



## General Assembly

Distr.  
GENERAL

A/44/637  
19 October 1989

ORIGINAL: ENGLISH

Forty-fourth session  
Agenda item 12

### REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

#### Assistance to the Palestinian people

#### Note by the Secretary-General

In its resolution 43/178 of 20 December 1988, the General Assembly requested the Secretary-General to charge the United Nations Centre for Human Settlements (Habitat) with supervising the development of the programme of economic and social assistance to the Palestinian people, and also requested him to report to the Assembly at its forty-fourth session, through the Economic and Social Council, on the progress made in the implementation of the resolution. The report prepared in response to that request is annexed to the present note.

ANNEX

Assistance to the Palestinian people

1. In its resolution 43/178 of 20 December 1988, entitled "Assistance to the Palestinian people", the General Assembly requested the Secretary-General to charge the United Nations Centre for Human Settlements (Habitat) with supervising the development of the programme of assistance and to provide it with the funds needed to engage 20 experts to prepare an adequate programme, in close co-operation with the Palestine Liberation Organization, taking into account the intifadah of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and its implications, and further requested the Secretary-General to report to the Assembly at its forty-fourth session, through the Economic and Social Council, on the progress made in the implementation of the resolution.

2. With a view to implementing the above-mentioned resolution, the United Nations Centre for Human Settlements (Habitat) met with representatives of the Palestinian Liberation Organization and selected experts (a) to discuss the scope of the programme of assistance to the Palestinian people; (b) to identify the specific topics and project proposals to be included in the report to the General Assembly; and (c) to identify also experts who would be requested to prepare the substantive inputs to the report.

3. The meeting agreed on the scope of the programme of assistance and, to that end, identified 30 specific project proposals to be prepared by selected experts. The project proposals were as follows:

- (a) Pilot project for improved packaging of olive oil soap;
- (b) Establishment of a flour mill;
- (c) Strengthening chambers of commerce and industry in the West Bank, Jerusalem and the Gaza Strip;
- (d) Plant for dyeing and printing of textiles;
- (e) Establishment of an agricultural credit institution;
- (f) Plastic sheets for irrigated agriculture;
- (g) Social security fund;
- (h) Establishment of a pressed wood factory;
- (i) Establishment of an infant food production factory;
- (j) Establishment of a factory for food powder and paste production;
- (k) Reconstruction of demolished houses;

- (l) Solving water problems in Gaza;
- (m) Contruction of water wells for irrigation and domestic use;
- (n) Factory for the production of paper;
- (o) Fertilizers from recycling of sewage waste;
- (p) Establishment of a housing bank;
- (q) Rehabilitation of the Old City of Jerusalem;
- (r) Development and support of information systems;
- (s) Development of alternative education methods;
- (t) Development of low-cost building materials;
- (u) Development of curriculum for higher educational institutions;
- (v) Provision of technical assistance in land reclamation for cultivation of marginal lands;
- (w) Recycling of scrap metal;
- (x) Improved canning of olive oil;
- (y) Animal feed from olive oil, citrus and other food sediments;
- (z) Development and expansion of mother and child health care centres;
- (aa) Rehabilitation of the disabled;
- (bb) Health/medical insurance fund;
- (cc) Publications on Palestinian history and culture;
- (dd) Dried fruit production.

4. At the time of the preparation of the present report 26 project proposals had been received from the experts who had been requested to prepare them. Summaries of these project proposals are given in the appendix to the report. Summaries of the remaining four project proposals will be submitted to the General Assembly as an addendum to the report as soon as they are received by UNCHS (Habitat).

5. The following is a summary of contributions received from various United Nations organizations and agencies in response to the provisions of resolution 43/178.

United Nations Development Programme

6. During the past 10 years, UNDP has implemented some 18 technical co-operation projects with a total budget of nearly \$5 million in the occupied Palestinian territory. These projects have covered a wide range of fields, but all focus on training and institution building. Currently, UNDP is implementing some 15 projects with a total budget of over \$15 million in the occupied Palestinian territory. The UNDP Programme of Assistance to the Palestinian People includes a wide range of projects, including manpower development; industrial development (olive oil, ceramics and glass technology, light industries and vegetable packing); improvement of water supply systems in villages; sewage disposal and effluent recycling; strengthening of educational and health institutions; assistance to the municipalities; and establishment of a business development course.

7. Projects that have been submitted to the Israeli authorities for approval include development of women's institutions (involving 10 productive subprojects to be implemented with women's organizations in the West Bank and the Gaza Strip); and development of the poultry industry.

8. Projects in the process of being formulated include a drip and sprinkle irrigation project; an irrigation and drinking-water project; establishment of marketing centres; a grape-processing project; development of dairy production; assistance to the plastic industry; and assistance to Gaza Strip fishermen (phase II).

9. In addition, UNDP has initiated the following potential projects to be implemented in the occupied Palestinian territory: drinking-water facilities - Gaza Strip; irrigation of Auja area; animal husbandry (livestock); agricultural machinery centres; industrial zone - Gaza; development of drip irrigation equipment; packing, grading and storage facilities for food products; food processing; identification and development of small-scale industries; development of large-scale industries; assistance to municipalities; development of commercial centres; village clinics; ambulance services; development of health institutions; construction of sewage systems; development of training centres for medical technicians; medical specialization fellowships; agricultural vocational training; school buses; and Gaza polytechnic and secretarial courses.

10. A number of countries and organizations are contributing to the implementation of the Programme of Assistance to the Palestinian People by means of special contributions, including Canada, Italy, Japan, Tunisia, the United States of America and the Arab Gulf Fund for United Nations Development Organizations. The Programme of Assistance to the Palestinian People is directed exclusively to the people in the occupied Palestinian territory. It should be noted that the UNDP Governing Council has sanctioned the Programme to provide both technical and capital assistance in the occupied Palestinian territory. Currently, there are plans to expand the Programme in close collaboration with the PLO, as required by the relevant General Assembly and Economic and Social Council resolutions. It should be noted that UNDP has not provided assistance to Israel since that country voluntarily relinquished its indicative planning figure at the end of the first programming cycle (1972-1976).

United Nations Relief and Works Agency for Palestine Refugees in the Near East

11. UNRWA provides education, health and relief services to Palestine refugees in the occupied territory of the West Bank and Gaza Strip and in Lebanon, the Syrian Arab Republic and Jordan. A full account of the Agency's activities can be found in the Commissioner-General's report to the General Assembly. 1/ In brief, the UNRWA education programme provides nine grades of general education, vocational and technical training, pre-service and in-service teacher training, and scholarships for higher education. The programme operates with technical assistance from UNESCO. More than 130,000 children attend UNRWA schools in the occupied Palestinian territory. Ninety of the Agency's 98 schools in the West Bank have been closed by order of the Israeli authorities for most of the period of the intifadah, but reopened in July 1989. The 145 UNRWA schools in the Gaza Strip have remained open throughout the intifadah but have been seriously affected by strikes, curfews and disturbances.

12. The UNRWA health programme comprises curative and preventive medical care services, environmental health services in camps and a supplementary feeding service. The programme operates with technical assistance from WHO. Noteworthy recent developments in the West Bank include the construction of a new mother and child health centre at Arroub and the construction of a new surgical ward at the UNRWA hospital at Qalqilia. In the Gaza Strip, noteworthy developments include the establishment of a new dental clinic in the Rimal health centre (in Gaza Town) and two ophthalmic clinics at Jabalia and Khan Yunis.

13. UNRWA's relief programme provides material assistance including food, blankets, clothing and small cash grants to those refugees who are chronically unable to provide for themselves ("special hardship cases"). The Relief Services Department is also responsible for welfare case work, women's activities, adult training courses, education and training of the disabled, promotion of income-generating projects, assistance to refugees in emergency situations and the provision of facilities for pre-school activities. The total budget for UNRWA's regular education, health and relief programmes in the occupied territory in 1989 is around \$87 million.

14. In response to the additional needs created by the intifadah and the Israeli counter measures, UNRWA has introduced a programme of extraordinary measures. The large number of casualties resulting from the intifadah has led to a considerable expansion of the medical programme. Five clinics in Gaza now remain open 24 hours a day and the remainder open in two shifts, while 16 clinics run double shifts in the West Bank. Additional medical supplies and equipment and 13 health buses for the evacuation of casualties have been purchased and the payment of hospital costs and subsidies has been increased. In addition, medical specialists (including two orthopaedic surgeons) have been provided and a physiotherapy programmer, funded mostly by UNICEF, is being run in five clinics in Gaza and one in the West Bank.

15. Welfare services have been expanded to assist the families of those killed, disabled or detained and to cope with the far-reaching economic effects of the intifadah. Additional food is being provided to needy people in both the West Bank and Gaza Strip and around 2,000 needy families have received cash grants. Other

extraordinary measures taken include the expansion of the UNRWA supplementary feeding programme to an additional 38,000 beneficiaries and the provision of general assistance through additional international staff. The budget for the extraordinary measures programme for 1989 is around \$21 million.

16. UNRWA has also launched an expanded programme of assistance comprised of projects to improve living conditions in the occupied territory. A target working figure of \$65 million was set for a period of three years, of which almost \$30 million has already been received or pledged. A high priority in the expanded programme of assistance is to ensure that refugees living in the 27 camps of the West Bank and Gaza Strip have decent shelter and a sanitary environment. Accordingly, substantial efforts are being made in repairing and reconstructing refugee shelters and in upgrading the quality of rehabilitation.

17. The potable water supply situation in Gaza is grave. The two main problems are increasing salinity and sewage pollution due to over-consumption of limited supplies and lack of treatment plants. As part of the expanded programme of assistance UNRWA intends to proceed with the installation of two reverse osmosis desalination plants in the most affected areas, namely, Rafah and Khan Younis. Also included in the expanded programme of assistance are environmental sanitation, sewage and refuse disposal schemes, new and improved health facilities, new and improved centres for women's programmes, expanded self-support and income-generating programmes, training programmes, scholarships, logistics and improvement of service-providing Agency installations.

#### United Nations Conference on Trade and Development

18. During 1988-1989 the work of UNCTAD was concentrated in the following areas: (a) monitoring and analysing policies and measures of the Israeli occupation authorities that affect the economy of the occupied Palestinian territory; (b) investigating the impact of such policies on key economic sectors and examining feasible solutions, including proposals for the provision of technical assistance aimed at promoting the performance of these sectors; and (c) developing the data base for the dissemination of information on the economy of the occupied Palestinian territory. Specific activities include an analysis of recent economic developments in the occupied Palestinian territory (TD/B/1221), which pays special attention to the impact of the Palestinian uprising (intifadah) and related Israeli measures.

19. UNCTAD's in-depth study entitled "Palestinian external trade under Israeli occupation" analyses the performance of external trade and examines the potential for its development. The study provides information for elaborating the scope and functions of a marketing centre planned to be established in the occupied Palestinian territory as a joint venture by UNCTAD, the International Trade Centre and UNDP in the near future. Recent UNCTAD work on the development of a data base on the economy of the occupied Palestinian territory includes "Selected statistical tables on the economy of the occupied Palestinian territory (West Bank and Gaza Strip)" (UNCTAD/RDP/SEU/2); and "Data base extracts of economic issues and related Israeli practices in the occupied Palestinian territory (West Bank and Gaza Strip, 1987-1988)" (UNCTAD/RDP/SEU/3).

United Nations Children's Fund

20. UNICEF assistance to Palestinian children and mothers since 1984 has been concentrated on six sectors: (a) immunization; (b) oral rehydration therapy; (c) the training of traditional birth attendants; (d) the establishment and operation of four child development centres; (e) the training of village health workers; and (f) kindergarten teacher training.

21. Currently, UNICEF is also implementing water and sanitation projects in the most deprived villages of Hebron district in co-operation with the Palestinian Red Crescent Society. In the field of primary health care for refugees in the occupied territories, UNICEF assistance is directed through UNRWA to help extend immunization coverage through the provision of vaccines, syringes and needles, logistic support and cold chain equipment. Furthermore, UNICEF is implementing a physiotherapy project for limb-fractured Palestinian children in Gaza. The project aims at identifying qualified Palestinian physiotherapist who will be given skill-upgrading and placed in a main health centre or hospital of the eight UNRWA camps.

22. The current UNICEF programme cycle (1988-1991) focuses on maintaining and expanding successful experiences in child survival and development to other areas in co-operation with local and foreign non-governmental organizations. Specifically, water and sanitation projects will expand to other deprived areas such as the Jordan Valley, the northern part of the West Bank and Gaza. A self-help early childhood stimulation project will also be initiated as a pilot effort in the West Bank and will be replicated upon evaluation. Owing to the present conditions in the occupied territory, it is feared that immunization and other essential child survival activities have suffered. UNICEF will seek to revitalize these both through UNRWA and the non-governmental organizations operating in the area. UNICEF is also studying possibilities of expanding the Gaza physiotherapy project to the West Bank in co-operation with UNRWA.

23. To fund the current programmes (1988-1991), requiring some \$1,500,000, UNICEF has drawn upon its regular resources to initiate implementation. However, supplementary funds in the order of \$1,000,000 are still required.

Economic and Social Commission for Western Asia

24. Recent ESCWA activities for the occupied Palestinian territory have focused on the industrial and the livestock resource sectors. A major accomplishment in 1989 was the preparation of a survey of the industrial sector in the West Bank and Gaza Strip. This survey aimed at identifying the problems and constraints for industrial development and it included recommendations in order to overcome the major obstacles for industrial development in the occupied territory. Within the livestock resources sector two pre-feasibility studies were prepared in 1989: one for a dairy farm project in the West Bank and the other for an animal breeding station project in the West Bank.

25. In addition, ESCWA, is participating with the Arab Industrial Development Organization (AIDO) and the Economic Department of the PLO in preparations for a solidarity conference with industry in the occupied Palestinian territory. The

conference aims, inter alia, at formulating proposals to encourage industrial development through promotion of selected project profiles and contacting Governments, organizations and individuals to provide technical and financial assistance to industrial development in the occupied territories.

#### International Labour Organisation

26. ILO carries out for the benefit of Arab workers of the occupied territories such activities as lie within its sphere of competence, which cover more specifically freedom of association, freedom from discrimination, employment, vocational training, working conditions, social security and any other aspects that might have repercussions on the Arab workers' working life and job opportunities.

27. The ILO technical co-operation programme is organized primarily around three main subjects: vocational training in general, entrepreneur training and trade union training. Projects in other sectors have also recently been set in motion in relation to activities for women in the field of co-operatives and activities to help the disabled. Further activities are concerned in particular with replacement work that might be necessary as a result of disruptions in the labour market; the vocational integration of persons who have been in prison; occupational safety and health; assistance to organizations for agricultural workers; and extension services. 2/

#### Food and Agriculture Organization of the United Nations

28. FAO is executing two projects aimed at enhancing training for the Palestinian people. Under one of the projects funded by the Near East Co-operative Programme, FAO has organized three post-graduate training fellowships in agricultural economics and animal production. Under the second project, also funded by the Near East Co-operative Programme under the FAO Freedom from Hunger Campaign, FAO provides short-term consultancies and audio-visual equipment to assist the Al-Quds Open University in developing its curriculum and programmes relating to land and community development.

#### United Nations Industrial Development Organization

29. UNIDO has been involved in the development and implementation of a number of technical co-operation projects for the Palestinian people in the occupied territory. Completed projects include a study on the establishment of a Palestinian industrial development bank and a feasibility study on a canning plant for citrus fruit. A project to study the identification of industrial priority projects has now been completed in co-operation with Bir Zeit University in the West Bank. Other recent UNIDO activities include a preparatory assistance project entitled "Assistance to the plastic industry", which aims at defining the requirements for establishing a plastic testing laboratory and a related training programme. In October 1989 UNIDO plans to organize a seminar at Vienna on the Palestinian industrial sector, taking into account the recent economic and other developments in the occupied territory. Other planned activities include a training programme to be conducted at the International Centre for Advanced



Technical and Vocational Training at Turin, Italy, in 1990 and participation in the solidarity meeting with the Palestinian people scheduled to be held in 1989 or early 1990.

#### United Nations Environment Programme

30. UNEP, in co-operation with WHO, formulated the project entitled "Training course on water supply, sanitation and health for environmental health officers working with the Palestinian people". The duration of the project is 25 months, from February 1989 to February 1991, with a total cost of \$57,500.

31. The short-term objective of this project is to facilitate training in pollution control and environmentally sound management of environment-related diseases in the Palestinian refugee camps and settlements in order to control environment-related diseases more effectively. The long-term objective is to improve drinking-water supply, sanitation and food hygiene so as to contribute to the control of diarrhoea and other water-borne diseases in Palestinian refugee camps.

32. At its fifteenth session, the Governing Council of UNEP adopted decision 15/8, entitled "The environmental situation in the occupied Palestinian and other Arab territories", in which it requested the Executive Director to prepare a comprehensive report on the environmental situation in the occupied Palestinian and other Arab territories making use of relevant data and information from sources provided by the population of those territories as well as by the States and regional and international organizations concerned. The Executive Director has initiated consultations regarding preparation of the report.

#### World Health Organization

33. At the forty-second World Health Assembly, held in May 1989, two resolutions were adopted, resolution WHA42.1, entitled "Request of Palestine for admission as a member of the World Health Organization", and resolution WHA42.14, entitled "Health conditions of the Arab population in the occupied Arab territories, including Palestine".

34. A WHO mission was sent to the occupied territories from 7 to 20 July 1989 to identify priority health needs with a view to providing intensified assistance to the Palestinian people.

35. A two-year plan of action is under preparation, in consultation with several parties concerned, starting from the last quarter of 1989, with special emphasis on primary health care. The plan will also encompass assistance in strengthening secondary and emergency facilities and the needed health manpower, selected areas of tertiary health care, and emergency and relief operations, as well as in training and research.

United Nations Centre for Human Settlements (Habitat)

36. Over the past several years, UNCHS (Habitat) has prepared two types of reports each year for submission to the General Assembly and to the Commission on Human Settlements. The first category of reports has been on various aspects of the living conditions of the Palestinian people in the occupied Palestinian territory and on assistance to the Palestinian people. These have been prepared pursuant to the relevant resolutions of the General Assembly and the Economic and Social Council. The second category of reports, prepared pursuant to various resolutions of the Commission on Human Settlements, have been on the housing requirements of the Palestinian people in the occupied Palestinian territory.

37. The most recent of these reports are:

(a) The report of the Secretary-General prepared for submission to the forty-fourth session of the General Assembly pursuant to resolution 42/190 of 11 December 1987, entitled "Living conditions of the Palestinian people in the occupied Palestinian territories" (A/44/534). In the resolution the Assembly requested the Secretary-General to prepare an in-depth study on future needs in the field of infrastructure for the Palestinian people in the Palestinian territories occupied since 1967;

(b) The other report prepared for submission to the forty-fourth session of the General Assembly, that is the present one (A/44/637);

(c) The report of the Executive Director (HS/C/12/2/Add.3), which was submitted to the Commission on Human Settlements at its twelfth session (Cartagena de Indias, Colombia, 24 April to 3 May 1989) pursuant to Commission resolution 10/14, entitled "Shelter for the homeless in the Palestinian camps in Lebanon". The resolution had requested the Executive Director to prepare a study on the reconstruction needed in the Palestinian camps in Lebanon and to submit it to the Commission at its twelfth session;

(d) UNCHS (Habitat) is currently preparing another report pursuant to Commission resolution 12/11, entitled "Housing conditions of the Palestinian people in the occupied territories", in which the Commission requested the Executive Director to devise a national housing development strategy to the year 2000 for the Palestinian people based on the Global Strategy for Shelter to the Year 2000, in co-operation with the Palestine Liberation Organization, including the housing requirements of a future independent Palestinian State and to submit the report to the Commission at or before its thirteenth session.

United Nations Population Fund (UNFPA)

38. UNFPA allocated \$230,780 (1986-1990) to support six fellowships for post-graduate studies in demography and related topics. This project is part of the UNDP-financed programme designed to enhance the educational level of faculty staff for teaching at the universities of the occupied territory.

39. UNFPA allocated \$91,035 in 1987-1988 to support mother and child health research and training activities at the WHO collaborating centres for primary health care research. The long-term objectives of the project were to strengthen the capacity of the health services of the West Bank and Gaza to conduct health systems research at the primary and first referral levels, and to support the undertaking of research projects (including evaluation of services) specifically relating to maternal and child health.

40. UNFPA has allocated \$14,636 to examine the existing information on maternal and reproductive health and health care coverage for Palestine refugees, to draft a plan for an expanded UNRWA mother and child health and feeding programme, and to formulate a project proposal for UNFPA support to implement such a programme. A Project Formulation Workshop on Expanded Maternal Health Programme in the West Bank and Gaza will take place from 21 to 28 September 1989.

41. UNFPA has also funded several technical advisory missions by the ESCWA Regional Adviser in Demography and in Population Statistics to the Palestinian Central Bureau of Statistics to prepare a report on the results of the household income and expenditure survey, to participate in a seminar on the results of this survey and to assist in designing the establishment of a Population and Research Unit in the Palestinian Central Bureau of Statistics. These advisers have also worked with the Joint Jordanian-Palestinian Committee to prepare for the Administrative Survey of the Camps, to train field surveyors, to advise on the establishment of a data bank and to assist in the preparation of a statistical bulletin to be published by the Joint Committee. The technical advisory missions took place during the first six months of 1989 and further assistance will take place before the end of the year.

#### Notes

1/ Official Records of the General Assembly, Forty-fourth Session, Supplement No. 13 (A/44/13 and Add.1).

2/ For further information on ILO activities relating to the situation of the people of these territories over the past 11 years, see ILO, ILO action on discrimination in employment and occupation (GB.243/CD/3/3), May-June 1989, and ILO, Report of the Director-General, appendixes (vol. 2), seventy-sixth session, 1989, pp. 41-44.

## APPENDIX

### Summaries of project proposals

#### 1. Production of animal feed from agricultural wastes

##### Background

1. Animal husbandry in the occupied Palestinian territory is facing serious difficulties. The price of imported feed is escalating, while there is an acute shortage of land available to the Palestinians for intensive grazing or for growing feed crops. At present, feed costs constitute around 50 per cent of total costs of production. Many other agricultural activities, however, produce waste products that are either not used or are used inefficiently. Poultry refuse, corn stalks, olive pulp, and many other "waste" products, which are often ploughed into the land as manure or disposed of as refuse or garbage, could be scientifically treated and mixed to form valuable cattle feed. A plant in Israel, for example, produces feed at \$40 per ton, while an equivalent mixture in the West Bank costs \$178 per ton.

##### Proposal

2. A project is proposed for the construction of five feed production lines in the West Bank and Gaza. These would produce a total of 50,000 tons of animal feed each year, or about one third of total demand in the occupied Palestinian territory. Each production line would be especially constructed to use the types of input available, and to provide prior treatment to each. Thus, the project would: (a) reduce reliance on imported feed; (b) cut costs of production; and (c) perform a valuable ecological service. The improved profitability would increase local incomes and also strengthen agriculture as an important source of employment. The project would consist of six integrated parts:

(a) The assessment of raw materials in each area and the construction of a feed table composition to suit the materials available in each;

(b) Training local entrepreneurs in the operation and management of the production units;

(c) Training a number of specialists in animal feed nutrition;

(d) Conducting feasibility studies on the establishments of units in each area;

(e) Designing a computer programme to establish the correct mix to be produced;

(f) Establishing and bringing into operation five feed plants.

### Institutional arrangements

3. It is recommended that the Economic Development Group, Jerusalem, be used as the implementing agency for this project, and that a team of scientists be established to work closely with the entrepreneurs in each area. The latter would be responsible for surveys and data collection, and would be trained for their role as future managers of each unit.

### Tentative budget

4. No budget is presented, but it is suggested that finance should be provided by loans, possibly from a revolving fund.

## 2. Promoting the use of fertilizers from recycled sewage

### Background

5. Just over 30 per cent of the land (5,877,963 dunums) of the West Bank is planted. The planted areas include olives (800,000 dunums), vegetables (139,000), grapes (86,000), plums (35,700), citrus (24,500); of the area devoted to vegetables, 65,000 dunums are irrigated. Because of the climate and form of agriculture, it is necessary for West Bank farmers to use fertilizers frequently to maintain the land's fertility. Consequently, large amounts of fertilizer (2,000 tons of organic fertilizer, and 3,000 of inorganic) are imported each year. Some 20 to 25 million cubic metres of water are used annually for purposes other than irrigation, of which around 75 per cent could be recycled. This could add 20 to 25 thousand dunums to the irrigated land and provide 20 to 25 thousand tons of organic fertilizers. Fortunately, it is possible to design treatment plants to suit both the amount of sewage to be treated and the use to which the output is to be applied. This makes it possible for plants to be supplied for small and large communities, each benefiting from both the resultant fertilizers and the effluent for irrigation.

### Proposal

6. It is proposed to promote a widening of the irrigated areas for the cultivation of vegetables, fruit and animal feed, to encourage the growth of agro-industry utilizing the resulting products, to improve the methods of sewage disposal in both the West Bank and Gaza, and to use the methane gas generated by sewage treatment. It is proposed that studies be undertaken to cover villages and towns to estimate the size of facilities needed in each. It is suggested that this, as well as much of the engineering work required for the project's eventual implementation, is within the capacity of the local community, with perhaps some outside expert assistance.

### Institutional arrangements

7. It is recommended that a co-operative or company be established to develop the project. Although outside expert assistance will be required at the investigation and design stage, the local communities should be involved as much as possible.

### Tentative budget

8. Some small pilot projects have already been established that indicate that trickling filter systems of from 2 to 60 cubic metres capacity per day would cost between \$2,200 and \$13,100, whereas a system for a major city on the West Bank would cost from \$5 to \$10 million.

### 3. Reclamation of marginal lands for cultivation

#### Background

9. Cultivable land is extremely scarce in the occupied Palestinian territory and the position has been exacerbated by the settlement policies and military activities of the occupying Power. There is much marginal land in the territory, however, which with judicious treatment could be brought into production. This land may constitute as much as 20 per cent of the total land area, and falls into three categories:

(a) Rocky lands, which may prove cultivable after removal of stones;

(b) Steep mountainous lands, which have poor access and are too steep for the use of tractors;

(c) Saline lands, usually in low-level areas made saline by over-use of brackish well water, or by saline intrusion.

Most Palestinian agriculture is labour intensive and organized on a family basis, and increasing the amount of land available to family farms would provide far more stable employment than that generally available, especially for those at present commuting to Israel. It would also encourage female employment, as custom prevents Palestinian women working on other lands, but encourages them to work on family holdings.

#### Proposal

10. It is proposed that a project for extensive land reclamation be established, to be run by a number of agricultural advisors, who would: (a) organize an information system and encourage farmers to take part in the project; (b) visit the land of those applying for assistance to check its feasibility and to advise on cropping and cultivation patterns; (c) assess costs and determine the proportion of costs to be borne by the farmer; (d) supervise the actual work undertaken; and (e) monitor outputs and quality, and advise on possible improvements. Equipment and staff for earth-moving activities will also be made available.

#### Institutional arrangements

11. Many facilities already exist for the implementation of this project. Labour is no problem and technical ability is available through a number of sources. Only a minimal amount of outside assistance on modern technical matters would be

required. A number of marketing co-operatives have already engaged in land reclamation and it is suggested that the project be implemented under the aegis of the co-operative movement, with technical assistance being provided through the universities and the Rural Research Centre. As the co-operatives are already licensed, no further licensing will be required, but licences for the importation of capital and machinery would need to be obtained.

#### Tentative budget

12. Needs would be as follows:

#### United States dollars

##### Equipment

12 bulldozers	840 000
12 trucks	<u>720 000</u>
Total	<u>1 560 000</u>

##### Annual operating costs

30 drivers	120 000
31 agricultural advisers (25 junior, 6 senior)	250 000
Chemicals, operational costs, transport, premises, etc.	<u>750 000</u>
Total	<u>1 120 000</u>

#### 4. An agricultural credit institution

##### Background

13. The economic growth of the occupied Palestinian territory has been greatly restricted by the conditions of the occupation, especially by restrictions on the institutions providing development capital. Agriculture is the mainstay of the economy in the territory, accounting for 30 per cent of the gross domestic product and employing around 20 per cent of the working population. The appropriation of land, the restrictions on water use and on cropping patterns, and the lack of effective institutions, including financial institutions, have precluded any meaningful development and caused continual population drift from agriculture into other employment. Only Israeli banks have been allowed to establish themselves and even they have closed down because of the intifadah.

/...

#### Proposal

14. It is proposed that an agricultural credit institution be established and that it be made responsible for providing development assistance in the form of finance, technical advice, marketing aid and information, assistance in irrigation scheme development, and research and advice on the use of fertilizers and machinery, thus offering a full range of credit facilities to agriculture. Detailed investigations should first be carried out to establish the specific needs of the Palestinian farmers, on a quantitative as well as qualitative basis, and suitable financial sources should be identified and the shortcomings of existing conditions made clear. Only then should an appropriate corporation be formed, with its own headquarters, and the institution actually brought into being.

#### Institutional arrangements

15. The credit institution should be organized in the same way as any other of a similar nature, with trustees or a board of directors. It is suggested that its finance could be raised from deposits, international soft loans, loans from foreign banks and other sources. Above all, it should be conducted within agreed conditions of financial soundness and its loans conform to rules of prudence, being spread between long- and short-term, and covering a spectrum of fixed and revolving investments.

#### Tentative budget

16. It is considered that an initial capital of \$20 million would need to be raised. Loans are expected to reach between \$15-20 million quickly and to increase as capital is turned over. Consequently, the raising of capital would be an initial priority. Soft loans, however, should be regarded as for initial establishment purposes only, and the institution would be expected to exist on its own merits at the earliest opportunity. The initial costs of the establishment are likely to be around \$1 million and annual operating costs around \$600,000.

### 5. Wells in the West Bank

#### Background

17. The West Bank occupies an important position in the pattern of hydrological interrelationships of the region. It receives far more rain than it uses, and the strata into which the surplus percolates slope westward, charging the aquifers from which Israel draws a substantial proportion of its water supply. The two sources of water in the West Bank are: (a) surface water, including springs and seeps, an intermittent source that cannot be relied on for regular supply, and storage schemes are not feasible; and (b) ground water, which is a stable source, supplying 32 million cubic metres annually for irrigation and 19.4 cubic metres for domestic purposes. The latter is considered the only reasonable source from which to increase supplies and, although the upper aquifers are already fully exploited, lower deep-seated aquifers are extensive and capable of further exploitation. Since necessary developments in both agriculture and industry are crucially dependent on water, it is imperative that this supply be increased. Deep drilling is considered the only way capable of providing that increase.



### Proposal

18. The project envisages a sequential approach to the problem, consisting of the following steps:

(a) A water sector study to establish future needs, their geographical pattern and constraints, and to establish priorities;

(b) Formation of a regional water master plan outlining extraction and distribution development in the light of future anticipated needs;

(c) Consequent upon the results of the above steps, upgrading existing wells and digging appropriate new ones;

(d) Installation of appropriate pumping facilities and distribution networks.

These four groups of activities require a series of tasks and sub-tasks covering project mobilization, data collection, project planning, engineering design and project implementation.

### Institutional arrangements

19. Under current conditions in the occupied Palestinian territory, all water works must be approved by the West Bank Water Authority, accountable to the Israeli military occupation authorities. To date, this has proved extremely difficult and few approvals, even for upgrading facilities, have been given. Some international organizations have been permitted to establish storage reservoirs, however, and it is recommended that they be asked to extend their activity to cover new and existing wells. It is also imperative that a Palestinian water authority be established to oversee the planning and execution of this and other projects in the occupied Palestinian territory, and that technical and financial assistance be sought from appropriate aid agencies.

## 6. Solution of water problems in the Gaza Strip

### Background

20. Water is a crucial resource in the Gaza Strip, especially as, because of the geographical and intermittent distribution of rainfall, the area has to rely on subterranean aquifers to provide both distribution and storage. The Gaza Strip is a narrow strip of land, about 8 kilometres wide, stretching 45 kilometres along the sea, so that any over-exploitation of the ground water quickly results in saline intrusion. This has been taking place over recent years, to such an extent that the salinity of much of the supply is far in excess of internationally accepted norms and the consequences for health and agricultural productivity are very serious. Although the demand of the indigenous population already exceeds the rate of recharge, the Israeli authorities have been sinking wells to provide for their settlements and to supply their own national water carrier, thus further aggravating the situation.

Proposal

21. A project is proposed to undertake the following activities:

(a) A water sector study to identify potential requirements and define priorities and plans of action;

(b) A master plan for water extraction and distribution in the light of projected agricultural, industrial and household requirements;

(c) The installation of desalination plants to treat salty ground water and sea water;

(d) A long-term programme to control sea-water intrusion and other contamination of the aquifers;

(e) The construction of water retention schemes for aquifer recharge;

(f) The installation of appropriate desalination facilities.

Institutional arrangements

22. It is proposed that a Palestinian water authority be established to oversee this and other water projects and plans. In particular, it is felt that water consumption will require a change in agricultural working patterns. This must be achieved in a co-ordinated way. In addition to local planners and engineers, appreciable assistance would be necessary from United Nations agencies and others. In particular, technical assistance and funding would be required.

Tentative budget

23. Needs are estimated as follows:

	<u>United States dollars</u>
Surveys and studies	230 000
Six desalination plants	1 680 000
Miscellaneous	<u>286 500</u>
Total	<u><u>2 196 500</u></u>

7. Flour mill at Nablus

Background

24. The daily consumption of flour in the West Bank is around 750 tons. Prior to 1980, there were two flourmills in the area satisfying at least part of this demand. However, both mills became obsolete and this, together with lack of proper

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management, caused their closure. Since then the region has relied entirely on flour supplied by Israel.

#### Proposal

25. It is proposed to reactivate one of these mills at Nablus, equip it with modern machinery and bring it into production with a daily output of around 1,000 tons of flour and 25 tons of bran. In doing so, this mill would create employment, form an outlet for some agricultural production and thus diversify local agriculture, improve self-reliance and provide raw material for other food industries. Initially, the mill might have to depend on grain from Israeli silos, but its existence would encourage Palestinian farmers to diversify their crops. The following activities are considered necessary:

- (a) Investigation of sources of supply and establishing their dependability;
- (b) Preparation of a feasibility study of the project's profitability;
- (c) Selection of consultants for the design of a modern facility;
- (d) Ordering equipment and training operators abroad;
- (e) Renovation of the existing mill;
- (f) Recruitment of manpower;
- (g) Installation of equipment and commissioning the mill.

#### Institutional arrangements

26. It is suggested that under current political conditions the mill would best be organized and run by private enterprise, with some 30 to 40 investors from the West Bank forming the implementing agency, together with existing owners, supplemented with outside finance. The agency would need to be able to present a detailed feasibility study to the authorities covering all aspects of the project, including raw materials. It would need to renew the old mill's licence and also re-register the old company or register a new one. Feasibility and engineering studies, therefore, are an essential part of the project.

#### Tentative budget

27. Needs are estimated as follows:

#### United States dollars

Feasibility studies, engineering design, and mobilization	150 000
Equipment, installation, renovation work	3 800 000

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## 8. Dried fruit production

### Background

28. Fruit production forms a major part of agricultural activity in the occupied Palestinian territory. Some 197,000 tons are produced annually in the West Bank, with a significant proportion of citrus fruits, bananas, grapes, figs, peaches, apricots, apples, plums, and guavas; and 174,000 tons in Gaza, mainly citrus, but with some grapes and guava also. Palestinian fruit production shows a high return per hectare; it is rain-fed and labour-intensive. It also provides much work for women, and is a particularly useful activity for land reclamation, but because of marketing problems and current political conditions, crops often remain unsold or are sold at very low prices. There is a great need, therefore, to open up new markets for Palestinian fruit, and to encourage fruit in the occupied Palestinian territory to exploit those markets.

### Proposal

29. A project is proposed for the introduction of dried fruit production as a way of creating a basis for a new market. Properly dried fruit can be transported easily, and has a long shelf life, while drying significantly increases the value-added component. Using the low-technology labour-intensive methods proposed by the project, this increased value added will accrue largely to the farmer and will reduce the risk of perishability of fruit in its raw state. Extensive trials have already been carried out with low-technology driers. The project includes the design and building of 200 solar driers, suitable for operation at farm level to train farmers in their use, and to investigate the possibility of installing solar driers to operate at village level. The types of drier envisaged, at least at farm level, will be capable of construction by local labour with minimal training. Each drier would provide the operating family with an income of \$660 per annum. The preparation of construction and operation manuals for solar driers, the training of carpenters in their construction and of women in their operation, a research study on a drier for village-level operation and a study to establish a comparative efficiency of farm and village-level operations are also recommended.

### Institutional arrangements

30. The Economic Development Group, Jerusalem, is the ideal institution for implementing this project, as all that is proposed is already permitted by its existing 1987 registration with the Israeli authorities to promote entrepreneurial development in the West Bank and Gaza through the provision of loans, identification of business opportunities, technical assistance and feasibility studies.

### Tentative budget

31. Needs will be as follows:

#### United States dollars

Salaries of the project team, research, operating expenses	60 000
Building of 200 solar driers (through a revolving fund)	50 000

### 9. Production of powder and paste foods

#### Background

32. Since the beginning of the intifadah and the boycott of Israeli products, there has been a marked increase in the packaging of powder and paste foods (tomato paste, homus, instant pudding and so on) in the occupied Palestinian territory. With one or two exceptions, production has been on a small scale and conducted in an inefficient manner. Marketing has been poor and the products have suffered from poor handling. The agricultural sector could provide significant inputs into this sector of industry, but because of lack of technological ability and of organizations, this is at present not possible. Small-scale packers rely on Israeli sources for their bulk supplies. There is a wide variety of products suitable for processing and many are produced in the occupied Palestinian territory. These could be processed locally, adding significantly to the total value.

#### Proposal

33. It is proposed that a study be first carried out to decide which of the major products offer the most promising return. Based on this, further feasibility studies would be undertaken to assess the viability of a project in that area of the market before proceeding with the design and construction of a plant.

#### Institutional arrangements

34. The present production and packaging units are all operating in the private sectors. In spite of difficulties, they have shown significant capability. It is suggested, therefore that the project be concentrated in this sector, and a type of co-operative organization set up through which nominated advisers could work, and finance be disbursed.

Tentative budget

35. Needs would be as follows:

United States dollars

Initial studies and design	111 500
Construction of buildings and installation of machinery	500 000

10. Improved canning of olive oil

Background

36. About 40 per cent of the total agricultural area in the West Bank is covered by olive trees, which produce about 35,000 tons of oil in an average year. Some 6,000 tons are used locally and the remainder is exported. The crop is gathered and processed during three months of the year. The arrangements for filtering, storage and packing are very poor. The oil is generally placed in 17 kilogram cans and in this form cannot compete in a potentially lucrative market with oil packed in smaller containers, attractively labelled and generally ready for the supermarket shelf. It is either sold cheaply in bulk or repacked by others who cream off a substantial part of the profit.

Proposal

37. It is proposed that a project to upgrade the quality of oil be implemented, concentrating on efficient filtering, storage and packaging in a manner more suitable for presentation in its final markets. Subject to a detailed feasibility study, it is suggested that between one and three factories be established in the major oil-producing areas of Ramallah, Nablus and Tulkarm. Each factory should be equipped to check oil for its quality and to filter and treat it before it proceeds to packaging. A detailed study would recommend the sizes and range of packages to be used. When filled, they would be labelled, packed or crated and stored for later shipment.

Institutional arrangements

38. It is suggested that the project be organized through the Union of Olive Oil Producers, which consists almost entirely of farmers and operates in conjunction with the agricultural co-operatives on the West Bank. A detailed investigation of the markets and their needs is a prerequisite for further detailed planning. There would also be a need to arrange training for staff through co-operative agencies.

Tentative budget

39. The machinery for each factory is likely to cost around \$1 million. The annual running costs would be in the region of \$1,750,000. This should be raised

by the Union and the co-operatives, and the project would be self-financing, subject to initial inputs to cover the proposed studies.

# 11. Improved packaging of olive oil soap

## Introduction

40. Olive oil soap has been produced in significant quantities in the occupied Palestinian territory, especially in the Nablus area, for over 100 years. It has always been a labour-intensive family activity, using primitive methods. About 4,500 tons of soap are produced annually, but although originally based on local oils, much oil is now imported because of the high demand for the low-acid Palestinian oil for edible uses. The soap is produced by boiling oil with caustic soda and water. The resultant viscous product is spread on the floor to solidify, and cut into sections for packing. When hardened, it is wrapped manually, glued and packed in jute sacks for transport to the markets. Until the late 1950s this was virtually the only soap used locally and it was used widely in surrounding countries. However, attitudes have altered and soap that is more attractively presented and wrapped has eroded the markets for the Palestinian olive oil soap.

## Proposal

41. A project is proposed to introduce new wrapping methods in order to meet the demand for more attractive presentation, taking advantage of the current demand for "natural" products, exploiting the fact that the main ingredients are all from natural sources.

## Institutional arrangements

42. It is suggested that the project be centred at Nablus and that existing entrepreneurs in the soap industry form the main executive agency on a private enterprise basis. In the simplest case where it is possible to upgrade the packaging of existing outputs, this should present no problem. If studies show the need for upgraded production methods, however, then further permits would be needed for buildings and machinery importation.

## Tentative budget

43. Suggested costs for a market study and machinery for initial demonstration purposes are:

### United States dollars

Feasibility study	20 000
Wrapping/taping machinery	32 000

However, these sums are suggested on the assumption that the study shows that better packaging will be sufficient to lift market shares to the desired levels.

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Should it prove necessary to alter production techniques, a new cost structure would need to be prepared.

## 12. Pressed wood production factory

### Background

44. In the occupied Palestinian territory, there are some 843 production units in the carpentry and furniture industries. Small in scale, they employ around 2,334 workers; only 21 units employ 8 or more, while 286 are one-man establishments. They use exclusively raw materials imported from Israel and are at a serious disadvantage in their own market. Their by-products of off-cuts, sawdust and shavings are at present unused. A modern pressed wood plant would serve to reduce reliance on foreign imports, save foreign exchange, use indigenous raw materials at present going to waste, provide employment and help diversify the Palestinian economy.

### Proposal

45. A project is proposed for the establishment of a factory that would produce some 60 cubic metres of pressed wood boards per day. In different forms, these would be used for furniture and internal construction (walls, panelling, ceilings, floorings, doors and so on). A feasibility study is recommended to assess both the optimal levels of each type of output and the size of the diverse markets, and to ascertain possible sources and types of raw material and the optimal methods of processing them. The establishment of such a factory would help to transform the woodworking activities of the occupied Palestinian territory into a more integrated industry and, by reducing costs and providing an output for waste, at present valueless, would enable the industry to develop on a modern basis capable of competing in foreign markets. Even prior to the proposed feasibility study, it is safe to assert that the establishment would require about 10 dunums of land, on part of which the manufacturing plant would be constructed; it would employ some 50 workers, and would utilize the wastes from woodworking establishments as about 30 per cent of its material input and the remaining 70 per cent would be imported as cheap logs, split timbers, etc.

### Institutional arrangements

46. It is suggested that the proposed factory be established at Hebron, which gives the best access to other parts of the territory where the sources of raw materials and final markets are scattered. The establishment of a company, as well as the construction of the factory, the importation of the plant and raw materials, would require prior permits from the occupying authorities.



### Tentative budget

47. Specimen costs for such an establishment would be of the following order:

#### United States dollars

Studies and initial expenses	60 000
Land, buildings and plant	4 440 000
Working capital	200 000

Running costs can be worked out only after a more detailed study of the proposed plant and its manner of operation and administration.

### 13. Factory for the production of paper

#### Background

48. At present, there is no production of non-absorbent paper in the occupied Palestinian territory. The production of absorbent paper relies to a large extent on imported inputs, mostly from Israel. The estimated total demand is around 9,000 tons per annum, of which 55 per cent is for writing and printing paper, 40 per cent for tissues, including toilet paper, and the remainder for newsprint, board and wrapping. As well as being a serious burden on the balance of payments, this importation denies Palestinian workers possible employment. It also denies farmers the opportunity to earn extra income by producing wood crops on poor ground.

#### Proposal

49. It is proposed that a project be implemented for a factory to operate two production lines, one for writing and printing paper, the other for tissues, thus supplying 95 per cent of total demand for these items in the occupied Palestinian territory. There would be some surplus for export and a marketing arm is suggested at Amman. In the short term, the plant would continue to rely on imported raw materials, but it should be the policy of management to encourage growth of suitable woods locally to secure long-term inputs. A suggested site for the establishment would be near Bethlehem, owing mainly to its proximity to Ashod, through which initial supplies would need to be imported. About 10,000 square metres of land would be required and buildings covering 5,000 square metres for production and storage. The direct employment would total 100.

#### Institutional arrangements

50. A committee should be formed to oversee the initial phases of the plant's establishment. Activities during these phases would include a detailed assessment of the market to ascertain the required outputs of the two production lines, the securing of licences from the occupying authorities, the final decision on siting and detailed designs and decisions on buildings and machinery needed. The committee would investigate sources of finance, register the company and recruit

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shareholders. A management committee elected by the shareholders should then take over the remaining development and, eventually, the responsibility for operational activities. It is suggested that appropriate United Nations and other agencies be approached to provide training and advisory assistance.

#### Tentative budget

51. The factory would be financed by private capital, and a sum of around \$5 million is suggested as a likely requirement to cover the cost of land, buildings, machinery, a working capital of \$1 million and establishment expenses. This would need to be raised, or sources ascertained, by the establishing committee, but a 50 per cent shareholding, 50 per cent loan system would appear reasonable.

### 14. Plant for dyeing and printing of textiles

#### Background

52. The textile and clothing sector ranks third (after metals and wood fabrication) in the manufacturing sector of the Palestinian economy. It employs around 22 per cent of the corresponding work-force of 10,700 and is characterized by small units (in all about 470, 83 per cent of which employ between 1 and 7 persons). The industry is concentrated almost wholly on the West Bank, where it accounts for 65 per cent of the manufacturing work-force in the Tulkarm area, 30 per cent in the Nablus area and 17 per cent around Ramallah. The industry is labour-intensive, with a low output per employee, around \$4,000 per annum. In turn, this is reflected in low labour remuneration, with an average daily wage of around \$4. Current dyeing activity is concentrated in the south, among three main dyers. These can only satisfy around 10 per cent of current demand and, because of both political and physical restrictions (lack of water and inadequate sewage facilities), they have no scope for expansion.

#### Proposal

53. The proposal is to establish a facility in the north, near Tulkarm (with a possible increase later to two or three plants to serve the other main centres). Here, both water supply and waste disposal facilities are deemed adequate, and labour supply is plentiful, owing to restrictions on mobility and downturn in other sectors. The plant proposed would cater for the textile and clothing sector, that is, non-industrial fabrics, and would cover fabric preparation, vat dyeing and screen printing. Employment would be for 30 operators, 3 supervisors, 1 chemist and 1 manager. The land required would be around 5,000 square metres and buildings covering around 2,000 square metres.

#### Institutional arrangements

54. It is recommended that a controlling office for the project be set up at Jerusalem, at least during the development stage, to facilitate the acquisition of licences and planning agreements. A detailed feasibility study should be carried out at the same time as the licensing negotiations are conducted. Meanwhile, the

financial structure of the controlling organizations should be established through the Jerusalem office and investment from various appropriate sources sought and co-ordinated.

#### Tentative budget

55. The estimated cost of the total fixed investment is \$3,411,000, plus working capital of 10 per cent, that is \$3,752,000 in all. Estimated annual production costs are \$1,929,600.

### 15. Scrap-steel recycling plant

#### Background

56. Local wholesalers estimate that the demand for steel in the occupied Palestinian territory is around 210,000 tons per annum. At present, this is imported from Israel, giving that country a complete monopoly on the territory's steel market. The territory is estimated to produce about 6,600 tons of scrap per year, which could be recycled if an appropriate plant were available.

#### Proposal

57. It is recommended that a detailed feasibility study be carried out into the possibilities for establishing such a plant in the occupied Palestinian territory. Initial indications are that such a plant could be profitable. The 6,600 tons of scrap would need to be melted and mixed with imported steel to produce 57,800 tons of fabricated steel for the Palestinian market each year, at a sale price of \$475 per ton.

#### Institutional arrangements

58. It is recommended that a committee be set up to carry out this feasibility study, and also to bring the plant to the operational stage if the study shows that the project is in fact feasible. The plant should be run as a private company undertaking, and it would be the responsibility of the committee to seek appropriate shareholding and other finance. Until the company is formed, however, it would assume the duties of management normally undertaken by a board of directors.

#### Tentative budget

59. Needs are estimated as follows:

#### United States dollars

Investment cost including land, buildings, machinery, equipment and miscellaneous	6 269 000
Operating costs including scrap steel, reinforced steel, labour and miscellaneous	23 619 000

The estimated annual revenue would be \$27,455,000.

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## 16. Reconstruction of demolished Palestinian homes

### Background

60. Housing has consistently been one of the most neglected sections of the economy of the occupied Palestinian territory. Over 30 per cent of the population live in one-room units, with an average of seven persons per unit. The problem has been exacerbated by the practice of the occupying authorities of destroying houses as a reprisal for contravention of Israeli regulations, by their refusal to grant building permits even in most severe cases of need and by destruction of dwellings constructed without permission. This last category includes temporary shelters constructed alongside homes to cater for expanding families. In 1988 alone, it is estimated that the value of houses destroyed was some \$6 million and current estimates indicate that destructions in 1989 will exceed this figure. In addition to the need for a general upgrading of the existing housing stock, it is estimated that around 50,000 new houses per annum need to be built over the coming few years to overcome the severe and growing shortage.

### Proposal

61. A project is proposed aimed at the reconstruction of homes destroyed and a consequent alleviation of the crucial housing shortage. It is proposed that:

(a) A survey of all homes destroyed in the last three years and estimates of their cost of reconstruction be made;

(b) Local executing organizations for the project, with a central co-ordinating committee, be established;

(c) A phased action plan be developed with a set of engineering plans for homes to be rebuilt;

(d) A preliminary master plan be prepared for the localities to assist in obtaining licences.

### Institutional arrangements

62. It is recommended that a qualified planning team drawn from appropriate Palestinian organizations should be formed to carry out the above tasks. A central co-ordinating committee should organize the raising of the necessary finance.

Tentative budget

63. During the first 2 years, it is estimated that 240 houses would be built. Costs incurred in this period are likely to be of the following order:

	<u>United States dollars</u>
Field survey and master plan preparation	90 000
Engineering design and supervision	120 000
Building construction (200 units) and contingency	<u>500 000</u>
Total	<u>710 000</u>

17. Rehabilitation of the Old City of Jerusalem

Background

64. The Palestinian society in the Old City of Jerusalem is in danger of collapse owing to the deterioration of the physical and social conditions. This deterioration is due to: (a) redevelopment of the Jewish quarter and extension of Jewish intrusion into the Muslim quarter; (b) the rapid growth of the Israeli sector, which has diminished the importance of the Old City as a Palestinian commercial centre; (c) the growth of settlements around the city severing links between the Old City and the rest of the Palestinian area; (d) discriminatory development policies of the occupying authorities; and (e) uncertainty concerning the area's future.

Proposal

65. A project is proposed with the objective of preparing the ground for an overall development plan that would enable funding agencies to direct their efforts to the most effective projects. It would take into account the serious deterioration of the environment at present taking place and would include: (a) an examination of the dynamics of emigration from the Old City; and (b) a detailed survey of the socio-economic conditions prevailing there. Within the Old City there is a strong cadre of architects, engineers and archaeologists working within Islamic organizations, whose expertise would form an integral part of any programme of rehabilitation and whose input to the project would be invaluable. It is suggested that their mobilization within this project would in itself be a valuable contribution to the wider aim of strengthening the social fabric of the Arab citizenry.

Institutional arrangements

66. It is suggested that the project be implemented through the Arab Thought Forum, a body which is independent of any Government, political party or organization. Its independence has enabled it to develop a unique role as an

intermediary between foreign governmental and non-governmental organizations and the Palestinian people. It has offices in East Jerusalem and its organization is made up of four units: (a) the research unit, which organizes conferences and workshops in the community to assess needs, to apply professional scrutiny to research proposals and outputs, and to prepare project profiles on request for international organizations; (b) the feasibility studies unit, operating on behalf of local and international bodies; (c) the development education unit to extend development education and promote community awareness of it; and (d) the data base unit aimed at providing comprehensive facilities for research and planning.

#### Tentative budget

67. If the project is undertaken through the Arab Thought Forum, the costs would be around \$20,000.

### 18. Housing bank for the occupied Palestinian territory

#### Background

68. The low rate of economic growth in the occupied Palestinian territory has resulted in low rates of savings and investment in housing development. The policies of the occupying administration are also exacerbating housing problems. Current density is over 2.5 inhabitants per room. There is now a shortfall of some 70,000 housing units; a shortfall that will be increased by the return of large numbers of Palestinians when conditions are normalized. The development of a housing programme to cater for the anticipated need is therefore considered to be vital.

#### Proposal

69. It is not possible for a full-fledged housing bank to be established under existing conditions. Nevertheless, it is suggested that a number of studies be undertaken to provide essential information on housing construction costs, appropriate technology, environmental and conservation matters to be considered, sources of financial capital and the income sources and family structure of potential beneficiaries from the bank's establishment in due course. The results of these studies would then form the basis of a full feasibility study prior to the formation of a housing bank. Such a study would also determine the size, scope, location, capital available and required, and the lending and operating policy of the bank.

#### Institutional arrangements

70. As an interim measure, it is suggested that the setting up of a new non-profit-making company be investigated as a possibility to work as a credit foundation with other existing Palestinian organizations. The board of the company could then oversee the preparation of the studies proposed and later could be responsible for bringing the bank into being as soon as circumstances allow. The administrative and supervisory functions for the required studies could be provided by the Arab Thought Forum, Jerusalem.

Tentative budget

71. Costs are estimated as follows:

	<u>United States dollars</u>
Five pre-feasibility studies	50 000
Feasibility study	15 000
Workshops, transport and communications	10 000
Administrative costs	<u>15 000</u>
Total	<u>90 000</u>

19. Strengthening chambers of commerce and industry in the occupied Palestinian territory

Background

72. Since the Israeli occupation in 1967 there has been no indigenous means whereby the Palestinian people could formulate development policies or exercise control over their economic affairs.

Proposal

73. A project is proposed that would result in a development plan being formulated so that the various sectors of the economy could direct their investment and their development activities in a meaningful and co-ordinated manner. Within this plan an industrialization strategy would be formulated and assistance and advice made available to entrepreneurs and the general public. The formation of an economic and central planning council is suggested to promote feasibility studies and marketing and development plans, to set standards of product quality, to organize foreign exhibitions and trade missions, to organize liaison between Palestinian and other chambers of commerce, to monitor and advise on tax matters, to play a role in the monetary policy in the occupied Palestinian territory (in particular the monetary relationship between the territory and Jordan), and to publish regular reports and studies.

Institutional arrangements

74. It is suggested that the above tasks be organized within the Union of Chambers of Commerce, as most of them, if not all, are already permitted within the chambers' constitutions, and it should not be unreasonable for them to be granted further permits from the occupying authorities. Thus, the chambers, through their union, should be strengthened as an integral part of this project by setting up departments at the union's headquarters commensurate with the diverse tasks outlined.

### Tentative budget

75. The setting up of appropriate departments is likely to cost approximately \$400,000 and annual running costs would amount to some \$750,000.

## 20. Social security fund

### Background

76. At the time of the occupation of the Palestinian territory by Israel in 1967, there were no meaningful social security arrangements, either in Jordan or in Egypt, both of whom administered parts of the territory. However, these two countries, together with a large number of other countries throughout the world, including Israel, now operate social security systems covering health care and hospital provision, sickness and employment support payments, and old age pensions. In contrast, the occupied Palestinian territory does not have the benefit of any social security provision, although the Palestinian worker is required to pay levies on his employment income comparable with those of workers in Israel who receive social security benefits from the funds so provided.

### Proposal

77. The following is proposed: (a) an investigation of the existing social and economic conditions of the Palestinian people in the occupied Palestinian territory and the establishment of norms commensurate with standards acceptable on an international plane; (b) an investigation of sources of finance for the establishment of an appropriate fund for the guarantee of an agreed minimum standard of living, health care and social security; and (c) an investigation of the possibility of the fund being administered as a charity under suitable international auspices.

### Institutional arrangements

78. The development of an institutional framework should proceed in three stages: (a) the development of a technical office, which would oversee the co-ordination of the fund's establishment; (b) the formation of a constituent society of representatives from co-operatives, legal societies, unions, chambers of commerce, etc., to develop the administration of the fund and disbursements from it; and (c) the establishment of a board of trustees to oversee and pursue the ongoing administration of the fund.

### Tentative budget

79. A realistic budget for the fund during its operation cannot be established at this stage, and would need to be investigated thoroughly as part of the early responsibilities of the technical office and the constituent society. However, financing for the first year of the establishment of the technical office, during



which much of the initial work recommended would be undertaken, would be in the region of \$50,000, as indicated below:

<u>United States dollars</u>	
Salaries and wages for one year	26 000
Office equipment	11 000
Running expenses	<u>13 000</u>
Total	<u>50 000</u>

## 21. Health security fund

### Background

80. There is an acute shortage of health facilities and services in the occupied Palestinian territory; the low-income population in particular is unable to meet the cost of health care. Doctors' fees are \$10 per visit and hospitalization charges run to \$200 daily. Present health security systems include: (a) government health security, mainly for public employees, which is characterized by poor medical service, lack of medicine, hospital overcrowding and infrequent specialist care; (b) health insurance companies, mainly for institutions and high-income people, which offer only a limited coverage, high overhead costs and need a heavy subsidy; and (c) private health security funds, such as that applied for Al-Najah University since 1985 and at the Hebron Technical Engineering College since 1986. This last example could be used as a model for the proposed health security fund.

### Proposal

81. It is proposed to establish a health security fund initially for low- and middle-income workers. The coverage would include both regular and chronic cases up to an annual maximum of \$3,000 for the subscriber, the same amount for the spouse and \$2,000 for each child. Annual fees would be \$200 for the subscriber, the same for the spouse and \$100 for each child. A prerequisite of the scheme is that two thirds of the fees would be subsidized.

### Institutional arrangements

82. It is proposed to establish a committee for the health security fund, to administer and supervise the fund, consisting of representatives from the Arab Economic Association, the Doctors' Union in the West Bank, the Pharmacists' Union in the West Bank, the Medical Association in the Gaza Strip, the General Workers' Union in the West Bank, and any other organizations concerned with the provision of health services to workers and their families. The donor organization or agency subsidizing the fund would be represented as appropriate.

Tentative budget

83. Assuming a total of 1,000 participants for the first year, 75 per cent of whom are married, and an average number of 6 children per participant, the revenue of the fund would be allocated as follows:

	<u>United States dollars</u>
Participants' fees	200 000
Spouses' fees	150 000
Children's fees	<u>450 000</u>
Total	<u>800 000</u>

As indicated above, one third of this amount would be paid by the participants and two thirds through a donor subsidy.

22. Development and expansion of mother and child care centres

Background

84. Mother and child care activities are already being undertaken in a limited way in the occupied Palestinian territory, but efforts are concentrated on matters concerning physical health, especially during the first two years of the child's life. This approach neglects many aspects of child care, as the mother and child relationship needs to be developed in a much wider context and should encompass the social, educational, and psychological needs as well as those of health - needs which should be catered for within the family. There is a need to stress the role of the family and to recognize that the mother and child relationship forms a part, albeit an essential one, of a wider set of relationships, all of which are vital to the development of the child into a well founded adult. Thus, many activities such as family planning, day care centres, pre-school education and community oriented projects have a real bearing on the wider aspects of mother and child development, but these are at present conducted in a fragmented way.

Proposal

85. It is proposed that many of these activities could be integrated through the establishment of community centres. Each centre would not only act as a focus for the various aspects of mother and child activity, but would also be a centre for counselling and provision of specialist advice, and would provide expert day care facilities. Doctors and social workers would be provided with well equipped and well staffed facilities to enable them to make their maximum contribution to Palestinian society. It is recommended that a thorough evaluation of existing facilities be undertaken within the wider context outlined above, together with identification of areas for further development or reorientation. Based on this evaluation, a comprehensive plan for the development of community centres would be

instituted, while at the same time a number of centres actually providing some of the services envisaged would be developed and their scope widened.

#### Institutional arrangements

86. It is recommended that a co-ordinating committee should be established, composed of appropriate professionals, to oversee the implementation of this project.

#### Tentative budget

87. Assuming that 12 centres would be established, costs would be of the following order:

	<u>United States dollars</u>
Survey cost	30 000
Furniture and equipment (x 12)	300 000
Renovation and expansion (x 12)	<u>1 200 000</u>
Total	<u>1 530 000</u>
 <u>Annual operating costs</u>	
Salaries and wages	1 137 600
Maintenance	144 000
Co-ordinating committee	<u>30 000</u>
Total	<u>1 311 600</u>

### 23. Individualized instruction methods and materials for students

#### Background

88. Educationalists in the occupied Palestinian territory have for some time felt that the methods of instruction used in the Palestinian schools are becoming outdated and that more modern methods should be adopted in which accent would be placed on student learning rather than on teacher instruction. Such a change would require both reorientation of teaching methods and a completely new form of teaching material. Added urgency has been given to the need for change, however, by the intifadah. The schools and educational establishments were closed and pupils and staff denied access. As there are no teachers trained in the type of teaching proposed (nor are the appropriate teaching materials available), it is not possible for pupils to be provided with the means and methods that would allow them to pursue their education at home. Should the current situation continue for a

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prolonged period, a whole segment of the population will enter adulthood illiterate or with inadequate education.

#### Proposal

89. A project is suggested that would be a pilot scheme from which ideas would be transferred to others. Its two parts apply to the provision of materials appropriate to the methods advocated and the training of teachers both to produce and utilize such materials. It would include the establishment of a training workshop for up to 15 teachers, their training in producing and using appropriate education packages suitable for use at school or at home, the actual preparation of a number of such packages, the preparation of a manual for general use and formulation of proposals for the general introduction of the new methods. In this they would be assisted by an appropriately trained educationalist from abroad, who would have access to materials from other countries for demonstration purposes.

#### Institutional arrangements

90. It is proposed that, subject to the school governors' approval, the scheme be established at the merged Friends Schools of Bireh/Ramallah, where space and equipment for the course and the project administration are available, as well as help from the nearby universities. The project should last the length of a school year and it is suggested that UNRWA be asked to make available at least one expert in the proposed method of teaching. A Palestinian university should also be asked to allow one of its professors to work part-time with those engaged on the project and an appropriate school should be asked to allow selected staff to be released, especially the Friends School, which should be approached with a view to providing a part-time administrator and co-ordinator of the project.

#### Tentative budget

91. Costs are estimated as follows:

	<u>United States dollars</u>
Remuneration for administrative and participating staff	35 000
Other administrative costs and travel	<u>24 000</u>
Total	<u>59 000</u>

#### 24. Publications on Palestinian history and culture

##### Background

92. For many years the Arab-Israeli conflict has dominated the interest of the leaders and peoples of most countries. One of the reasons why this conflict is not always well understood is that much of the writing is done by foreigners rather than by the Palestinians themselves. Under the occupation Palestinians have been

denied many of their rights to education, knowledge and expression. A publications programme is needed to put the situation in the right perspective.

#### Proposal

93. A project is proposed to develop a comprehensive plan to reform, modernize and widen the scope of research in which Palestinian intellectuals will be able to take the lead, in the following areas: archaeology, the arts, literature, poetry, children's literature, Palestinian personalities and heroes, political history, history of cities and political relations. These topics are to be covered by books, documents, documentary films, bibliographies and an encyclopaedia. The programmes will require field work and academic research.

#### Institutional arrangements

94. In view of the complexity and importance of the proposed programme, it will be necessary to convene a preparatory conference to establish priorities, to develop the work programme and to agree on its distribution to various organizations and individuals. Participants will include representatives of the Palestine Liberation Organization, various universities and institutes concerned with research on Palestinian issues, non-governmental organizations, donor agencies and individual authors, researchers and scholars. The plan includes: (a) a short-term programme to publish approximately 30 titles; (b) a medium-term programme to produce 100 titles plus one or more documentary films; and (c) a long-term programme to include a Palestinian encyclopaedia, a comprehensive bibliography and a 90-minute film (or three 30-minute films).

#### Tentative budget

95. Costs are estimated as follows:

#### United States dollars

Short-term	97 000
Medium-term (excluding films)	500 000
Long-term	2 000 000

#### 25. Development and support of information systems

##### Background

96. The occupied Palestinian territory has been the focus of much investigation and research for many years and there exists an urgent need to provide an indigenous data base to facilitate these activities and also to provide information for planning for the future. At present, much research, especially outside the territory, has to rely on Israeli data, and even when available this is not in a form suitable for much of the research undertaken.

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### Proposal

97. A project is proposed to involve the provision of specialized information and consulting services, furtherance of research and development as a local activity, improvement of the macro-level data base for planning purposes, provision of an alternative source of current Israeli data and provision of alternative channels for the distribution of information. These aims would be pursued by establishing a co-ordinating body to oversee the existing information centres, expanding those already in existence and developing others as appropriate. It would provide information and expertise at token or appropriate cost, develop a process of data updating and presentation to suit changing circumstances and produce a statistical quarterly on the occupied Palestinian territory. Qualified staff are readily available for these purposes. It is recommended that a preparatory study be undertaken and a co-ordinating committee, drawn from existing institutions and other appropriate bodies, be instituted. The preparatory study should ascertain the gaps to be filled and the areas to be strengthened. The proposed co-ordinating committee would be responsible for establishing the practices of the various centres, the form of data collection to be used, its storage and so on, and also for the production of the quarterly report. It would be responsible for obtaining and providing both the hardware and the software for use by the centre's computers in order to ensure compatibility. It is also suggested that, as far as possible, each centre be established at, or based on, existing institutions.

### Institutional arrangements

98. A co-ordinating committee should be established as soon as possible and it is recommended that this should be the agency through which the project is executed.

### Tentative budget

99. The cost of the preparatory study would be in the order of \$10,000 and the expenses of the co-ordinating committee for the first year \$12,000. Actual costs for upgrading existing centres and establishing new ones would need to await the results of the preparatory study.

## 26. Low-cost building materials

### Background

100. In the occupied Palestinian territory there is a serious shortage of low-cost building materials to meet the needs for housing (currently estimated at 78,000 units with a total area of 10 million square metres) and other buildings for services, industry and agriculture. This shortage is expected to be further aggravated in the future with the anticipated return of Palestinians, natural population growth and rising expectations for improvements in housing and living conditions. Therefore, there is an urgent need to adopt policies that will lead to a decrease in imported building materials, such as steel, wood and cement, and a corresponding increase in exploitation of low-cost local materials, such as limestone, which is suitable for building, stone, marble, cement, gypsum and lime.

Various industries can be developed from these materials in the future, while pre-cast elements of reinforced concrete could be produced immediately.

### Proposal

101. It is proposed to establish a compound factory to produce low-cost building materials and elements. The factory will consist of the following production units: (a) production of cement blocks with special specifications for walls and roofing; (b) production of pre-cast elements of ordinary and reinforced concrete for doors, window frames and roofing; (c) production of lime and gypsum; (d) production of Y-tong blocks and (e) mass production of doors and windows according to special specifications. The project will provide opportunities to assist people in self-construction of their houses and other buildings while allowing effective and economical utilization of local building materials, reducing expensive imports and development of specialized construction methods. The development of some of the building materials, such as cement, gypsum and lime, might take several years; however, the project can start with a production unit for pre-cast elements of concrete and reinforced concrete within approximately one year. The production unit can be located in several industrial areas of the major cities in order to make use of the available infrastructure and to save on transportation costs.

### Institutional arrangements

102. At present there is no single specialized local agency capable of implementing the project. It is proposed to entrust the execution of the project to the appropriate United Nations agency with a counterpart local organization to be established in East Jerusalem, as it offers the easiest communication and movement. Local capacities and expertise should be utilized to a maximum extent. Since the project will utilize raw materials from the mining sector, a licence will have to be obtained from the Israeli military authorities.

### Tentative budget

103. The estimated annual budget would be as follows:

	<u>United States dollars</u>
Salaries and consultants' fees	228 000
Furniture, equipment and supplies	35 000
Rental, transportation and running costs	44 000
Contingency	<u>30 000</u>
Total	<u><u>337 000</u></u>

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