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on its fifty-ninth session**

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President's summary

Report on UNCTAD assistance to the Palestinian people

(Agenda item 11(b))

1. Twenty delegates, including four groups, made statements on the Report on UNCTAD assistance to the Palestinian people (TD/B/59/2). While 19 delegates expressed appreciation of the report's findings and commended the secretariat's tangible support to the Palestinian people, one delegation expressed a reservation.
2. The representative of the secretariat said that the findings of this and last year's report had been echoed by reports of the International Monetary Fund and World Bank (23 September 2012) to the Ad Hoc Liaison Committee. UNCTAD was able to foresee problems and contribute to the negotiations, which had started in July 2012, between the Palestinian and Israeli sides to reduce the Palestinian fiscal leakage to Israel. He expressed the hope that the analysis of this year's report would contribute to addressing emerging crises, identifying long-term constraints on the Palestinian economy and proposing solutions to transform it into a dynamic economy for the future Palestinian State. By doing so, he expressed the hope that UNCTAD would contribute to a lasting peace in the Middle East.
3. Almost all delegates expressed concern over the constraints on Palestinian development, including the continued occupation, the expansion of Israeli settlements, deteriorating economic prospects, the destruction of Palestinian assets and productive base, the fragmentation of domestic markets, the isolation from international markets, dependence on the Israeli economy, declining foreign aid, limited export capacity, mobility restrictions on Palestinian people and goods, the dire situation in Gaza, a weak private sector, the destructive effects of the separation barrier, and the lack of progress in political negotiations for a just settlement of the Palestinian cause.
4. The vast majority of delegates deplored the difficult living conditions in the Occupied Palestinian Territory and called for concerted action by the international community to support economic development and improve socioeconomic conditions in the Territory. One delegate stated that the impoverishment of the Palestinian people, demolition of their infrastructure and homes and the expansion of Israeli settlements had added to existing fragmentation and had given rise to "bantustans". Informed by its own history of apartheid, oppression and abuse of human rights, his country deplored actions that did not help the quest for a permanent solution to the Palestinian cause.
5. Many delegates stated that gross domestic product (GDP) growth in the previous two years was deceptive. The high rates of poverty, unemployment, declining real wages and productivity, food insecurity and loss of land and natural resources were better indicators of the reality on the ground.
6. The vast majority of delegates expressed concern over the Palestinian Authority's fiscal crisis, mounting debt and falling aid. They warned against the negative impact of fiscal austerity under current conditions and attributed the fiscal crisis to lack of sovereignty over borders, revenue leakage to Israel and loss of potential output due to occupation.
7. The vast majority of delegates noted that years of occupation had rendered Palestinian agriculture incapable of realizing its productive and employment potential. The fact that only 35 per cent of irrigable land in the Occupied Palestinian Territory was actually irrigated cost 110,000 jobs and 10 per cent of GDP annually. They expressed alarm over the obstacles placed by Israel on Palestinian agriculture, its tight control over imports

and exports, the construction of the separation barrier, the expansion of illegal settlements, the prevention of Palestinian farmers from accessing their land and the uprooting of millions of fruit trees. Delegations said that the Israeli ban on good-quality fertilizers had caused agricultural productivity to decline by 33 per cent, rendering Palestinian produce uncompetitive in domestic and regional markets.

8. Many delegates expressed concern about Israel's over-extraction of water from Palestinian sources for use inside its borders and settlements, while denying Palestinians the right to construct wells to meet their growing demands for water. Palestinian fishermen were only allowed to fish within a three-nautical-mile radius, instead of the 20 miles stipulated in the Oslo Accords. Without Palestinian control over their land and water, there was little scope for designing plans to develop and optimize the use of scarce Palestinians resources.

9. The representative of Palestine commended the UNCTAD report and its assistance to the Palestinian people. He said that the brief report provided broad analysis, saving readers from having to consult other sources. It was unacceptable that the Palestinian economy continued to be hostage to a restrictive economic agreement (Paris Protocol) and a distorted customs union, which had been signed 18 years ago to serve a five-year interim period. That period was to be followed by normal economic relations between the two States. He called upon the occupying power to end the colonial settlements and military occupation and to release Palestinian freedom fighters from Israeli prisons. He said that their just cause and legitimate national struggle would prevail, and the Palestinian voice would be heard everywhere until the day of liberation and the establishment of the Palestinian State with its capital in Jerusalem.

10. The representative of Israel welcomed programmes supporting the Palestinian economy because they would contribute to a lasting peace, and expressed interest in the work of UNCTAD towards building Palestinian institutional and policy capacities. He expressed disappointment in a report that involved itself in politics and partisanship rather than progress and professionalism. He described the report as partial, full of faulty references and biased sources. In addition, the report failed to mention positive actions taken by the Government of Israel to improve living conditions for the Palestinian people, such as a series of cooperative activities relating to water, labour and public finance. He expressed a reservation about the report on behalf of his Government.

11. The representative of the European Union said that it was the largest donor in the Occupied Palestinian Territory. Several delegates said that they provided support to the Palestinian people through bilateral and multilateral channels. Many delegates expressed appreciation for UNCTAD's technical cooperation activities and requested that support be stepped up to the Palestinian people and to the UNCTAD programme of assistance to the Palestinian people to strengthen its research capacity and technical cooperation projects in line with the intensified work programme mandated by UNCTAD XIII.