



UNITED NATIONS SEMINAR ON ASSISTANCE TO THE PALESTINIAN PEOPLE

*Assistance to the Palestinians — challenges and opportunities
in the new reality of a State under occupation*

Rome, 27 and 28 February 2013

CHAIRMAN'S SUMMARY

The United Nations Seminar on Assistance to the Palestinian People, organized by the Committee on the Exercise of the Inalienable Rights of the Palestinian People, examined the impact of the Israeli occupation on the socio-economic and humanitarian situation in Palestine, challenges and opportunities of Palestine's new reality as a State under occupation, as well as the role and assistance of the international donor community. Representatives of Governments, intergovernmental organizations, including various United Nations bodies, and the civil society, together with expert speakers, shared their expertise. The Seminar was the first gathering of its kind since the General Assembly vote in November 2012, granting Palestine non-Member observer State status at the United Nations.

In the opening session, the **Secretary-General of the United Nations**, in his message to the Seminar, stressed the crucial importance of concrete progress towards the two-State solution for the future of Palestinian institutions. He expressed concern at Israel's continued settlement expansion, as well as at the current financial crisis of the Palestinian Government. He also voiced concern at the recent death of Palestinian prisoner Arafat Jaradat. He reiterated the importance of the full transfer of Palestinian tax and customs revenues which had been withheld by Israel following the United Nations admission of the State of Palestine, in a timely and predictable manner, and renewed his call on all donors to fulfill their pledges and increase their support. He furthermore reaffirmed continued United Nations support to Palestinian institution-building and humanitarian assistance. **The Chairman of the Committee** deplored Israel's economic reprisals following the General Assembly vote of 29 November 2012, and called for a push by the international community on political, economic and legal front to re-launch international engagement, restart meaningful negotiations, achieve reconciliation, strengthen Palestinian institutions, and end the Gaza blockade. **The representative of the Food and Agriculture Organization** highlighted FAO's efforts to help improve the agricultural sector and alleviate food and nutrition insecurity throughout the Occupied Palestinian Territory.

The Palestinian Minister of Finance and representative of the State of Palestine at the Seminar noted the Palestinian economy had not been allowed to reach its full potential due to the occupation and had little or no control over its economic affairs. The Paris Protocol, which was governing Israeli-Palestinian economic relations, had created a one-sided customs union whereby Palestinian goods and services were largely excluded from the Israeli market. The Minister pointed to numerous violations of the Protocol by Israel and called for mechanisms to be put in place to ensure Israeli implementation. He expressed optimism following the new status of Palestine, and urged the donor community to continue to support Palestinian institution building efforts and to challenge Israeli policies and support projects in Gaza; projects helping to connect Palestinians in East Jerusalem with the rest of the West Bank; and projects in "Area C". He also spoke of the importance to properly label and boycott settlement products, and to ensure companies that profit from the occupation

were held accountable. Finally he stressed the need for political progress which was closely linked to the economic one. A number of **representatives of Governments and intergovernmental organizations** reaffirmed their support to the efforts of the Palestinian people to achieve self-determination and outlined their contributions, programmes and initiatives to that effect.

The Seminar then reviewed the impact of the occupation on the socio-economic and humanitarian situation in Palestine, with expert speakers from United Nations bodies (UNWRA, OCHA, UNCTAD, UNSCO), Palestinian, Israeli and international civil society and the private sector. In the West Bank, the experts agreed, it were the Israeli restrictive policies, home demolitions and land confiscation that led to staggering poverty of 22 per cent, food insecurity of 24 per cent of the Palestinians, and an unemployment rate of 20.5 per cent. Israel's restrictions on the movement of people and goods, as well as threats to life, liberty and personal security, created a "protection crisis". Most of the problems in "Area C" could be traced to Israeli settlement policy and the ongoing construction of the separation wall, as many Palestinians living there lacked access to their livelihoods and were in addition often victims of settler violence. Experts expressed confidence that the need for humanitarian assistance would drop sharply if those policies were revoked, as people throughout the Occupied Palestinian Territory were well-trained and highly educated and could generate solutions if given the opportunity.

In the Gaza Strip, poverty was crushing, reaching 39 per cent. The unemployment rate reached 35 per cent, with the women facing disproportionately high rates, and over 80 per cent of the population received some form of international aid or relief assistance. Even with food assistance by UNRWA and WFP, 44 per cent of the Gaza population was food insecure. One of the most urgent needs was access to clean water, as 90 per cent of water piped into Gaza was not safe to drink. The reason for this situation was the blockade, the successive layers of restrictions in place since 2007 which all but destroyed local productive capacity and labour markets, devastated the private sector, ensured the area's isolation from the rest of the world, and promoted its dependence on tunnel smuggling and external aid. The reconstruction effort in the Gaza Strip faced several hurdles: limited access to construction materials and related imports; inadequate levels of financial support; a major gap in human resources as work stoppage in the construction sector had forced construction workers to seek other employment; and an organization gap created by internal Palestinian divisions.

It was noted that Palestinian women bore the brunt of the Israeli occupation. Employment levels for women continued to drop, and even as women saw some gains in education, that progress was not being translated into employment. The occupation also contributed to gender inequalities and altered traditional family structures and gender relations.

The state of the Palestinian agriculture, which has been incapable of realizing its productive and employment potential due to the occupation, was also closely discussed at the Seminar. The agriculture contribution to GDP shrunk from 12 per cent in 1995 to 5.5 per cent in 2011, and only 35 per cent of the Palestinian irrigable land was actually irrigated. In the West bank, land had been expropriated for the construction of the separation wall and 10 per cent was trapped in the "seam zone" between the wall and the 1967 borders. In addition, Palestinian trees were regularly being uprooted, and 82 per cent of the Palestinian ground water was being confiscated by Israel. Olive industry was deteriorating as a result of the loss of land, trees and water. In Gaza, the collapse of the fishing industry was due to Israeli restrictions allowing fishing only within 3 nautical miles as opposed to internationally recognized 20 miles.

Providing an Israeli perspective on the impact of the occupation, an expert argued that the continuation of the settlement policy was beneficial to Israel as it offered a solution to Israel's socio-economic problems, in particular profits for construction and security companies, subsidized housing and labour for Israel's poor and middle classes, and a boost to Israel's police and military exports.

The experts identified numerous opportunities that should be seized in order to strengthen the Palestinian economy. In the area of agriculture, it was pointed out that in spite of heavy losses, the sector was strategic, resilient and capable of achieving quick and sustainable recovery. Access to land, water, markets and investment in infrastructure could lead to expansion in irrigated land in "Area C", including the Jordan Valley, adding more than 25 per cent to Palestinian GDP; steps by the Palestinian Government and the international community should be taken to mitigate Israeli restrictions; and a programme to replant trees should be put in place. A suggestion was also put forward for the establishment of a well-funded, not-for-profit Public Agriculture Bank.

The participants called for the lifting of the land, sea and air blockade on the Gaza Strip and stressed the importance of the connection between Gaza and the West Bank. Redressing the current situation would require political will accompanied by sustained investment in the Gaza economy. It was also vital to allow steady imports and exports, now restricted to international organizations, and to protect civilians from hostilities. The recently announced Qatari Fund, with some \$ 450 million to be disbursed over the next three years for projects in development, infrastructure and education, was expected to considerably bolster economic activity, especially in the construction sector.

For the Palestinians to develop a strong and free market economy, liberating it from its forced dependency on the Israeli economy and developing a vigorous private sector capable of achieving sustainable economic growth was identified as key. A private sector representative suggested that Paris Protocol should be replaced with a new framework conducive to Palestinian economic independence and consisting of the following elements: independent trade policy and control over commercial crossings as well as equitable economic relations with Israel; full and unimpeded access to Palestinian natural resources; independent fiscal and monetary policies; new sources of growth, such as knowledge-based industries and services and tourism; and development of infrastructure in the areas of transportation, energy, telecommunications, tourism and water; and modern education and healthcare services.

Importantly, the Palestinian Authority, in partnership with the Organization for Economic Co-operation and Development (OECD), has been focused on achieving good governance in order to build strong institutions and foster economic growth, and was aligning with some standards and good practices of the OECD, mainly in the fields of rule of law, public sector integrity and e-governance. This involved enhanced policy dialogue between Palestinian and OECD representatives; OECD support for Palestinian institution-building efforts; as well as capacity-building and knowledge transfer. One concrete example of the outcomes of the programme was the integrity initiative which had led to the elaboration in 2012 of a Code of Conduct for public officials as a safeguard against corruption.

The representative of the European Union stressed the EU's financial assistance to the Palestinian Authority was part of a broader political ambition to support the naissance of an independent Palestinian State. In the immediate phase, the EU's priority was stabilization of the Palestinian Authority. It was necessary to revisit the Paris Protocol to ensure more automaticity of tax transfers and thereby, predictability, and more clear references to international law. Secondly, as relates to the Gaza Strip, permanent opening of crossings for persons and goods was necessary. Finally, the development of a strong and vibrant private

sector was important. The representative stressed that the Palestinian Authority remained the most credible and important vehicle for the realization of a Palestinian State.

The participants agreed that the precarious situation in Palestine was man-made, a result of the occupation, and the underlying issues were political rather than economic. They noted development under occupation was impossible unless it was targeted at ending the occupation. They challenged the international community to change its practical engagement in the region and stop paying for the occupation. Deep frustration was expressed with European and international engagement with Israel which lacked any real attempt to ensure accountability. The work of non-governmental organizations in the Occupied Palestinian Territory was also highlighted, as they added value to, or filled gaps in the work being carried out by intergovernmental bodies in emergency response, providing a protective presence in “Area C”, capacity-building of local civil society, and global advocacy.

The **Observer of the State of Palestine to the United Nations**, in his concluding remarks as the representative of the State of Palestine, stressed the historical significance of the General Assembly resolution adopted on 29 November 2012, which had to be translated into reality. He called on Palestine’s partners to ensure that this achievement would not be only symbolic and put pressure on Israel to end its illegal activities on Palestinian land. He hoped Europe would take the lead, particularly through imposing sanctions on Israel, especially in relation to products originating from settlements and criminals responsible of settler violence. Failing that, the Palestinians would have to resort to other courses of action now available to them, including the option to go to the International Criminal Court.

Closing the Seminar, the **Vice-Chairman of the Committee** warned that the capacity of the Palestinian Government to carry out its important task was at risk, particularly due to the strain on its financial situation. He noted that the potential of Palestine could only be maximized with a just, equitable and lasting peace with Israel, calling on all to invest in this prospect.

***Note: This Summary attempts to provide an overall picture of the deliberations of the Seminar, without singling out individual expert presentations in the plenary sessions. A detailed report summarizing each statement and presentation will be published by the Division for Palestinian Rights in due course.