit regime. As of February 2014, there were an estimated 99 fixed checkpoints in the West Bank, and 65.12 kilometres of roads were forbidden for use by Palestinians.²⁸² These roads connect Israeli settlements and are used primarily by Israeli settlers.

²⁸² OCHA oPt/WHO (2010) ‘The Impact of the Barrier on Health’, Special Focus July 2010, available at http://www.ochaopt.org/documents/ocha_opt_special_focus_july_2010_english.pdf.

As of September 2012, it was estimated that 94% of the Jordan Valley and Dead Sea area was off-limit to Palestinians.²⁸³ Ninety different Palestinian communities had limited access to their farmlands because of nearby Israeli settlements, and 150 villages had limited access to their farmlands because their land was located behind the Separation Wall. Though access to agricultural land is channelled through gates in the separation wall, the majority these gates are only open for a short period during the olive harvest (October-December).²⁸⁴ Residents of sixty West Bank communities (with a total population of 190,000) had to use an alternative routes (two to five times longer than direct routes) to access their villages.

The fragmentation of the Palestinian economic space has only increased in recent years, due primarily to on-going and prospective settlement activity.

Box 37: Barriers to development in so-called “Area C”

“Area C”, which constitutes over 60 % of the landmass of the West Bank, is under total Israeli control. Any development activity in this area, including private economic activity, is restricted by Israel. Israeli actions and restrictions in this area, including settlements, the separation wall, and military areas greatly undermine Palestinian development, and substantially reduce accessibility to basic services, education and healthcare for over 300,000 Palestinians.

The World Bank estimated that growth generated through the lifting of Israeli restrictions on “Area C” could increase potential Palestinian value-added by \$ 3.4 billion, and increase overall GDP by 35%:

“The impact on Palestinian livelihoods would be impressive. An increase in GDP equivalent to 35% would be expected to create substantial employment, sufficient to put a significant dent in the currently high rate of on employment. If an earlier estimated one-to-one relationship between growth and employment was to hold, this increase in GDP would lead to a 35% increase in employment. This level of growth in employment would also put a large dent in poverty, as recent estimates show that unemployed Palestinians are twice as likely to be poor as their employed counterparts.”

- “Area C” and the Future of the Palestinian Economy. The World Bank, October 2013

²⁸³ OCHA oPt (2012) ‘West Bank Movement and Access Update’ Special Focus 2012, available at http://www.ochaopt.org/documents/ocha_opt_movement_and_access_report_september_2012_english.pdf

²⁸⁴ OCHA oPt (2013) ‘The Humanitarian Impact of the Barrier’, July 2013, available at http://www.ochaopt.org/documents/ocha_opt_barrier_factsheet_july_2013_english.pdf.

Transport infrastructure in areas where Palestinian authorities do have decision-making authority can be described as acceptable. In the past five years, major portions of main and regional access roadways between governorates, as well as a significant number of local roadways, have been upgraded. Sub-regional roadways and access roadways linking villages throughout the West Bank, however, are still inadequate. The development of transport infrastructure has not kept with the substantial growth in the number of privately owned vehicles in Palestine over the past eight years. This has resulted in severe traffic congestion in almost all urban centres. Adequate traffic control and management plans, including in the sphere of environmental protection, are required.

4.5.3. | INTERNATIONAL ACCESS AND MOVEMENT

Israeli authorities control Palestinian access and movement internationally, as well, imposing suffocating limitations on both human well being and economic development.

All Palestinian trade by land is controlled by Israel, and Palestine has no functioning seaport or airport. The only land crossing along Palestinian state borders not controlled by Israel is the Rafah crossing between Gaza and Egypt, which is predominantly dedicated to passenger traffic. In addition, that crossing has not functioned with any degree of reliability or predictability for much of the past eight years to the point where the presumption developed that the crossing was closed unless otherwise permitted, with that reflecting the virtually complete closure of the crossing, often for prolonged periods. On the other hand, trade with Gaza over the same period has been limited to the movement of goods across the Karem Abu Salem crossing, which is under full Israeli control.

The landlocked West Bank has two main crossing points with Jordan: the King Hussein Bridge (Karamah Crossing) and Damia Bridge. The Damia Bridge, which was primarily used for trade, was closed by Israel during the Second Intifada and has since remained closed. This leaves the Karamah crossing as the only international crossing point between the West Bank and Jordan for both people and goods.

Palestine's only international airport, Yasser Arafat International Airport in Rafah, was destroyed by Israel in 2002. The only other Palestinian airport in Qalandia, north of Jerusalem, is currently not accessible to Palestinians and remains under full Israeli control. Furthermore, the only operating seaport is a fisheries port in Gaza with very limited access to the Mediterranean Sea.

Israeli control of Palestinian international trade results, through tight restrictions, in long delays, adding substantially to the cost of production and distribution, undermining the competitiveness of Palestinian businesses and exacerbating poverty. The few options for travel mean that Palestinians have to incur additionally high travel-related costs, and invest greater amounts of potentially productive time into travel.

Box 38: Improving conditions of international trade and meeting the basic needs of Gaza

The trade data for Palestine in 2013 showed that registered imports and exports were over \$5.16 billion and \$900 million, respectively.²⁸⁵ Of this, 71.5% of imports (\$3.69 billion) were from Israel and 87% of exports (\$786 million) were to Israel.²⁸⁶ Trade with international trading partners (other than Israel) are still carried out through Israeli ports, with the port of Ashdod handling most of Palestine's trade volumes.

The Integrated Logistics Study for Palestinian Cross-Border Trade in 2013 identified the need to establish bonded areas in the West Bank and Gaza to reduce the non-tariff barriers associated with trade due to Israeli actions.²⁸⁷ Under this scheme, all Palestinian imports would be cleared in these bonded areas following security inspections at Israeli ports. The study proposed to include, in the initial phase, a bonded area specifically for vehicles and auto parts, near Ramallah. It found the proposal to be feasible and recommended the development of the area under a public-private partnership (PPP).

4.5.4. RECOMMENDATIONS

Public services are key to real human empowerment. Barriers to access and movement have far-reaching negative consequences for the human development agenda, and must be addressed.

²⁸⁵ PCBS (2013) 'The Total Value of Registered Palestinian Exports and Imports and Net Balance of Goods by month 2013', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/E-Ftrade%202013.htm.

²⁸⁶ PCBS (2014) 'Main Indicators of 2013', available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Main%20Indicator_E.htm.

²⁸⁷ Integrated Logistics Study for Palestinian Cross-Border Trade. Comprehensive final report. Mediterranean Motorways of the Sea II. September 2013.

Palestinian authorities should continue to make road infrastructure development a priority. Substantial parts of local internal roadways require development and rehabilitation, and better provisions for maintenance of all roadways must be put in place.

At the national level, the West Bank-Gaza territorial link must be established and direct access to Jerusalem must be re-established to ensure the contiguity of the Palestinian State and to facilitate internal economic activity.

To improve the international movement of people, to reduce travel costs, and to facilitate tourism and trade, Palestinians must be allowed to build the Gaza Seaport and to rehabilitate the Yasser Arafat International Airport in Gaza. Following this, the construction of another airport in the West Bank should be allowed. A proposal for a West Bank airport was made in 2010 by the Palestinian government. Implementation of these projects, which are in line with provisions under the existing Oslo agreement, must proceed.

Finally, Palestinian control of land border crossings is critical to improve the movement of people and trade with Egypt, Jordan and the rest of the Arab world. The reopening of the Damia Bridge crossing with Jordan could substantially facilitate trade.





CHAPTER 5 | MOVING FORWARD

Human empowerment, and henceforth development, in Palestine is strangled by the Israeli occupation. The occupation results in a total reallocation of power from the occupied Palestinian people to the Israeli occupying force, effectively creating disempowerment. To give power back to the Palestinian people, an international, sustainable, and determined effort should be carried out to end the Israeli occupation of Palestine.

In the meantime, national policies must be developed and actions taken to ensure perseverant human development in spite of – and as a critical part of ending – the occupation. Palestinian policies should focus especially on disproportionately impacted groups and communities, with interventions to facilitate conditions for empowerment: active participation, adequate access to services and information, accountability, and local organizing capacity, to name a few. Summarized below are the key recommendations included in previous chapters of this report, relating to governance and public services, all under the theme of empowerment.

5.1. GOVERNANCE

5.1.1. NATIONAL GOVERNANCE:

- Until such time it becomes possible to expand the membership of *the PLO*, whether through elections or some other mechanism that may be agreed, the PLO, together with its platform, *should be left alone, while permitting it to retain the title of "sole legitimate representative of the Palestinian people."*
- *The Unified Leadership Framework (ULF)*, which includes all PLO factions and those not affiliated with it *should be activated and tasked with collectively informing the decisions of the Executive Committee of the PLO* on all matters of high national interest.
- *Membership in the ULF by non-PLO factions is not to require acceptance on their part of the PLO's platform.*
- *The ULF is to assess and determine the length of time needed to address and complete the most pressing tasks of rebuilding Gaza and reunifying the state official institutions and legal frameworks after nearly eight years of separation.*
- *The ULF is to adopt a time-bound commitment to nonviolence*, keeping in mind that it would make sense to have the term of that commitment correspond to the time needed to accomplish the tasks of reconstruction and reunification.
- *A national unity government representing the full political spectrum (with actual factional representation) is to be formed and empowered to the fullest extent afforded by the Basic Law.*
- *The government is to commit to holding fair, free, and inclusive national elections no later than six months* before the end of the time period referred to in the third and fourth items above, and the current legislature is to be reconvened immediately.

5.1.2. LOCAL GOVERNANCE:

- *Clarify and balance the relationship between the central and local governments, and further promote the decentralization of power.* Under the current system, elected local representatives are reporting to appointed regional and national officials. As such, aspects of the MoLG's mandate may run counter to basic principles of democracy and should be taken under review.
- *Hold local government elections in a timely and regular manner.*

- *Produce a three-year road map to build the capacity of LGUs and expand their coverage, while limiting the role of the MoLG.* The MoLG should aim to transfer responsibilities to the local level with the aim to operate under a new mandate restricted to planning and service delivery functions outside LGU jurisdictions, and to policy development, and arms-length oversight of LGUs.
- *Specify the role of governors in the formal governance system.*
- *Re-design the amalgamation programme to better address local needs.* Problems associated with the high number of relatively small LGUs needs to be addressed, partially through partnership initiatives (Joint Services Councils, PPPs) and through a re-attempt at amalgamation with greater local stakeholder participation in system re-design.
- *Encourage PPPs as a way to diversify and expand LGU revenue source base.* At present, revenue generation of many LGUs is too small to provide adequate services. There is a need to cost and efficiency improvements in service provision. As a starting point, LGUs should begin by evaluating the potential for PPPs by defining their needs, available assets, and potential resources. LGUs should develop clear strategies for the involvement of partners, with multiple LGUs joining together to achieve the economies of scale necessary to provide viable service through PPP. To facilitate the success of PPPs, the Palestinian central government can ensure that enabling regulatory frameworks are in place and that there is adequate capacity of the courts to deal with related litigation in a timely manner. The central government can also play a role by assisting LGUs in identifying potential PPP projects and building their capacities in the field.

5.1.3. THE JUDICIAL SYSTEM:

- *Address the understaffing of courts, particularly in the procedural department, and the understaffing of judges in the appeals and magistrate courts.* The Palestinian public trust in the judiciary system is very low, undermining the rule of law and reflecting negatively on the state of governance as a whole. Long wait periods for hearings and low ratios of tried cases contribute to this dissatisfaction, and must be addressed. A reinvigoration of the effort to implement the 2011-2013 national justice sector plan should be pursued.
- *Implement the remaining provisions of the PNA's 2011-2013 justice sector strategy.*
- *Accession to international treaties and conventions.* The accession of Palestine to international treaties and conventions imposes new institutional requirements, including standards of operations. Accession affords Palestine a great opportunity to improve its quality of governance and the services provided to the people, including those related to empowerment of the judiciary and protection of human rights, thereby promoting overall empowerment. Institutional reform and development plans should ensure that international treaty provisions are adequately reflected in Palestinian regulatory and institutional frameworks.

- *Further empower civil society organizations.* Palestinian civil society should be further empowered through improved mechanisms for financing and capacity-building to improve sustainability of services.

5.1.4 | THE CIVIL SOCIETY

Empower civil society organizations. Palestinian civil society should be further empowered through improved mechanisms for financing and capacity-building to:

- Continue their monitoring and reporting efforts on government violations of basic rights to ensure upholding and advancing the basic human rights.
- Continue their monitoring, documenting and reporting efforts targeting Israeli violations of international law in the oPt to protect the Palestinian people from these violations and to protect their rights, on the road to liberation.
- Further improve and expand their service delivery efforts, which are perceived highly positively by the Palestinian people.

5.2. PUBLIC SERVICES

5.2.1. | INFRASTRUCTURE:

Electricity:

- *Invest in sustainable, reliable energy sources.* Reform is needed to ensure Palestinians have full autonomy and decision-making authority over energy supply. Increased access to reliable energy will reduce the effects of external shocks and price volatility, reducing negative impacts on human and economic well-being. Investing in adequate, financially and environmentally sustainable electricity services must be a priority for the Palestinian authorities.
- *Repair existing and develop new electricity infrastructure.* Transmission networks especially must be adequately maintained and the theft must be stopped, as losses are high and network capacity is insufficient.

- *Ensure regular transfers of dues owed to local governments.* Transfer of tax revenue funds from the central government to LGUs has not been consistent, which has contributed to an unsustainable accumulation of debt to the Israeli electricity supplier, a rising fiscal deficit, and a widespread culture of non-payment.
- *Facilitate the implementation of solar PV as a domestic electricity source.* Considering Palestine's energy dependency and high electricity costs, solar PV could play an important role in empowering Palestinians and facilitating sustainable human development in the country, if certain measures are taken. These include implementation of a net metering scheme complemented by investment incentives and a greater promotion of creative solar PV implementation for the benefit of CSOs and marginalized communities.

Water and wastewater:

- *Reform of the joint Israeli-Palestinian water and wastewater decision-making body, the Joint Water Committee.* The JWC mechanism, created by the Oslo regime, has not only failed in ensuring equitable water and wastewater management in the West Bank, but has also acted as a hindrance to achieving this stated objective. Power asymmetries inherent in the design of the JWC must be addressed.
- *Increase targeted investments for large-scale water and wastewater infrastructure.*
- *Accord top priority to repairing existing networks to limit water losses.*
- *Develop institutions and infrastructure for, and increase rates of, wastewater collection, treatment, and reuse.* With a focus on removing institutional barriers and implementing creative local solutions, water shortages can be alleviated and the agricultural sector strengthened through the collection, treatment, and reuse of wastewater. The approval of Palestinian wastewater treatment infrastructure projects by the JWC should be prioritized and wastewater development allowed to evolve through a phase-in, transitional approach to effluent quality standards. Palestinian authorities must continue to make the implementation of adequate infrastructure (main trunk lines, new networks, reservoirs and pumping stations) a priority, in tandem with the development of additional water supplies through wastewater reuse and improved sustainable exploitation of existing resources. Improved monitoring of wastewater treatment and reuse can contribute to public confidence in the use of such additional resources.
- *Address the energy-water link to improve sustainability of resources and related services.* Energy security for the operation of wastewater treatment plants can be strengthened by using solar PV to run plants, which is an especially critical need in Gaza. Across Palestine, agricultural wells that usually rely on diesel for operation can be connected to the electricity grid – cutting operating costs by up to 50% if out-dated well equipment is replaced with higher efficiency models. These savings could be transferred onto the users, empowering the agricultural sector by improving both water and energy security, and reducing their cost.

Solid waste:

- *Enhance coordination of services and encourage partnerships between local councils and private and public sector bodies.* The success of Joint Services Council model shows promise for achieving better quality waste management through achieving economies of scale and increased capacity through partnerships.
- *Promote sustainable, local waste management solutions, including landfill diversion.* There is a significant potential in Palestine for the implementation of creative waste management solutions, including sustainable organic waste management through composting combined with biogas production. The agricultural sector can benefit from fertilizer products resulting from composting projects. Recycling needs to be further pursued across Palestine.
- *Continued emphasis on the development of new modern sanitary landfill facilities.* There is a need for open waste dumping and waste burning to end, and for the implementation of sustainable solid waste management to protect human and environmental health. A continued emphasis on revealing and overcoming Israeli-imposed barriers to sanitary landfill construction in “Area C” is needed. Review of and decisions regarding existing applications for proposed landfill construction should be expedited.
- *Monitoring of and enforcement against random dumping.* Random dumping is a threat to human and environmental health. Palestinian authorities can contribute to ending this practice through increased public education and the initiation of a national plan mapping out and enforcing regulated solid waste disposal sites.

5.2.2. HEALTH:

- *Re-establish access to health services currently prevented by the Israeli occupation.*
- *Separate the regulatory and service delivery functions of the public healthcare system.* Separating the regulatory, policy, and monitoring functions of the public health system from service delivery will ensure more accountability and enhanced quality of care. Implementation of an autonomous public healthcare service delivery model can set the stage for needed fundamental change.
- *Introduce a rules-based universal coverage system with a scope for consumer choice and competition among providers.* Equitable access to quality healthcare at reasonable cost for all has still not been achieved and the costs of the system are posing challenges for the short and long term. A properly structured regulatory framework that provides for regional competition with adequate oversight can improve the quality of care while reducing overall healthcare costs.

5.2.3. EDUCATION:

- *Revamp curricula – particularly at the TVET and higher education levels – to offer programmes that address emerging market needs.* Action can be taken at the national level to re-design the education system to produce a competitive, skilled workforce. Areas of study such as those represented in the “BING” technology group – biotechnology, information technology, nanotechnology and green technology – as well as the green economy, including alternative energy, are potential areas of focus.
- *Develop the TVET system and improve enrolment rates.* The objectives set out by the MoEHE and the Ministry of Labour in their joint 2010 TVET Strategy should be pursued. These include supporting TVET reform and programme harmonization with a new governance model and ensuring sufficient financing for the sector. Improving the quality of TVET and increasing enrolment in related programmes (particularly amongst women) is critical if Palestine is to succeed in creating a competitive and productive knowledge economy.
- *Focus on enhancing access to schooling for girls, particularly girls living in rural areas.* To close the gender gap in access to education across all levels continued emphasis should be placed on encouraging girls to continue education. Rural school facilities should be developed, and new programmes introduced for women students in TVET.
- *Develop new and rehabilitate existing school infrastructure.* More classroom capacity is urgently needed, particularly in Gaza, East Jerusalem, and rural areas.
- *Improve access to and use of modern teaching aids.* The quality of classroom environment can be greatly enhanced by the introduction and effective use of modern classroom aids, including computers, smart boards, science labs, and physical education equipment.
- *Reform the national Palestinian school curricula.* In line with government strategic plans already formulated, the national primary school curricula must be updated to reflect emerging sectors and fields of study, to be more easily accessible to both students and teachers, and to be based on updated pedagogy and methodologies. A uniform national kindergarten curriculum should be introduced.
- *Implement targeted teacher-training programmes.* Teacher training programmes are needed to develop more confident, capable teachers in light of the special challenges faced by Palestinian schools. The private and civil society sectors can play a role in filling this gap.
- *Legal reform to strengthen enrolment and quality of education services.* Across all levels of education, legal reform should be considered. This includes enactment of the proposed vocational training law to better coordinate the TVET sector, and laws to make both the pre-school and secondary levels of school compulsory. A “free pre-schooling” policy for children of ages 4-6 is recommended.

- *Further engage and enable the participation of the civil society and private sectors in education services.* Within a more coordinated framework, the Palestinian government should take advantage of expertise and capacity in the private and civil society sectors. These actors can help set relevant and standardized curricula, define training needs, and provide practical opportunities for new graduates.

5.2.4. SOCIAL SERVICES:

- *Further enable CSOs to provide social assistance.* Civil society organizations have proven effective in providing quality social services. These groups are leading implementation of cutting edge mechanisms and processes to streamline the sector and reduce redundancies. Government policy and regulatory framework should reflect and enable the role of CSOs, particularly considering their important role during further development of state institutions. Tax incentives and partnerships should be considered.
- *Reform the existing public pension system and introduce a national health insurance system with consumer choice.* Palestinian authorities should address the financial sustainability of the public social service system. The introduction of a reformed pension system and a national health insurance plan with consumer choice could yield valuable returns on reinvesting back into social services. The application of pension schemes has so far largely been limited to the public sector, leaving private sector employers and workers reliant on alternative coping mechanisms for social security. Compared to a well-designed pension system, these non-governmental mechanisms make little contribution to capital accumulation for investment and economic growth.
- *Create an enabling, coordinated environment for microfinance as a form of social assistance.* With the adoption of a more coordinated, government-led micro-lending process, microfinance can play a greater role as a form of social assistance. National priority areas and sectors should be identified and targeted under microloan programmes – for example, encouraging the creation and development of small businesses that provide goods or services related to green growth and the technology sector, including the BING technologies. Women should be targeted as micro-borrowers, based on their integral role in poverty alleviation.
- *Expand and strengthen existing affordable housing programmes.* Strengthened affordable housing services are needed, particularly for Palestinian residents of East Jerusalem. Community planning and collective development, such as group land acquisition should be encouraged, possibly by providing public support and information for better housing services, and promoting the creation of social investment funds for housing development.

5.2.5. ACCESS AND MOVEMENT:

- *Prioritize road infrastructure development.* Palestinian authorities should continue to make road infrastructure development a priority. Substantial parts of local internal roadways require development and rehabilitation, and better provisions for regular maintenance of all roadways should be put in place.
- *Establish and operate a safe passage between the West Bank and Gaza Strip, as provided for under the Oslo Accords, and restore direct access to Jerusalem.* The fact that the Accords have not culminated in a successful negotiation on permanent status issues does not exempt Israel from this obligation, as the safe passage was envisaged to become operational during the interim period.
- *Build the Gaza Seaport and develop air transport infrastructure.* To improve the international movement of people, to reduce travel costs, and to improve tourism and trade, Palestinians must be allowed to build the Gaza Seaport and to rehabilitate the Yasser Arafat International Airport in Gaza. Further, in addition to the Qalandia Airport, the construction of another airport in the West Bank should also be allowed.
- *Re-establish Palestinian presence at land border crossings, re-open the Damia Bridge, and ensure the opening of the Rafah crossing with regularity.* Palestinian control of land border crossings is critical to improving the movement of people and trade with Egypt, Jordan and the rest of the Arab world.



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