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**INTERNATIONAL SUPPORT TO THE PALESTINIAN PEOPLE
1999-2000/2001-2003**

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**CONFÉRENCE DES NATIONS UNIES SUR
LE COMMERCE ET LE DÉVELOPPEMENT**



**UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT**

PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE

**International Support to the Palestinian People
1999-2000 / 2001-2003**

A compendium prepared by UNCTAD secretariat

**Consultative Meeting
Palestine Rehabilitation and Development Forum**

Beirut 29-30 July 2003

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ACRONYMS

ARIJ	Applied Research Institute Jerusalem
CIDA	Canadian International Development Agency
DFID	UK Department for International Development
DoRA	Department of Refugee Affairs
ECO	Economic Cooperation Organization
FAO	Food and Agriculture Organization
FTA	Free Trade Agreement
GTZ	The Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
ICRC	International Committee of the Red Cross
IDB	Islamic Development Bank
JSC	Joint Services Council
JMCC	Jerusalem Media and Communication Center
KfW	The Kreditanstalt für Wiederaufbau (Germany's development bank)
MoA	Ministry of Agriculture
MoE	Ministry of Education
MoET	Ministry of Economy and Trade
MoF	Ministry of Finance
MoH	Ministry of Health
MoJ	Ministry of Justice
MoL	Ministry of Labour
MoLG	Ministries of Local Government
MoPIC	Ministry of Planning and International Cooperation
MoSA	Ministry of Social Affairs
MSI	Management Systems International
NDI	National Democratic Institute
NGOs	Non- Governmental Organizations
LGUs	Local Government Units
LSE	London School of Economics
PA	Palestinian Authority
PARC	Palestinian Agricultural Relief Committees
PBC	Palestinian Banking Corporation
PCBS	Palestinian Central Bureau of Statistics
PEA	Palestinian Energy Authority
PECDAR	Palestinian Economic Council for Development and Reconstruction
PIEFZA	Palestinian Industrial Estates and Free Zones Authority
SIDA	Swedish International Development Agency
SPS	Sanitary and Phytosanitary (SPS) measures
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and works Agency for Palestine Refugee in the Near East

UPMC	Union of Palestinian Medical Relief Committees
USAID	The United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WHO	World Health Organization
WTO	World Trade Organization
YMCA	Young Men's Christian Association

International Support to the Palestinian People

Between Development and Relief¹

I. INTRODUCTION

1. Following the Oslo agreement in 1994, the Palestinian Authority (PA) faced the immense dual task of building all the institutions required for the future state and meeting the basic needs of the Palestinian people. Despite the limited experience and the continued occupation of Palestinian land, the PA managed, in the course of the six years following Oslo, to establish and run a large number of institutions essential for the functioning of the government. Civil society also played its role and took part in the conception of elements of the future State of Palestine. However, neither the PA nor the Palestinian civil society would have been able to achieve much progress without the international community assuming its responsibility in the building process. Foreign aid extended to the Palestinian people rose steadily in the period 1994-1998, with an average of about half a billion dollar per year. Given the weak economic planning and revenue raising capacities of the PA during that period, almost half of these funds were spent on recurrent type of expenditures rather than on development projects. In the two years prior to the Al-Aqsa Intifada (1999-2000), this pattern started to shift more towards investments in human and capital infrastructure. However, this welcome change was abruptly seized by the events that led to the second intifada in September 2000. The PA and the international community were forced to switch their efforts from development to relief to meet the devastating conditions imposed on the Palestinian people by the Israeli security measures and its external and internal closure policy.

2. While the development experience of the period 1994-2000 was not given a chance to correct its shortcomings and create a self-sustaining mechanism to allocate donors and domestic resources according to a socio-economic vision and quantifiable objectives, the ongoing crisis and the prevailing uncertain conditions avert any tangible accumulation of development. In effect, Israeli security measures, closure policy and the systematic partition of the Palestinian territory are driving the economy further towards a status of de-development and breakdown. The full manifestation of this status is defied and to a great extent averted by three factors: (i) the resilience and cohesiveness of the Palestinian society and the informal safety nets and innovative responses it has developed to deal with the crisis; (ii) the ability of the PA to continue functioning and employing almost one third of those who are currently working; and (iii) the increase in disbursements of donor support for budgetary solvency, relief and development efforts.

3. The challenge facing the PA now is to learn from the experience of the past 9 years and avoid its deficiencies to overcome the present crisis and set the stage for economic recovery and sustained growth. This will require keeping away from the "*piecemeal*" project implementation approach, the temptation of accepting donors fund under financial pressures, and therefore avoiding the implementation of projects that may not add to or play part in achieving the developmental aspirations of the Palestinians. The PA needs to have its

¹ The data analysed and presented in this paper are compiled from different sources, in particular the grant database of the former Ministry of Planning and International Cooperation (MoPIC) (courtesy of Mr. E'mad Shaath, MoFA), the budget and loan database of the Ministry of Finance (MoF), UNRWA's annual reports and UNDP/PAPP sources, as well as the websites of many of the bilateral and multilateral donors, such as World Food Programme (WFP), the United States Agency for International Development (USAID) and the other institutions and organisations referred to.

economic priority well set to be able to play *the* leading role in coordinating large sum of moneys and a substantial number of donors, each of whom has different views, agendas and comparative advantages. This coordination is not just a matter of who does what, but also why, where and when. At this stage, the objective should not be to use relief aid just to employ people and distribute donor fund to reduce poverty, but it should be further expanded so that relief efforts are capable of creating a self-sustaining environment for the population in certain strategically and economically important sectors, which should reinforce the survival mechanism and later could form the economic base required for the recovery and sustained growth.

II. FROM DEVELOPMENT TO RELIEF

4. As indicated in Table 1 (Annex I), in the two years prior to the intifada, international support to the Palestinian people continued to average around \$500 million a year. In 1999 and 2000, more that 88 percent of the \$1057 million disbursed by the donor community were directed towards development projects. Only 2.6 percent was allocated to budget support and 9.4 percent destined to meet emergency needs. From 2001 to the end of first quarter of 2003, international support doubled to reach more than a billion dollar per year, with a dramatic change in the pattern of disbursements. Budgetary support accounted for almost 46 percent of the \$2297 million disbursed during that period. Development projects and emergency assistance equally split the remaining amount, with shares of 26.6 and 27.6 percent respectively.

5. As reflected in Table 2 (Annex I), the composition of donors also observed a similar shift, with the share of multilateral donor in the fund disbursed increasing from 29.6 percent in 1999-2000 to 56.7 percent in 2001-2003. Meanwhile, the share of the fund disbursed through UNRWA to meet emergency needs also jumped from 2.2 percent to 10.4 percent during the Intifada years. Similarly, some of the multilateral donors have made considerable contributions; the largest was from the Al Aqsa Fund of the League of Arab States (LAS), which was \$825 million, mainly for budgetary support. This represents 40 percent of the total international support extended to the Palestinian people during the months of the Intifada. The EU has increased it contribution to \$333 million (14.5 percent of total support) from the \$ 69 million disbursed in the two years 1999-2000. Some of the bilateral donors have also doubled their contributions since 2000 while maintaining their share in the total international aid; these include the USA, Norway and Italy. However, this does not mean that the other bilateral donors have reduced their financial support, as many of them preferred to contribute through multilateral institutions.

III. DEVELOPMENT ASSISTANCE

6. In response to the on-going crisis, the attention of the PA as well as the donor community was diverted away from the medium and long term development projects to meet the needs of the humanitarian disastrous situation created by the Israeli incursions and closure policy. As shown in Table 3 (Annex I), the level of total development aid declined by one third during the period of the Intifada as compared with the two year 1999-2000. During the period 2001-1Q2003, total project financing amounted to \$ 610 million. This represents only 57 percent of the total fund committed by the donors for that purpose. This explains the change in donors' attitude in response to the crisis. Even with this decline, a large portion of funds were not allocated to the originally intended developmental purposes; rather they were utilized to meet sectoral emergencies related to the crisis, particularly in the health sector.

7. The sectoral allocation of international development assistance since 2000 has shifted from infrastructure and productive sectors to human resource development and governance. While the share of human resource development in total development assistance rose from 21.4 percent before the Intifada to 30.7 percent afterwards, the share of infrastructure decreased from 45.6 percent to 36.2 percent. The exception to this trend experienced in the housing, water resources and agriculture sectors. This most likely reflects the destruction occurred in these sectors as a result of the Israeli measures. It is worth mentioning that despite the critical role of the agriculture sector and its ability to absorb employment especially at the time of the crisis, its share in donor support continues to be very marginal.

8. Table 4 (Annex I) summarizes donors' contribution to development aid to Palestine before and after 2000. The largest donor in this category is the USA with its contribution rising from 21.5 percent to 31.9 percent of the total development assistance. In dollar terms, however, this contribution declined from \$ 200 million to \$ 195 million. Prior to 2000, the USA contribution was allocated only to developmental purposes. The second largest donor is the European Union, accounting for 9.5 percent of development assistance since 2000.

IV. EMERGENCY ASSISTANCE

9. Total emergency assistance increased by more than 6 folds after the Intifada to reach \$ 633 million, representing 81% of the fund committed by the donor community for that purpose and almost 28 percent of the total international aid disbursed to the Palestinian people (Table 5 – Annex I). 37.8 percent of this amount (\$239.4 million) was disbursed through UNRWA.² Employment generation and emergency response ranked second and third after UNRWA, with 25.7 percent and 16.2 percent of the emergency assistance disbursed after September 2000. Health, infrastructure and food security were among the emergency categories that consumed a significant portion of the emergency funds. Similar to the development assistance most of the emergency fund were from bilateral donors, where they provided 41 percent of this type of assistance in 2001-2003 (Table 6 – Annex I). USA alone provided 32 percent. Multilateral donors contribution represented 21.4 percent of the total sum disbursed during that period.

V. BUDGETARY ASSISTANCE

10. The on-going crisis has forced the PA to rely heavily on deficit financing. The PA spending needs increased since 2000 as a result of spreading poverty, the large number of casualties and the physical destruction caused by Israeli incursions. Public expenditure rose from 30 percent of GDP in 1999 to 52 percent of GDP in 2002. On the other hand revenues collapsed from 24 percent to 13 percent as a result of the contraction of the tax base and the withholding of customs, excise and value added tax revenue collected by Israel on behalf of the PA. By the end of 2002, PA revenue withheld by Israel amounted to \$700 million. The PA overall deficit mushroomed from 6 per cent of GDP in 1999 to 39 per cent in 2002. In dollar terms the cumulative deficit in 2001 and 2002 reached \$ 1950 million.

11. This deficit was partly financed by the donor community. The total sum of budgetary support extended to the PA amounted to \$ 1054 million during the 2001-2003 period (Table 7 – Annex I). More than 76 percent of this came from Al Aqsa Fund of the LAS, and 21.3 percent came from the EU. Prior to the Intifada Budget support was the least important type of international assistance to Palestine with only 2.6 percent of total international support.

² These figures do not include UNRWA's core operating budget for basic services.

However, after September 2000 this ratio jumped to 45.9 per cent and budgetary support became the most important type of international aid.

VI. DONOR PREFERENCE

12. Tables 8 to 10 (Annex I) show the focus and preference of most of the donors operating in the Palestinian territory. As indicated in the tables while most of the donors prefer to focus on a limited number of sectors, some of the donors (UNDP, World Bank, USA) operate in a wide range of sectors.

VII. BACK FROM RELIEF TO DEVELOPMENT

13. With the reactivation of the peace process and the introduction of the Road Map, there is a renewed hope that a solution may be approaching. Returning to near normal conditions would involve many changes on the part of the PA as well as the donor community. These changes should take into consideration all the shortcomings of the process of donor support and coordination in the past 9 years and the new reality imposed by the crisis in the last three years. In the coming months the PA will need to rethink: its economic and development vision; the existing economic policy framework; the process of regional integration; the dependency of the Palestinian economy on that of Israel; the management and allocation of donor fund; and the process of donor coordination. These elements have to be integrated in a manner that serves Palestinian development and economic interests.

14. It is expected that the Palestinian people will continue to have the support of the international community, even if the peace process takes longer than planned. In any event the PA will continue receiving donor funds in the range between what they used to get before and after September 2000, that is between half a billion and one billion dollar a year. Regardless of the political condition and the outcomes of the negotiation between Israel and Palestine, these funds have to be allocated in accordance with the aspirations of the people and in a manner that would allow them to achieve medium and long-terms economic goals.

15. One major issue that the PA has to deal with is the leakage of international aid out of the domestic economy and specifically to Israel. Palestinian dependence on the Israeli economy is clear from the share of Palestinian imports from Israel in domestic private consumption, which is estimated at 55 per cent in 2002. Meanwhile the Palestinian trade deficit with Israel accounts for 71 per cent of the overall trade deficit. From the trade and fiscal deficit financing point of view, these figures suggest that some 70 per cent of foreign borrowing (mainly donor support funds) required to finance lopsided merchandise bilateral trade pays for Israeli imports. The most revealing statistic in this regard is the ratio of the Palestinian trade deficit with Israel to Palestinian GDP. In 2002 this figure is estimated at 45 per cent, which means that for every dollar produced domestically, 45 cents are channelled to the Israeli economy. The implication for Palestinian development and employment generation programmes is significant, as it cannot be expected under the present circumstances that donor funds injected into the Palestinian economy would have a noticeable positive income multiplier effect in the Palestinian territory. On the contrary, a positive multiplier effect of these funds would be felt in the Israeli economy.

16. Taking into consideration the above discussion and the sectoral pattern of development assistance for the period 1999-2000 (Table 3 - Annex I), it is crucial that the PA sets its development objective, and therefore resource allocation process, to maintain the largest part of the available resource (relief or development funds) within the domestic

economy. One-way of achieving this is by reversing the sectoral pattern of development assistance observed in 1999-2000, and allocating more funds to the relatively intensive labour industries. Specifically the agriculture sector, with its employment generation capability should receive higher portion of donor development assistance. Furthermore, within the infrastructure sector some sub-sectors, such as energy and solid waste, are capital intensive with mainly imported inputs. This leads to transfer of most of the donor fund back to the rest of the world. Therefore more emphasis should be put on the labour intensive sub-sector such as housing and roads.

17. Finally, the PA should play *the* leading role in the donor coordination process, and this cannot be achieved without a clear vision as to what are national and sectoral objectives and how can they be attained. In this respect, the PA can benefit from the substantial amount of research work that has been conducted on the Palestinian economy by national and international research and development institutions since the beginning of the Intifada. As shown in Annex II, this research effort provides an in-depth analysis of the economic consequences of the Intifada, including its impact on the long-term development prospects of the economy and policy orientations for setting the economy on the path of sustained recovery.

Table 1: International Support to the Palestinian Authority by Major Category Disbursements

Category	2001 - 1 st Q-2003		1999 - 2000	
	Mill. \$	%	Mill. \$	%
Development projects	610.0	26.6%	930.5	88.1%
Budget support	1053.6	45.9%	27.2	2.6%
Emergency assistance	632.9	27.6%	99.0	9.4%
Total disbursements	2296.5	100.0%	1056.6	100.0%

Table 2: International Support to the Palestinian Authority by Source Disbursements

Donor	2001 - 1 st Q-2003		1999 - 2000	
	Mill. \$	%	Mill. \$	%
Multilateral	1303.1	56.7%	313.3	29.6%
League of Arab States	824.8	35.9%	0.0	0.0%
European Union	333.0	14.5%	68.7	6.5%
World Bank	86.1	3.8%	94.2	8.9%
European Investment Bank	12.6	0.5%	81.7	7.7%
Arab Fund	6.4	0.3%	27.0	2.6%
UNDP	3.4	0.1%	10.7	1.0%
Others (WFP, UNICEF, IFC ..)	36.8	1.6%	31.0	2.9%
UNRWA*	237.9	10.4%	23.6	2.2%
Bilateral	755.5	32.9%	719.7	68.1%
USA	397.5	17.3%	199.7	18.9%
Norway	52.8	2.3%	25.1	2.4%
United Kingdom	46.3	2.0%	46.6	4.4%
Japan	37.7	1.6%	61.4	5.8%
Italy	41.4	1.8%	28.8	2.7%
Sweden	29.5	1.3%	72.4	6.9%
Germany	26.8	1.2%	44.7	4.2%
France	19.2	0.8%	24.5	2.3%
Switzerland	19.3	0.8%	12.4	1.2%
Netherlands	18.9	0.8%	23.7	2.2%
Saudi Arabia	5.3	0.2%	37.6	3.6%
Spain	10.6	0.5%	35.9	3.4%
Canada	10.2	0.4%	33.5	3.2%
Others	39.9	1.7%	73.3	6.9%
Total Disbursements	2296.5	100.0%	1056.6	100.0%

* These figures reflect UNRWA's additional emergency related disbursements and do not include its core operating budget for basic services.

Table 3: Development Assistance by Sector

Sectors/Sub-sector	2001 - 1 st Q-2003				1999 - 2000	
	Commitment		Disbursement		Disbursement	
	Mill. \$	%	Mill. \$	%	Mill. \$	%
Infrastructure	542.2	50.7%	220.7	36.2%	423.9	45.6%
Energy (electricity & power)	49.7	4.7%	47.5	7.8%	125.5	13.5%
Solid waste management-GS	12.0	1.1%	10.4	1.7%	55.5	6.0%
Water Resources	432.5	40.4%	98.7	16.2%	75.3	8.1%
Housing	13.2	1.2%	14.9	2.4%	19.2	2.1%
Transport & telecom.	17.1	1.6%	21.3	3.5%	78.5	8.4%
Municipal services	17.8	1.7%	27.9	4.6%	69.9	7.5%
Productive sectors	76.1	7.1%	54.7	9.0%	131.1	14.1%
Agriculture	22.2	2.1%	23.2	3.8%	19.6	2.1%
Enterprise development	43.2	4.0%	21.2	3.5%	40.8	4.4%
Tourism & culture	9.1	0.8%	7.8	1.3%	66.5	7.1%
Financial sector	1.6	0.1%	2.5	0.4%	4.3	0.5%
Governance & civil society	174.0	16.3%	117.2	19.2%	124.9	13.4%
PA institution building	32.2	3.0%	29.3	4.8%	41.4	4.5%
NGOs	55.9	5.2%	42.0	6.9%	13.2	1.4%
Legislative Development & elections	25.2	2.4%	17.8	2.9%	20.4	2.2%
Others: social dialogue, police, human rights	60.7	5.7%	28.1	4.6%	49.9	5.4%
Human resource development	251.7	23.5%	187.2	30.7%	198.8	21.4%
Health	114.5	10.7%	99.4	16.3%	48.1	5.2%
Education	101.6	9.5%	56.0	9.2%	77.9	8.4%
Community Development	12.4	1.2%	8.6	1.4%	54.6	5.9%
Women, children & youth	20.8	1.9%	17.6	2.9%	11.6	1.3%
Detainees	2.5	0.2%	5.6	0.9%	6.5	0.7%
Refugees	17.6	1.6%	20.0	3.3%	36.6	3.9%
Others	7.8	0.7%	10.2	1.7%	15.1	1.6%
Total development projects	1,069.5	100%	610.0	100%	930.5	100%

1. Although the figures in this Table refer to development activities, a big portion of these funds was utilized to meet sectoral emergencies related to the crisis.

Table 4: Disbursed Development Assistance by Source

Donor	2001 - 1 st Q-2003		1999 - 2000	
	Mill. \$	%	Mill. \$	%
Multilateral	136.8	22.4%	280.6	30.2%
European Union	57.7	9.5%	38.4	4.1%
World Bank	39.2	6.4%	93.9	10.1%
European Investment Bank	12.6	2.1%	81.7	8.8%
League of Arab States	17.8	2.9%		0.0%
Arab Fund	6.4	1.1%	27.0	2.9%
UNDP	3.1	0.5%	10.0	1.1%
Others		0.0%	29.7	3.2%
Bilateral	473.2	77.6%	649.9	69.8%
USA	194.7	31.9%	199.7	21.5%
Norway	33.1	5.4%	44.6	4.8%
United Kingdom	32.9	5.4%	20.9	2.3%
Japan	32.9	5.4%	53.5	5.8%
Italy	30.9	5.1%	25.2	2.7%
Sweden	26.4	4.3%	67.1	7.2%
Germany	26.1	4.3%	32.8	3.5%
France	19.2	3.1%	24.5	2.6%
Switzerland	16.7	2.7%	11.6	1.2%
Netherlands	14.1	2.3%	20.2	2.2%
Saudi Arabia	5.3	0.9%	37.6	4.0%
Spain	9.0	1.5%	33.3	3.6%
Canada	1.8	0.3%	20.2	2.2%
Others	30.1	4.9%	58.6	6.3%
Total Disbursements	610.0	100.0%	930.5	100.0%

Table 5: Emergency Assistance by Sector

Sectors/Sub-sector	2001 - 1 st Q-2003				1999 - 2000	
	Commitment		Disbursement		Disbursement	
	Mill. \$	%	Mill. \$	%	Mill. \$	%
Emergency response	139.1	17.9%	102.7	16.2%	35.9	36.3%
Employment generation	165.3	21.2%	162.9	25.7%	27.1	27.4%
Infrastructure: water & sanitation	9.3	1.2%	36.6	5.8%	0.7	0.7%
Productive sectors	35.2	4.5%	52.6	8.3%	9.6	9.7%
Enterprise development	32.8	4.2%	11.2	1.8%	0.4	0.4%
Agriculture and food security	2.4	0.3%	41.4	6.5%	9.2	9.3%
Governance & civil society: NGOs	4.0	0.5%	3.2	0.5%	0.4	0.4%
Human resources development	20.5	2.6%	31.6	5.0%	1.7	1.7%
Health	18.5	2.4%	28.3	4.5%	1.7	1.7%
Education	0.2	0.0%	0.2	0.0%		0.0%
Women, children & youth	1.8	0.2%	3.2	0.5%		0.0%
UNRWA/Refugees *	403.9	51.9%	239.4	37.8%	23.6	23.9%
Others	0.9	0.1%	3.9	0.6%		0.0%
Total emergency assistance	778.2	100%	632.9	100%	99.0	100%

* These figures reflect UNRWA's additional emergency related disbursements and do not include its core operating budget for basic services.

Table 6: Disbursed Emergency Assistance by Source

Donor	2001 - 1 st Q-2003		1999 - 2000	
	Mill. \$	%	Mill. \$	%
Multilateral	135.3	21.4%	26.1	26.4%
European Union	51.3	8.1%	23.7	24.0%
World Bank	46.9	7.4%	0.3	0.3%
UNDP	0.3	0.1%	0.7	0.7%
World Food Prog.	34.6	5.5%	1.3	1.4%
Others	2.2	0.3%		0.0%
UNRWA*	237.9	37.6%	23.6	23.9%
Bilateral	259.7	41.0%	49.2	49.7%
USA	202.8	32.0%		0.0%
United Kingdom	12.3	1.9%		0.0%
Italy	10.5	1.7%	3.6	3.6%
Norway	7.0	1.1%	4.1	4.2%
Canada	7.0	1.1%	1.3	1.3%
Japan	4.7	0.7%	7.9	8.0%
Sweden	3.1	0.5%	5.3	5.4%
Switzerland	2.6	0.4%	0.8	0.8%
Belgium	3.3	0.5%	0.3	0.3%
Spain	1.6	0.3%	2.6	2.6%
Greece	1.6	0.3%	0.0	0.0%
Germany	0.7	0.1%	11.9	12.1%
Qatar		0.0%	8.6	8.7%
Others	2.3	0.4%	2.7	2.8%
Total Disbursements	632.9	100.0%	99.0	100.0%

* These figures reflect UNRWA's additional emergency related disbursements and do not include its core operating budget for basic operations.

Table 7: Budget Support by Donor

	2001 - 1 st Q-2003		1999 - 2000	
	Mill. \$	%	Mill. \$	%
Total Budget support	1053.6	100.0%	27.2	100.0%
League of Arab States	807.0	76.6%		0.0%
European Union	224.0	21.3%	6.6	24.1%
Norway	12.7	1.2%	0.0	0.0%
Netherlands	4.0	0.4%	2.0	7.3%
Greece	3.5	0.3%	0.1	0.3%
Canada	1.3	0.1%	12.1	44.4%
United Kingdom	1.1	0.1%	2.0	7.4%
Others	0.0	0.0%	4.5	16.5%

**Table 8: Breakdown of international assistance with development focus
by donor**

Donors	Sub-sectors
Australia	Tourism & culture
Belgium	Trade policy & trade facilitation
Canada	Municipal services, water & sanitation, financial services, governance & civil society, legislative development & elections, community development, PA institution building, women, budget support
EU	NGOs, police, women, food security.
France	Water and sanitation, education,
Germany	Solid waste management, water & sanitation, manufacturing, PA institution building, tourism & culture, education,
Greece	Education
Italy	Water and sanitation, enterprise development, trade policy & trade facilitation
Japan	Water and sanitation, PA institution building, education
Jordan	Education
League of Arab States	Education, budget support.
Netherlands	Environment, telecommunications, municipal services, water & sanitation, agriculture, enterprise development, legislative development & elections, human rights, education, women
Norway	Electricity & power, water & sanitation, tourism & culture, PA institution building, women, Budget support, public finance management, human rights, education
Poland	Agriculture, enterprise development, education
Saudi-Arabia	Housing, health, education,
Spain	Electricity & power, municipal services, water & sanitation, agriculture, financial services, tourism & culture, education,
Sweden	Electricity & power, Transportation, Municipal services, Water & sanitation, enterprise development, tourism & culture, NGOs, Police, PA institution building, children & youth, women
Switzerland	Environment, tourism & culture, legislative development & elections, human rights, PA institution building, detainees, education,
Turkey	Telecommunications, PA institution building
UK	Water and sanitation, trade policy & trade facilitation, children & youth, women,
USA	Electricity & power, transportation, water & sanitation, manufacturing, enterprise development, governance & civil society, legislative development & elections, PA institution building, education, community development
UNCTAD	Trade policy & trade facilitation, enterprise development,
UNDP	Electricity & power, environment, municipal services, water & sanitation, tourism & culture, trade facility & trade policy, UNDP, community development, PA institution building, education, women health
World Bank	Solid waste management, water & sanitation, NGOs, community development, education.

**Table 9: Breakdown of international assistance with development focus by
Implementing agency**

Sectors	Sub-sectors	Implementing agency
Infrastructure	Energy (electricity& power)	PEA, UNDP, USAID.
	Solid waste management-GS	PA MoLG, JSC/Jenin, MoPIC, MoF, NGOs, GTZ
	Water & sanitation	PHG, PWA, Gaza Coastal Aquifer Management Design, GTZ, kFW, UNDP, DFID, Earnst Young, specialized international institutions in the area of water and sanitation, PEA
	Others (energy, housing, telecom, trans, municipal ser.)	PARC, ARIJ, UNDP, UNDP, Federation of Canadian Municipalities, Municipalities, Association of Palestinian Local Authority, PEC DAR, Ministry of Housing and Public Works
Productive sectors	Manufacturing	PIEFZA
	Enterprise development	YMCA, USAID, Bartimpex, UNRWA, Federation of Palestinian Chambers of Commerce, USAID, UNIDO, UNCTAD, PBC
	Tourism & culture	WB, Bethlehem 2000, UNDP, GTZ, Bethlehem municipality, Palestinian cultural organizations
	Others (trade policy & trade facilitation, agriculture, financial services)	DFID, LSE, UNCTAD, Palestinian Mortgage and Housing Corporation, MoF, PARC, UNDP, MoA
Governance & civil society	Community development	PEC DAR; MoLG; MoA; DoRA; LGUs, including municipalities, village councils, farmers' cooperatives or camp service committees; USAID.
	PA institution building	UNDP, MSI, SIDA, CIDA, GTZ, kFW, DFID, USAID.
	NGOs	Different NGOs, including Welfare Association Consortium for WB projects
	Legislative Development & elections	Elections Canada, NDI, Birzeit university, MoJ
	Others (social dialogue, police, human rights)	Canadian Rep. Office, NDI, NGOs
Human resource development	Refugees	UNRWA
	Education	UNDP, MoE, GTZ, MoL, MoPIC, MoHE, President office, USAID
	Women	MoSA, UNRWA, Palestinian NGOs dealing with women, MoPIC, DFID, UNDP, MoH
	Others (health, children & youth, detainees)	Gaza Community Mental Health Program, Treatment & Rehabilitation Center, UNDP, WHO, UNFPA, MoH, DFID, PCBS, MoPIC, UNICEF, Care

Table 10: Breakdown of emergency assistance by donor

Donors	Sub-sectors
Algeria	Food security
Australia	Food security
Canada	Children
Denmark	Emergency response and humanitarian assistance, food security,
EU	Emergency response and humanitarian assistance, food security
France	Food security, children
Germany	Rehabilitation and support for the private sector, employment generation, children (national committees)
Greece	Health, emergency municipal services, electricity grids, children (national committees)
IDB	Employment generation, electricity grids,
Italy	Emergency response and humanitarian assistance, health, food security, children
Japan	Health, food security, employment generation
Jordan	Health
League of Arab States (through Al-Aqsa & Jerusalem Funds)	Rehabilitation of road networks, housing units,
Malaysia	Health
Netherlands	Emergency support for agriculture, health,
Norway	Emergency response and humanitarian assistance, health, food security, employment generation
Spain	Health
Sweden	Improvement of household economy in rural areas, rehabilitation and support of the private sector, water & sanitation, food security, employment generation
Switzerland	Health
UK	Emergency response and humanitarian assistance, water & sanitation, food security, food security, employment generation, NGOs, women
USA	Emergency response and humanitarian assistance, health, rehabilitation and support of the private sector, food security, children
UN Foundation	Children,
UNDP	Health, water & sanitation, employment generation
World Bank	Emergency response and humanitarian assistance, emergency municipal services, rehabilitation and support of the private sector.

Table 10: Breakdown of emergency assistance by implementing agency

Sector	Sub-sector	Implementing agency
Emergency response	Support services, humanitarian aid	MoSA, MoE, MoET, MOPIC, WB ECO, OCHA, UNDP, USAID, DFID
Employment generation		UNDP, kFW, WB, MoPIC, MoF, USAID
Infrastructure	Housing	PA Ministry of Housing and Public Works
	Municipal services	PA MoLG, MoF, MoPIC, Municipalities
	Others (roads, energy, water & sanitation)	DFID, Palestinian Water Authority, IDB, PECDAR, PA Ministry of Housing and Public Works
Productive sectors	Emergency support for the private sector (diff. Projects)	Bethlehem 2000, kFW, WB, USAID
	Agriculture and food security	PARC, MASSAR, MoA, WFP, MoSA, DFID
Governance & institution building	NGOs	Welfare Association Consortium
	Others (PCBS, polling project, Swedish consulate activities)	PCBS
Human resources & social development	Education	UNDP, MoE
	Health	NGOs, incl. UPMC, Ard-EI-Insan, ICRC, UNDP, MoH, UNFPA
	Women and children	Oxfam, UNICEF
Refugees	UNRWA	

1. Economic consequences of the Intifada

A. Direct and indirect losses accrued by the economy

Reports

- "Twenty-seven months- Intifada, closures and Palestinian economic crisis: an assessment", World Bank, May 2003.
- " The impact of the Israeli separation barrier on affected West Bank communities", report to the Mission of the Humanitarian and Emergency Policy Group (HEPG) of the Local Aid Coordination Committee (LACC), April 2003.
- " Two years of Intifada, closures and Palestinian crisis: an assessment", World Bank, March, 2003.
- "The Impact of recent Israeli incursions, closures and curfews on the Economy of the West Bank and Gaza Strip", September 2002, UNDP
- "The impact of closure and other mobility restrictions on Palestinian productive activities, 1 January-30 June 2002", UNSCO, 2002.
- "Physical and institutional damage Assessment- West Bank governorates March-May, 2002". Donor Support Group/ Local Aid Coordination Committee, May 2002.
- "Damage Assessment – Ramallah/El Bireh Governorate: Impacts of IDF incursions March-May 2002", Final Draft, PA Ministry of Planning and International Co-operation, May 2002.
- " Damage assessment report for Jenin governorate", World Bank, May 2002.
- "Life and health during the Israeli invasion of the West Bank, the Town of Tulkarem", Institute of Community and Public Health, Birzeit University, May 2002.
- "Life and health during the Israeli invasion of the West Bank, the town of Bethlehem", Institute of Community and Public Health, Birzeit University, May 2002
- " Paying the Price: Coping with closure in Jericho, Gaza City, and in two Palestinian Villages", UNSCO, 2002
- "Impact of the Israeli siege on national accounts indicators", preliminary report, PCBS, April 2002.
- "Report on the destruction to Palestinian governmental institutions in Ramallah caused by IDF forces between March 29 and April 21, 2002", Palestinian NGO Emergency Initiative in Jerusalem, April 2002.
- "Life and health during the Israeli invasion of the West Bank, the city of Nablus", Institute of Community and Public Health, Birzeit University, April 2002.
- "Environmental and public health crisis emerging in northern West Bank villages, Institute of Community and Public Health", Birzeit University, April 2002
- "Fifteen months-Intifada, closures and Palestinian crisis", World Bank, March 2002.
- "People under siege: Palestinian economic losses, September 2000-september 2001", Palestinian Economic Council for Development and Reconstruction (PECDAR), 2001.

- "A comprehensive report on the total losses of the Palestinian territories since the outbreak of Al-Aqsa Intifada on 28/9/2000 until 15/4/2001", April 2001, PA ministry of Finance.
- "The impact on the Palestinian economy of confrontations, mobility restrictions and border closure, 1 October 2000 -31 January 2001", February 2001, UNSCO.
- "Direct losses of the Palestinian economy due to the Israeli siege", December 2000, the Palestinian Central Bureau of Statistics (PCBS).
- "The consequences of the Israeli aggression on the Palestinian economic sector 8/11/2000- 8/12/2000", Al-Mezan Center for Human Rights, December 2000.
- "Damage Assessment- Project Summary", Donor Support Group, 2000.

Periodicals/Monitors

- "Closure Update", the Palestinian Centre for Human Rights (PCHR).
- "Economic Monitor", MAS, annual report.
- "Social Monitor", MAS, annual report.
- "Humanitarian update", OCHA, bi-weekly report
- "Water and Sanitation, Hygiene (WaSH), Monitoring Project, Impact of the Current Crisis", Palestinian Hydrology group (PHG), technical papers.
- "West Bank/Gaza Strip: Health Update, WHO.
- "OPT Health Sector", Care international, bi-weekly report
- "Applied Research Institute Jerusalem (ARIJ) Monthly Report on the Israeli Colonization Activities in the West Bank".

B. Direct and indirect costs accrued by sectors

1. Agriculture

- "The Palestinian agricultural sector losses due to the Israeli aggression practices during period 29/09/2000 – 31/08/2002", PA Ministry of Agriculture, September 2002.
- "The Palestinian agricultural sector losses due to the Israeli aggression practices during period 29/09/2000 – 28/02/2002", PA Ministry of Agriculture, March 2002.
- "An Assessment of the Israeli Practices on the Palestinian Agricultural Sector- September 29, 2000 – February 28, 2002", Applied Research Institute (ARIJ), 2002.

2. Productive sector

- "Update of the latest Israeli Attacks on cultural heritage sites in Palestine, PA Ministry of Tourism and Antiquities, June 2002
- "Rapid assessment of damage to the private sector in the West Bank due to the Israeli incursions", USAID, May 2002.
- "Physical and institutional damage assessment", Local Aid Coordination Committee, May 2002.
- "Palestinian exporting companies: assessment of damage incurred by the Palestinian exporting companies during the 2000-2002 period", Palestine Trade Center (Paltrade), September 2002.
- "Private sector needs assessment: industrial sector survey", Palestinian Federation of Industries (PFI) and Palestine Trade Center (Paltrade) in cooperation with Market Access Program / DAI, USAID funded project, September 2002.
- "The destruction of the old city of Nablus: a war crime, PA Ministry of Tourism and Antiquities, 2002.

- "The Impact of Closure and other mobility restrictions on Palestinian productive activities", UNSCO, 2002
- "Role of small businesses in the Palestinian economy and impact of recent Israeli economic sanctions and measures", Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA), December 2001.
- "The state of the private sector", Center for private Sector development (CPSD), 2001.
- "The status of health in Palestine", Annual Report, PA Ministry of Health, 2001.
- "Report on the Palestinian economy", UNSCO, 2001.

3. Health sector

- "Health conditions of, and assistance to, the Arab population in the occupied Arab territories, including Palestine", WHO, supplementary report by the Secretariat, May 2002.
- "Health conditions of, and assistance to the Arab population in the occupied Arab territories including Palestine", Report by the Director-General, WHO, April 2002.

C. Unemployment

- "PNA strategy on job creation", PNA Ministry of Planning and International Cooperation, approved on 30 January 2003 at the sectoral Working Group (SWG) meeting, 2003.
- "Palestinian Fund for Employment and Social protection", draft feasibility study, ILO, January 2003.
- "The situation of workers of the occupied Arab territories", Report of the Director-General- Appendix, International Labour Organization (ILO) Conference 91th session, 2003.
- "The situation of workers of the occupied Arab territories", Report of the Director-General- Appendix, International Labour Conference 90th Session 2002.
- "The situation of workers of the occupied Arab territories", Report of the Director-General- Appendix, International Labour Conference 89th Session 2001.

D. Poverty

The UNDP Participatory Poverty Assessment project (2001)

The debate on poverty reduction have benefited from the UNDP's "Participatory Poverty Assessment" project, which is implemented by the Human Development and capacity Building Unit in the Ministry of Planning and International Cooperation in close coordination with the Palestinian National Commission for poverty Eradication continuously overseeing the PPA process. The project is the first initiative in WBGS that stress on bottom up strategy. It entails the dissemination of research based policy papers, which aim at introducing the perspective of the poor in the analysis of poverty and the formulation of strategies to combat it. These include:

- "Coping strategies: learning from the poor".
- "Corruption, favoritism and poverty".
- "Women, gender and poverty in Palestine: Learning about family crisis, survival and development from poor women, men and children".
- "Relationship between the poor and the different institutions: learning from the poor".
- "Health and poverty in Gaza strip: learning from the poor".
- "Children and poverty in Palestine: policies and strategy".

Other publications

- Fighting Palestinian poverty: a survey of the economic and social impact of the Israeli occupation on the Palestinians in the West Bank and Gaza Strip", War on Want (a UK based campaigning charity), June 2003.
- "Impact of the Israeli measures on the economic conditions of Palestinian households- 5th round: April-May 2003", PCBS, 2003.
- "Impact of the Israeli measures on the economic conditions of Palestinian households on the eve of Israeli incursions- 4th round: January-February 2002", PCBS, 2002.
- " Palestinian public perceptions on their living conditions and the role of international aid during the second Intifada", Report V, Bocco, R., Matthais, B., Isabelle, D., Frederic, L and Jamil, R., December 2002.
- "Impact of Israeli measures on the economic conditions of Palestinian households", April 2001, PCBS.
- "Using Poverty maps to target the poor in West Bank and Gaza", World Bank, Update June 2001.
- " Impact of prolonged closure on Palestinian poverty", November 2000, World Bank.

E. Food security

- "Food security and nutrition assessment", FAO, forthcoming
- "Nutritional assessment of the West Bank and Gaza Strip", funded by the United States Agency for International Development (USAID), September 2002.
- "Preliminary Findings of the nutritional assessment and sentinel surveillance system for West Bank and Gaza", funded by USAID, August 2002.
- "Projects within the food security programme in the West bank and gaza Strip, EU, May 2002.

2. Public finance and fiscal policy

- "Budgetary prospects: the impact of economic decline and the role of donor assistance", unpublished note, presented by the International Monetary Fund (IMF) to the Ad Hoc Liaison Committee (AHLC) meeting, London, Lancaster House, February 18, 2003.
- "Budgetary Policy in the WBG, 1st Quarter 2003", unpublished note by the IMF, May, 2003.
- -"Report on public debt management in the Palestinian Authority", draft report prepared by the Debt Management and Financial Analysis (DMFAS) programme, UNCTAD, May 2003.
- International and local aid during the second Intifada, Riccardo BOCCO, R., Jamil, R., Matthias B, Report II, July 2001.

3. Emergency relief

- "PA Emergency and public investment plan 2003-2004", PA MoPIC.
- "Humanitarian plan of action – 2003", United Nations, November 2002.
- "Vulnerability and the international health response in the West Bank and Gaza Strip: an analysis of health and health sector", WHO, November 2001.

4. Development and trade strategy

Economic Policy Programme

This programme was initiated in 1996 to support the PA in clarifying and shaping trade policy options, in addition to strengthening its capacity to negotiate with current and potential trade partners. The project is currently in its third phase, and is coordinated by the London School of Economic (LSE) with funding from the EU (phase I) and UK's DFID (Phases II & III). By the end of the third phase, due to be completed by the end of 2003, the project will achieve the following outputs:

- A. Permanent status preparations
 - A legal draft for a future trade agreement with Israel which may be eventually be employed under a free trade agreement (FTA) or less than a fully-fledged FTA with Israel.
- B. Autonomous foreign trade regime
 - Draft legislation on external trade regulation (Foreign Trade Act) compatible with WTO law.
 - "Options for tariff policy for Palestine", 2003. This study is meant to provide an approach and economic analysis for the preparation of tariff rates for industrial and agricultural goods.
 - An assessment of technical and SPS standard policies and legislation and design of training packages.
 - Preliminary preparations for the formulation of options for government procurement policy.
 - Customs consultancy reports to plan for drafting of customs legislation and activities to support the development of a conceptual and technical design for border controls, customs' clearing houses, location and operation, training of human resources for customs clearance (tariffs, VAT, technical and SPS inspections).
- C. WTO issues
 - An updated documentation for a formal application for WTO observer status
- D. Competition and Intellectual property laws
 - Draft legislation on competition and intellectual property rights.

Other policy papers

- "The Palestinian war-torn economy: from relief to development, UNCTAD, forthcoming.
- "Transit trade facilitation and the rehabilitation and development of the Palestinian economy", UNCTAD, forthcoming.
- Prospects for developing Palestinian Small and medium sized enterprises (SMEs), UNCTAD, forthcoming.
- "Long term policy options for the Palestinian economy", World Bank, 2002.
- "Closure, Palestinian productive activities and short to medium-term policy options", annual report 2002, UNSCO, April 2003.
- "Investment and the investment environment in the West Bank and Gaza Strip", MAS, December 2002.
- "The role of industrial sector in Palestinian economic development", MAS, December 2002.
- "Palestinian Trade with the Gulf Cooperation Council GCC: Future Prospects", MAS, December 2002.

- "Evaluation of Palestinian international economic and trade agreements", MAS, December 2002.
- "The structure of the Palestinian public budget", MAS, December 2002.
- "The role of construction and housing sector in Palestinian economic development", MAS, December 2002.
- "Palestinian trade in services: reality and prospects", MAS, November 2002.
- "Palestinian National Report on Sustainable Development", PNA, Environmental Quality Authority, 2002.
- "Report on UNCTAD's assistance to the Palestinian people", prepared by the UNCTAD secretariat to the Trade and Development Board, forty-ninth session, Geneva, 7-18 October 2002 (TD/B/49/9).
- "Report on UNCTAD's assistance to the Palestinian people", prepared by the UNCTAD secretariat to the Trade and Development Board, fiftieth session, Geneva, 6-17 October 2002 (TD/B/50/4).
- "Trade policy and labor services: Final status options for the West Bank and Gaza", World Bank, April 2002.
- "Trade options for the Palestinian economy: some orders of magnitude, World Bank, February 2001.
- R.A. Vadirieso, et al. West Bank and Gaza: Economic performance, Prospects, and Policies, IMF, 2001.

5. Human resource development

- "Palestinian higher education financing strategy", PNA Ministry of Higher Education and Scientific Research, August 2002.
- "Palestine: Human development report-2002", Birzeit University, June 2002.

6. Water resources and environment

- "Desk study on the environment in the occupied Palestinian territories", UNEP, 2003.
- "Brief on environmental conditions in the occupied Palestinian Territory", UNRWA, 2002.
- "Environmental Situation in Palestine". Palestinian Ministry of Environmental Affairs, 2002 (unpublished report).
- "Water and Wastewater Status and Future Plan", Environmental Quality Authority, September 2002.
- "Palestinian higher education financing strategy", PNA Ministry of Higher Education and Scientific Research, August 2002.
- "The development of a strategic waste management plan for Palestine-Review of the current situation: handling, transportation and disposal of waste". Negotiations Support Unit- Negotiations Affairs Department, July 2002.
- "The Impact of the Israeli invasion on the living environment in Nablus City", Birzeit University, May 2002
- "Damages of Water sector and project obstacles under the current emergency conditions in Palestine". PNA, Palestinian Water Authority, October 2001.

7. Refugees

- "Palestinian refugees and the peace process: an analysis of public opinion surveys in the West Bank and the Gaza Strip", Jerusalem Media and Communication Center (JMCC) and Oxfam, January 2001.