

# DEVELOPMENT FOR FREEDOM

EMPOWERED LIVES. RESILIENT NATION. CONSOLIDATED PLAN OF ASSISTANCE: 2012-2014



development agency that works together with the Palestinian people to fulfil their aspiration for sustainable human development based on self-determination, equality and freedom.

United Nations Development Programme Programme of Assistance to the Palestinian People (UNDP/PAPP)

# Consolidated Plan of Assistance



# TABLE OF CONTENTS

ACRONYMS	4
FOREWORD	5
EXECUTIVE SUMMARY	6
UNDP/PAPP IN THE OCCUPIED PALESTINIAN TERRITORY	8
A. STRENGTHENING DEMOCRATIC GOVERNANCE AND THE SOCIAL CONTRACT	9
Justification and Challenges	9
2. Priorities	11
3. Areas of Assistance	11
Focus Area 1: Rule of Law and Access to Justice	11
Focus Area 2: Local Governance and Public Administration	12
Focus Area 3: Inclusive Dialogue and Social Contract, including youth and women	13
Focus Area 4: Reconciliation and Social Cohesion	14
Focus Area 5: International Representation	14
B. PROMOTING PRODUCTIVITY AND DIGNITY THROUGH LIVELIHOODS	16
Justification and Challenges	16
2. Priorities	17
3. Areas of Assistance	18
Focus Area 1: Economic Empowerment of Productive Families	18
Focus Area 2: Land Protection and Development in the West Bank ( with focus on Area C)	19
Focus Area 3: Private Sector and Economic Development in Gaza	20
Focus Area 4: Import Substitution and Export Strategies	21

C. PROTECTING NATURAL RESOURCES AND THE ENVIRONMEN	T23
Justification and Challenges	23
2. Priorities	25
3. Areas of Assistance	26
Focus Area 1: Environment Governance	26
Focus Area 2: Financing Environment	26
Focus Area 3: Water Supply, Sanitation and Solid Waste Services	27
Focus Area 4: Climate Change Adaptation	28
D. PUBLIC AND SOCIAL INFRASTRUCTURE	29
Justification and Challenges	29
2. Priorities	31
3. Focus of Assistance	32
Focus Area 1: Energy Resources	32
Focus Area 2: Transport and Management Systems	34
Focus Area 3: Affordable and Adequate Housing	35
Focus Area 4: Education	37
Focus Area 5: Public Health Services and a Health System	38
Focus Area 6: Heritage Conservation	39

# **Acronyms**

APLA Association of Palestinian Local Authorities

AHLC Ad Hoc Liaison Committee

CC Climate Change

CDM Clean Development Mechanism
CSO Civil Society Organization

CS Civil Service

**EUPOL-COPPS** European Union Police Mission in the Palestinian Territories

GDP Gross Domestic Product
GPC General Personnel Council
IMF International Monetary Fund
LACS Local Aid Coordination Secretariat

**LGUs** Local Governance Units

**LGSP** Local Governance Support Programme

M&E Monitoring and Evaluation
 MDGs Millennium Development Goals
 MDLF Municipal Development Lending Fund

MoFA Ministry of Finance
MoFA Ministry of Foreign Affairs

MoEHE Ministry of Education and Higher Education

MoH Ministry of Health

MoNE Ministry of National Economy

MoJ Ministry of Justice

Mol Ministry of the Interior

MoL Ministry of Labour

MoLG Ministry of Local Governance

MoPAD Ministry of Planning and Administrative Development

MSME Micro, small and medium enterprises

NGO Non-Governmental Organization

ODA Overseas Development Assistance

oPt Occupied Palestinian territory

**PAPP** Programme of Assistance to the Palestinian People

PCBS Palestinian Central Bureau of Statistics

PLC Palestinian Legislative Council

PA Palestinian Authority

PNDP Palestinian National Development Plan
PRDP Palestinian Reform and Development Plan
PNSHP Palestinian National Strategic Health Plan

PWA Palestinian Water Authority
UNCT United Nations Country Team

**UNDP** United Nations Development Programme

UN United NationsWB World Bank

# **FOREWORD**

The Palestinian Authority's 13<sup>th</sup> Government Plan, Ending the Occupation - Establishing the State reached its peak at the Ad Hoc Liaison Committee in Brussels in April 2011. The United Nations, the World Bank, the International Monetary Fund and the Office of the Quartet, concluded that the Palestinian Authority: "is above the threshold for a functioning state in the key sectors they studied and that Palestinian institutions compare favourably with those in established states". These achievements were reiterated in the United Nations Report, Palestinian State Building: An Achievement at Risk, submitted to the Ad Hoc Liaison Committee Meeting in September 2011.

In this regard, Mr. Robert Serry, the UN Special Coordinator for the Middle East Peace Process, stated: "If the weight of the occupation is not being lifted, all the achievements to date will be increasingly difficult to sustain".1

This reaffirmation comes at a time, when across the region, a new discourse of commitment to more citizen-centred statehood is being birthed. Calls for democratic governance, human rights and socio-economic opportunities are at the forefront of the Arab Spring and constitute the very foundation for sustainable human development.

In combination, these positive events are revitalising Palestinians everywhere and have given rise to cautious optimism that the long process of readying the Palestinian institutions for statehood is nearing completion. In this spirit, the PA National Development Plan 2011-2013: Establishing the State – Building the Future signifies a commitment by the PA to "gradually phase out humanitarian aid and scale up development assistance".

Against this background, UNDP/PAPP has reviewed its services in support of statehood. The result is a consolidation of UNDP/PAPP's plans of assistance in the coming three years. Development for Freedom: Empowered Lives. Resilient Nation 2012 – 2014. Adopting a human rights-based approach towards results, UNDP/PAPP's mission is that of supporting the goal of sustainable development based on self-determination, equality and freedom.

Development for Freedom: Empowered Lives. Resilient Nation 2012 – 2014 provides an overview of UNDP/PAPP's ongoing and planned programmes in the sectors of democratic governance and the rule of law; economic empowerment of the most vulnerable and private sector investment; environment and management of natural resources; and public and social infrastructure. Given the benchmarks achieved already by the PA, UNDP/PAPP's scaled-up development assistance will focus particularly on Gaza, Area C and East Jerusalem, where development for the Palestinian People has yet to reach its targets.

In partnership with Palestinian institutions, civil society, communities and donors, the goal is to empower the Palestinian People to establish a viable State that is able to realize the right to development for its people. As the region transits into a new era of democracy and equality, the Palestinian People deserve no less.

Frode Mauring Special Representative of the Administrator United Nations Development Programme Programme of Assistance to the Palestinian People

# **EXECUTIVE SUMMARY**

UNDP/PAPP's *Development for Freedom: Empowered Lives. Resilient Nation: 2012 – 2014* places the Palestinian People at the centre of development programming geared to support their aspiration for Statehood. It focuses particularly on three geographic areas where the needs and the challenges are the greatest in achieving sustainable human development and statehood: the Gaza Strip, East Jerusalem and Area C.

The Gaza Strip has been deprived of development since the imposition by Israel of a comprehensive blockade in 2007. As a result, development and reconstruction needs in the Strip are enormous: from governance and livelihoods to environment and infrastructure, especially in the aftermath of the military Operation Cast Lead (December 2008-January 2009). Unemployment rates in Gaza remain amongst the highest in the world, all while some 80 percent of the population receive humanitarian assistance in the absence of socio-economic development.

In East Jerusalem, Palestinians face restrictive construction policies and, as a result, experience a growing housing and property crisis. The erection of the Separation Wall has undermined the economy of East Jerusalem and is a main cause of growing unemployment rates. Basic services and access to land are unequally distributed by the Jerusalem municipality and are insufficient to cater to Palestinians' natural development needs, including housing, education and health.

Development in Area C too is subjected to restrictive policies and practices, hampering any socio-economic development or access to natural resources for the Palestinians. Area C is, however, pivotal for the realization of a Palestinian State. It constitutes 62 percent of the West Bank and contains the bulk of Palestinian agricultural and grazing land, water sources and underground reservoirs. It is also the only space available for the expansion of Palestinian population centres and infrastructure, and thus forms the backbone of territorial contiguity in the West Bank.

In strengthening its focus on particularly affected geographic areas and vulnerable populations (Gaza, East Jerusalem and Area C), UNDP/PAPP's three-year programme takes its inspiration and guidance from the Palestinian National Development Plan 2011 – 2013: *Establishing the State, Building our Future*. To this end, the substantive focus of this consolidated plan builds on UNDP/PAPP's comparative advantage and added value in the sectors of Governance, Poverty Reduction, Environment and Infrastructure.

In the Governance sector (Section A – Democratic Governance and the Social Contract), emphasis is placed on the rule of law, access to justice, local governance and public administration. In addition, attention is given to the reconciliation process and the need for a strong social contract between the State and its citizens, including the large and growing youth population.

In the Productive Livelihoods sector (Section B – Promoting Productivity and Dignity through Livelihoods), investments are made in building the resilience of vulnerable Palestinian households. By empowering families, women and youth to graduate from abject poverty, assistance is geared at achieving economic self-reliance. This is complemented with support to Palestinian private sector development, trade, import and export to strengthen the economic base of Palestinian statehood.

In the Environment sector (Section C – Natural Resources and Environment), assistance is provided to the Palestinian Authority to reclaim, manage and protect the environment and natural resources – all essential for the survival of communities as well as foundational for national development. Support is also provided to ensure that climate change adaptation responds to the potentially increasing scarcity of natural resources in the occupied Palestinian territory.

Finally, the Infrastructure sector (Section D. Public and Social Infrastructure), consolidates and expands past and on-going interventions in five key sectors: Energy, Transportation, Housing, Education and Health. Through continued investment in infrastructure in these sectors, assistance aims at addressing the growing challenges faced by Palestinians in accessing basic services and social rights.

These four focus areas – Governance and Rule of Law, Poverty Reduction, Environment and Infrastructure – lay the ground for sustainable human development, which in turn premises the full spectrum of social, economic, cultural, civil and political rights. The recognition of the inextricable link between the root-cause and statehood thus underpins this consolidated plan, *Development for Freedom – Empowered Lives. Resilient Nation: 2012 -2014*.

# UNDP/PAPP INTHE OCCUPIED PALESTINIANTERRITORY

The UNDP Programme of Assistance to the Palestinian People (PAPP) derives its mandate from United Nations General Assembly Resolution 33/147 of 20 December 1978. Called upon by United Nations Member States in that year, UNDP was requested "to improve the economic and social conditions of the Palestinian people by identifying their social and economic needs and by establishing concrete projects to that end".

By 1978, the West Bank and Gaza Strip had been under military occupation for more than a decade, and the social and economic welfare of the Palestinian people were at stake. Poverty and unemployment were widespread. Hundreds of thousands were living in refugee camps in slum conditions without the most basic amenities. While the population was growing steadily, infrastructure of all types had been allowed to deteriorate, including schools, health facilities, housing, roads, streets, as well as water and sanitation systems. The international community was endeavouring to assist the Palestinian people, but this aid was almost exclusively humanitarian in nature.

With the adoption of the GA Resolution, UNDP seized a historic opportunity to mobilize the international community in support of the economic and social development of the West Bank and Gaza Strip. Firmly rooted in the principle of the Right to Development, UNDP/PAPP was launched. The continued and deepening occupation of the territory, and its severe socio-economic consequences, serve as a stark reminder of the critical role that UNDP/PAPP continues to play today, over three decades after its establishment.

UNDP/PAPP's comparative advantage rests on its development approach of empowering the Palestinian people and their institutions to achieve a resilient Palestinian nation – based on national ownership and capacity development towards sustainability. With a long-standing presence in the occupied Palestinian territory, UNDP/PAPP has acquired a deep understanding of the local context. A trusted partner and convener, UNDP/PAPP enjoys a close partnership with Palestinian institutions, civil society, communities, academia, the United Nations Country Team (UNCT) and international development partners. Unlike many other development agencies, UNDP/PAPP works throughout the occupied Palestinian territory including, and as requested by the PA and the international community, in East Jerusalem, the Gaza Strip, and what is today Area C of the West Bank.

Since its establishment in 1978, donor support to UNDP/PAPP has increased steadily reaching USD 952 million by early 2012. The significant support to development activities testifies to the very real development needs of a people building their state under a protracted occupation. As the State is established, full-fledged sustainable development will finally need to take off. In support of the Palestinian Reconstruction and Development Plan 2011-2013, *Development For Freedom: Empowered Lives. Resilient Nation.* provides a snapshot of UNDP/PAPP's on-going and planned contribution at this critical junction of the statehood process<sup>2</sup>.

<sup>2</sup> Detailed and costed project documents for each of the sectors and areas of assistance are available upon request.

# A

# STRENGTHENING DEMOCRATIC GOVERNANCE AND THE SOCIAL CONTRACT



# 1. Justification and Challenges

The two-year preparation for statehood was announced in the Palestinian Authority's (PA) Thirteenth Government Development Plan 2009 -2012, Ending the Occupation, Building the State. The Plan states that the "basic aim is to meet the demand of our people for transparent, accountable institutions that deliver services, social development, economic growth, and career opportunities free from favouritism and wastefulness".

The PA Plan envisions the establishment, through this institution-building process, of a sovereign Palestinian State along the 1967 borders. The significant institutional achievements made over the past two years are reinforced in the National Development Plan 2011-2013: *Establishing the State, Building our Future*, which states that "basic institutional building blocks of a modern state... are now in place".

Indeed, at the Ad Hoc Liaison Committee in Brussels in April 2011, the United Nations, the World Bank, the International Monetary Fund and the Office of the Quartet, concluded that the Palestinian Authority: "is above the threshold for a functioning state in the key sectors they studied and that Palestinian institutions compare favourably with those in established states". With this, the Palestinian Authority's 13th Government Plan, *Ending the Occupation - Establishing the State* had reached its targets.

In its report to the Ad Hoc Liaison Committee meeting in New York in September 2011, the United Nations once more recognized the PA's achievement of its targets, but also warned that "these achievements may not be sustainable in the absence of a far-reaching political progress'. In this regard, Mr. Robert Serry, the UN Special Coordinator for the Middle East Peace Process, stated: "If the weight of the occupation is not being lifted, all the achievements to date will be increasingly difficult to sustain".<sup>3</sup>

With the Arab and Palestinian Spring coinciding with these developments, there is also a growing recognition that statehood is not a purely technical exercise, but also a political one that requires a rights-based approach. Thus, there is now momentum to support the Palestinian people through a strong focus on democratic governance. This requires empowerment of both the State and its citizens to negotiate and manage expectations. Conversely, a fully viable and sovereign state cannot emerge without ending the occupation.

Freedom of movement and lack of jurisdiction in large parts of the oPt hamper the rule of law and delivery of access to justice. Local governance is limited by territorial fragmentation holding back service delivery. Public administration is undermined by external control of tax revenues, all while Palestinians at large suffer from territorial separation that exacerbates political polarization. Through a comprehensive Statehood Programme, UNDP/PAPP will seek to further strengthen and consolidate critical governance-areas, as identified by the PA.



3 United Nations Press Release, 14 September 2011.

### 2. Priorities

The PNDP, 2011-2013 contains six governance sector strategic objectives:

- 1. Provide national security and public safety throughout the country.
- 2. Deliver justice and rule of law for all citizens.
- 3. Modernize and streamline public administration.
- 4. Empower local government and bring public services closer to citizens.
- 5. Attain financial independence and economic stability.
- 6. Promote the oPt's sovereign presence in the international community.

UNDP/PAPP's plan for 2012-2014 is aligned with the PNDP in key areas, and aims to achieve five outcomes under the guidance of the PA and in close consultation with all development partners. To this end, UNDP/PAPP focuses on five governance areas:

- 1. Rule of law and access to justice.
- 2. Public administration reform.
- 3. Local governance and decentralization of services.
- 4. Civil society engagement.
- 5. Civic education and electoral support.

# 3. Areas of Assistance

#### Focus Area 1: Rule of Law and Access to Justice

As part of its Rule of Law and Access to Justice Programme, UNDP/PAPP addresses both institutional and community-based needs in the justice sector. This flagship programme provides capacity development support to the Palestinian Ministry of Justice, the High Judicial Council and the Attorney General's Office, while also empowering grass-roots organizations to deliver legal aid and assistance at community level.

This existing programme requires scaling up to take into account the recent reconciliation efforts, as well as the need for legal aid and legal protection in Area C, East Jerusalem and Gaza. Another priority is to strengthen the linkage between justice and security through an expanded collaboration with EUPOL-COPPs. Furthermore, considerable investment will be required to harmonize legislation between Gaza and the West Bank, as well as to undertake a comprehensive review of the oPt's body of laws for uniformity and modernization, with due attention given to gender, juvenile justice, the justice and security nexus and the preparation of a national Constitution. Support will focus on:

- Strengthen the capacity of rule of law institutions, specifically the Ministry of Justice, the Attorney General's Office, and the High Judicial Council:
- Provide support to the National Constitution Committee;
- Expand access to legal services and legal aid at local and community level for the protection of communities, especially in Area C, East Jerusalem and Gaza;
- Support the rule of law and access to justice within the Gaza Strip;
- Scale up gender and juvenile justice, with a particular focus on labour law, the prevention of domestic violence, and civil/family law; and,
- Strengthen linkages between law-enforcement providers and justice institutions within the broader framework of the rule of law.

#### Focus Area 2: Local Governance and Public Administration

In a renewed effort, UNDP/PAPP will scale up its efforts to provide support to the Ministry of Local Government and village councils to enhance local governance through service delivery. Support will be scaled up to strengthen local government to bring basic public services closer to citizens. It also entails assistance to the Ministry of Finance, the Ministry of Local Government, the Association of Palestinian Local Authorities (APLA) and all municipalities on revenue collection systems. This includes expanding assistance on property tax and the development of a unified legal base between the West Bank and the Gaza Strip.

Public administration reform is another area of strengthened assistance. Scaled-up support will be geared at overall institutional development of the General Personnel Council (GPC) and the Pension Agency. This includes legal reforms by re-visiting and amending relevant legislation, such as: civil service law, pension law, retirement law; and, a code of conduct for civil servants. Public administration in Gaza will also require considerable investment to support the recent reconciliation process. There are approximately 70,000 public servants on the PA payroll that will need to be reintegrated or redeployed, while public administration



reform and institutional strengthening will be priority interventions. In specific, scaled-up development assistance will focus on:

- Ensure improved land management, territorial demarcation, and strengthened spatial planning by conducting a national spatial planning exercise;
- Strengthen ability of the Ministry of Finance and local authorities to collect own-source revenues, particularly property taxes;
- Support capacity of key government institutions: the GPC and Ministry of Planning and Administrative Development (MoPAD), including through a review of civil service law, pension law, new retirement law, code of conduct and the feasibility of a national civil service academy;
- Establish strategic policy units/technical advisory units in key line Ministries (e.g. MoNE);
- Enhance capacity of the MoPAD and key government institutions to conduct Monitoring and Evaluation of government plans including the PNDP and introduce an M&E toolkit.
- Support cross-border initiatives that improve living conditions and sanitation for the Palestinian population.

#### Focus Area 3: Inclusive Dialogue and Social Contract, including youth and women

The overall objective of this component is to anchor the work of Palestinian citizens in democratic governance and provide coherent and satisfying alternatives for social change. The starting point for such discussion is to launch a national conference on the significance of civil society/private sector engagement in statehood aspirations and reconciliation. This should lead to the creation of national civil society partnership framework with State authorities premised on cooperation, inclusion and transparency.



Anti-corruption measures and public oversight tools will be introduced to capture civil society and municipal perceptions on fraudulent practices, as well as concrete means of mitigating these practices and measuring the effectiveness of local service delivery practices. Finally, a grant mechanism will be established in support of local civil society institutions, including popular committees and movements to build local resilience and ensure an inclusive contribution to Statehood. In specific, assistance entails:

• Launch a national conference to facilitate the involvement of people and civil society organizations to participate in and initiate action to reduce poverty and promote equity;

- Establish a national civil society partnership framework, emphasising the involvement of women and youth;
- Empower civil society to influence and manage change including reconciliation within the oPt;
- Establish a grant mechanism to promote collaborative initiatives among development partners (government, private sector and civil society organizations) to meet joint challenges, with specific budgets for women and youth organisations.

#### Focus Area 4: Reconciliation and Social Cohesion

UNDP/PAPP seeks to support the peaceful engagement of parties for reconciliation and elections. A reconciliation commission is currently in formation to deal with past human rights violations and grievances. While technical support will be required to support the commission, the reconciliation agreement also foresees the role of political parties and tribal leaders in the process. These are two constituents that UNDP/PAPP is already engaged with through its existing partnerships (e.g. The Carter Centre) in the Gaza Strip. Women's participation is currently very low, so other existing partnerships will also be drawn on to support women's political participation and leadership.

While social cohesion is a long-term endeavour, immediate support is essential to ensure an inclusive and participatory process, while also empowering parties to manage such transformation in a constructive and productive way. The potential for positive changes created by the reconciliation, the prospects for statehood, and the Arab Spring will be tapped into to mobilize civil society initiatives to this end.

In specific, this focus area is based on the key priorities of the unity government, as identified in the reconciliation agreement:

- · Organize and run presidential, legislative and PNC elections;
- · Resolve the civil and administrative challenges that resulted from the division;
- Unify PA institutions in the West Bank, Gaza Strip and East Jerusalem; and,
- Organize the status of associations, NGOs and charities.

#### Focus Area 5: International Representation

Recent developments also warrant support for skills in diplomacy for both Palestinians in public office and civil society, both at the national and international level. Based on the regional democratic movement and the recent progress on the Fatah-Hamas reconciliation, it is of importance that the oPt is well equipped with thorough analysis and qualified personnel. To this end, support will be provided for the establishment of an international legal unit within MoFA, which will possess adequate legal expertise and advisory services for diplomatic representations.



In the same vein, it is equally important to sensitize and empower the Palestinian public at large, and the young generations in particular, on how to contribute to the statehood aspirations. Therefore, rounds of public consultation will be organized, involving the wider public on a wide range of issues related to statehood, including the role of diplomats and diplomacy. Popular committees will continue to play a prominent role in these consultations. In specific, activities will seek to:

- Support key knowledge products through investment in selected think tanks to work on research, advocacy, and training on good governance in the oPt;
- Support the Government Media Centre's capacity to channel key PA messaging to wider audiences and other media outlets;
- Carry out an Ambassadorial training programme to better represent Palestinians abroad;
- Provide technical support to the establishment of a Ministry of Foreign Affairs (MoFA) legal unit to support the diplomatic corps of the Palestinian Authority in its national and international efforts; and,
- Support the Palestinian National Authority and independent bodies to monitor the implementation
  of the Statehood agenda, including the supply of performance indicators.





# 1. Justification and Challenges

Since 2007, increased pressure stemming from the occupation has affected the Palestinian economy and livelihoods: the blockade of the Gaza Strip, the tightening of restrictive policies in Area C and in East Jerusalem; and, the considerable restriction on freedom of movement in the West Bank. This has imposed major costs on the Palestinian productive and trade sectors, undercutting development prospects significantly.

The regime of closure has fragmented economic space and further reduced the potential for sustainable economic growth. Political insecurity, coupled with uncertainty about a negotiated settlement, has limited the opportunity to encourage local industries and to tap financial resources from neighbouring countries and from the Palestinian Diaspora for business investment. This has further exacerbated the vulnerability of many Palestinian communities, losing productive capital and opportunities. The Palestinian youth is particularly affected by these restrictions with alarming levels of youth unemployment throughout the country.

In 2008, poverty in the oPt reached up to 57.2 percent (45.7 percent in the West Bank, and 79.4 percent in the Gaza Strip). Absolute poverty soared from 20.3 percent in 1998 to 34.5 percent in 2007, and the prevalence of extreme poverty doubled from affecting one out of eight to one out of four in the same time period. Furthermore, labour force statistics published in 2012 show a low participation rate of 41.1 percent, meaning that less than half of the active population is in the labour market. Of this group, 23.7 percent are unemployed. These figures illustrate a high dependency ratio of almost 5.4.

Moreover, restrictions on movements and trade and the weakening of the Palestinian economic base have increased the dependency of the Palestinian economy on the Israeli market, for both imports and exports. According to data provided by UNCTAD (2009), the total trade deficit of the oPt stands at USD 3.8 billion, constituting around 78 percent of the GDP. Over half of this deficit is in trade with Israel, where the deficit exceeded USD 2.6 billion.

# 2. Priorities

UNDP/PAPP's strategy is aligned with the PNDP social and economic sectors' strategic objectives for 2011-2013. In particular, it aims to:

- 1. Support and empower the poor through economic empowerment programmes, targeting vulnerable citizens and households to help them lift themselves out of dependency to self-reliance:
- 2. Develop and strengthen social assistance programmes and community-level infrastructure to protect and empower the poor and other vulnerable groups;
- 3. Enhance the competitiveness of Palestinian products and services, with a focus on agriculture development, land reclamation and rehabilitation programmes;
- 4. Promote economic integration and access to external markets through design and implementation of national strategies for internal trade and overseas exports;
- 5. Encourage Private Public Partnerships (PPP's) in various sectors, including infrastructure, health environment and energy;
- 6. Enhance the technical capacities of the Local Palestinian Chambers of Commerce.

In partnership with the Ministries of Social Affairs, Labour, Agriculture, and Planning, and a large group of Palestinian civil society organizations, UNDP/PAPP is scaling up economic empowerment in the field of

agricultural development, micro-enterprise creation and support to medium and large businesses with export potential. The objective is to increase the resilience of Palestinians beyond the short-term solutions of food assistance and temporary employment generation through:

- 1. The Deprived Families Economic Empowerment Programme (DEEP), which in its first phase (2007-2010) graduated 7,000 families from deep poverty and created 12,000 sustainable employment opportunities;
- 2. The Rural Development Programme, which directly enhanced the productivity of at least 4,000 hectares of agricultural land and established services and infrastructure that encouraged farmers to cultivate and utilize an additional 7,000 hectares using private investments;
- 3. The Agricultural Rehabilitation Programme in Gaza, which rehabilitated the majority of agricultural infrastructure damaged during Operation Cast Lead in 2009.

The current model of UNDP/PAPP in economic development focuses on bringing together the comparative advantages of the Palestinian people (entrepreneurs), public sector, civil society, private sector, international agencies and donors. Thus, in parallel and mutually reinforcing efforts, UNDP/PAPP will work closely with Palestinian authorities to improve the competitiveness of Palestinian products. The objective is to develop the trade infrastructure, enhance access to external markets, and develop import substitution strategies.

# 3. Areas of Assistance

#### Focus Area 1: Economic Empowerment of Productive Families

Building on the successes of the first phase of the DEEP programme, UNDP/PAPP is initiating a second phase targeting 12,000 families living below the national poverty line in East Jerusalem, Area C of the West Bank, and the Gaza Strip. With a focus on enabling the economic empowerment of youth and women, these families have the potential for entrepreneurship or are current or potential beneficiaries of cash assistance initiatives. The programme uses a specialized and well-tested targeting and assessment process (based on poverty scoring and livelihoods assessments) to identify eligible families and design interventions. It aims at graduating these families by helping them establish sustainable enterprises that have the potential to generate a larger income to meet the needs of all family members.

The second phase of the programme will start at the beginning of 2012 and will run for four years. It is being implemented under the leadership of the Ministry of Social Affairs and other relevant ministries. The programme will be executed through a controlled environment with oversight from the Government, the main donors and UNDP/PAPP to ensure it achieves its objectives. Implementation on the ground is supported by at least 30 specialized local NGOs and microfinance institutions, with quality assurance led by the relevant technical entities in the government. Support will focus on:



- Empower 12,000 families to establish micro enterprises through capital investment and participatory micro financing instruments that safeguard the interests and investments of the families and prevent further slippage into poverty;
- Enhance targeting and business design to better define the services needed by productive households:
- Support NGOs and micro-finance institutions to specialize in specific economic sectors (i.e. agriculture, IT, general services, crafts) and invest in state of the art services that cater to the different needs of the family.

# Focus Area 2: Land Protection and Development in the West Bank (Area C in particular)

In 1997, in partnership with the Ministry of Agriculture and a group of specialized NGOs, UNDP/PAPP established an alliance to jointly implement land and water development initiatives for agricultural use. The initiatives focused on establishing the necessary infrastructure for cultivating land in the rural areas of the West Bank. This was achieved by constructing agricultural roads to ensure access to distant and isolated land, establishing water harvesting schemes to increase water storage capacity, and reclaiming unused land to enhance agro-productivity.

The programme helped farmers organize themselves within specific communities to lead the initiative and provided them with extension services from the Ministry of Agriculture for quality assurance, coaching, and guidance for the cultivation process. This helped protect thousands of hectares from confiscation by Israeli settlers and provided sustainable income to more than 8,000 rural families in the West Bank. Since 1997, the programme has expanded through individual projects that offer more cost-effective approaches.



The proposed land development programme for 2012 - 2015 focuses on Area C and will:

- Develop 1,000 hectares of the most productive and threatened land in partnership with local communities, civil society and the Ministry of Agriculture;
- Enhance the economic feasibility of land development and introduce crops that provide farmers with sufficient return to sustain their livelihoods and enable further investment in nearby land.

### Focus Area 3: Private Sector and Economic Development in the Gaza Strip

The objective is to provide assistance to the rural sector in the Gaza Strip by building its commercial strength to provide income, employment and improve the food security of the Gazan population. Over a period of three years, this intervention will target small and medium-size farmers, cooperatives, and 'public' institutions, industry representative bodies and NGOs working and delivering services in the agricultural and rural sector. In addition, the intervention will pay special attention to supporting existing micro and small food and agro-processing enterprises with potential for growth through building synergies with the DEEP modality.

The project aims at supporting the agricultural sector by moving beyond the emergency distribution of production inputs for the limited purpose of food security towards a stronger focus on farmers with the potential to grow, commercialize and export. Investing in those categories of farmers, particularly the youth, will allow for a higher contribution to job creation and business sustainability. This approach also offers a critical match with the business environment in Gaza, where established firms are more resistant and able to cope with current limitations on the import of raw materials, access to finance and technology transfer. More specifically, the support will focus on the following three pillars.

#### Pillar 1: Building the required extension services to:

- Enhance food security in selected items;
- Introduce production techniques for new crops and livestock varieties in order to allow diversification:
- Help farmers meet market requirements and products' characteristics for domestic and export markets;
- Meet requirements for exports; and,
- · Support cooperatives' formation and growth.

#### Pillar 2: Rural enterprise development to:

 Enable selected, existing food and agro-processing enterprises and non-agricultural rural enterprises, including cooperatives, to grow and increase employment. Women are priority beneficiaries of this pillar.

#### Pillar 3: Special focus on fisheries to:

- Increase the supply of saltwater fish to the domestic market through the provision of an infrastructure base for sea-fishing and coastal saltwater aquaculture;
- · Rehabilitate harbour and ancillary infrastructure;
- · Support construction and management of coastal fishponds; and,
- Improve the performance and management of fishing cooperatives.

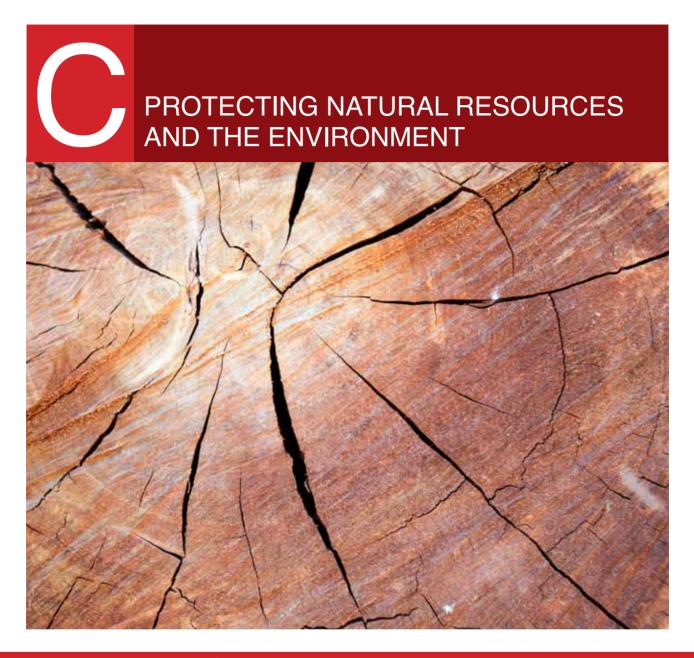
#### Focus Area 4: Import Substitution and Export Strategies

The Ministry of National Economy (MoNE) and UNDP/PAPP are developing an import substitution strategy that will enhance the self-reliance of the local economy. The initiative is designed to strengthen the quality, quantity and relevance of sustainable trade support services and information provided by national trade promotion institutions to their public and private partner organisations and Palestinian micro, small and medium enterprises (MSMEs) with export potential. It also aims to increase the capacity of the private sector to identify potential foreign markets and join the completion. Support will focus on:

- Establish a Strategic Policy Unit within the MoNE to drive analysis, policy and strategy, as well as
  capacity to effectively absorb and manage international technical and financial aid initiatives and
  institutional, organizational and individual development;
- Initiate a "Buy Palestinian Campaign" through quality assurance, aggressive marketing, and improved representation of local products to support both to boost the market share of Palestinian goods and commodities; and,
- Create mechanisms to attract foreign direct investment by tapping into opportunities presented by the Palestinian Diaspora, promoting trade fairs, and inviting potential investors to invest in the lucrative Palestinian market.

In addition, UNDP/PAPP supports an initiative to increase trade opportunities for Palestinian businesses in sectors with export and employment generation potential. This initiative is based on the idea that the internal market is insufficient to support sustainable private sector growth, and that the Palestinian economy – despite restrictions imposed by the occupation – is ready for international competition. MSMEs have an opportunity to become internationally competitive. This initiative will:

- Improve the organizational and strategic management capacities of trade promotion organizations;
- Enhance trade policy;
- Improve access of the Palestinian private sector to trade information, especially for women and youth-owned enterprises;
- Increase access of Palestinian firms to quality export development services, especially for women and youth-owned businesses; and.
- Enhance the promotion (exposure and networking) of Palestinian firms in targeted markets.



# 1. Justification and Challenges

The lack of control by Palestinian authorities over most of its natural resources, including water, land (Area C) and mineral resources considerably restrain the ability of the PA to design and plan for sound responses to environmental challenges. Thus, the water sector is one of the highest priority areas listed in the Palestinian Authority's National Plan for 2011-2013.

The Palestinian people experience a continuous depletion of natural resources as a result of the occupation. Water supply and sanitation services in the oPt are characterized by severe shortage. The current average

domestic water consumption rate in the West Bank is estimated at 65 litres/capita/day (I/c/d) and between 50 and 70 l/c/d in the Gaza Strip, which falls below the minimum 100-150 l/c/d recommended by WHO.<sup>4</sup>

The coastal aquifer of the Gaza Strip is affected by unsustainable use and over abstraction of more than 120MCM of water per year. This has resulted in seawater intrusion leading to salinity and chlorides levels unsuitable for human consumption. This problem is compounded by infiltration of wastewater, pesticides and landfill leachate that have increased nitrates concentration to dangerous levels. Marine and coastal pollution in the Gaza Strip has increased to become a regional issue.

Only 60 percent<sup>5</sup> of the population is connected to sewage, and treatment plants capacity falls below needs. The majority of communities in the rural areas depend on private cesspits that add to the contamination of water sources. The same challenge applies to solid waste collection. While the Gaza Strip enjoys 95 percent coverage of solid waste collection services, only 67 percent of the West Bank population is covered.



Furthermore, stone cutting and marble industries in the West Bank, as well as sand dunes quarrying in the Gaza Strip, deplete natural resources and threaten biodiversity. The unregulated use of internationally banned pesticides and the abuse of fertilizers and herbicides pollute the subsoil and the water, deplete biodiversity and constitute a serious public health issue.

Expansion of Israeli settlements and the infrastructure that supports them, as well as the separation wall, constitute major cause for pollution and environmental degradation. Solid and liquid waste is often dumped in Palestinian valleys. Construction works, confiscation of wells and thousands of hectares of cultivated land, and uprooting of trees have resulted in increased desertification, soil erosion, loss of biodiversity and wildlife.

Improper management, weak institutional capacities and the lack (or non-enforcement) of regulatory frameworks, as well as low public awareness and participation, further exacerbate the environmental degradation.

<sup>4</sup> Amnesty International, Troubled Waters, Palestinians denied fair access to water, October 2009

<sup>5</sup> Ashour et al., 2009

# 2. Priorities

While environment is not a separate sector of the PNDP, environmental objectives are reflected in one of the infrastructure sector strategic objectives (strategic objective 3: to protect the environment in Palestine) and are mainstreamed in sectors requiring assistance to:

- 1. Develop integrated and sustainable national infrastructure networks (water supply, sewage treatment, solid waste management);
- 2. Secure supply of energy and natural resources (water resources);
- 3. Protect the environment (recycling and safe processing of solid waste, environmental awareness, regulatory frameworks and enforcement, fight against deforestation);
- 4. Maintain the long-term quality, affordability and safety of infrastructure systems;
- 5. Support and build the capacities of EQA, MoFA and MOPAD to engage in, and meet their obligations under international environmental conventions.

Furthermore, in the spirits of the state building, UNDP/PAPP will work very closely with relative PA institutions and support them in their preparedness to become a full state member of the UN and meet their obligations under the three Rio Conventions, including the Convention on Biological Biodiversity (CBD), Convention to Combat Desertification and Drought (CCD) and Framework Convention on Climate Change (FCCC). This can be achieved through the identification of the individual, institutional and systemic capacities needed. UNDP/PAPP will cooperate with the United Nations Environment Programme (UNEP) and the Global Environment Facility, when needed, to achieve this end.

UNDP/PAPP works very closely with the Palestinian Water Authority (PWA), EQA and, more recently, with the Palestinian Energy Authority. UNDP/PAPP's support to the water and environment sectors is multi-dimensional, addressing capacity development needs in areas such as: water governance, environmental protection and sustainability, pollution control, climate change. Support also entails building infrastructure and environmental regulations, which are essential for pollution control and protection of natural resources.

Since 1979, more than one-third of UNDP/PAPP's resources have been invested in environmental projects. This has resulted in more than 270 projects, ranging from construction of water and wastewater networks and rehabilitation of sewage treatment plants to the development of strategic water and environment sector plans. Aligned with the PNDP, support will focus on the following achievement and results:

- 1. Strengthen environmental governance, including preparedness for global environmental agendas;
- 2. Mobilize environmental financing;
- 3. Improve access to water supply and sanitation, as well as solid waste services;
- 4. Promote climate change adaptation.

# 3. Areas of Assistance

#### **Focus Area 1: Environment Governance**

Good environmental governance requires focus on capacity and institution building of all relevant environmental actors. However, it is of equal importance to give a human face to environmental challenges and empower people to be more active in addressing the same. Thus, UNDP/PAPP promotes inclusion of communities and attitudinal change towards environmental issues, while also advocating for partnerships on environment. To this end, relevant institutions are empowered to:

- Set up state of the art regulatory frameworks that will provide an enabling environment for sustainable development practices and for pollution control;
- Develop capacity of the PA, local authorities and civil society institutions to support the
  development of clear environmental action plans and policies, regulations, environmental
  quality standards and criteria, environmental manuals and environmental awareness strategies
  and programmes;
- Provide training for enforcing and monitoring the implementation of the various environmental regulations;
- Strengthen the PA pollution control regulatory framework and build the capacities of the different PA institutions for monitoring and inspecting pollution sources;
- Strengthen Environmental Governance through capacity development for global agendas.

### Focus Area 2: Financing Environment

The fact that the oPt does not have the status of an independent State and is not a Member State of the United Nations means that it is de-jure excluded from the existing environmental conventions. As a consequence, the oPt cannot access convention-based funds and financing mechanisms, such as the Global Environment Facility window, the MDG carbon facility, the Clean Development Mechanisms (CDM) and the most recently established Green Fund that is associated with the Cancun Summit on Climate Change (CC).

As a country under occupation, the oPt is already facing a challenging financial situation and is largely dependent on international financing for developmental projects and operating costs. Its inability to access environmental finance exacerbates the oPt's environmental threats and leads to marginalization of the sector, especially during crises.

In 2009, and after Operation Cast Lead in the Gaza Strip, UNDP/PAPP supported and lobbied with EQA to establish the Environment Sector Group of LACS and to address the environment as a separate subsector of the infrastructure working group. In this way, particular attention is given to environment, enabling investment in regulatory and institutional components excluded initially from the planning processes.

In order to support the PA institutions in their preparedness to become a full Member State of the United Nations, UNDP/PAPP will work closely with EQA, the Ministry of Foreign Affairs (MoFA), MoPAD and specific Arab countries and donors to:

- Support and build the capacities of EQA and MoFA to engage in international environmental conventions;
- Enable the PA to access environmental financing with focus on GEF and CC different funds:
- Strengthen the capacities of the PA authorities (EQA, PWA, MOPAD and MoFA) in multilateral negotiations and access to environmental financing, and engage in environmental conventions.

#### Focus Area 3: Water Supply, Sanitation and Solid Waste Services

UNDP/PAPP works closely with PWA on water governance, in particular within the framework of a regional UNDP programme. Over the past three years, UNDP/PAPP has enhanced the capacity of PWA in donor coordination, international negotiations and technical expertise. A water governance diagnostic study was completed in January 2009, which identified key priorities for the PWA. A water sector reform study is being finalized for the PA to adopt a new water sector structure in advance of the declaration of a State.

In line with the PNDP and with the current interventions of PWA, UNDP/PAPP also works to improve water management, access to water, wastewater and solid waste services for marginalized communities in the Gaza Strip and the West Bank, particularly in Area C. The main priorities have been identified in consultation with PWA and CMWU and other relevant institutions:

- Enhance the capacity of PWA to develop a National Water Plan and set the water sector regulatory framework, including regulations, quality standards and intergovernmental arrangements;
- Improve water availability and quality through the development of alternative water sources (desalination plants and reverse osmosis units) in the Gaza Strip;
- Improve water networks efficiency in the Gaza Strip and coverage in Area C through rehabilitation and construction of distribution networks, installation of booster pumps and tanks;
- Improve wastewater collection management and reuse through the construction of sewage networks and treatment plants and the introduction of wastewater reuse schemes;



- Expand access to safe solid waste collection, transfer and landfilling; and, develop sustainable
  management mechanisms to increase public awareness on solid waste management and piloting
  recycling schemes;
- Improve management of hazardous waste with focus on health care waste.

#### Focus Area 4: Climate Change Adaptation

The potential consequences of climate change in the oPt are serious. The increasing scarcity of water resources and the gradual desertification in the country poses a very real threat to livelihoods and health. In an effort to keep the oPt linked with the globally changing environment, UNDP/PAPP has conducted an assessment on climate change to develop a climate change adaptation strategy and formulate a climate change adaptation programme. The main findings are as follows:

- Rainfall decline and temperature increases are expected, which would aggravate the problem of draught and water scarcity in the oPt. The temperature increase is estimated to range between 2.2-5.1°C and the annual rainfall decline is estimated at 10 percent by 2020 and at 20 percent by 2050;
- Climate change is expected to aggravate the problem of land deterioration and desertification, which
  will compromise the agricultural production and endanger food security. This may have socio-economic
  implications in terms of increased poverty and social instability. Internal dislocation and migration to
  urban areas and internal disputes on the use of the scarcer water resources are possible; and,
- Increased frequency of natural disasters resulting from drought or extreme climatic events, such as storms, floods, heat waves and drought are possible.

In response to the findings, UNDP/PAPP will support:

- Use regional programmes and initiatives (Arab Climate Resilience Initiative, UNDP Regional Programme for Climate Change) to build the awareness and knowledge of Palestinian authorities on climate change and adaptation strategies, with a focus on water scarcity, droughts, sea water level rise, energy efficiency and alternative energy sources;
- Mainstream climate change in national plans and strategies and strengthen the capacity of the related PA ministries to develop climate change adaptation strategies;
- Develop national plans to combat desertification (underway) and for disaster management and risk reduction;
- Implement selected pilot projects in the most affected areas of the oPt on water resources management and food security, efficient and sustainable use of energy and sea level rise;
- Use similar implementation modality, such as the GEF, to engage civil society organizations and build their capacities in climate change adaptation and mitigation;
- Support the resilience of the most vulnerable communities by increasing their awareness on climate change potential impacts on their livelihoods, building their capacity to cope and adapt to the impacts of climate change;
- Introduce greening technologies, policies, and standards in construction of homes and buildings.

# PUBLIC AND SOCIAL INFRASTRUCTURE



# 1. Justification and Challenges

As highlighted in the PNDP, developing the Palestinian public and social infrastructure is key to achieving and strengthening statehood. Not only is infrastructure essential for the population to access housing and basic social services, but it is also a prerequisite for a Palestinian State to materialize as a functional entity. The development of nation-wide networks, in particular for water, electricity and transportation, is essential to service the whole territory, including the Gaza Strip, Area C and East Jerusalem.

The Gaza Strip has been severely affected by conflict and the blockade. Its public and private infrastructure was mostly destroyed during Israel's military Operation Cast Lead, and the continuation of the blockade has hampered any meaningful reconstruction and other interventions needed to cope with population growth. Significant investments are thus required to re-establish basic infrastructure services for communities including housing, health, education, water, wastewater and electricity.

Areas classified as C, constitute 62 percent of West Bank land. The majority of this area is uninhabited or allocated for settlements only. However, there are 400 communities located in area C, while 150 communities are entirely located in area C inhabited by over 150,000 people<sup>6</sup>. East Jerusalem, on the other hand, is much smaller in size and has over 300,000 Palestinian residents. Both areas cover around 65 percent of West Bank land and include 12 percent of the population.



The building restrictions in Area C and in East Jerusalem hamper development. Building permits cannot be submitted without a long process of proving ownership and ensuring compliance with the existing town plans. Of those submitted applications, OCHA estimates that 94 percent of permit applications are rejected on various grounds. In addition, OCHA recorded 2,450 house demolitions in area C in the 12 years ending in December 2009. In 2010, alone, it was estimated that 230 Palestinian structures were demolished in the West Bank.

<sup>6</sup> http://www.ochaopt.org/documents/special\_focus\_area\_c\_demolitions\_december\_2009.pdf

In East Jerusalem, the current town planning scheme for Jerusalem restricts Arab construction to 13 percent of the total land area of East Jerusalem. While Palestinians constitute over 36 percent of the population of Jerusalem (East and West), less than 7 percent of authorised building permits are issued to Palestinians. As a result, Palestinian sources estimate a shortage of 42,000 residential units.

# 2. Priorities

The PNDP, 2011- 2013 contains five infrastructure sector strategic objectives:

- 1. Develop integrated and sustainable national infrastructure networks;
- 2. Secure supply of energy and natural resources;
- 3. Protect the environment;
- 4. Maintain the long-term quality, affordability and safety of infrastructure systems;
- 5. Ensure adequate, safe and affordable housing.



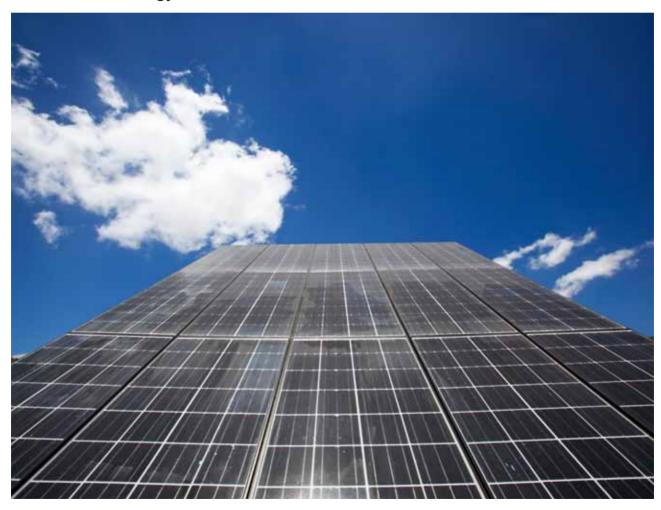
UNDP/PAPP's infrastructure programmes and projects are in line with the development priorities and the strategic infrastructure investments outlined in the PNDP. They aim to expand and consolidate past and current sector interventions with the overarching goal of supporting economic and social development in the oPt and strengthening Palestinian statehood. The programme includes both capital expenditure and institutional development interventions in key infrastructure sub-sectors. By complementing the support of the Palestinian Authority and the international community, UNDP/PAPP prioritizes targeted strategic infrastructure interventions that have the highest potential to:

- Reduce geographic and socio-economic inequalities by increasing access to key infrastructures in deprived or underserved areas. This includes the improvement of the road transport system and the development of social infrastructure and housing;
- 2. Develop financially viable infrastructure and capacity building for efficient use and management. In addition, energy efficiency will be promoted, particularly in the transport, housing and energy sectors, as well as ways to shift to renewable energy sources;
- 3. Strengthen collaboration and partnership conducive to the promotion of efficient, effective and equitable use of available and future infrastructure resources.

In view of these objectives, UNDP/PAPP will focus on five sectors in support of infrastructure: energy, transport, housing, education and health.

# 3. Focus of Assistance

#### Focus Area 1: Energy Resources



Electricity distribution in the West Bank continues to be inadequate and insufficient with many locations in area C unconnected to a distribution network. Power generation through renewable energy remains limited due to the absence of an adequate regulatory framework, high costs to sustain investments, and insufficient research and training.

The Gaza power station relies on external fuel aid and the electricity it produces heavily depends on supply limitations imposed by Israel. In addition, the distribution infrastructure is often inadequate and susceptible to failure. This results in frequent power outages forcing basic services to revert to backup generators. The rate of air pollution is building up with the extensive use of diesel generators that might cause chronic chest illness to the Gaza population.



UNDP/PAPP's proposed interventions in the energy sector intend to respond to some of the challenges outlined above and are largely directed to:

- Increase local electricity supply and an integrated electricity distribution network also connecting
  the Gaza Strip and West Bank to neighbouring countries operated on a commercial basis by
  regional electricity distribution companies;
- Enhance the capacity of local electricity providers to establish efficient and effective commercialization of service delivery, including pre-paid metering systems;
- Expand electrification and rehabilitate existing systems in Gaza and Area C particularly for communities affected by the separation wall and enable these to obtain and safeguard appropriate housing connected to an efficient electricity network; and,
- Promote diversification of energy sources through the introduction of new technologies in conventional and renewable energies, research, piloting and policy, and capacity development.

#### Focus Area 2: Transport and Management Systems

Land transportation is the predominant type of transportation in the oPt. The network is deficient with half of the existing roads being poorly paved or poorly maintained. Political constraints, mobility and access restrictions and territorial fragmentation have prevented any future strategic development in the sector.

In the Gaza Strip, major strategic infrastructure, such as the airport and the seaport, has been damaged in successive Israeli incursions and are no longer in use. During Operation Cast Lead, more than 57 km of roads were damaged<sup>7</sup>. For the past four years, no major reconstruction or development interventions could take place due to the blockade; although few roads were rehabilitated utilizing local crushed debris.



UNDP/PAPP's support aims to provide better connectivity of Palestinian communities to adequate and safe road facilities, and to support the design of strategic projects that will lay the foundation for sustainable social and economic development. Assistance will:

- Enhance safer transport and efficient mobility of people and goods through the rehabilitation of urban, rural and road networks in the West Bank, with emphasis on Area C;
- Rehabilitate damaged roads and other essential transport infrastructure in the Gaza Strip;
- Develop a comprehensive master plan for the road network, including a road maintenance management system, and institutional support for the design and implementation of an effective system to manage and regulate the transport sector;
- Improve access and monitoring capacity for entry of goods and construction materials into the Gaza Strip, support recovery, development and reconstruction activities. This includes the management structure, as well as the mechanism foreseen to coordinate access and monitor transport, storage and handling of the projects' construction materials.

<sup>7</sup> UNDP/PAPP Damage Needs Assessment, 2009

#### Focus Area 3: Affordable and Adequate Housing

Palestinians in the Gaza Strip, East Jerusalem and Area C suffer from poor and insecure housing conditions caused by various factors. In the Gaza Strip, the high density of population coupled with the impossibility of constructing new houses due to the blockade has led to a major deficit in housing availability that was severely compounded by the destruction of more than 11,500 private houses and residential buildings during Operation Cast Lead. Most of these buildings could not be rebuilt due to the continuation of the blockade. In addition, the blockade continues to impede a shelter response to five years of unchecked natural population growth, which has resulted in chronic overcrowding and a need for approximately 75,000 extra housing units.



In East Jerusalem, building new houses is nearly impossible for Palestinians, due to the difficulties faced in the issuance of permits by Israel. Yearly needs account for more than 1,500 new houses per year, while the Jerusalem municipality usually issues only 200 permits. As a consequence, four out of every five houses built every year, and around one third of all houses in the city (10,000) are illegal, and are constantly threatened by demolition by Israel. Since the beginning of 2010, demolition orders for 1322 structures were issued that will result in the displacement of 3655 people, including 1699 children. More than 50 houses were demolished, resulting in the displacement of 75 people, including 45 children. Moreover, many houses in the old city and other neighbourhoods are at threat of being seized by illegal settlers.

In Area C, which constitutes 62 percent of the West Bank, only 1 percent of the land is allocated for Palestinian construction. As a consequence, most Palestinian communities are forced to build without permits, and, as in East Jerusalem, their houses and other structures (schools, water systems or animal shelters) are at threat of demolition. In 2010, 113 houses and 240 other structures were demolished, affecting more than 6,000 people and leading to the displacement of 478 people, 230 of them are children. In addition, several hundred houses were razed by Israel in past incursions in Area B.

In line with the priorities of the PNDP, UNDP/PAPP interventions in the housing sector aim to:

- Ensure adequate, safe and affordable housing through reconstruction of razed housing units in Gaza and Area B of the West Bank;
- Renovate dilapidated homes in East Jerusalem and establish a fund to support Palestinians in East Jerusalem to cover the high costs of building licensing and penalty fees;
- Expand current housing initiatives by providing public utilities such as roads, sewage, water and electricity for a number of cooperative housing projects in the West Bank and East Jerusalem.



#### Focus Area 4: Education

In the Gaza Strip, no new schools have been constructed since 2007 mainly due to the closure regime imposed by Israel. The double and even triple shift system currently in place to meet the current student demand is seriously compromising the quality of education in the Gaza Strip. 256 new classrooms are needed annually only to absorb the growing student demand.



In East Jerusalem, many educational facilities operate in rented, inadequate and overcrowded premises because adequate educational infrastructure is not provided by the Israeli authorities. The impossibility of obtaining a license to construct new facilities in East Jerusalem and Area C is severely impacting the quality of education in these areas.

In line with the priority policies of the PNDP 2011-2013, immediate interventions will:

 Reinforce the education system in East Jerusalem through the construction of new schools, rehabilitation of kindergartens, provision of furniture and equipment, and catering for children with special needs;

- Support early childhood development through the rehabilitation of kindergartens and recreation centres in Area C and remote localities;
- Construct schools and educational facilities in the Gaza Strip;
- Support the implementation to the PA's education infrastructure master plan...

#### Focus Area 5: Public Health Services and System

In the Gaza Strip, a joint assessment conducted by UNDP/PAPP and WHO at the request of the Ministry of Health highlighted the need to prioritize the response, ranging from rehabilitation of dilapidated hospitals and public health centres, to the expansion of existing facilities and the creation of missing health services. A growing need for proper health facilities must also be met in order to minimize the external referrals of patients that chronically exhaust the Ministry of Health's annual budgets.



In Area C, despite MoH efforts to ensure equitable geographic distribution of health facilities, Israeli military barriers and road closures and the near impossibility of securing permits for new constructions continue to affect access to quality health services. The threat of demolition of new or rehabilitated structures prevents actors from investing in this sector. In addition, it is customary that medical staff and patients are thoroughly searched at checkpoints, resulting in patients facing a delay in receiving medical attention.

In line with the 2011-2013 Palestinian National Strategic Health Plan (PNSHP), UNDP/PAPP priority interventions will focus on Gaza, Area C and East Jerusalem. The most important interventions seek to:

- Improve quality and affordable access to comprehensive primary, secondary and tertiary healthcare services: construction of hospitals, clinics for the most vulnerable groups, as well as the provision of adequate support services;
- Establish an integrated Health Information Technology System for Hospitals in East Jerusalem to improve coordination and help patients move through East Jerusalem without duplication of services.;
- Expand and develop medical specializations in urology, neurosurgery, organ transplants, paediatrics and cardiology in the 3 main hospitals of Maqased, the French Hospital and Augusta Victoria.





The Palestinian archaeological and architectural heritage has faced alarming deterioration, destruction and negligence due to the occupation. In addition, Palestinian folk heritage, including craft making, oral traditions, music and customs, is eroding. These assets are key elements of a national identity, especially in areas like East Jerusalem and Area C, where they are the most endangered.

Tourism potential, and in particular the attraction potential of the 'Holy Land' for tourists and pilgrims is considerable. With the appropriate investment it is estimated that Palestinian revenue from tourism can easily double over the next decade to reach USD 1.5 billion and provide employment to more than 25,000 people.

UNDP/PAPP supports the culture and tourism sectors through the rehabilitation of cultural heritage sites and the improvement of tourist areas and networks under its Heritage Conservation programme. This helps generate employment through labour intensive schemes. In close coordination with the Ministry of Tourism, development assistance focuses on the following interventions:

- · Rehabilitation of archaeological and cultural sites;
- Establishment of tourism promotion and hospitality infrastructure;
- Rehabilitation of East Jerusalem neighbourhoods and cultural sites as the epicentre of Palestinian and Arab culture;
- Promotion of Palestinian folk culture through the rehabilitation of theatres and the opening of neighbourhood cultural centres in East Jerusalem.

