



Palestine Economic Policy
Research Institute



State of Palestine
Palestine Liberation Organization
Negotiations Affairs Department
Palestinian Negotiations Support Project

Preserving East Jerusalem in the Context of the Two- State Solution

**Short - and Medium -Term
Sectoral Development Agenda
for East Jerusalem
(SMSDA-EJ) (2019 - 2023)**



M A S

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2018

The Palestine Economic Policy Research Institute (MAS)

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Note from the editor:

Since this document includes a compilation of reports written by different consultants, the reader will notice some repetition of basic facts pertaining to the situation in East Jerusalem that are pertinent to the various sectors. These repetitions were kept as is during editing to allow for stand-alone reading of the various sections.

Preserving East Jerusalem in the Context of the Two-State Solution Short- and Medium-Term Sectoral Development Agenda for East Jerusalem SMSDA-EJ (2019-2023)

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FOREWORD

This is a collaborative work between the Palestine Economic Policy Research Institute (MAS) and the Negotiations Affairs Department (NAD) of the P.L.O. We have assembled a team of specialists to conduct in-depth cluster reviews and analyses of the governance, human rights and protection cluster, the social cluster, and the economic cluster that pertain to East Jerusalem. In this respect, this sectoral-development agenda builds and expands on past studies and reports, in particular the Strategic Multi-Sector Development Plan for EJ (SMSDP-EJ) and its updates, but is unique in that its standalone cluster reviews address issues that pertain to the permanent status of EJ.

The study proposes approaches in response to the pressures exerted by the occupying power, Israel, on East Jerusalem and its steadfast Palestinian inhabitants, which aim to change permanently its political, economic and demographic status in defiance of UN resolutions and the will of the international community.

Responses are also proposed to counteract the recent US moves that further threaten the status of East Jerusalem, stressing resilience, self-organization and development. The result is a document that can help the P.L.O., Palestinian non-governmental organizations (NGOs) and other civil society actors, Arab funds and the international community implement priority interventions and deliver assistance in the most effective way possible.

We would like to express our thanks to the team of consultants and assistants who produced this work and to acknowledge with deep gratitude a grant from the Norwegian Representative Office (NRO) to NAD that was used to fund this work.

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Acknowledgement

This Short and Medium Term Sectoral Development Agenda for East Jerusalem (SMSDA) 2019-2023 is a result of the participatory work with Palestinian officials, experts, business leaders, NGOs professional, and academic circles, from various sectors of East Jerusalem society and economy.

This document could not be produced without their valuable contribution in the individual structural interviews, and in the sectoral focus groups discussions. On the occasion of publishing the Agenda, we would like to extend our gratitude to each one of them and say thank you for your precious time, passion, and patience in meeting with the Research Team, for participating in the groups' discussions, and for sharing with us your extensive experiences, which gave us a better insight and deeper knowledge and helped us in drafting this report.

Nevertheless, this acknowledgement of contributions to this endeavor does not lay any responsibility on the contributors for any shortcomings or mistakes; these will remain the responsibility of the research team and its leader.

Dr. Samir Abdullah
Research Team Leader

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Glossary

Green Line	The 1949 Armistice Line, which is internationally recognized as the boundary between Israel and the oPt. Its name derives from the green ink used to draw the line on the map during the peace talks ¹ .
J1	The part of the Jerusalem Governorate (consisting of East Jerusalem and the surrounding 28 towns and villages) which was illegally annexed by Israel after the military occupation of the West Bank in the War of 5-10 June 1967 and placed under the jurisdiction of the West Jerusalem Municipality (PCBS- Definition).
J2	The Jerusalem Governorate excluding J1.
oPt	The Occupied Palestinian Territory: The area of the West Bank, including East Jerusalem and the Gaza Strip, occupied by the Israeli army during the 5-10 June 1967 war.
Waqf or Awkaf	A Waqf in the current document refers to an inalienable religious endowment, typically denoting a building or a plot of land used for religious or charitable purposes.

¹ UN Doc S/1302/Rev.1 3 April 1949

Abbreviations and Acronyms

4 th GC	Fourth Geneva Convention
AQU	Al-Quds University
AVH	Augusta Victoria Hospital
B'Tselem	Israeli Information Center for Human Rights in the Occupied Territories
CBOs	Community Based Organizations
DCI/PS	Defense for Children International/ Palestine
EJ	East Jerusalem
EJG	East Jerusalem Governorate
EJHN	East Jerusalem Hospitals Network
EU	European Union
EU HRO	European Union Heads of Representatives Offices to the PNA
GDP	Gross Domestic Product
HR	Human Rights
ICC	International Criminal Court
ICJ	International Court of Justice
ICT	Information and Communication Technology
IHL	International Humanitarian Law
IHRL	International Human Rights Law
IOA	Israeli Occupation Authorities
LFPR	Labor Force Participation Rate
MAS	Palestine Economic Policy Research Institute
MoEHE	Ministry of Education and Higher Education
MOFP	Ministry of Finance and Planning
MoNE	Ministry of National Economy
MoSA	Ministry of Social Affairs
MoTA	Ministry of Tourism and Antiquities
MoT	Ministry of Transportation
NAD	Negotiation Affairs Department/Palestine Liberation Organisation
NIS	New Israeli Shekel
NGO	Non-Governmental Organization
NRO	Representative Office of Norway
OoP	Office of the President
oPt	Occupied Palestinian Territory
PCBS	Palestinian Central Bureau of Statistics
PCHR	Palestinian Center for Human Rights
PECDAR	Palestinian Economic Council for Development and Reconstruction
PLO	Palestine Liberation Organization
PNA	Palestinian National Authority
SDSP	Strategic Development Sector Plan (2018-2022)
SMSDA-EJ	Short- and Medium-Term Sectoral Development Agenda for East Jerusalem (The Agenda)
SMSDP-EJ	Strategic Multi-Sector Development Plan for East Jerusalem
SoP	State of Palestine
SWOT	Strengths, Weaknesses, Opportunities, and Threats

TVET	Technical and Vocational Education and Training
UN	United Nations
UNCTAD	United Nations Council for Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNGA	United Nations General Assembly
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSC	United Nations Security Council
USA	United States of America
USD	United States Dollar
WJ	West Jerusalem: The western part of the Jerusalem City occupied by Israel in 1948.
WJM	West Jerusalem Municipality
YWCA	Young Women's Christian Association

Executive Summary

This Short- and Medium-Term Sectoral Development Agenda for East Jerusalem (SMSDA-EJ 2019-2023) aimed at identifying the main challenges and priority needs in EJ and its surrounding localities as well as the proposition of practical arrangements and interventions to respond to them. It complements the previous efforts of the OoP and Al-Quds University in updating the SMSDP 2010 and takes stock of international and local literature on the subject. This work focuses on specific major sectors and sub-sectors, which have been particularly negatively affected by the deliberate Israeli marginalization and exclusion of EJ and its Palestinian residents. The work engaged relevant stakeholders, who assisted in providing first-hand information and sound propositions for addressing the challenges in the targeted sectors and sub-sectors, which we present briefly in this summary. The SMSDA-EJ is based on three standalone documents covering detailed reviews of the three clusters below and can be accessed on line through www.mas.ps; www.nad.ps;

1. Human Rights, Institutional, and Governance Cluster Report.
2. Social Cluster Report, which covered education, health, welfare, and cultural heritage.
3. Economic Cluster Report, which covered tourism, housing, tradable sectors (industry, agriculture, and ICT), and internal trade.

The General Arrangements and Interventions for implementing the Agenda include:

- Establish technical assistance and advisory institution(s) for land property rights protection, detailed planning, registration, connection to infrastructure, building permits, and improve the housing crisis;
- Establish an advisory office to assist businesses and households in dealing with the central and municipal taxes bureaucracy;
- Contract human rights organizations to advice East Jerusalemites on how to face the IOA charges and to conduct workshops to increase awareness about various human rights matters;
- Establish a monitoring mechanism to collect information on the IOA violations to help in bringing up cases before the specialized forums.
- Improve coordination mechanisms amongst donors to finance interventions aimed at addressing East Jerusalemites' priority needs and support their institutions' sustainability.

The sector's main challenges and responses include:

The Human Rights, Institutional, and Governance Cluster

Human Rights

- The main challenge which the Palestinians in EJ face is forcing Israel, as the occupying power, to comply with international law and treat East Jerusalem residents as protected persons. This challenge, remains at the top of the Palestinian political agenda;
- As a last resort for the time being, adequate and effective support should be provided to Jerusalemites in their fight for their rights, keeping in mind the following three possibilities: (1) Using the Israeli law; (2) Using advocacy and international support for the Palestinian cases; and (3) Resorting to the ICC. Each one of these approaches has advantages and disadvantages, which should be carefully considered. A well-prepared policy that is endorsed at the highest political level is needed to guide East Jerusalemites in the use of these three options, based on feasibility and effectiveness to protect the EJ population's human rights, without any prejudice to their national political rights;
- Unify the work of all credible human rights organizations in the mobilization of the right set of human rights instruments to respond to East Jerusalemites' common and individual needs;
- Acquire the capability and expertise to make use of international criminal law;
- Mobilize adequate and sustainable financial support to cover the necessary costs;
- Fill in the information, knowledge, and professional documentation gaps on Israeli violations;
- Scale up the EJ population's resilience through raising awareness of their rights as well as increase solidarity and active engagement in the struggle to protect these rights;
- Enhance cooperation and partnerships with credible anti-occupation Israeli NGOs;
- Mobilize the international community, including advocacy and lobbying.

Governance

- The main challenge facing the governance of EJ and Jerusalemites is having a unified, capable, and well-respected focal point (such as a shadow municipality) in the city, tasked with mobilizing, coordinating, and steering the efforts and resources in responding to the needs of East Jerusalemites;
- The second challenge is integrating EJ with the oPt governance structure. This requires deliberate efforts to institutionalize collaboration and enhance integration of EJ institutions with the relevant PLO, PNA, private sector, and national civil society organizations.

- The restoration of the Palestinian institutional presence in EJ by reopening Palestinian institutions, such as the Orient House and the Arab Chamber of Commerce, is a priority².

The Social Cluster

Education

General Needs

- Prepare a long-term vision of the EJ human resources development;
- Establish capable, well-functioning supervisory body which can advance the implementation of the social agenda.
- Secure resources for mitigating the effects of the closure policies including the Annexation Wall;
- Provide Infrastructural, educational, and sport requirements.

Pre-School Education Issues

- Provide pre-schooling to counter the significant shortage in the provision of preschool educational services;
- Provide carefully crafted early childhood educational materials;
- Inject health requirements in the operation of kindergartens;
- Provide programs for gifted children or for those in need of special education.

School Education Issues

- Increase number of schools and classrooms to provide adequate places for the growing school-age population;
- Provide rehabilitation, renovation, and improvement of existing schools and their needed educational materials and facilities;
- Provide up-to-date, high-tech equipment and systems for teaching at and managing elementary and secondary schools;
- Respond with programs to counter the alarming dropout rate, drugs, violence, and other social ailments.

TVET

- Increase the relevance of TVET programs in cooperation with the private sector;
- Increase the attractiveness of TVET as a key to changing perception and increasing enrollment;
- Introduce apprenticeship or on-the-job practical training for students and graduates;

² EU HOMS Report on Jerusalem 2016 (Unpublished report), p.28

- Introduce arrangements for trainees with disabilities in the training facilities.

Higher Education Challenges

- Support efforts towards accreditation of AQU programs. This is vital for increasing the enrollment rate of Palestinians living in EJ, the West Bank and Israel, and for improving the employability of graduates;
- Assure predictable and regular financial support to AQU, as one of the leading Palestinian tertiary education institutions, for its recurrent and development expenditures;
- Provide financial support for applied research on various social, economic, psychological, and educational issues in EJ.

Health

- Maintain the role of EJ hospitals as an integral part of the oPt health system and enhance their complementarity of services, while preserving the role of EJ hospitals as a main destination for PNA referrals;
- Improve the sustainability of the sector through reform and more cooperative arrangements with the Palestinian Ministry of Finance (PMF);
- Expand and develop missing tertiary services including mental health-care services.

Social Welfare

General

- Enhance, maintain, and strengthen the resilience and resources of the NGOs and CBOs which provide welfare-related services to vulnerable groups;
- Provide assistance to segments of society who are temporarily in need (individuals and families), elderly, single parents, the temporarily incapacitated, etc.;
- Family consultation: Provide counseling and support to strengthen the family structure;
- Combat poverty and provide assistance to meet the basic needs of low-income families;
- Unemployment support: Provide temporary assistance.

Children

- Assure the availability and affordability of preschool education;
- Increase ongoing extra-curricular school activities and qualify school counselors to turn schools into multi-purpose centers with a more child-friendly atmosphere, including better dealing with psychosocial problems;
- Assure the wellbeing and basic rights of children and provide assistance to children under stress;

- Establish and manage orphanages and provide for the basic needs of orphans, juvenile delinquents and abandoned children with no support;
- Eliminate violence against children to avoid long-lasting traumatic impact;
- Combat child labor.

Youth

- Conduct an appropriate, well-prepared, participatory youth development strategy and programs, which are imperative to ensure a well-equipped, skillful youth, that are valuable to their communities;
- Deal with unemployment, which is the biggest challenge and the main reason for the use of drugs and for committing crimes;
- Increase awareness about the risks and impact of drugs and support organizations dealing with drug addiction and rehabilitation;
- Increase the provision of psychological services for young people, including psychological therapy and play therapy;
- Provide decent housing to deal with the significant shortage, which is a main challenge to all East Jerusalemites.

Women

- Develop a women empowerment and protection strategy focusing on increase women's economic, social, and cultural participation;
- Support organizations, which tackle women's protection and empowerment.

The Elderly

- Support infrastructure and an environment equipped with suitable expertise and facilities for providing geriatric day care and entertainment in order to safeguard and enhance the wellbeing of the elderly;
- Raise awareness among the elderly about joining elderly care centers.

Disabled

- Care for individuals with disabilities, who must not be overlooked when designing activities at home, school, street, work, and all facets of daily life;
- Support provision of services and assistance to groups with special needs.

Cultural Heritage

- Face the intensive Judaization drive in EJ aiming at wiping out the Old City's ancient heritage and erasing its tradition, as the foremost challenge;
- Support professional institutions and initiatives working on the revitalization of the Palestinian cultural heritage and on protecting the Palestinian national identity;
- Protect and safeguard artifacts from theft and transfer to Israelis and foreigners.

The Economic Cluster

The General main challenges include:

- The unfavorable investment climate due to the political instability and the Occupation's settler-colonialism hostile policies;
- The sector has been denied access to adequate and secured financing;
- The IOA's closure of the Jerusalem Chamber of Commerce, Industry, and Agriculture and the lack of institutionalized cooperation and collaboration at the intra-sectoral and inter-sectoral levels;
- The attractiveness of the city as a top destination for tourists was adversely affected by the large number of closed hotels and tourist shops;
- The lack of integration and partnerships between the business community in EJ and the rest of the oPt.

Tourism Sector

- Better exploit domestic and potential inbound tourism, especially from Arab and Islamic countries;
- Combat continuous imposition of the IOA discriminatory policy towards EJ touristic businesses;
- Improve the competitiveness of national handicraft products against cheap imported counterfeit products;
- Increase and improve skilled staff equipped with the required profession's hospitality skills;
- Support the renovation and reopening of all closed hotels and shops in the city;
- Facilitate access to long term financing for renovation of hotels, and for building new hotels.

Housing

- Combat the arbitrary procedures and restrictions imposed on the use of land in Jerusalem for development and housing construction.
- Protect the increasing number of demolition-threatened homes through legal support;
- Increase house renovation projects in the Old City and encouraging dwelling and resilience there;
- Provide the necessary funds to help East Jerusalemites overcome the obstacles imposed on construction;
- Provide decent affordable housing for the poor and for young couples.

Industry, Agriculture, and ICT

- Protect the Palestinian souvenir and handmade traditional products from unfair competition;
- Facilitate access to long-term financing to encourage productive investments in manufacturing and agriculture.

- Take all necessary actions to pressure Israel to abolish its decision regarding the closure of the Chamber of Commerce in EJ;
- Scale up training for ICT entrepreneurs accompanied with incubation support for start-ups including venture, equity, and angel financing services.

Trade Sector

- Mitigate the consequences of settlers' assaults and the Israeli police provocative actions in order to maintain the flow of business activities and to cut the sector's losses;
- Assist the owners of closed shops in the Old City to reopen their shops and enabling them to resume their businesses;
- Break the isolation of Jerusalem and enhancing its integration with the rest of the oPt;
- Support the renovation and reopening of closed shops in the Old City.
- Self-organize the opening and closing hours for shops, restaurants, and coffee shops to increase the attraction of EJ markets.

Finally, the SMSDA-EJ calls for the integration of the proposed interventions with the National Development Plans and for engaging the EJ sectoral representatives in the comprehensive donor coordination structure as well as for informing donors of the needs of East Jerusalemites. Such integration, which should be properly coordinated with Prime the Minister's Office, will increase donors' awareness, knowledge, and engagement in the development efforts in EJ. The estimated cost of implementing SMSDA-EJ is USD 395.6 million over 5 years. The SMSDA-EJ calls to scale up donors' coordination to minimize overlap and to make sure that none of the priority needs are left behind. Donor mapping and information on support are also helpful. Furthermore, regular sectoral meetings amongst stakeholders and donors are also important for sharing of information, further needs identification and the exploring of means to respond.

CHAPTER ONE INTRODUCTION

The Short- and Medium-Term Sectoral Development Agenda for East Jerusalem (SMSDA-EJ) is an initiative of three partners: The Negotiation Affairs Department of the PLO (NAD), and the Palestine Economic Policy Research Institute (MAS). The main objective of the Agenda is to respond to the escalation of Israeli settler-colonial and discriminatory policies and actions aiming at the expansion of settlements in the West Bank (WB) and the Judaization of East Jerusalem (EJ) in addition to the marginalization and exclusion of the Palestinian population in EJ, its economy, human and social capital, and material and intangible heritage.

The Israeli policies and actions deliberately prejudiced the final status issues stated in the Declaration of Principles signed in Washington, DC in September 1993, and in the Israeli-Palestinian Interim Agreement signed in Washington, DC in September 1995. By breaching the essential principles of durable peace, based on the implementation of UNSC resolutions 242 and 338 and UNGA Resolution 194, which call for the full Israeli withdrawal from the Palestinian territory which it occupied in the War of 5-10 June 1967 and the Right of Return for the Palestinian refugees, Israel acted to preempt the establishment of a sovereign State of Palestine, with EJ as its capital.

Israel's Judaization plans for EJ started right after its military conquest of the rest of Palestine in the June 1967 War. This process commenced by expanding the EJ area from 6.5 km. sq. to 71 km. sq. so as to include EJ and the 28 villages surrounding it from the south, east, and north. The Israeli Occupation Authorities (IOA) then illegally annexed the whole area to Israel, applied Israeli law, and placed the territory under the jurisdiction of the West Jerusalem Municipality (WJM). The expansion and annexation were followed by an aggressive colonial plan, which allocated most of EJ area for Jewish settlements and their infrastructure. So far, the IOA has surrounded EJ with 16 Jewish only colonies, in which 222 thousand settlers live, all within J1. There are ten more colonies with 79,863 settlers in J2. The two groups amount to 48% of all settlers in the WB³.

The Palestinian residents of J1 were given "permanent resident" status and have been subjected to increasingly harsh discriminatory policies, aiming at uprooting them from their home city. The "permanent resident" status stripped Palestinians of the "protected persons" status according to the 4th Geneva Convention, treated them as aliens, denied them the use of 87% of their land⁴, and restricted their access to building permits. The WJM has deliberately ignored their social and physical

³ PCBS (2018), Jerusalem Statistical Yearbook 2018, p.178

⁴ Al Bitar, Alaei (2013), Israeli Judaization plans in EJ, Conference Paper- Gaza. Cited in: Abdullah, (2015), p.42

infrastructural needs, imposed heavy taxes on them, applied the racist “center of life policy”⁵ to revoke their identity cards, and went on a spree of house demolishing, to name some of the Israeli policies and actions.

The Annexation and Separation Wall (later: The Wall), built by Israel on occupied land deep into the WB, isolates EJ from the rest of occupied WB, physically fragments Palestinian communities within it, incorporates Israeli colonies from beyond the Green Line, and cuts off some of the densely populated towns and localities in J1 area, like Kofor Aqab and Shufat Refugees Camp, from EJ. The Wall intensified the isolation of EJ from the rest of the oPt, hindered the ordinary movement of people and goods, and contributed tremendously to the suffering of commuters and to the cost of doing business. The annual loss to the trade sector due to the Wall has been estimated at USD 200 million⁶.

The impact of IOA’s violations is evident in all aspects of life in EJ and has been illustrated in details in the three preceding Cluster Reports as well as briefly in this report⁷. The political situation is marked by the heroic steadfastness of East Jerusalemites, their rejection of the Israeli occupation, and their resolve to confront its provocations, atrocities, and war crimes. However, despite this uplifting stand, the IOA succeeded in impoverishing East Jerusalemites and in squeezing the EJ economy from a 15% contribution to the Palestinian GDP in 1993 to less than 8% in 2017⁸. Education at all levels, health, cultural activities, and economic growth have been ever deteriorating⁹. In 2017 the poverty rate in East Jerusalem was 79.5% for all households and 84% for children¹⁰; while the labor force participation rate (LFPR) was 56.4% for males, 6.7% for female, and 30.4% for both in 2017, which was 15 percentage points lower than the LFPR at the national level. The unemployment rate in EJ was 11% in 2017, and more than 40% of the EJ workforce was working in Israel with a wage income equivalent to 54% of EJ’s GDP¹¹.

On the other hand, the PNA is allocating a relatively little support to EJ when compared with the Jerusalemites basic requirements for steadfastness in their city, and when compared with the budgets the Israeli municipality and Jewish agencies

⁵ Center of Life’ was not a government invention in 1995, but was the result of an earlier decision of the Israeli High Court going back to 1988 (18 HCJ 282/88, ‘Awad v. Minister of Interior, 5 June 1988, par. 1.) See: Khalil, Asem, Human Rights and Governance Cluster Report.

⁶ EU HOMS Report on Jerusalem (2016), par. 43

⁷ The preparation of the SMSDA was preceded by the preparation of three clusters reports: Human Rights and Governance, Social, and Economic cluster reports. These reports can be accessed through www.mas.ps and www.nad.ps. These are standalone reports and provide more details on the situation in each sector and sub-sector. The reports also have a summary of the SWOT analysis, which is comprised of the SWOT summary, main challenges, priority interventions, monitoring indicators, risks, and risk mitigation, reflected in their entirety in this report. This Agenda is the result of collective contribution by the Research Team.

⁸ EU HOMS (2016), Ibid, par.

⁹ EU HOMS (2016), Ibid, par. 26-41

¹⁰ EU HOMS (2016), par. 28

¹¹ Palestinian Central Bureau of Statistics (PCBS), Jerusalem Statistical Yearbook (2018), p. 53

inject into the city to change its Arab Palestinian identity. Whilst understanding the budgetary challenges the PNA faces, yet it cannot consider East Jerusalem as any other Palestinian city mainly because of its increasingly disadvantaged political status and the need to prepare it as a capital of the Palestinian state. Institutional and populations needs and gaps in EJ are ever increasing and require funding commitments by the PNA and the international community.

Lessons learned from the past include: Coordination amongst donors leads to a more effective support avoiding overlaps. In this regard, detailed mapping or lists of actors in each sector and potential partners are important. Coalitions amongst local institutions with similar mandates in certain programs and projects provides for scalability and better use of resources. Furthermore, strong coordination between funders and the PNA based on a strategy for interventions paves the way for more effective contribution and impact. Additionally, evaluation of interventions is key in EJ, given the lack of abundance in funding. However, impact is to be assessed in light of the impediments and challenges facing the city and its population. For example, you need to inject large amounts of money on assisting Jerusalemites in accessing their entitlements even though the impact is not clearly visible. Keeping the matter alive is as important. Further, interaction and regular meetings and information sharing between the PNA and civil society organization is imperative for better coordination on use of scarce resources and timely responsiveness as needed. Additionally, familial and factional influences in the operation of Palestinian institutions are also challenges to optimal institutional operations and working based on a strategy, is a step in the right direction.

The preparation of the SMSDA-EJ has been guided by the national vision for EJ, which has been frequently confirmed by the PLO and PNA resolutions and in documents of its related bodies, especially the National Policy Agenda. The work was based on the general principles that had been used in the previous sectoral plans. The Agenda took stock of the available research and information on the various aspects of EJ's situation including political, social, cultural, and economic matters. The preparation of the Agenda included active participation of relevant stakeholders, through structured interviews and focus group discussions.

This exercise enabled the authors to enrich the Agenda with detailed information, which assisted in identifying in a better manner the specific challenges and needs of the various sectors and their stakeholders, and in figuring out practical and sustainable responses and interventions to address them. The rationale, output, outcome, estimated cost, and proposed implementors are provided. The indicators for the monitoring and evaluation of performance and envisioned risks and risk mitigation are illustrated at the level of sectors and sub-sectors.

This Agenda is a call aimed at mobilizing the efforts of Palestinians, Arabs, and the international community to stop the Israeli settler-colonial Judaization in the City of EJ and face the Israeli illegal policies and actions which inflict grave damage to the prospects of the final status settlement. In this endeavor, the Agenda relies first and foremost on East Jerusalemites, who defeated the IOA's racist demographic plans and policies. The Agenda also counts on the Palestinian people, who did not spare efforts and resources to support EJ. Moreover, the Agenda relies on Arab and Islamic countries and peoples to shoulder more responsibility and to place support to EJ on top of their agenda. Last but not least, the Agenda counts on democracy, peace, and justice loving nations in the EU to increase their annual support to assist in the development of EJ.

1.1 Rationale

EJ, together with the 28 surrounding towns and villages (denoted as J1 by the PCBS), remained outside the reach of the Palestinian National Authority's (PNA) services¹², including physical infrastructure, education, health, housing, municipal services, security, and rule of law. Furthermore, the East Jerusalemites were given "permanent residency" status, which is not citizenship, considered by the IOA to be a privilege that can be revoked if the holder opts to live in the rest of the West Bank (WB) or work abroad. East Jerusalemites have been facing multiple discriminatory and hostile Israeli policies and measures, such as: depriving them of most of their land; harsh restrictions on detailed planning and building permits; exorbitant taxes and fines; and deliberate neglect of their physical and social infrastructure needs, to name some.

As a result, EJ has been suffering from a long-standing economic stagnation and ever-deteriorating socio-economic conditions. The ultimate IOA goal was, and remains, to push the East Jerusalemites outside their city in order to keep their ratio to the total population of East and West Jerusalem as low as possible. The targeted ceiling for this ratio changed over time from 25% at the time when the first heads count was conducted right after the occupation in 1967, to 40% in recent years¹³. The resilient Jerusalemites, supported by the Palestinian institutions at home and abroad and friendly nations, were able to withstand the coercive measures aimed at forcing them out of their city. So, their ratio in all Jerusalem (East and West) increased from 22% in 1972 to 37% in 2016¹⁴. However, Jerusalemites paid, and continue to pay, a heavy price. In particular, they bear the high cost of the Israeli settler-colonialist plans, which were accelerated and became more aggressive in the last decade.

¹² IOA banned the PNA activities in EJ under the pretext that Jerusalem is a final status issue as per the Palestinian – Israeli Interim Agreement on the

¹³ Jerusalem Institute for Israeli Studies, Municipality of Jerusalem, Statistical Yearbook of Jerusalem N0.29, 2015, p.52

¹⁴ PCBS, Jerusalem Statistical Yearbook, 2018, p.27

To cope with this worrying situation, Palestinian Non-Governmental Organizations (NGOs) and other civil society actors have been attempting to provide the necessary basic services to the Palestinian population of EJ with the support of some of the Arab Funds, the European Union (EU), the Palestinian Diaspora, and others. These efforts, nonetheless, are negatively affected by the absence of an official unified umbrella as a result of the IOA restrictions on the developmental effort of Palestinian institutions in the J1 area. In an attempt to correct this dire situation, the Office of the President (OoP) in conjunction with Al-Quds University (AQU) initiated in 2017 a Strategic Development Sector Plan (SDSP) review of EJ, its second plan after the Jerusalem Unit of the OoP, with support from the EU, produced an updated Strategic Multi-Sector Development Plan for EJ (SMSDP-EJ) in November 2010 (the first plan was initiated by the late Faisal Husseini in 2000 and updated by the Welfare Association in 2005). The SMSDP/SDSP is a tool to enhance Jerusalemites' steadfastness in a systematic and integrated manner by scaling up financial resources and allocating them to top-priority, high-impact development efforts. Additional studies on Jerusalem have also been published including a strategic Development Plan of EJ by Palestinian Economic Council for Development and Reconstruction (PECDAR) in 2012, an economic mapping conducted by the Palestine Economic Policy Research Institute (MAS) for UNDP (2017), and a couple of sub-sector reports also conducted by MAS, namely on housing (2015) and tourism (2016)

Nearly eight years after the SMDP-EJ update in 2010, we see that most of the problems and challenges identified then remain unresolved as most of the strategic objectives set in the plan have not been achieved, and the situation has even worsened as a result of a growing population and tighter Israeli restrictions. Various political, economic, and business factors have prevented the implementation of most strategic responses detailed in the 2010 plan.

The updating, revising, and developing of the SMSDP-EJ needs to be a continuous process that takes into consideration the changes which take place, especially related to the recent declaration of the US President, recognizing Jerusalem as the capital of Israel. This has put further strain on the city and its inhabitants and exacerbated the political complexities in dealing with the issue of Jerusalem.

Given the importance of the Jerusalem file to the work of NAD, being one of the core final status issues, NAD deemed it necessary to complement the OoP's SDSP and to produce three standalone cluster reviews including the longer-term permanent status needs and issues along with this comprehensive document. This view was shared by MAS and NRO. Therefore, NAD has set out, with support from MAS, to secure funding for the project, aiming to meet its objective of tackling EJ's needs from the longer-term Permanent Status perspective and of elaborating on the needs and issues not only to enhance steadfastness in EJ, but also to ensure a just

and sustainable permanent status for Jerusalem. In addition, the document aims to provide an overview of the current political and socio-economic situation, with focus on Israeli policies and measures, which unilaterally dictate the Israeli illegal vision of EJ and jeopardize all possibilities for peaceful and just settlement that would end the long-standing Israeli occupation of the city and the rest of the oPt and resolve the Israeli-Palestinian conflict.

1.2 Sectoral Development Agenda Framework

1.2.1 GEOGRAPHIC SCOPE

The geographic scope of the SMSDA covers the area of 71 thousand dunums which were annexed by Israel right after the occupation in June 1967. This area includes 6.5 thousand dunums of EJ as well as the area of 28 villages, which is about 65.5 thousand dunums that surround EJ city from the north, east, and south. The IOA put these areas under the jurisdiction of the WJM, where Israeli law applies. The Sectoral Agenda targets the needs of all communities and inhabitants living in EJ and the 28 localities in the annexed area, which suffer since 1967 the heavy-handed, discriminatory Israeli policies and neglect of their vital needs. A special focus will be given to those who were cut off the PNA's services due to the Wall.

1.2.2 POPULATION

The Sectoral Agenda responds to the priority needs of the population of EJ in the J1 area. The population of this area increased from 210.2 thousand in 1997 to 281.2 thousand in 2017. The average annual growth in the 1990s was around 3.3%, decreased to 2.03% in the 2001-2010 period, and rose again to 2.5% in the period 2011-2017¹⁵. Three quarters of the targeted population are living inside the Wall, and one fourth is living in few heavily populated areas outside the Wall.

1.2.3 SECTORAL SCOPE

The Sectoral Agenda focuses on 13 sectors and sub-sectors within three clusters as follows:

- The human rights, institutional, and governance cluster;
- The social cluster, which encompasses education, health, social welfare, and cultural heritage;
- The economic cluster which comprises of tourism, housing, tradable sectors (industry, agriculture, and information and communication technology), and internal trade.

¹⁵ PCBS, Jerusalem Statistical Yearbook, various years

1.2.4 TIMEFRAME

The envisaged duration of the SMSDA is 5 years (2019-2023). The SMSDA is addressing the most essential short- and medium-term needs at the time of preparation. Since needs are ever growing and/or changing, the Agenda requires annual updates and fine tuning to better reflect EJ people's priority needs.

1.2.5 Principles Guiding the Preparation of the SMSDA¹⁶

- Jerusalem is the eternal capital of the Palestinian people and was declared by the PLO in 1988 as the Capital of the State of Palestine. EJ is an integral part of the oPt occupied by the Israeli military on 5 June 1967. Any interventions should, at the strategic level, correspond with the need to create an enabling environment towards realizing Jerusalem as the capital of the Palestinian state;
- The Arab Palestinian identity of EJ should be safeguarded through the strengthening and consolidation of the physical and moral Palestinian presence in the city;
- Given the spiritual and religious importance of EJ to the three monotheistic religions, it is important to preserve the Islamic and Christian Waqf¹⁷ properties as an integral part of the city's Palestinian identity, as well as its Judaic properties;
- EJ's real estate should be preserved as a national and ethical duty and as part of safeguarding the Palestinian national rights in the city; all Israeli violations should be documented and exposed in all forums and at all levels, and cases should be taken to competent international entities;
- The PLO is the political umbrella for work in Jerusalem;
- International Humanitarian Law (IHL), International Human Rights Law (IHRL), and the Fourth Geneva Convention (4th GC) apply to EJ as an occupied territory. Therefore, Israel, the occupying power, is responsible for providing services to the protected population of EJ and the rest of the oPt. International aid provided to the Palestinian people does not relieve Israel from its legal obligations as the occupying power;
- Effective coordination mechanisms with donors should be established regarding funds for Jerusalem;
- Transparency and equity related to the distribution of financial resources as assistance to Jerusalem should be enhanced with the need for a monitoring mechanism. Appropriate financing mechanisms should be developed which take into consideration the political and legal complexities of EJ.

¹⁶ See SMDP 2010-2013, *ibid*.

¹⁷ A Waqf in the current document refers to an inalienable religious endowment, typically denoting a building or plot of land for religious or charitable purposes.

CHAPTER TWO

LEGAL AND POLITICAL CONTEXTS AND METHODOLOGY

2.1 Legal Context¹⁸

Since its occupation, EJ has been subjected by the IOA to a legal regime that is different from that of the rest of the territory occupied in 1967. In 1980, “Israel took further steps to reaffirm its annexation of EJ when the Knesset passed the “Basic Law” on Jerusalem, stating unequivocally that “Jerusalem, complete and united, is the capital of Israel”¹⁹. Entry into EJ was put under a strict individual permit regime in 1993. The construction of the Wall has further entrenched that permit regime whereby entry points into EJ are no longer referred to as checkpoints but as "points of entry", which are more like border crossings than checkpoints – as if the Wall is demarcating the border of the State of Israel.

UNSC resolutions 476 and 478 of 1980 were adopted following the Israeli Knesset’s ratification of the “Basic Law” on Jerusalem. In resolution 478, the UNSC determined that “all legislative and administrative measures and actions taken by Israel, the Occupying Power, which have altered or purport to alter the character and status of the Holy City of Jerusalem, and in particular the recent “basic law” on Jerusalem, are null and void”²⁰.

Despite all attempts by the Israeli government, EJ remains part of the Palestinian territory occupied in 1967. In July 2004, the ICJ Advisory Opinion on the Wall confirmed the status of EJ as an occupied territory when it stated, “The territories situated between the Green Line and the former eastern boundary of Palestine under the Mandate was occupied by Israel in 1967 during the armed conflict between Israel and Jordan. Under customary international law, these were therefore occupied territories in which Israel had the status of Occupying Power. All these territories (including EJ) remain occupied territories and Israel has continued to have the status of Occupying Power”²¹. The ICJ further “confirmed the applicability of international humanitarian and human rights law to the OPT, including EJ, thereby invalidating Israel’s assertion that it is not bound by these norms of international law with respect to its actions in the West Bank and Gaza”²². This includes the applicability of the 4thGC.

¹⁸ The text under this title is extracted from the Human Rights and Governance Cluster report, prepared by Asem Khalil.

¹⁹ Tabar 2010, p.11

²⁰ Tabar 2010, 11-12

²¹ (International Court of Justice, Advisory Opinion on the Legal Consequences of the Construction of a Wall in Occupied Palestinian Territory, 9 July 2004, para 78.) (Tabar 2010, 34)

²² Citing: International Court of Justice, Advisory Opinion on the Legal Consequences of the Construction of a Wall in Occupied Palestinian Territory, 9 July 2004, par. 106-113 and 134. (Tabar 2010, 35)

The UNGA Resolution no. 67/19 of November 29, 2012, which referred to Palestine as a non-member state, did not change the status of the territories occupied in 1967. What this resolution made possible for Palestine, under occupation, is to access other international organizations and ratify international treaties as a state, taking responsibilities under international treaty law concerning individuals under the Palestinian Authority's (or the state's) jurisdiction. This does not affect the fact that Israel remains responsible for the enjoyment of human rights under international treaty law for the Palestinians of EJ since they remain under Israel's direct jurisdiction. Instating on Israeli obligations towards civilians in EJ based on IHL and IHRL is based on its status as an occupying power. This does not mean nor entail that Israel has sovereign status over EJ as Israel claims.

It is often the case that one discusses Israel's obligations under provisions of IHL or IHRL, ignoring the fact that the Israeli presence in EJ and in the rest of the oPt is in itself illegal under the law of occupation since it lacks the necessary elements of a lawful occupation under international law. For occupation to be lawful, it must be temporary, and the occupying power must administer the territory in the interest of the protected persons and protect their human rights, most importantly without undermining people's right to self-determination²³.

On 19 July 2018, the Israeli Knesset adopted a new Basic Law, the Jewish Nation-State Basic Law, "that constitutionally enshrines the identity of the State of Israel as the nation-state of the Jewish people²⁴". This Basic Law applies also to occupied EJ. It "guarantees the ethnic-religious character of Israel as exclusively Jewish and entrenches the privileges enjoyed by Jewish residents, while simultaneously anchoring discrimination against Palestinian residents and legitimizing exclusion, racism, and systemic inequality²⁵". This Basic Law enhances the existing discriminatory measures against East Jerusalemites.

2.2 Political Context

Most challenges that face the Palestinian people in general, and EJ residents in specific, originate from the 51-year-long Israeli settler-colonial occupation. On June 1967, the IOA imposed the Israeli law and placed the annexed area under the WJ Municipality's jurisdiction. Furthermore, the IOA treated the registered inhabitants in the population census that it carried in the fall of 1967, as "permanent residents". This specific status actually replaced their citizenship rights with a kind of residency that is considered as a privilege and can be revoked at the discretion of the IOA. This status offers East Jerusalemites the right to vote in the municipal

²³ Michael Lynk, Remarks to the International Conference on the Prolonged Israeli Occupation and the Status of Human Rights in the Occupied Palestinian Territory, Amman, 12-13 May 2018

²⁴ Adalah 2018

²⁵ Adala 2018) <https://www.adalah.org/en/content/view/9565>

elections and the ability to access and work in the Israeli territory, but imposed on them discriminatory restrictions on travel and work abroad, and ordered them to comply with the so-called “center of life policy”, which requires them to prove their permanent residency in Jerusalem upon request²⁶.

Since the annexation, East Jerusalemites have been facing a multiplicity of hostile and discriminatory Israeli policies which violate the Fourth Geneva Convention, IHL, and IHRL. The ultimate goal of the IOA is to push the Palestinian residents of EJ out of their city and to destroy the Arab, Palestinian, Islamic, and Christian character of the city, alongside its Judaization. The Palestinian residents of EJ were subjected to the following discriminatory economic policies and actions:

- Depriving East Jerusalemites of the vast majority of their land, real estate, and other properties;
- Imposing harsh restrictions on Jerusalemites’ using and benefiting from the little resources that were left for them, especially in relation to building permits for new houses and rehabilitating or expanding old ones;
- Levying arbitrary taxes and fees on the property and income of EJ’s adults and households;
- Neglecting most of social and physical infrastructural needs, which the occupier is obliged to deliver.
- Inadequate education, health and other basic services,

The IOA violations of Palestinian political, human, social, and economic rights were widely condemned and rejected by the vast majority of members of the United Nations. This was expressed in many resolutions of the UNSC and UNGA. But the IOA was able to continue its settler colonialism drive in oPt, and especially in EJ, due to USA Administrations protection and military support. The recent US President's decisions, involving Jerusalem as capital of Israel, and moving of the USA Embassy to Jerusalem were a clear violation of international law on the status of the city, frequently endorsed in UNSC and UNGA resolutions since the UNGA resolution no.181 of 1947.

The peace negotiations have not made any meaningful progress since the Israeli Prime Minister Yitzhak Rabin was assassinated in 1995. Rabin’s successors, from his party and from the far-right opposition as well, have repeatedly violated the signed Oslo Accords²⁷, intensified settlement activities, invaded areas under the jurisdiction of the PNA and waged wars that killed innocent Palestinian civilians including children and women, and destroyed homes, infrastructure, factories, government facilities and farms.

²⁶ See: Khalil, Asem (2018), Human Rights & Governance Cluster Report, MAS.

The US, as a sponsor of the peace negotiation, did not honor its role either, and exerted only minimal effort, just enough to keep the so-called “peace process” alive. Finally, this process was put on hold completely in 2014, when U.S. President Barak Obama gave up his effort, and his promises to resolve the conflict proved to be no more than lip service.

2.3 Challenges and Threats to the Two-State Solution

Jerusalem is central to the peace process between Palestinians and Israelis. Without Israeli withdrawal from all territory occupied in June 1967, and at the first place from EJ, there will be no two-state solution²⁸. The recent US President’s decision to move the US Embassy to Jerusalem, prejudiced the international community position on Jerusalem, and threatened the whole notion of the two-state solution. It does not, however, change the long-standing consensus anchored in international law by the international community over the status of EJ as an ‘occupied territory’. Equally unlawful is Israel’s insistence on the use of ‘disputed territory’ instead of ‘occupied territory’, which was recently endorsed by a high-profile US official (the US Ambassador to Israel, David Friedman)²⁹. Such a step is also dangerous in that it will contribute gradually to stripping EJ of the basis for its protection under IHL and IHRL.

In addition, the Israeli Knesset endorsed on 19 July the so-called “Basic Law: Israel as the Nation State of the Jewish People”, which states that “Jerusalem, complete and united, is the capital of Israel”, and that their state considers “the development of Jewish settlement as a national value and will act to encourage and promote its establishment and consolidation”. The new law also downgraded the position of the Arab language from an official language to a language which “has a special status” and states that the “use of Arabic in state institutions or by them” will be regulated. This law actually changed the Israeli regime from a covert racist regime into an overt apartheid regime.

These adverse developments, which were encouraged by the Trump Administration’s policy with regard to Jerusalem, and by the adverse circumstances in the Arab region, have changed the nature of conflict for the Palestinian people from one over borders and self-determination to one over existence, exactly as the Israeli Prime Minister Netanyahu conceives of the conflict. This is a development that threatens suffering for both peoples and for the region, and will further contribute to instability for many years to come. Nevertheless, we cannot stop

²⁸ “Jerusalem is arguably one of the major flashpoints of the conflict between Israelis and Palestinians. It has been said that once the Jerusalem issue is solved, there will be no conflict. It might be true.” (Al-Maqdesse for Society Development (MSD) NA, p.42)

²⁹ See for example: <https://www.jpost.com/American-Politics/State-Dept-drops-occupied-reference-to-Palestinian-territories-in-report-551365>

working for a better future for Jerusalem just because of the Israeli Government's policies. This is what this work is about.

2.4 Vision

Based on the PLO's official position on EJ, including the Declaration of Independence declared by the National Council of the PLO in Algiers 1988 and all official PLO declarations since then, including the National Policy Agenda of the PNA 2017, previous SMDPs for East Jerusalem, in particular SMDP 2010-2013, the following vision guided the preparation of the SMSDA 2019-2023:

East Jerusalem is an Arab and international city with a Palestinian identity, a treasure of historical, cultural, religious, and spiritual significance for all religions and the eternal capital of the State of Palestine symbolizing durable and just peace and a unique destination for all.

2.4.1 Palestinian Long-Term Goals for EJ

This SMSDA-EJ highlights the immediate, short-term needs of EJ and proposes practical and feasible interventions to deal with them. The proposed interventions have to be streamlined with the overall Palestinian long-term goals for EJ's development, including:

- Ending the Israeli occupation and establishing the sovereign and democratic State of Palestine on the 4 June 1967 borders, with EJ as its Capital;
- Empowering EJ to become an economically, socially, and culturally prosperous and secure city and to play a leading role in the economic sustainability of the State of Palestine;
- Revitalizing EJ's position as an open destination for all religions and nations, free of discrimination and racism and to become an example of tolerance and peaceful coexistence among all its inhabitants and visitors;
- Strengthening the social, economic, and cultural unity and integration between EJ and all Palestinian governorates.

2.4.2 Strategic Objectives of the SMSDA 2019-2023

The strategic objectives of this short- and medium-term agenda are:

1. Enhancing the steadfastness of EJ's and the surrounding localities' population. This entails deliberate efforts and interventions that provide all vital services, decent housing, and decent jobs, especially for young men and women, and protect their social fabric and social cohesion;

2. Protecting and safeguarding the Arab Palestinian identity and character of the City of EJ and enhancing its central socio-political, cultural, and economic role as the Capital of the State of Palestine;
3. Providing protection to EJ's population's human rights, securing proper governance, assisting Palestinians in EJ in fighting for their rights locally and in international forums, and mobilizing support for their struggle against Israeli war crimes and violations of their rights as protected persons according to IHRL, IHL, and the Fourth Geneva Convention;
4. Fending off the discriminatory policies of the Israeli occupation authorities, which levy excessive taxes on EJ's residents and deliberately ignore their basic needs, including physical and social infrastructure, in addition to allocating only minimum budgets to their education and for the provision of other basic services;
5. Reducing the shortages in education, health, sport, and social protection infrastructure, scaling up the quality of all social services, and improving the outreach to all J1 localities;
6. Reducing the shortage in housing through enabling households to overcome the IOA's impediments to land registration, detailed planning, linking to its infrastructure, licensing processes, and construction through facilitating and through cooperative and social housing, especially for young couples and poor families;
7. Revitalizing and developing EJ's economic competitiveness and maximizing the utilization of its comparative advantage for the benefit of Jerusalemites and the Palestinian economy at large;
8. Protecting and enhancing Palestinian institutions operating in Jerusalem and strengthening their role and sustainability;
9. Integrating the economy of EJ with the Palestinian economy and utilizing the comparative advantage of EJ to increase the magnitude and efficiency of foreign trade with the rest of the world.
10. Highlighting issues of importance for just and stable permanent arrangements in Jerusalem in the context of the internationally endorsed solution which envisions two states, Palestine and Israel, living side by side in peace and security and enjoying good neighborly relations, which allows the Palestinian people to finally exercise their self-determination in an independent and sovereign state of their own.

2.5 Methodology

The preparation of the SMSDA was conducted in three sequential phases:

- First phase: Mobilization
- Second phase: Preparation of the Clusters Reports
- Third phase: Preparation of the SMSDA

Mobilization

For the implementation of the project, MAS prepared the terms of reference for the targeted deliverables and mobilized the Research Team of four senior consultants who carried the assignments as follows:

- Dr. Varsen Aghabician, Senior researcher and Consultant, who prepared the Social Cluster Report, which covered education, health, welfare, and cultural heritage.
- Dr. Asem Khalil, Senior Legal Consultant, who prepared the Human Rights, Institutional, and Governance Cluster Report.
- Dr. Mahmoud Al-Jafari, Senior Economist, who prepared the Economic Cluster Report, which covered tourism, housing, tradable sectors (industry, agriculture, and ICT), and internal trade.
- Dr. Samir Abdullah, Senior Economist and Consultant (Team Leader), who was responsible for the quality control on the deliverables, for compliance to the TOR, and for the preparation of the main report, including incorporating the clusters reports situation analyses, main challenges, and interventions in the SMSDA.

Each of the consultants had a research assistant to help with data collection and communication with stakeholders, and with logistical matters. MAS also provided logistical and secretarial support.

Cluster Reports Preparation

The three Cluster Reports were prepared using the following methodology:

Desk Review: A contextual review and analysis based on existing relevant reports and studies was conducted (with focus on post-2010 literature). The purpose of the desk review was to inform the situation assessment process. It included: studies relevant to this assessment, country analyses, and project-related communication and correspondence as well as the recently published 2018 Office of the President's Strategy on EJ prepared in conjunction with Al-Quds University.

Interviews: Semi-structured individual interviews with targeted stakeholders/resource persons in the sector/sub-sector were conducted. The purpose was to collect responses to delineated review questions and to address information gaps and inconsistencies as well as to confirm the importance of issues highlighted or those that emerged during the documentation and/or the focus group discussions.

Focus Groups: The purpose of the focus groups was to conduct a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of the sector/sub-sector with the group participants. The purpose of the SWOT analysis and the focus group discussion was to verify issues highlighted in the desk review, elicit information on perceived priorities for intervention, and shed light on the feasibility of interventions. Participants were invited based on their contribution and expertise in

the sector/sub-sector while taking into consideration the coverage of services by the various types of providers.

Invitations were sent to focus group participants at least a week before the session, and a reminder by the Consultant's assistant was sent two days prior to the session to ensure maximum attendance. Between 13 and 25 participants were invited to each focus group session (depending on the size of the sector) with 10 to 15 participants actually participating. Rescheduling of a session was considered when a limited number of participants appeared on a set date. Sessions were conducted at various places in Ramallah and EJ.

The following mix of methods was used (intertwined) to guide the data analysis:

- Throughout the assessment and review process, the Consultants cooperated closely with a team of other sector consultants in identifying critical sources of information, formulating a clear understanding of the information, analyzing findings, and deriving conclusions and recommendations.
- Verification and triangulation of data and information obtained from more than one source, and a thorough analysis of sector documents and of the findings from the interviews and focus group discussions were carried out.
- Mapping and visualization: If and where applicable, the reviewer visualized processes and/or findings. Mapping was used in interviews with stakeholders to better understand the specific processes or relationships and their value for the key players in a sector.
- In regards to the organization of work, the Consultant consulted with the project's Team Leader and the team of other sector reviewers on regular basis and complied with the project's timeline for meeting deadlines for producing the review.
- The Cluster Consultant was supported by a data collection and logistics support assistant. The assistant helped in:
 - Updating the list of key sector stakeholders for interviews and/or focus group sessions;
 - Conducting focus group sessions and writing a report on each session;
 - Following up on required information needs from stakeholders;
 - Coordinating the logistic support on focus group sessions with the key person responsible for logistic support at MAS;
 - Identifying sources of information for sector and sub-sectors;
 - Ensuring that focus group session sites are ready for holding the sessions;
 - Contacting related sector/sub-sector stakeholders;
 - Conducting interviews with key resource persons.

The Consultants provided MAS with the list of interviewees and focus group participants (individuals/organizations), shared field work instruments, including

questions for interviews and focus groups, and joined the team in informal debriefing sessions to present preliminary findings and recommendations.

Each draft cluster report was presented based on the review and analysis of available documents and data collected and structured along the lines suggested by MAS. It was modified as per feedback received on the draft report whilst addressing the comments and providing justification for any changes that were not made³⁰.

Preparation of the Short- and Medium-Term Sectoral Agenda (SMSDA)

The methodology for the preparation of the SMSDA was based on desk research, which included data collection, data analysis, and literature review of general aspects of the EJ situation not covered in the clusters' reports. It further included the incorporation of the cluster reports in the SMSDA.

³⁰ Aside from review and comments by MAS, the pre-final sector review drafts were reviewed and feedback/comments provided by Varsen Aghabekian, Fouad Hallak, Jamil Rabah, Tamara Essayed, Ashraf Khatib, Mohammad Hadyeh, and Mira Alaraj-advisors at the Palestinian Negotiations Support Pproject .Draft modifications were made accordingly.

CHAPTER THREE

HUMAN RIGHTS, SOCIAL, AND ECONOMIC CLUSTERS OVERVIEW

3.1 Human Rights Overview³¹

Following the 1967 War, Israel illegally annexed EJ – first de facto and then by using Israeli law to entrench the annexation in a de jure fashion³². Israel also did not deal with the population of EJ as ‘protected civilians’ under IHL, who, as a result of occupation, should have enjoyed the rights associated with this status. Instead, Israel deals with the Palestinians of EJ as ‘permanent residents’ and imposes on them Israeli-issued identity cards, while rendering them stateless.

The main problem with the ‘permanent residency’ is the fact that the ‘permanent’ residency is not permanent, where the IOA have the freedom to regulate the way in which individuals can obtain it and the way in which they can be stripped of it. The ‘center of life’ policy is a system that enables Israel to revoke the permanent residency of Jerusalemites. Revocation means their disappearance from the official Israeli register for East Jerusalemites, so some refer to it as ‘legalized cleansing³³’ or ‘silent deportation’.

In 1995, the Israeli Minister of Interior “stretched and manipulated the Court’s Center-of-Life principle to revoke residency rights of thousands of East Jerusalemites – many of whom have never left Jerusalem”³⁴. The new Ministry of Interior’s regulation requires “Palestinian residents to prove they had continuously lived and worked in Jerusalem during the preceding seven years”³⁵.

3.1.1 Protected Persons under IHL

Not only are Israel’s policies targeting Jerusalemites contrary to international human rights law for being discriminatory in nature and in practice, but they also contradict IHL as they create a situation whereby citizenship of the occupying power is imposed on the protected persons or requires them to pledge allegiance to the occupying power. Here, too, the use of ‘permanent resident’ status instead of ‘protected civilians’ makes the difference. There are indeed few limitations under international law for the access to citizenship and the regulation of migration matters, the most important of which is the prohibition of discrimination – although

³¹ This summary is extracted from Khalil, Asem (2018), Human Rights and Governance Cluster, MAS & NAD.

³² “After 1967, the Israeli authorities initiated a population registry for Palestinians in EJ. Under the provisions of the Entry to Israel Law of 1952 those “living within the municipal boundaries”, as subsequently expanded, were classified as permanent residents of the State, not Israeli citizens” (UN Committee on the Exercise of the Inalienable Right of the Palestinian People, 1997).

³³ Jefferis, The “Center of Life” Policy: Institutionalizing Statelessness in EJ, 2012.

³⁴ Jefferis, The “Center of Life” Policy: Institutionalizing Statelessness in EJ, 2012.

³⁵ Guego, 2006, p.26.

offering citizenship to foreigners continues to be looked at in IHRL as a domestic matter that each state regulates as it determines.

However, under IHL, imposing the citizenship of the occupying power on the protected persons of the occupied territory is an international crime, as much as it is a crime to transfer the occupying power's civilian population into the occupied territory. Israel is indeed bound by The Hague Regulations of 1907, which established that "the Occupying Power must endeavor to respect the existing laws of the occupied territory and that while occupying authorities may administer the land, they are ultimately prohibited from claiming sovereignty over it"³⁶.

Israel is party to the 4th GC of 1949, which, according to the authoritative commentary, sets two fundamental propositions concerning the belligerent occupation: "1) the occupation is a de facto and temporary situation and 2) the Occupying Power is prohibited from claiming sovereignty over any of the occupied territory under its control"³⁷.

The 'center of life' became a state policy following the Oslo Accords in 1995 despite an agreement not to change the status quo until an agreement is reached concerning the final status issues, including Jerusalem. This reflects Israel's intention to create facts on the ground in anticipation of future negotiations³⁸.

Following the construction of the Wall, Israel consolidated its control over EJ and contributed to the process of forcible displacement of Palestinians³⁹.

The Israeli settlement activities in the occupied territory including EJ led to the expropriation of private Palestinian land⁴⁰, which builds on the fact that an "orderly registration of land ownership" is absent⁴¹. Such dispossession of private property contradicts IHL because it cannot be justified on the basis of necessity for military operations and because it serves racially discriminatory policies.

According to 4th GC⁴², "Any destruction by the Occupying Power of real or personal property belonging individually or collectively to private persons, or to the State, or to other public authorities, or to social or cooperative organizations, is

³⁶ Tabar, 2010, p.35.

³⁷ Tabar, 2010, p.35.

³⁸ For more details on the impact of Israel's policies on the status of rights in EJ, please read the full report of Khalil, 2018.

³⁹ Tabar, 2010, p.7.

⁴⁰ EU HOMS Report on Jerusalem, 2016 (Unpublished report), p.58.

⁴¹ According to Israeli State Comptroller's annual report cited in EU HOMS Report on Jerusalem, 2016 (Unpublished report), para 78.

⁴² Article 53 of the Convention (IV) relative to the Protection of Civilian Persons in Time of War. Geneva, 12 August 1949.

prohibited, except where such destruction is rendered absolutely necessary by military operations.”

Israel applies other policies related to house planning and permits that discriminate against Palestinians such as increasing the number of house demolitions in EJ targeting Palestinian residents, imposing high taxes and municipality fees, evicting Palestinians from their homes in the Old City in favor of settler organizations, accelerating the ‘recovery’ of property in EJ that belonged to Jewish inhabitants before 1948, advancing settlement plans, approving new buildings in older ones, and increasing settler populations in the City⁴³. The result of all the above policies is what many authors refer to as a ‘quiet transfer’ or a ‘de facto deportation’ of the population⁴⁴. These policies result in ‘collective displacement’ in violation of international law⁴⁵.

Finally, the deportation and forcible transfer of a protected person can amount to grave breaches of the 4th GC⁴⁶. It is worth noting here that the difference between deportation and forcible transfer is whether the transfer was beyond or within the border of the state but both “amount to grave breaches of the Geneva Conventions”⁴⁷.

Based on the Rome Statute of the International Criminal Court (ICC), to which Palestine has recently acceded, forced displacement is also a war crime, “in particular when it is carried out as part of a plan or policy, or as part of a wide-scale attack”⁴⁸. Accordingly, the forcible displacement of Palestinian Jerusalemites is unlawful and can amount to war crimes.

3.1.2 Rights of Palestinian Jerusalemites under IHRL

The following section provides further examples of human rights violations. Israel violates Palestinians’ rights to found a family, in particular in cases where a spouse of a Jerusalem identity card (ID) holder is not a permanent resident.

Acquiring an ID through family reunification is not a right that can be claimed by Palestinians but is administered by the Israeli authorities as a privilege which can be offered at state and government will.

⁴³ Abdullah, Samir, 2015, The Impact of Israeli Violations on the Housing Sector in the Occupied Palestinian Territories.

⁴⁴ Jefferis, The “Center of Life” Policy: Institutionalizing Statelessness in EJ, 2012; Guego, 2006; Houk, 2011, p.94.

⁴⁵ Al-Maqdese for Society Development (MSD), 2016, p.12; Tabar, 2010, p.35.

⁴⁶ Tabar, 2010, p.37.

⁴⁷ Footnote omitted; Tabar, 2010, p.37.

⁴⁸ Tabar, 2010, p.37.

The permit regime coupled with the Wall constitutes a serious violation of the freedom of movement⁴⁹. Israel amended its Criminal Code, which now states that: “[A] parent of a minor who has been convicted and imprisoned for a security offence will be denied all National Insurance payments for that child, including child allowance and subsistence payments such as maintenance and income support, during the child's imprisonment”.

3.1.3 Human Rights Organizations

Seeing the wide range of violations of basic rights of Palestinians in EJ, it becomes necessary to provide human rights protection for the victims. This is work that can be done by human rights organizations. While they are part of the Palestinian civil society organizations, their work needs special attention and support for the kind of services they provide in the absence of a comprehensive system of protection of human rights⁵⁰.

3.1.4 Legal and Technical Services

While the work of human rights organizations includes legal aid and legal assistance, many other civil society organizations and Palestinian law firms and legal clinics offer such support to the community in EJ.

In fact, legal follow-ups in the Israeli legal and court system are an additional burden on the victims of human rights violations⁵¹. In particular, the language barrier and the cost of legal consultation constitute serious obstacles for many human rights victims⁵². Accordingly, services provided by various legal clinics are vital for human rights victims.

3.1.5 Credible Information and Research

It is widely accepted that monitoring the violations of basic rights and ensuring their collection in a consolidated database constitute a necessary tool for enhancing the protection of human rights. The documentation of violations and creating a database for that do not only provide reliable information on violations but can also serve in solving disputes, through detailed planning for the land and through lawsuits where such documentation can serve as evidence⁵³.

⁴⁹ EU HOMS Report on Jerusalem, 2016 (Unpublished report), para. 104.

⁵⁰ Al-Maqdese for Society Development (MSD), 2016, p.7.

⁵¹ Ibid, p.7.

⁵² Ibid, p.15-16.

⁵³ Al-Maqdese for Society Development (MSD), 2010, p.9.

3.1.6 Awareness of Human Rights

The resilience of the Palestinians of EJ is enhanced by their awareness of their rights. As a result, organizations that help in this direction provide an important tool for victims of human right violations to become aware of their rights, as well as increasing solidarity and active engagement in fighting to protect these rights.

3.1.7 Mobilization and Advocacy

- Under this sub-sector, interventions aim at helping mobilize advocacy efforts in support of human rights protection in EJ and for East Jerusalemites.
- Mobilization of the International Community.
- Mobilization of the international community can take different forms, including advocacy and lobbying so that UN resolutions and international law are applied to the Palestinians of EJ.

3.1.8 Activation of Available Tools in the UN and HR Treaties

- Special procedures in the HRC and the reporting processes in the HR treaties should be used to expose Israeli violations of the human rights of Palestinians in EJ.
- The recognition of Palestine as a Non-Member State by the UNGA opened the door for the ratification of dozens of international treaties, including various IHL and HR treaties⁵⁴, and the possibility to use them in protecting Palestinian rights.

3.1.9 Exploring the Possibilities under International Criminal law

Following the recognition of Palestine as a Non-Member State, Palestine accessed the Rome Statute and now can use the available tools in the ICC.

3.1.10 Institutions and Governance Situation

The importance of Jerusalem for the three monotheistic religions, its status as Corpus Separatum according to the UN General Assembly Resolution No. 181 of 1947, its illegal annexation by Israel through a Basic Law, and its status as an occupied territory since 1967 make any discussion about governance in EJ at best uneasy and at worse very complex. Israel continues its policies towards the city aiming at intensifying settlement activities which constitute a threat towards the territorial integrity of the City and the two-state solution⁵⁵.

⁵⁴ For more on the impact of the 2012 State recognition at the UNGA, Al-Maqdese for Society Development (MSD).

⁵⁵ EU HOMS Report on Jerusalem, 2016 (Unpublished report), para.58. See in: Khalil, Asem, 2018.

The holy Christian sites are under the status quo, which has been in place since the Ottoman Empire and has remained largely intact despite changes of regimes that took control of the City since then. As for the Al-Aqsa Mosque Compound/ Al-Haram Al-Sharif, the role and the status of the Hashemite Kingdom of Jordan is confirmed last but not least in the Wadi Araba Agreement⁵⁶, a role that is accepted and confirmed in an agreement between the Palestinian President Mahmoud Abbas and the King of Jordan⁵⁷.

Israel continues its policies towards the City aiming at intensifying settlement activities, which constitute a threat to the territorial integrity of the City and the two-state solution⁵⁸. Its settlers also increased their provocative intrusions on Al-Aqsa Mosque, and the Israeli Municipality tried to impose taxes on religious sites and properties of Christian churches, threatening their survival and affecting their very existence. These acts are contrary to the 4th Geneva Convention⁵⁹.

Israel in fact continues to close Palestinian institutions in EJ, frequently using temporary orders which are renewed for years. Crackdowns on Palestinian institutions in EJ have intensified since 2000. Another way of targeting Palestinian leadership is through revoking the residency of Jerusalemite Palestinians who were elected in the Palestinian Legislative Council. Moreover, in March 2018 the Israeli Parliament passed a new law which “allows the Minister of Interior to revoke the residency rights of any Palestinians in Jerusalem on grounds of “breach of loyalty” to Israel”⁶⁰.

3.2 Social Cluster Overview⁶¹

Around 350,000⁶² Palestinians living in strangled EJ face numerous political and socio-economic challenges, with social conditions steadily deteriorating as a result of the occupation. Disparities between the City’s Palestinian and Israeli populations are reflected in all socio-economic indicators as a result of an ongoing cycle of neglect of and discrimination against the Arab inhabitants.

Furthermore, PNA’s allocated budget to EJ is significantly below what the City requires. The impact of this reality is somewhat mitigated through established

⁵⁶ Ibid, para. 94.

⁵⁷ Ibid, para.94.

⁵⁸ “The constitution of settlements and new settlement units between city center and the Palestinian neighborhoods of Shuafat and Beit Hanina (for example, the planned units in Ramat Shlomo) is a real threat to the territorial contiguity between EJ and the Palestinian hinterland.” (EU HOMS Report on Jerusalem, 2016 (Unpublished report), par.a58.)

⁵⁹ EU HOMS Report on Jerusalem, 2016 (Unpublished report), para.94.

⁶⁰ Al Jazeera, 2018.

⁶¹ This summary is extracted from: Aghabekian, Varsen, 2018, EJ Social Cluster Review, MAS & NAD.

⁶² There are conflicting numbers. According to a communication with the Palestinian Central Bureau of Statistics on 30 May 2018, the total population of the Jerusalem Governorate is 435,483 (270,360 in J1 and 165,123 in J2). According to Israeli statistics, the number in J1 is 323,700. Yet others believe that the number is 400,000, bringing the total percentage of the Arab Palestinian population to 40% of the total population.

vibrant local and international NGOs which provide support to EJ's institutions, especially in the social sector (health, education, cultural heritage, and social welfare) and which are highly dependent on donor support.

Maintaining and strengthening EJ's service-providing organizations requires continuous support and are in line with National Policy No. 8 of the State of Palestine's National Policy Agenda 2017-2022. This support, however, needs to be implemented in parallel with strong Palestinian, Arab, and international lobbying towards a political solution as part of ending the occupation and preserving the two-state solution with EJ as the Capital of the State of Palestine.

This social sector review focuses on: education (preschool, basic, higher, and technical and vocational education and training (TVET)), health, social welfare (including youth, addicts, the disabled, and the elderly), and cultural heritage.

The main challenges and priorities of the education sector in EJ include:

Preschool Education

There is a substantial need for developing and expanding preschool education to allow for more intake, supporting capacity and human resource development, developing and producing early childhood educational materials, supporting programs for talented children, and introducing a health component in the operation of kindergartens.

School Education

There is a strong need for new schools to make up for the accumulated shortage in classrooms, providing new places for the growing school population, rehabilitating and improving existing schools and educational materials and facilities, continuing the fight for the Palestinian curriculum in EJ, and improving the use of technology, teaching, and management. Furthermore, it is necessary to address and follow up on the alarming dropout rate as well as to continue to monitor the effects of the Wall on education in EJ.

Higher Education

There is need for support to Al-Quds University (AQU) as the most important and comprehensive Palestinian tertiary education institution in EJ, which requires continued support for maintaining operation and expansion to include programs as per market needs with special focus on its campuses within the Wall.

TVET

There is a need to upgrade the facilities and equipment with special arrangements for trainees with disabilities, strengthen the links among TVET institutions while increasing efficiency and effectiveness, enhance relevance and accessibility, and

strengthen the sustainability of the system with better linkages and partnerships with businesses and industries to introduce apprenticeship programs.

The main challenges and priorities of the health sector include: serious budgetary problems due to delays in the transfer of debts owed to hospitals by the PNA, the need to continually explore cost reducing and revenue increasing measures, improving funding and governance aimed at the long-term sustainability of hospitals, supporting efforts towards downscaling staff as needed including coverage of severance pay and pension claims, upgrading facilities and human resources based on a clear development plan with increasing national investment in EJ hospitals, and supporting, expanding, and developing mental health and tertiary services.

Welfare Sub-Sector

The main challenges and priorities of this sub-sector are the need to maintain and strengthen NGOs and Community Based Organizations (CBOs) which provide welfare related services to the youth and the elderly, combat drug abuse, and care for the disabled including awareness raising and leadership training to make people aware of their potential and to motivate them to make plans for their own development. Additionally, it is necessary to build on ongoing school activities in qualifying school counselors to better identify and deal with psychosocial problems, support schools to become multi-purpose centers where students can use play therapeutically and recreationally with after school extracurricular activities, support programs that monitor, document, and follow up on violations of EJ residents' rights, and support professional interventions including counseling on protection from violence and coping mechanisms.

The Youth

There is a need for employment and job creation opportunities; youth programs which promote and prepare youth to be agents of promoting national identity, good citizenship, democracy, openness, dialogue, and tolerance; and a human rights approach to and support towards sports, safe play, and recreational activities for children and youth which promote healthy release of energy and cognitive, social, and behavioral development. It is also required to support new facilities or improve existing ones for extracurricular education and development activities, sports, culture, recreation, and social encounters; support coalition strengthening and building for better networking and coordination amongst clubs and youth organizations; focus on organizations dealing with drug addiction and rehabilitation and those which provide psychological services for the young; and support housing initiatives for the youth.

The Elderly

It is necessary to further support the proposed geriatric section at Augusta Victoria hospital (AVH) and day care centers and activities for the elderly.

The Disabled

It is necessary to maintain and expand schools for challenged children and support community-based rehabilitation initiatives and initiatives related to inclusive education focusing on the integration of children with special needs into the school system.

Cultural Heritage

Financial support to training and awareness raising; renovation and rehabilitation of cultural resources and historical and archeological sites through support to academic programs in archeology, conservation, and urban planning with focus on training the youth; supporting the documentation, maintenance, and protection of the historic heritage (archeology, museums, crafts, traditional crafts, and others), performing arts, festivals, film and theater; supporting renovation works including housing and others as well revitalization of the streets and Souqs in the Old City; and supporting the production and marketing of art and cultural products and the revival of traditional craftsmanship/industries. Additionally, there is a need to support the cultural infrastructure and capacity building as well as the operating costs of cultural institutions while strengthening the networking amongst cultural organizations.

The cluster report proposes medium- and long-term interventions to mitigate the challenges in each sector. The suggested interventions are meant to improve the infrastructure of service-providing organizations, expand capacity, develop human resources, and diversify programs aimed at improving the relevance, effectiveness, and efficiency of service provision to EJ under the current requirements for steadfastness under occupation but in line with the vision of a free EJ as capital of the State of Palestine. Due to the nature of the overall social sector with its sub-sectors, most of the proposed interventions will impact the lives of a high percentage of EJ inhabitants and beyond and will invariably affect the improvement and development of other sectors.

3.3 Economic Cluster Overview⁶³

EJ has been subjected to unceasing looting of its land, material and cultural heritage, and real estate. The city has become the main target for building Jewish colonial settlements and neighborhoods. By doing so, the Occupying Power has been creating an inevitable situation that blocks the international community

⁶³ This summary is extracted from Jafari, Mahmoud & Abdullah, Samir, 2018, Economic Cluster Report, MAS & NAD.

pressure to return to the pre-occupation status. These activities are in clear violation of the Interim Agreement of 1995 too, which states that “Neither side shall initiate or take any step that will change the status of the WB&GS pending the outcome of the permanent status negotiation”⁶⁴. IOA violations also contradict the internationally-agreed-upon two-state solution which is supposed to lead to an independent and sovereign Palestinian state on the 4 June 1967 borders, with EJ as its capital.

The Palestinians in EJ suffer from the worst forms of colonization and discrimination policies. Israel has maintained a regime that has literally paralyzed the Palestinian population's ability to build houses in the already small area allocated to them (only 13% of the area annexed in 1967)⁶⁵ and placed them under the jurisdiction of the Municipality of West Jerusalem. Israel continues to pursue those who had to build their homes without a permit and forces them to demolish their homes by their own hands.

The Palestinian business community and households in EJ have been subjected to taxes that do not take into consideration the large income gap between the Palestinians and the Israelis, currently at 1:9⁶⁶. Access and movement of goods and laborers from the WBGS is hampered, and deliberate neglect of Palestinian neighborhoods' and commercial areas' vital needs is rampant, including the provision of physical and social infrastructure and public services. This is clearly reflected in the WJM budget, less than 10% of which is allocated to EJ's residents who represent more than 37% of the population of all Jerusalem⁶⁷. This harsh discrimination has led to chronic economic stagnation, which is reflected in the deterioration in private investment, closing of hundreds of shops and businesses, decline in the number of employers and self-employed, and shift in the source of income towards wages from work in Israel. These structural changes have been accompanied by an increase in unemployment, especially among young people (at approximately 35%), uneducated (7-9 years of schooling) (22.4%), and women (19.9%)⁶⁸. The poverty rate in EJ has reached alarming levels. The poverty rate rose from 64% in 2006 to 75% in 2016 for all households, and to 84% for children, compared to around 45% among the Israeli children living in the City⁶⁹. Over the past five decades, the IOA's persistent measures against EJ were meant to contain

⁶⁴ Israeli-Palestinian Interim Agreement on West Bank and the Gaza Strip, Washington, DC, 28 September 1995. Article XXXI, Final Clauses, No.7.

⁶⁵ Al-Bitar, Alai Daoud, 2013, Israeli Judaization of Jerusalem Plans and the impact of Israeli Plan 2000, and the Separation Apartheid Wall, A Paper submitted to the 7th Conference of the Jerusalem International Institution, Gaza. *Ar.*

⁶⁶ Bank of Israel: www.boi.gov.il and PCBS, National Accounts. www.pcbs.ps.

⁶⁷ EU HOM Report on Jerusalem, December 2016, para.42.

⁶⁸ *Ibid*, para.45.

⁶⁹ *Ibid*, para.45.

EJ's economy and gradually separate it from its Palestinian base, eventually making it a service-based economy⁷⁰.

The construction of the Wall since 2002 has completely cut EJ and most of its neighboring localities from the rest of the West Bank, and left more than 30% of its population outside the Wall⁷¹, beyond the reach of the scarce municipal services. The European Union Heads of Missions in Jerusalem report of 2016 concludes that the Wall striped EJ from its traditional central economic, urban, and commercial role. The Report estimated the impact of lost trade and employment opportunities at \$200 million per year⁷².

The IOA and the *de facto* Israeli Municipality have stepped up settlement construction and the looting of Jerusalem land for this purpose, while tightening restrictions on the urban expansion of East Jerusalemites. Obtaining an approval for a detailed plan, land parceling, and a building permit has become an impossible mission. The purposeful neglect of infrastructure development within the small area allocated for Palestinian housing serves to restrict building permits. On the other hand, the IOA does not spare any effort to levy taxes and fees and to impose arbitrary fines on delayed payments.

Those measures, among others, were intended to alter the Arab-Palestinian character and identity of EJ and to enhance the Judaization of the city. Other deliberate policies and measures include: seizing land, real estate, and other Palestinian resources and allocating them for Israeli development, while restricting Palestinian development within the very limited land and other resources left to them. The IOA left the Palestinians 13% of the annexed 71 sq. km. and allocated the rest for immediate and future use of the Israelis. It has so far built 26 settlements, inhabited by 302,200 settlers, and constructed hundreds of kilometers of roads and highways, water, sanitation, and electricity networks in the seized area. On the other hand, the IOA imposed a heavy package of policies and measures to prevent Jerusalemites from getting a building permit and neglected Arab neighborhoods' social and physical infrastructure, while imposing on them an arbitrary tax system.

The IOA have also provided all the conditions necessary for using the dilapidated economic situation for the benefit of its private sector. It took advantage of cheap Jerusalem labor and enabled Israeli companies to control the market, which has been closed to WBGs products and services since the mid-1990s. EJ's economy has been deliberately marginalized, and enormous challenges have been created for

⁷⁰ UNCTAD, 2013, The Palestinian economy in EJ: Enduring annexation, isolation and disintegration. Geneva, Switzerland, pp.11-14.

⁷¹ EU HOM Report on Jerusalem, December 2016, para.43.

⁷² Ibid, para.43.

the Palestinian inhabitants of the City. The main challenges that face the revitalization of EJ's economy include:

- The establishment of appropriate institutional arrangements to guide and streamline political, human rights, and socio-economic development in EJ;
- Revitalizing the main sectors of Jerusalem's economy and enabling them to improve their product/service competitiveness and increase their share in the City's market and in the surrounding villages and towns;
- Addressing the huge housing shortage by providing legal, technical, and financial assistance to those wishing to build their homes and to developers willing to invest in the housing sector in the City;
- Reintegrating EJ's economy into its base in the oPt and utilizing EJ's economy as a gateway to foreign markets;
- Harnessing the unique touristic position of EJ to leverage its economy in particular and the Palestinian economy in general.

CHAPTER FOUR

HUMAN RIGHTS SECTOR DEVELOPMENT AGENDA⁷³

4.1 Introduction

This chapter provides an updated Jerusalem human rights and governance cluster overview to furnish the ground for delineating concrete policies and feasible interventions to overcome the challenges and shortcomings which the sector faces.

The scope of this human rights and governance overview includes:

- Human rights with special focus on residency and citizenship in occupied EJ, protected persons under International Humanitarian Law (IHL), and rights of Palestinian Jerusalemites under International Human Rights Law (IHRL).
- Governance with special focus on power relations and accountability.
- A comprehensive monitoring and evaluation system needs to be created and applied to track progress in EJ per interventions in various sectors. This mandate will be best carried out by an overarching entity with access to information by all sector supporters and through the use of measurable quantitative and qualitative indicators which measure progress and achievements, clarify consistency between activities, outputs, outcomes, and goals, and ensure legitimacy and accountability to all stakeholders by demonstrating progress or lack of such.

4.2 Human Rights Sector Profile

Following the 1967 War, Israel illegally annexed EJ – first de facto and then by using Israeli domestic law to entrench the annexation in a de jure fashion⁷⁴. Israel did not deal with the population of EJ as protected civilians under IHL, who, as a result of occupation, should have enjoyed the rights associated with this status under IHL. Accordingly, any reference to Israeli domestic law, in specific migration laws, and international immigration law or international human rights law as basis for offering citizenship or citizenship rights to East Jerusalemites would be misleading, as Israeli obligations are provided for under IHL.

⁷³ This chapter is based on the Human Rights and Governance Cluster Report, which was prepared by Dr. Asem Khalil, assisted by Lana Khader and Zeina Aqad (data collection, communicating with stakeholders, and arranging interviews and focus groups).

⁷⁴ “After 1967, the Israeli authorities initiated a population registry for Palestinians in EJ. Under the provisions of the Entry to Israel law of 1952 those “living within the municipal boundaries”, as subsequently expanded, were classified as permanent residents of the State, not Israeli citizens” (UN Committee on the Exercise of the Inalienable Right of the Palestinian People, 1997).

4.2.1 Residency/Citizenship in Occupied EJ

Israel deals with the Palestinians of EJ as ‘permanent residents’ and imposes on them an Israeli-issued identity card while rendering them stateless. Israel used the census as a basis for imposing on the 66,000 Palestinian residents of EJ the “Jerusalem permanent residency ID cards (Blue ID cards)”, distinguishing them from the Palestinians of the WB, who have been forced to carry Green ID cards⁷⁵. Those who were not counted during the census can only apply for family unification and not through a process in which displaced Jerusalemites can access permanent residency by providing evidence of their previous legal status.

There are three aspects of the permanent residency of East Jerusalemites which require clarification:

1. Comparing East Jerusalemites to Israeli Residents. This comparison is not only incorrect. *As permanent residents*, coupled with discriminatory Israeli laws, Palestinians from EJ “have more limited rights than those enjoyed by an Israeli citizen”⁷⁶.
2. Institutional Restrictions and Discrimination. East Jerusalemites suffer from governmental restrictions and discrimination, not only in comparison to residents of the State of Israel but sometimes also to foreigners as their status is in principle similar to that of ‘foreign immigrants’ as per Israeli definitions. Thus, their status is completely subject to Israeli discretion⁷⁷. As an example, “EJ Palestinian parents do not automatically, as a matter of “legal right,” pass on their Jerusalem residency status to their children”⁷⁸.
3. Comparing East Jerusalemites to Palestinians in the rest of the West Bank. Some tend to compare what East Jerusalemites enjoy to the status of the other Palestinians under occupation. Permanent residency in fact enables the Palestinians of EJ to travel freely throughout Israel and the oPt without the need for a permit. It also entitles them to work in Israel, receive social security benefits (to which they make compulsory contributions), make use of Israel’s international airport, and vote in municipal elections (even if an overwhelming majority boycott such elections)⁷⁹. The status of permanent residency in a sense offers access to some rights⁸⁰.

However, the main problem with the ‘permanent residency’ is not in the privileges it offers nor the restrictions it entails, but in the fact that the ‘permanent’ residency is not permanent, being a legal status that is offered to foreign immigrants. The

⁷⁵ Tabar 2010, par.13.

⁷⁶ EU HOMS Report on Jerusalem 2016 (Unpublished report), par.13.

⁷⁷ See: Khalil, Asem (2018), Ibid.

⁷⁸ The Civic Coalition for Palestinians Rights in Jerusalem 2013, 6.

⁷⁹ See: Khalil, Asem (2018), Ibid

⁸⁰ See: Khalil, Asem (2018), Policy: Institutionalizing Statelessness in EJ 2012

Palestinians of EJ are not foreigners, nor do they have a citizenship in a foreign country, nor are they immigrants; they are the indigenous population of the city. Even if they do enjoy a citizenship in another state (or in case they have travel documents from the Jordanian Authority), they are protected civilians under IHL and not foreign immigrants subject to the discretionary measures of Israel.

Besides, residency is a fragile status where authorities enjoy relative freedom in regulating the way in which individuals can obtain it and the way in which they can be stripped of it. In this subsection, emphasis is made on the ‘Center of Life’ policy as a system that enables Israel to revoke the permanent residency of thousands of Jerusalemites. This revocation means their disappearance from the official Israeli register for East Jerusalemites, an action to which some have referred as ‘legalized cleansing’⁸¹ or ‘silent deportation’.

The Center of Life policy was introduced in December 1995 by the Ministry of Interior with respect to the residency rights of Palestinian Jerusalemites⁸². Unlike citizenship, the new policy considers permanent residency, unlike citizenship, a matter of daily reality, “so that when that reality changes, the license to this status is no longer valid”⁸³.

To call such measures a ‘policy’ is in fact the recognition of those steps not as a sporadic governmental practice but as part of a well framed governmental plan which is applied at the central government level as well as at the municipality level. It is strictly connected to the so-called ‘demographic threat’ and to the stated objective of maintaining the Jewishness of the city⁸⁴, or to keep the Palestinian population of EJ below a certain percentage of the total population of the city⁸⁵.

There are various approaches to considering the contradiction of the ‘Center of Life’ policy with international law:

1. It is possible to reject the notion of absolute sovereign authority over citizenship and entry laws as it contradicts IHRL. In the case of Jerusalemites, these measures lead these who in reality are not foreign subjects seeking residency but native populations, who have lived in that territory since before

⁸¹ Jefferis, The “Center of Life” Policy: Institutionalizing Statelessness in EJ 2012.

⁸² See: Khalil, Asem (2018)

⁸³ B’Tselem 2011(2013), 2

⁸⁴ “Of particular concern herein are [practices] surrounding the construction of the Wall which appear intended not only to consolidate Israeli control of EJ, but also to contribute to a process of forcible displacement by denying residency status to those Palestinian Jerusalemites living on the eastern side of the Wall, thus preventing them and their families from entering the city and consolidating a Jewish *demographic majority*.” (Emphasis by Author) (Tabar 2010, 7)

⁸⁵ “The policy of revocation of residency rights is linked to Israel’s *demographic policy*, as stated in official planning documents such as the Jerusalem Master Plan 2000 ratified by the Jerusalem Municipality in 2007, which aims at preventing the Palestinian population in EJ from exceeding 40% of the Municipality’s total population.” (Emphasized by Author) (EU HOMS Report on Jerusalem 2016 (Unpublished report), par.12)

- the establishment of the State of Israel⁸⁶. In other words, one “must recognize the inherent distinction between the issuance of permanent residency to immigrants and the issuance of permanent residency to individuals born in the territory, as had been their forebears for many generations before them. The only alternative is the continued institutionalization of statelessness and forced displacement of Palestinian East Jerusalemites – a matter over which the entire international community should be acutely concerned”⁸⁷.
2. International law prohibits pursuing discriminatory national policies that violate fundamental individual rights as well as the arbitrary deprivation of rights. The Center of Life policy is accordingly in contradiction with international law from this perspective as well⁸⁸.
 3. Under the due process obligations of a state, there is no such opportunity for review or appeal, making this policy in contradiction with Israel’s obligations under IHRL and treaties⁸⁹.

4.2.2 Protected Persons under IHL

Israel’s policies targeting Jerusalemites contradict not only international law, in specific international human rights law, for being discriminatory in nature and in practice, they also contradict IHL as they create a situation in which the citizenship of the occupying power is imposed on the protected persons or requires the occupied persons to pledge allegiance to the occupying power⁹⁰.

Here, too, the use of ‘permanent residency’ status instead of ‘protected civilians’ makes the difference. Under immigration laws, there are few limitations under international law for access to citizenship and the regulation of migration matters, the most important of which is the prohibition of discrimination although offering citizenship to foreigners continues to be looked at in IHRL as a domestic matter that each state regulates as it determines.

However, under IHL, imposing the citizenship of the Occupying Power to the protected persons of the occupied territory is an international crime, as much as it is a crime to transfer the occupying power’s civilian population into the occupied territory. This distinction explains the confusion that one has when it comes to how to deal with the access of East Jerusalemites to Israeli citizenship. The issue, again, is not one of justice or equality, but one of occupation and international crimes in times of occupation.

⁸⁶ Jefferis, 2012, Ibid.

⁸⁷ Jefferis, 2012, Ibid.

⁸⁸ Jefferis, 2012, Ibid.

⁸⁹ Jefferis, 2012, Ibid.

⁹⁰ EU HOMS Report on Jerusalem 2016 (Unpublished report), par.11

Israel is indeed bound by The Hague Regulations of 1907, which establish that “the Occupying Power must endeavor to respect the existing laws of the occupied territory and that while occupying authorities may administer the land, they are ultimately prohibited from claiming sovereignty over it”⁹¹.

The 4thGC of 1949 is also applicable to Israel, which, according to the authoritative Commentary, sets two fundamental propositions concerning the belligerent occupation: 1) the occupation is a de facto and temporary situation and 2) the Occupying Power is prohibited from claiming sovereignty over any of the occupied territory under its control⁹².

The ‘Center of Life’ principle became a state policy following the Oslo Accords of 1995, despite an agreement not to change the status quo until an agreement is reached concerning the final status issues, including Jerusalem. It is possible to speculate – as some did and as is quite obvious – that this reflects Israel’s intention to create facts on the ground in anticipation of any negotiations in the future.

Israeli settlement activities in the occupied territory including EJ required the expropriation of private Palestinian land⁹³, which builds on the fact that an “orderly registration of land ownership” is simply absent⁹⁴. This dispossession of private property contradicts IHL because it cannot be justified by necessary military operations and because it serves racially discriminatory policies.

Israel applies other policies rendering the choice of Palestinians to stay in Jerusalem – even if still authorized by the state of Israel – impossible for many other reasons. Such measures include: house planning and permits that discriminate against Palestinians; an increased number of house demolitions in EJ targeting Palestinian residents; imposing high taxes and municipality fees; eviction of Palestinians from their homes in the Old City in favor of settler organizations; the acceleration of the ‘recovery’ of property in EJ that belonged to Jewish inhabitants before 1948; advancing settlement plans and approving new buildings in older ones; and the increase in settler populations in the city⁹⁵. The result of all of the above policies is what many authors refer to as a ‘quiet transfer’ or a ‘de facto deportation’ of the population⁹⁶. This policy results in ‘collective displacement’ in violation of international law⁹⁷.

⁹¹ Tabar 2010, p.35

⁹² Tabar 2010, p.35.

⁹³ EU HOMS Report on Jeruslaem 2016 (Unpublished report), 58

⁹⁴ According to Israeli State Comptroller’s annual report cited in (EU HOMS Report on Jeruslaem 2016 (Unpublished report), para 78)

⁹⁵ EU HOMS Report on Jeruslaem 2016 (Unpublished report).

⁹⁶ Jefferis, The “Center of Life” Policy: Institutionalizing Statelessness in EJ 2012) (Guego 2006) (Houk 2011, p.94)

⁹⁷ Al-Maqdese for Society Development (MSD) 2016, p.12) (Tabar 2010, p.35)See in: Khalil, Asem (2018),

Since Israel is a ‘dualist country’, the enforceability of a treaty-based rule by domestic courts follows only its inclusion in a statute issued by the parliament (Knesset), unless it is considered customary international law, which is the case of the prohibition of forcible transfers. “Forcible deportation or transfer of protected persons is expressly prohibited in Article 49(1) of the 4th GC, and is recognized as a principle of customary international law”⁹⁸.

Based on the Rome Statute of the ICC to which Palestine recently acceded, forced displacement is also a war crime “in particular when it is carried out as part of a plan or policy, or as part of a wide-scale attack”⁹⁹. Accordingly, the forcible displacement of Palestinian Jerusalemites is unlawful and can amount to war crimes¹⁰⁰.

4.2.3 Rights of Palestinian Jerusalemites under IHRL

Despite the Israeli denial of violations against East Jerusalemites in their reports to international human rights committees, Israel has Human Rights obligations under international customary law and treaties based on international law when it comes to all populations under its jurisdiction or direct control, including Jerusalemites.

In the following section, we will give examples of how Israeli laws, policies, and practices are in flagrant contradiction with IHRL, not aiming at offering an exhaustive narrative of the various possible human rights violations.

Israel violates Palestinians’ rights to found a family, in particular in cases in which the spouse of a Jerusalem ID-holder is not a permanent resident (a WB or a Gaza ID holder, for example). In such cases, the non-Jerusalemite’s spouse must apply for a Jerusalemite ID through family reunification, a long and expensive bureaucratic process, during which “children of the couple and non-resident spouses are vulnerable as they can at any time be refused permission to live as a family in EJ”¹⁰¹.

Access to ID through family reunification is not a right that can be claimed by Palestinians but is administered by Israeli authorities as a privilege that can be offered at state and government will. As a matter of fact, “Israel’s Interior Minister is permitted significant discretion when deciding on family unification applications for Palestinian residents of EJ”¹⁰². This means that family unification,

⁹⁸ Tabar 2010, p.37

⁹⁹ Tabar 2010, p.37

¹⁰⁰ Tabar 2010, p.38, See: Khalil, Asem (2018),

¹⁰¹ EU HOMS Report on Jerusalem 2016 (Unpublished report), par.13

¹⁰² (Footnote omitted) (Tabar 2010, p.15)

being considered as a privilege and not a right, can be denied at the discretion of the government of the occupying power and its administration¹⁰³.

While in the past some families managed, despite the above limitations, to live together without risking deportation, prison or penalties (for non-Jerusalemite ID holders) or losing their residency status (for Jerusalemite ID holders), following the construction of the Wall this is becoming almost an impossible mission¹⁰⁴.

The permit regime coupled with the Wall constitutes a serious violation of the freedom of movement¹⁰⁵. Israel amended its Criminal Code, which stated that: “[A] parent of a minor who has been convicted and imprisoned for a security offence will be denied all National Insurance payments for that child, including child allowance and subsistence payments such as maintenance and income support, during the child's imprisonment. Moreover, the amendment establishes an arbitrary distinction between convicted minors: those convicted of security offences and those convicted of criminal offences”¹⁰⁶.

The Israeli occupation of 1967 and its policies on Jerusalem have led to deepening and accelerating negative trends in the city: “the political, economic and social exclusion of Palestinians in Jerusalem”¹⁰⁷.

4.3 SWOT Analysis

Following is a SWOT analysis as reflected in the literature and the feedback elicited from interviews and focus group participants. The analysis is illustrated under three sub-titles: 1) SWOT summary; 2) Main Challenges that face the sub-sector; 3) Short- and Medium-Term Interventions.

¹⁰³ See: Khalil, Asem (2018 (Tabar 2010, p.15)

¹⁰⁴ Tabar 2010, p.19) See in: Khalil, Asem (2018),p

¹⁰⁵ EU HOMS Report on Jeruslaem 2016 (Unpublished report), par. 104

¹⁰⁶ EU HOMS Report on Jeruslaem 2016 (Unpublished report), par.13

¹⁰⁷ EU HOMS Report on Jeruslaem 2016 (Unpublished report), par.4-5.

4.3.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • EJ is central to the peace process which is central to the two-state solution. • The rich and deeply rooted Palestinian cultural heritage which confronts the Israeli narratives on Jerusalem. • The symbolic value of Jerusalem for monotheistic religions and the importance of the status quo. • Various UN resolutions in support of international law and the rejection of all Israeli plans and action, including the illegal annexation of EJ. • ICJ Advisory Opinion on the Wall confirmed the status of Jerusalem as part and parcel of the oPt. • East Jerusalemites enjoy relatively better health services and social security access than the rest of Palestinians. • The resilience of the Palestinians of EJ. 	<ul style="list-style-type: none"> • Lack of unified leadership in steering the protection of human rights in the city. • Lack of financial support to legal advocacy and human rights awareness. • Weak HR institutions and inadequate funding. • Lack of political will to impose international law on Israel in ICC to make it accountable for its daily violations of HR. • Thousands of East Jerusalemites leaving the city and the erosion of the Christian community. • Isolation of the Palestinian population from ordinary political, economic, and social life
Opportunities	Threats
<ul style="list-style-type: none"> • The State of Palestine’s status as a non-member state in the UN opened the opportunity to access international tribunals and other international instruments to prosecute Israeli officials and institutions for their criminal actions towards Jerusalemites and beyond. • The victims of Israeli policies and orders (such as eviction orders) continue to receive support from donors and the international community. • Some (few) Israeli Courts’ decisions provide remedies for injustices on Jerusalemites and/or in EJ. • Few examples of existing reports (academic or official) and few Israeli institutions which are critical of the Israeli policies in EJ. • The role of social media in exposing Israeli settlers’ violence and the Israeli security apparatus’ use of excessive force against civilian Jerusalemites. • Increase in religious tourism following the restoration of the Holy Sepulchre, which exposes the Israeli violations to international public opinion. 	<ul style="list-style-type: none"> • Weak international intervention and pressure to stop the Israelization of the city and the applying of discriminatory policies against the Palestinian Jerusalemites. This includes inter alia: <ul style="list-style-type: none"> - Discriminatory policies clearly aiming at maintaining demography balance in the city in favor of its Jewish population. - Use of punitive measures, such as demolishing of homes. - The trap of the municipal zones east of the Wall, and the risk of losing residency status. - Israeli arbitrary tax policies and plans to impose taxes on churches, threatening services and existence. - Refusal of applications for family unification. - Denial of basic services. - Excessive use of force against civilians which amounts to collective punishments. - Attacks against holy places, especially the Al Aqsa Mosque Compound/Haram Al-Sharif. • Recognition by the US of Jerusalem as the Capital of Israel and the move of the US Embassy to Jerusalem will escalate Israeli violations and its drive towards Israelization of the city. • Laws, policies, and regulations are in place to make it harder for the Palestinians of EJ with permanent residency to maintain their status. • Use of legal techniques to strip Palestinians of their status. • The breach of loyalty as basis for revocation of residency.

4.3.2 Main Challenges

The main challenge which the Palestinians in EJ face is forcing Israel, as the Occupying Power, to comply with international law and treat them as protected persons. This challenge, which so far proved to be not attainable, should remain at the top of the Palestinian political agenda. As a last resort in the time being, Jerusalemites have three different possibilities to fight for their rights:

1. Using the Israeli law through lawyers who are eligible to plead in front of the Israeli courts in order to defend their rights, as it is being frequently used by Jerusalemites;
2. Using advocacy and international support for the Palestinian case, which is used by organizations through going to international organizations such as the Human Rights Council (HRC) in Geneva; and
3. Resorting to the ICC, which could be a venue to render Israelis accountable for war crimes such as forced displacement.

However, each one of these methods has its own positive and negative aspects. So, this complicated reality creates the following challenges for the subsector:

- Creating a policy consensus on how the Palestinian human rights activists are going to use the above-mentioned available possibilities, based on feasibility and effectiveness to protect the EJ population's human rights, without any prejudice to their national political rights.
- Unifying the work of all credible human rights organization in the mobilization of the right set of human rights capacities and specialties in adequate numbers to respond to East Jerusalemites common and individual needs.
- Acquiring the capability and expertise which enables Jerusalemites to use international criminal law to file cases which are considered war crimes, such as revoking residency, which is considered as a type of forced displacement¹⁰⁸.
- Mobilizing adequate and sustainable financial support to cover the cost of the operation of the human rights protection endeavor.
- Filling in the information, knowledge, and professional documentation gaps on Israeli violations, which can provide human rights specialists and advocacy organizations with precise data, documents, research, and information.
- Scaling up the EJ population's resilience though awareness of their rights as well as increasing solidarity and active engagement in fighting to protect these rights.

¹⁰⁸ Nusseibeh 2018.

- Scaling up cooperation and partnership with credible anti-occupation Israeli NGOs, personalities, and media to expose Israeli discrimination and human rights violations in EJ and the rest of the oPt.
- Mobilizing the international community, including through advocacy and lobbying, to secure implantation of UN resolutions and international law on the Palestinians of EJ.

4.3.3 Short and Medium-Term Priority Interventions

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementer
<ul style="list-style-type: none"> Support for human rights organizations in their human rights protection of victims by providing the necessary core funding 	<ul style="list-style-type: none"> Need to provide an alternative to the lack of comprehensive system for the protection of human rights 	<ul style="list-style-type: none"> 4 human rights organizations in full capacity to provide services and support to human rights victims 	<ul style="list-style-type: none"> Human rights organizations improved services to human rights victims. 	16	<ul style="list-style-type: none"> All credible EJ human rights organizations All credible Human rights organizations involved in advocacy and protection of human rights in EJ. A list of such organizations is provided in Annex 3.
<ul style="list-style-type: none"> Support for initiatives aiming at providing legal defense and legal aid in front of Israeli courts and administration 	<ul style="list-style-type: none"> Cost of the service; lack of alternative official support; language obstacle. 	<ul style="list-style-type: none"> 16 legal clinics or private lawyers supported to provide free legal service 	<ul style="list-style-type: none"> Free legal service for victims in front of Israeli courts. 	8	<ul style="list-style-type: none"> Various legal clinics Individual lawyers providing pro bono services Various human rights organizations providing legal aid and legal services Al-Meethaq for Human Rights HaMoked: Center for the Defense of the Individual Society of St. Yves Catholic Center for Human Rights
<ul style="list-style-type: none"> Support for projects that aim at documenting violations of East Jerusalemites' rights. 	<ul style="list-style-type: none"> High cost of the process; lack of a comprehensive system of protection of rights 	<ul style="list-style-type: none"> 16 projects supported which document violations of HR in EJ 	<ul style="list-style-type: none"> Enhanced documentation capacities. 	8	<ul style="list-style-type: none"> Al-Maqdese for Society Development. B'Tselem, The Israeli Information Center for Human Rights in the Occupied Territories. The Civic Coalition for Palestinians Rights in Jerusalem (CCPRJ). Defense for Children International (DCI/PS). Al- Haq. Palestinian Center for Human Rights (PCHR). Addameer Prisoners' Support and Human Rights Association. The Independent Commission for Human Rights (ICHR). Society of St. Yves Catholic Center for Human Rights. Jerusalem Legal Aid and Human Rights Center. (JLAC).

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementer
					<ul style="list-style-type: none"> • Women's Center for Legal Aid and Counselling (WCLAC). • The Jerusalem Community Advocacy Network (JCAN).
<ul style="list-style-type: none"> • Support for research based on IHL and IHRL. 	<ul style="list-style-type: none"> • Weak capacities; lack of resources. 	<ul style="list-style-type: none"> • 16 research institutes and centers supported. 	<ul style="list-style-type: none"> • Enhanced research capacities on IHL and IHRL. 	8	<ul style="list-style-type: none"> • Various research institutions and centers including universities or independent ones. • The various human rights organizations mentioned above which have a research agenda such as Al-Haq, Addameer, Society of St. Yves, etc.
<ul style="list-style-type: none"> • Training on preparing shadow reports for international human rights committees and other bodies. 	<ul style="list-style-type: none"> • Lack of expertise and resources. 	<ul style="list-style-type: none"> • Building capacities of 5 human rights organization. 	<ul style="list-style-type: none"> • Capacities in writing shadow reports enhanced. 	5	<ul style="list-style-type: none"> • Al-Haq. • ICHR. • UN Commissioner of Human Rights Office.
<ul style="list-style-type: none"> • Preparation of files and supporting analysis and documentations in support of the investigation by the ICC prosecutor. 	<ul style="list-style-type: none"> • Recent access of Palestine to the ICC; lack of expertise. 	<ul style="list-style-type: none"> • 8 human rights organizations supported. 	<ul style="list-style-type: none"> • Enhanced capacities in documentation and ICC investigation. 	8	<ul style="list-style-type: none"> • Various human rights organizations. • Various research centers and institutes.
<ul style="list-style-type: none"> • Supporting the translation of legal materials and legal memos and helping in completing government forms. 	<ul style="list-style-type: none"> • Language barrier 	<ul style="list-style-type: none"> • 6 organizations supported. 	<ul style="list-style-type: none"> • Capacities enhanced and services delivered in translating materials. 	3	<ul style="list-style-type: none"> • Various research centers and institutes. • Various legal clinics. • Individual lawyers.
<ul style="list-style-type: none"> • Supporting the coverage of lawyers' fees in front of courts or administration such as for health insurance 	<ul style="list-style-type: none"> • High costs 	<ul style="list-style-type: none"> • Covering costs of lawyers for 80 victims – 100 USD each. 		8	<ul style="list-style-type: none"> • Individual lawyers. • Human rights organizations. • Legal clinics.

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementer
and residency institutions.					
<ul style="list-style-type: none"> Supporting awareness campaigns targeting victims. 	<ul style="list-style-type: none"> Lack of an alternative comprehensive awareness plan 			3	<ul style="list-style-type: none"> Various human rights organizations Various legal clinics Various research institutes and centers
<ul style="list-style-type: none"> Support for the building of law libraries and access to legal research resources including those that work on digitalization of legal texts and court decisions. 	<ul style="list-style-type: none"> Lack of such alternative resources. 	<ul style="list-style-type: none"> 8 law libraries supported 	<ul style="list-style-type: none"> Legal libraries' capacities and access to legal information enhanced. 	8	<ul style="list-style-type: none"> Various research centers and institutes Various existing libraries Various universities
<ul style="list-style-type: none"> Supporting initiatives aiming at lobbying at the local and international level. 	<ul style="list-style-type: none"> Existing harsh and repressive environment; lack of official support; lack of resources. 	<ul style="list-style-type: none"> 6 initiatives supported 	<ul style="list-style-type: none"> Initiatives supported and lobbying capacities enhanced. 	3	<ul style="list-style-type: none"> Various human rights and civil society organizations such as: The Civic Coalition for Palestinians Rights in Jerusalem Defense for Children International HaMoked: Center for the Defense of the Individual Addameer
			Total	70.080	

4.4 Indicators and Approach for Monitoring and Evaluation*

Implementation and results indicators are used at shorter and longer level spans respectively. The measures used to measure indicators are of various types, ranging from informal, less structured methods to formal and more structured ones. Informal measures include conversation with concerned individuals, community interviews, field visits, reviews of official records, key source interviews, focus group interviews, and direct observation. Formal measures include surveys, whether one-time surveys or panel surveys, censuses, and field experiments.

Several inputs, activities, and outputs can be used to monitor the implementation, and several outcomes and impacts can be used to monitor the results. They include the various interventions in the human rights sections outlined above, including but not limited to:

- Number of human rights organizations offering legal aid and counseling;
- Number of victims who receive assistance in courts;
- Number of victims who receive support in administrative cases with regards to housing and health insurance;
- Availability of sound systems of documentation of human rights violations;
- Amount of research published on human rights issues;
- Number of trainees on shadow reports;
- Number of awareness campaigns;
- Number of law libraries and access to legal resources.

4.5 Risks and Risk Mitigation

Risk	Probability	Impact	Mitigation
<ul style="list-style-type: none"> • Continuous Israeli use of law and legal instruments to strip Palestinians of their rights. 	High	High	<ul style="list-style-type: none"> • Continuous monitoring of Israeli actions. • Continuous campaigns aiming at showing such measures to the world. • Continuous lobbying efforts in support of East Jerusalemites. • Shifting paradigms, including rendering Israel accountable for its breaches of the 4th Geneva Convention, in particular its establishment of colonial settlements in occupied East Jerusalem and its environs¹⁰⁹.

* Most of this section is common to the three reports. Special thanks to Varsen Aghabekian for preparing this sector and accepting that it is used in this report too.

¹⁰⁹ Advisory opinion of 9 July 2004, ICT.

Risk	Probability	Impact	Mitigation
<ul style="list-style-type: none"> • The increase in Israeli pressure targeting human rights organizations and human rights activists in EJ. 	High	Medium	<ul style="list-style-type: none"> • Continuous support for human rights organizations by international community. • Increasing core funding. • Clear separation between BDS and other initiatives.
<ul style="list-style-type: none"> • The increase in discriminatory measures by the municipality and other administrative bodies aiming at population shift in favor of Israeli Jews in the city. 	High	High	<ul style="list-style-type: none"> • Support of Palestinian resilience. • Support of families in their fight against house demolitions, lack of permits and adequate planning, etc.
<ul style="list-style-type: none"> • Lack of core funding for human rights organizations, legal clinics, etc. 	Medium	Medium	<ul style="list-style-type: none"> • Further core funding.
<ul style="list-style-type: none"> • Lack of coordination between human rights organizations. 	Medium	Medium	<ul style="list-style-type: none"> • Forum for discussion and coordination of human rights organizations.
<ul style="list-style-type: none"> • Lack of coordinated national policy towards certain key legal matters which Israel implements in EJ. 	Medium	Medium	<ul style="list-style-type: none"> • Ensuring the (Palestinian) national agenda has ways to legally approach Israeli imposed measures in EJ.

CHAPTER FIVE INSTITUTIONS AND GOVERNANCE AGENDA

5.1 Sector Profile

The importance of Jerusalem for the three monotheistic religions was extenuated by its status as Corpus Separatum according to the UN General Assembly Resolution No. 181 in 1947. The Holy Sites for Christian communities are under the status quo, which has been in place since the Ottoman Empire and has remained largely intact despite changes of regimes that took control of the city since then. Despite those facts and the role of Jordan, Israel continues its policies regarding Al Aqsa Mosque Compound/ Al-Haram Al-Sharif¹¹⁰. These policies were at the source of increasing tension and a rise in the level of acts of violence and resistance¹¹¹. East Jerusalemites suffer at the same time from Israeli policies targeting them and their very existence in the city. The impact of such policies on Jerusalemites and Palestinians institutions is exacerbated by the lack of a unified Palestinian leadership and the fragmentation of Palestinian communities.

Israel in fact continues to close Palestinian institutions in EJ, often using temporary orders which are renewed for years. This is the case with the Orient house and the Arab Chamber of Commerce, for example, resulting in what is often referred to as institutional and leadership vacuum in EJ¹¹². Crackdowns on Palestinian institutions in EJ have intensified since 2000 and have not come to an end since then¹¹³. Another way of targeting Palestinian leadership was through residency revocation of Jerusalemite Palestinians taking part in Palestinian legislative elections¹¹⁴. Moreover, in March 2018 the Israeli Parliament passed a new law which “allows the Minister of Interior to revoke the residency rights of any Palestinians in Jerusalem on grounds of “breach of loyalty” to Israel”¹¹⁵, which opens the door for Israel to revoke residency of numerous Palestinians in this context^{116/117}.

While the closure of those institutions serves Israeli occupation purposes, this has arguably contributed also to the weakening of a collective sense of identity and to the lack of a unified leadership among Palestinians which can lead the community

¹¹⁰ Ibid. par.8.

¹¹¹ Ibid. par.8.

¹¹² Ibid. par.52.

¹¹³ Ibid. par.53,

¹¹⁴ The Civic Coalition for Palesinians rights in Jerusalem n.d., 3, See in: Khalil, Asem (2018),p

¹¹⁵ (Al Jazeera 2018)

¹¹⁶ (Nusaibah 2018)

¹¹⁷ This is not the only discriminatory law in place. Adalah “Justice” in Arabic, an independent human rights organization and legal center, has identified over 65 Israeli laws in its “Discriminatory Laws Database (DLD)” which discriminate directly or indirectly against Palestinians on the basis of their national belonging <https://www.adalah.org/en/content/view/7771>

during times of tensions, and which can play a role, including a restraining role, when necessary, making the situation in Jerusalem unpredictable¹¹⁸.

In the absence or quasi absence of official and unified leadership in EJ, various Palestinian institutions are virtually left on their own. The various education providers in EJ, for example, lack the much-needed coordination¹¹⁹, making them prey to Israeli policies aiming at imposing Israeli curricula, which of course completely exclude the Palestinian narrative. However, civil society, local community leaders, including parents' councils, school principals, and business representatives, continue to play an important role in their neighborhoods¹²⁰.

This governance structure is partially to blame for the current social difficulties with which East Jerusalemites are confronted on daily basis¹²¹. It also contributes to the isolation of the Palestinian population from ordinary political, economic, and social life, leading to more Palestinian alienation and marginalization and the increasing loss of hope for the possibility of a positive change, and a sense of loss of security¹²².

Another result of the existing governance structure is the population shift. It is important to emphasize that the population shift is not a natural one. It is the result of Israeli policies aiming at realizing what the Israelis refer to as a “demographic balance”, meaning an unbalanced formula in favor of Israeli Jews.

This affects the internal balance within the Palestinian community and the religious heterogenicity in the city, resulting in a shrinking number of Christians¹²³. The reason why this issue is relevant is that it shows that the current situation in EJ affects negatively all Palestinians, including Christian Palestinians. It also emphasizes the impact this may have on the religious plurality of the city.

¹¹⁸ EU HOMS Report on Jeruslaem 2016 (Unpublished report), par.53).

¹¹⁹ Ibid. par. 26

¹²⁰ Ibid. par.53

¹²¹ Ibid. par.5

¹²² EU HOMS Report on Jeruslaem 2016 (Unpublished report), par.3.

¹²³ Christians are now less than 2% of the 1 million total population of both East and West Jerusalem area (2/3 are Jews and 1/3 are Muslims). (EU HOMS Report on Jeruslaem 2016 (Unpublished report), par. 101)

5.2 SWOT Analysis

5.2.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • Status of EJ as Corpus Separatum in the partition plan and numerous Security Council and General Assembly resolutions. • Positive role of the Jordanian authorities as guardians of the Muslim holy sites. • Confirmation of the status of Al Aqsa Mosque Compound/Al-Harm Al-Sharif in the Wadi Araba Agreement with Jordan. • Status quo for Christian holy places. 	<ul style="list-style-type: none"> • Palestinians representative institutions are closed creating institutional and leadership vacuum in EJ. • Lack of role by Palestinian Leadership in enforcing the rule of law of east Jerusalemites. • Lack of a unified political leadership. • The situation in Jerusalem is unpredictable, and the eruption of violence is also unpredictable. • Lack of coordination among various education providers in EJ. • High poverty rate, social fragmentation, and increasing social ills (drug abuse, division and displacement of families, domestic violence, etc.).
Opportunities	Threats
<ul style="list-style-type: none"> • Recognition of Palestine as a non-member state at the UN and access to International Treaties. • Overwhelming international rejection of the US move of the US Embassy to EJ and international refusal to recognize Jerusalem as the capital of Israel. • Possibilities for international protection of civilians in EJ. • Increase in international solidarity with the Palestinian struggle, widening of the BDS, and tightening of the isolation of Israel. 	<ul style="list-style-type: none"> • Scaling up of restrictions on political freedoms, especially against the organized political life in EJ. • Increased incursions in Al Aqsa Mosque Compound/Al-Harm Al Sharif, provocations by Israeli extremists, and tension. • Escalation of Israeli violations, such as home demolitions, denial of building permits, ID revocation, settlers' violence, arbitrary taxation, etc. • Continued internal political division may lead to further weakening of community's resilience and willingness to combat Israeli policies aiming at pushing Jerusalemites out of the city. • Israeli crackdown on any initiatives or presence of official Palestinian representatives in EJ.

5.2.2 Main Challenges

1. The main challenge facing the governance of EJ and Jerusalemites is the lack of a unified, participatory, capable, and well-respected focal point tasked with fostering the resilience and steadfastness of Jerusalemites and enhancing their willingness to fight for their political, economic, social, and human rights.
2. The second main challenge is the fragmentation and exclusion of EJ from the oPt governance structure. It requires deliberate efforts to institutionalize collaboration and the reintegration of EJ institutions with the relevant PLO, PNA, private sector membership organizations, NGOs, professional associations, trade unions, and other organizations. The main objective is to help enhance the institutional setup and services delivery of EJ organizations

- and foster their capabilities in responding to EJ population needs and combating hostile Israeli policies.
3. The restoration of the Palestinian institutional presence in EJ by reopening Palestinian institutions is a priority, such as the Orient House and the Arab Chamber of Commerce¹²⁴. A very important initiative in this domain was the initiation of the Civic Coalition for Palestinians Rights in Jerusalem, which aims at creating a new body to represent Jerusalemites. Despite the role that the Civic Coalition plays in representing Jerusalemites, it is still not enough and cannot carry the whole mission of representing Jerusalemites.
 4. Civil society organizations including Palestinian and favorably disposed Israeli organizations cannot face alone all the Israeli laws and decisions which affect Jerusalemites as their options are limited, usually to the use of Israeli courts. This solution is not effective because the real problems which Jerusalemites face are not legal problems¹²⁵.
 5. Israeli organizations which support Jerusalemites face real challenges nowadays such as being threatened and accused of treason as they support Palestinians instead of supporting Israelis and the State of Israel. Moreover, they face another sort of pressure which is the Israeli restrictions over their sources of funding and their budgets¹²⁶.
 6. There is need to assure the vibrancy and sustainability of the civil society of EJ, especially among women and youth, who should be supported by local public and private funding as well as by the international community. Working together and networking among civil society organizations is a must and should be encouraged¹²⁷.

¹²⁴ EU HOMS Report on Jeruslaem 2016 (Unpublished report), p.28

¹²⁵ Odeh, 2018

¹²⁶ Odeh 2018

¹²⁷ EU HOMS Report on Jeruslaem 2016 (Unpublished report), p.28)

5.2.3 Short- and Medium-Term Interventions

Intervention	Justification	Outputs	Outcomes	Est. Cost (USD Million)	Proposed implementer
<ul style="list-style-type: none"> Supporting the restoration of Palestinian institutional presence. 	<ul style="list-style-type: none"> Lack of alternative institutional presence. 	<ul style="list-style-type: none"> 5 representative institutions supported. 	<ul style="list-style-type: none"> Enhanced institutional representation of the Palestinians of EJ. 	5	<ul style="list-style-type: none"> Arab Chamber of Commerce Orient House
<ul style="list-style-type: none"> Supporting initiatives that aim at facilitating coordination among various representative bodies and individuals in EJ. 	<ul style="list-style-type: none"> Lack of resources; lack of alternatives 	<ul style="list-style-type: none"> 6 coordination initiatives or forums supported 	<ul style="list-style-type: none"> Enhanced coordination among various representative bodies and individuals. 	3	<ul style="list-style-type: none"> Various institutions working in EJ, such as: <ul style="list-style-type: none"> The Civic Coalition for Palestinians Rights in Jerusalem Individual initiatives aiming at providing coordination among Palestinian representative institutions and individuals
<ul style="list-style-type: none"> Helping Palestinian institutions in their legal battle so as to be able to operate in EJ. 	<ul style="list-style-type: none"> Official Israeli ban; lack of national or own funds. 	<ul style="list-style-type: none"> 10 Palestinians representative institutions supported. 	<ul style="list-style-type: none"> Enhanced capabilities of institutions to win legal battles. 	5	<ul style="list-style-type: none"> Legal clinics Individual lawyers Human rights organizations
<ul style="list-style-type: none"> Initiatives that help empowering East Jerusalemites and making their voice heard. 	<ul style="list-style-type: none"> Lack of official representation 	<ul style="list-style-type: none"> 10 initiatives and forums supported 	<ul style="list-style-type: none"> Enhanced representation of East Jerusalemites. 	5	<ul style="list-style-type: none"> Various civil society organizations.
<ul style="list-style-type: none"> Supporting initiatives aiming at increasing the political participation of East Jerusalemites in Palestinian politics and their connection with the rest of the OPT. 	<ul style="list-style-type: none"> Fragmentation of Palestinians and of their representatives 	<ul style="list-style-type: none"> 10 initiatives and forums supported. 	<ul style="list-style-type: none"> Enhanced unified representation of the Palestinians of EJ. 	5	<ul style="list-style-type: none"> Various civil society organizations
			Total	23	

5.3 Indicators and Approach for Monitoring and Evaluation

Several inputs, activities, and outputs can be used to monitor the implementation, and several outcomes and impacts can be used to monitor the results.

To monitor the implementation and the followings indicators are of use:

- Number of won legal battles against Israeli ban of Palestinian institutions;
- Number of Palestinian institutions operating in EJ;
- Number of coordinated initiatives aiming at ensuring the representation of East Jerusalemites;
- PLO, PNA, and other governmental initiatives to foster outreach to EJ organizations;
- Private sector representative organizations initiatives to foster outreach to EJ constituency;
- NGOs initiatives to foster outreach to EJ counterparts.

5.4 Risks and Risk Mitigation

Risk	Probability	Impact	Mitigation
• Continuous Israeli ban on various Palestinian official or semiofficial institutions	High	Medium	<ul style="list-style-type: none"> • Continuous support for Palestinian institutions. • Continuous legal, political, and diplomatic pressure on Israel to reopen those institutions.
• Israel increasingly targeting forums of representation of the Palestinians of EJ	Medium	Medium	<ul style="list-style-type: none"> • Continuous pressure on Israel not to target those initiatives or forums.
• Lack of comprehensive Palestinian national agenda for EJ	Medium	High	<ul style="list-style-type: none"> • Support for Palestinian plans for EJ.
• Limited Palestinian budget dedicated to EJ ¹²⁸	Medium	Medium	<ul style="list-style-type: none"> • Support for Palestinian budget allocated to EJ.
• Limited coordination among various Palestinian representative institutions and individuals	Medium	Medium	<ul style="list-style-type: none"> • Support for initiatives that focus on representation of the Palestinians of EJ.
• Lack of coordination among official Palestinian representatives and civil society organizations	Medium	Medium	<ul style="list-style-type: none"> • Support coordination efforts.

¹²⁸ As outlined by the participants in the focus groups.

CHAPTER SIX

SOCIAL SECTOR DEVELOPMENT AGENDA¹²⁹

6.1 Introduction

Despite 51 years of military occupation, numerous Palestinian NGOs, private sector, and public institutions are still active and provide vital services to the EJ population, especially in the social sector (health, education, culture, and social welfare). They assist people and communities in coping with the adverse socio-political and economic environment and invariably contribute to filling in a portion of the gap of service provision by the Israeli Municipality of Jerusalem.

The number of EJ NGOs continues to decrease due to the ongoing Israeli harassment. Of special concern are organizations dealing with children's and women's vital needs. The number of these organizations is incongruent with the extent of needed coverage. They also lack resources¹³⁰. Several organizations have been forcibly closed by the Israeli authorities and continue to receive subsequent closure orders for many years now.

EJ organizations in general are under constant surveillance by Israel and are subjected to continuous harassment and systematic punitive policies. Over 35 such local and international organizations which offer economic, cultural, housing, educational, legal, and humanitarian services have recently received notifications from Israeli banks to close their bank accounts and receive their holdings. This is an additional collective punishment measure, further complicating the work of organizations in EJ¹³¹.

The funding to NGOs in EJ is geared towards sustaining, maintaining, and developing EJ so that its population will not be coerced to leave, promoting steadfastness, empowering the Arab Palestinian community, and contributing to building EJ – as much as possible – as the future capital of the State of Palestine.

The EJ-based NGOs, working in the social sector and similar to all other NGOs working in other sectors in EJ and in the rest of the WB and the Gaza Strip for that matter are highly dependent on donor support. Focus group sessions and those interviewed for this review called for further funding and attention to EJ, including endowments for youth, housing, social services and others, to maintain people's

¹²⁹ The social part is based on the Social Cluster Report, which was prepared by Dr. Varsen Aghabekian, the senior researcher. Special thanks to Dr. Varsen Aghabekian for accepting that it is used in this report too. Thanks to Sanaa Hasna, research assistant, for supporting the researcher in the literature review, interviews, and preparation of the focus group.

¹³⁰ Interview with Sama Aweidah –Jerusalem Women's Studies Center

¹³¹ Ibrahim Sha'aban ,31/3/2017. Online available from <http://www.alquds.com/articles>

steadfastness and to mitigate the effect of Israeli violations of the Palestinians' political, socio-economic, and cultural rights.

6.2 Scope of the Social Cluster Interventions Agenda

The scope of the Social Cluster Development Agenda covers four components:

1. Education in EJ covering pre-school, basic, secondary, vocational, and higher education levels. It will address priority developmental needs in the short, medium, and long term and the challenges for the sector in the J1 and J2 areas.
2. Health Sector provides secondary and tertiary health care to EJ and the rest of the oPt. It consists of several hospitals run by Palestinian non-governmental health organizations and international organizations.
3. Social Welfare focusing on social services provided by Palestinian NGOs to vulnerable groups, including children, youth, women, elderly, and persons with special needs.
4. Cultural Heritage focusing on the revitalization, documentation, and protection as well as safeguarding activities for all threatened components including historical and religious buildings, monuments, museum collections, and physical artifacts with cultural significance. It also tackles intangible cultural heritage.

6.3 Social Sector Cluster Development Objectives

The main objective of this social sector development Agenda is to provide policies, projects, and interventions to face sector challenges and shortcomings aimed at:

- Developing the provision of education, health, and other social services;
- Safeguarding EJ social fabric and social capital and enhancing the social safety net for vulnerable groups.
- Protecting the Arab Palestinian cultural heritage and the Palestinian national identity of East Jerusalemites.

6.4 Education Sector Development Agenda

6.4.1 Education Sector Profile

The education sector in EJ consists of preschool, basic, secondary, Technical, and Vocational Education and Training (TVET), and higher Education subsectors. Following is an overview of each of these components

Preschool Education

There is an acute shortage of preschool and kindergarten spaces as many parents want their children to join preschools but have nowhere to send them¹³². Only 6% of Jerusalem children attend public preschools despite being entitled to free education¹³³. There are only three municipal preschools in EJ, compared to 56 in WJ¹³⁴. There are other preschools affiliated with private institutions, NGOs, and Church affiliated schools. But still there is a huge shortage, which is estimated at 400 kindergarten classrooms¹³⁵. Quality in preschool education is not up to standard either. The qualifications of teachers range from Tawjihi to a first degree in education-preschool education.

Basic School Education

Basic schooling continues to be provided in three types of schools: (1) Awkaf schools in collaboration with the MoEHE, UNRWA schools, and private and church affiliated schools (68 schools with 20% of the school children); (2) public schools of the Israeli Municipality of Jerusalem (82 schools with 41% of the school children); and (3) the recognized but unofficial schools owned by private entities and recently supervised by the Israeli Jerusalem Municipality (74 schools with 40% of the school children).

The relatively low percentage of students attending public schools is partly a result of the shortage of classrooms (39,141 in municipal schools, 30,260 in private schools, 12,312 in Awkaf schools, and 1,208 in UNRWA schools in 2016/2017)¹³⁶. Thousands of students are forced to enroll in private non-municipal or unofficial schools due to lack of space and are obliged to bear the burden of school fees in a deteriorating economic context in which nearly 80% of the population is impoverished¹³⁷.

The per student budget allocation in primary schools in WJ is about 4 times that in EJ. According to Ir Amim, only 13%-15% of the Jerusalem Municipality's education budget is allocated to EJ. Each Jewish student is allotted 27,000 NIS yearly compared to 20,000 for Arab students and 33,000 NIS for religious Jewish students¹³⁸.

¹³² Stephen Lendman – EJ Schools-Failing grade .(June 10th 2012)<http://rense.com>

¹³³ ACRI report .Poverty, blight and neglect in EJ 2014

¹³⁴ EJ poverty –Seven months in Tel Aviv –A tale of two cities–<https://sevenmonthstela>

¹³⁵ Michael Schaeffer Omer-Man – Jerusalem by the numbers: Poverty, segregation and discrimination <https://972mag.com/jerusalem-by-the-numbers-poverty-segregation-and.../91425/> (from ACRI)

¹³⁶ Information provided by the Jerusalem Directorate of Education on distribution of children in different types of schools in EJ

¹³⁷ Stephen Lendman-EJ Schools-Failing grade .(June 10th 2012)<http://rense.com>

¹³⁸ Al Quds Newspaper (September 9th 2017).With the beginning of the new school year, Israel is continuing in imposing its curriculum. By Rasem Ebeidat

Primary and secondary education in EJ is characterized by insufficient capacity and over crowdedness. There has been a chronic shortage of classrooms in EJ, which is currently estimated at 2,627 classrooms¹³⁹, an increase of 1,000 classrooms from 2003¹⁴⁰ with an estimated need for 70 new classrooms yearly¹⁴¹, given the 2.7% growth of the Palestinian population in EJ¹⁴². The average class size in EJ is 32 compared to 24 in WJ¹⁴³. The area available for each student is 0.5 square meters, compared to the average 1.5 square meters worldwide. Remuneration of teachers differs by the type of school: At the lowest end are teachers at the Awkaf schools (highest salary 6,100 New Israeli Shekel (NIS) per month and lowest 3,326 NIS), while at the highest end are teachers of the Israeli municipal schools (average 7,500 NIS)¹⁴⁴.

The dropout rates at EJ schools are much higher than the average in Israel or the WB¹⁴⁵. They stand at 9% for grade 9; 16% for grade 10; 26% for grade 11; and 33% for grade 12 compared to a dropout rate of around 5.4% in grade 11 and 1.4% in grade 12 in Jewish schools and 13% in WB schools. The female school dropout rate is higher than that in the WB mainly due to the lack of schools and the need for females to go out of their local community for schooling such as in Silwan and Al Thory.

The municipal budget for preventing school dropout in EJ is 3 million NIS against an estimated 15 million NIS required in order to address the problem in a comprehensive manner¹⁴⁶. Despite the high dropout rate in EJ schools, there are only four staff positions for coping with students at risk of dropout in EJ (only one actually filled) compared to 17 officers in WJ¹⁴⁷.

The Wall restricts the movement of thousands of teachers and students and disrupts the educational process. Around 20% of teachers in EJ schools are from the WB¹⁴⁸, and their work life is highly dependent on the permits they must secure to enter EJ. This puts teachers under ongoing strain and insecurity as well as fear of losing their job which invariably affects their performance. Likewise, students have to cross 12 checkpoints which are part of the Wall and some within to enter EJ for schooling¹⁴⁹ in addition to facing numerous difficulties on daily basis, including: harassment at

¹³⁹ Jerusalem Post, August 31st-Study: More EJ students opt for informal education and Ir Amim.

¹⁴⁰ Multi Sector Review and Strategy for EJ 2003.

¹⁴¹ PASSIA-Agenda 2017.

¹⁴² Jerusalem Institute of Statistical Studies, Statistical Yearbook of Jerusalem 2016 –Referring to average 2010-2014.

¹⁴³ EJ poverty – Seven months in Tel Aviv –A tale of two cities – <https://sevenmonthsinTelAviv.com>

¹⁴⁴ Information provided by the Jerusalem Directorate of Education on distribution of children in different types of schools in EJ.

¹⁴⁵ PASSIA-2016.Education in Jerusalem Bulletin.

¹⁴⁶ Association of Civil Rights in Israel (ACRI), EJ2015-Facts and Figures (May 2015).

¹⁴⁷ Association of Civil Rights in Israel (ACRI), EJ2017-Facts and Figures (May 2017).

¹⁴⁸ Confirmed by Samir Jibreel-Directorate of Education.

¹⁴⁹ Ministry of Education Statistics 2015.

checkpoints, denial of passage or delays, and loss of school days (over 500 class hours lost in 2015-2016)¹⁵⁰.

The infrastructure in many schools is problematic due to the age of the buildings and the poor maintenance. Many schools/classrooms are in rented buildings which were not built as schools and thus lack recreational, safety, and basic school features and facilities. Almost a third of the Israeli municipal school classrooms (548 from 1,783) are located in rented facilities and/or do not meet standards¹⁵¹. Despite calls for “inclusive school education” accommodating children with special needs, there does not exist infrastructure which is fit to accommodate students with special needs.

TVET

Almost all students in vocational training in EJ TVET institutions are Jerusalemites and from both genders. The Youth Women’s Christian Association (YWCA) of Jerusalem is the main provider of TVET for females. Other providers include: the Lutheran World Federation (LWF), Al Yateem Al Arabi, and Dar Il Aytam Al Islamiya. The YWCA has been offering courses for those over 18 years of age. The LWF has followed this path, recently allowing those over 18 to join. The rest are schools catering for classes 11 and 12, leading to *Tawjihi Mihani* (vocational certificate).

Keeping up with modern technology and attracting highly qualified trainers pose a challenge. Up-to-date learning and teaching materials are not always available, and teaching methods are conventional. A number of institutions operate below their potential, coupled with a relatively high dropout rate and a low trainer to trainee ratio. Limited access to guidance and counselling regarding TVET is a reality in schools with regards to availability, programs, and future potential for work. This greatly hampers the effectiveness of providing and benefiting from TVET as well as meeting the job market requirements.

Higher Education

AQU is the main higher education provider with more than 12,800 students. Al-Quds Open University also has a branch with 776 students¹⁵². There are two other colleges operating in EJ: Al Ummah College in Dahiet Al Barid outside the Wall and Al Ibrahimiyeh Community College in the Mount of Olives, which offer 2-4 year higher education programs. The main campus of AQU is in Abu Dis with 11,900 students, 40% originating from Jerusalem, and its two EJ branches in Dar Al Tifel-Hind Al Husseini in Wadi El Joz (492 females) and in Beit Hanina (443)

¹⁵⁰ Ministry of Education Statistics 2015

¹⁵¹ PASSIA-based <http://main.knesset.gov.il/activity/committees/Education> 2016

¹⁵² Communication with Issam Altarteer /Registrar/Al-Quds Open University –November 2017

have students all from Jerusalem. The University also operates several academic centers in EJ within its campuses and outside them.

AQU has had a long history of development and expansion in academic fields and graduate studies. The University, however, suffers from chronic financial deficit and inability to cover its recurrent expenditures. Its staff have a backlog of unpaid salaries. Although the University shares many of the challenges of providing higher education similar to other higher education institutions in the rest of the oPt, yet its problems are aggravated by its location, its multiple campuses, and the additional expenses resulting from operating in EJ.

AQU graduates have over the years faced problems with their certificates not being recognized by Israel. This has affected the graduates' ability to secure employment in Israel. Accreditation and recognition of the University and its certificates by Israel have been contested with some success by AQU and its graduates¹⁵³. It is expected that the University will continue to face challenges in this regard as this is part of the larger political struggle over EJ.

6.5 Main Objectives of the EJ Education Sector Development Agenda:

- Insure 100% enrolment of EJ children in free basic education;
- Scale up the quality of education at all levels;
- Protect and safeguard the national identity and combat the distorting Israeli occupation's impact on children and youth;
- Insure availability of decent schooling facilities and capacities, including increasing the capacities and diversity of vocational education and training to respond to the EJ and the Palestinian labor market needs;
- Change the negative image of vocational education and increase its attraction and enrolment in order to increase returns on education and employability of youth;
- Connect the development of higher education programs agenda with the demand for skills in the labor market.

6.6 SWOT Analysis

Following is a SWOT analysis conducted through focus group and individual interviews (see Annex 3-A and B). The SWOT analysis is provided under three titles: SWOT Summary; Main Challenges; and Priority Interventions.

¹⁵³ 55 medical graduates took their case to the Israeli court, which in 2014 ruled in their favor and granted them permission to sit for the Israeli licensing exam

6.6.1 Education SWOT Summary

Strengths	Weaknesses
All Stages <ul style="list-style-type: none"> • High households' commitment to investment in education • Highly dedicated teachers and staff 	All Stages <ul style="list-style-type: none"> • Lack of sustainability as a result of limited allocated budget by the occupation authorities and by donors to the EJ education system • Poor education infrastructure and poor educational facilities as well as for extracurricular activities
Preschool <ul style="list-style-type: none"> • High demand for preschool kindergartens 	Preschool <ul style="list-style-type: none"> • Very limited number and absorption capacities, specifically for children with special needs
Schools <ul style="list-style-type: none"> • Support from Parents Associations • Support from the local community • Dedicated teachers committed to work in EJ • Presence of an active Directorate of Education • Cooperative indigenous Palestinian education leadership • Cooperation among the different types of Palestinian schools • Current support to educational counselling by the MOEHE and others • Some schools have unutilized infrastructure that may be used for after school activities 	Schools <ul style="list-style-type: none"> • Poor incentives and pay compared to the very high cost of living • Lack of research on schooling • Limited teachers' training • Some schools do not receive subsidies from the municipality, which exacerbates their financial situation • Lack of a unified supervisory umbrella for the system • Weak use of modern technology • Limited programs for weak students • High dropout rates • Many schools unsuitable for the educational process due to limited space, over crowdedness, and lack of regular rehabilitation • Difficulty in accommodating children with special needs
TVET <ul style="list-style-type: none"> • A higher council for TVET on board • A variety of programs available • High demand for and high return on vocational education and training skills 	TVET <ul style="list-style-type: none"> • Weak counselling preparation for TVET • Poor image of TVET • Weak infrastructure to accommodate new non-traditional programs and to keep up with modern technology
Higher Education <ul style="list-style-type: none"> • Maintaining campuses within the wall • Various programs including Medicine 	Higher Education <ul style="list-style-type: none"> • High mismatch between graduates' skills and market needs
Opportunities	Threats
<ul style="list-style-type: none"> • Founding an overall umbrella to oversee Palestinian education in EJ¹⁵⁴ • Interest in supporting the sector by Arab Funds and others • Following the system of "charter schools" for additional school funding 	<ul style="list-style-type: none"> • Israeli plans and incentives towards Israelization of the school's curriculum • Harassment raids on schools and detention of students with lack of awareness of legal issues • Perception of people on the effectiveness and the benefits of Israeli educational setups versus

¹⁵⁴ Strongly stressed in the YWCA's conference on TVET on 3 May 2018 and subsequent meeting of stakeholders on 12 May 2018.

<ul style="list-style-type: none"> • Cooperation with the private sector and linkages between education and other sectors • Further linkages and cooperation with the community and increased extracurricular activities • Increased demand for national, Palestinian schools versus municipal schools • Further recognition of AQU's programs with a strengthened dialogue with basic education and employers. This paves the way for attracting Arab students from Israel too. • Growing demand for TVET graduates in the Israeli labor market¹⁵⁵ • An active umbrella to oversee TVET in EJ including all stakeholders 	<ul style="list-style-type: none"> • Palestinian ones, especially with regards to securing future jobs • Difficult socio-economic environment with immensity of needs, political uncertainties, and ongoing emergency • Proliferation of non-municipal Israeli (contractor) schools • Social ills and an increasing school dropout rate • Difficulty in obtaining schools building licenses • Difficulty in the accreditation of programs by Israel
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6.6.2 Main Challenges Facing EJ Education

The above SWOT analysis, while illustrating strong commitment and determination of Jerusalem's communities and stakeholders to develop education, shows a long list of difficult challenges, which disturb all aspects and levels of the EJ education system. The most important ones at the general and sub-sectors level include:

1. Challenges to All Levels of Education:

- Lack of a long-term vision for the East Jerusalemites' human capital development, which protects their national identity, safeguards the city as the Capital of the State of Palestine, and combats the Israeli plans¹⁵⁶;
- Establishing a capable, well-functioning supervisory body which can advance the implementation of the said vision and mission and can advise in identifying the priority needs of the education sector;
- Lack of resources for mitigating the effects of the closure policies including the Wall and other obstacles and protecting the unity and integrity of the Palestinian education system, while insuring free access for all students to their schools and other learning facilities;
- Lack of adequate, predictable, and sustainable financing of the development of educational infrastructure and educational and sport requirements.

2. Preschool Education Challenges:

- Significant shortage of preschool educational provision and for the envisioned expansion services as well;
- Lack of early childhood educational materials;

¹⁵⁵ This point stressed by Noora Qort

¹⁵⁶ Strongly advocated by Rasem Ebeidat, Al Quds Newspaper (September 9th 2017). With the beginning of the new school year, Israel is continuing in imposing its curriculum.

- Absence of health requirements in the operation of kindergartens and lack of programs for gifted children or for those in need of special education.
3. School Education Challenges:
 - Major shortage of schools and classrooms to provide adequate places for the growing school population;
 - Major need for rehabilitation and improvement of existing schools and their needed educational materials and facilities;
 - Lack of up-to-date, high-tech equipment and systems for teaching at and managing elementary and secondary schools;
 - An alarming dropout rate, drugs, violence, and other social ills.
 4. TVET Challenges:
 - Poor facilities and equipment decrease the quality and relevance of vocational education and training;
 - Negative perception and lack of attraction as well as low enrollment;
 - Inadequate links between TVET institutions and potential employers with the aim of providing apprenticeship or on-the-job practical training for students and graduates;
 - Lack of special arrangements for trainees with disabilities in the training facilities.
 5. Higher Education Challenges:
 - AQU, as one of the leading Palestinian tertiary education institutions, is lacking regular and stable financing for its recurrent and development expenditures;
 - Gaining accreditation to many of its programs is vital to increase enrollment of Palestinians living in Israel and to increase the employability of graduates.

6.6.3 Priority Short- and Medium-Term Interventions

The interventions suggested below are meant to tackle the observed challenges and to meet the objectives of improving coverage and learning outcomes by expanding and improving education infrastructure (including facilities and human resources) and diversifying programs for further availability, accessibility, relevance, and quality of education, which will increase the employability of graduates and increase the return to education.

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementers
<ul style="list-style-type: none"> Support kindergartens/preschools: Establishing kindergartens/preschools, including a health program, teacher training, and educational materials. 	<ul style="list-style-type: none"> Need to increase the number of kindergartens as per increasing demand Need to improve effectiveness and efficiency for better services 	<ul style="list-style-type: none"> 3 kindergartens developed 20 kindergartens supported towards: Institution of a health program 40 teachers trained. Early childhood education materials developed and/or modified. 	<ul style="list-style-type: none"> Improved accessibility to –indergartens/preschools Improved quality of kindergarten/preschool services to children and their families Children better prepared for schooling 	1	<ul style="list-style-type: none"> Early Childhood Research Center (ECRC), Union of Medical Relief Committees (UMRC)
<ul style="list-style-type: none"> Create a unified supervisory entity for education in EJ 	<ul style="list-style-type: none"> Important to unify a vision and a mission and follow-up on current and arising challenges in a unified manner front by the multiple providers 	<ul style="list-style-type: none"> One unified supervisory entity 	<ul style="list-style-type: none"> Unified oversight of education services in EJ with more relevant, effective, and efficient operations by the various types and providers of schooling 	0.250	<ul style="list-style-type: none"> MoEHE, Waqf, private and charitable schools, universities, civil society, TVET providers, and others
<ul style="list-style-type: none"> Purchase of land if available and/or turning available buildings into schools¹⁵⁷ 	<ul style="list-style-type: none"> Need to increase availability of educational facilities in EJ to accommodate the number of out of school children in EJ and to 	<ul style="list-style-type: none"> 2-3 lots of land purchased for school establishment 3 available buildings turned into schools 	<ul style="list-style-type: none"> Improved capacity to accommodate students Decreased dropout rate as a result of further 	20	<ul style="list-style-type: none"> Awqaf, MoEHE,

¹⁵⁷ There is a need of 2,200 classrooms – PASSIA 2016 based on a report by Israeli rights organizations – <http://www.acri.org.il/ar>

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementers
	respond to the increasing number of school children		capacity to accommodate students		
• Support to a Parents Association	• Strengthened advocacy by parents is important for the accountability of schools and for a unified and more strengthened stance on curriculum-related issues	• Association instituted through: a focal person, a small office, and clear regulations	• Increased and more effective role of parents in terms of advocacy and follow up on educational issues for further accountability of providers and Palestinization reasons	0.1	• Faisal Hussein Foundation
• Budget for the rehabilitation of school Infrastructure	• Need to rehabilitate schools in EJ, especially those with extremely poor physical conditions, and to improve accessibility for students with special needs ¹⁵⁸	• 20-25 schools rehabilitated based on an inventory of priority intervention in schools	• Improved school environment for students and teachers • Improved accessibility to and retention of disabled students	5	• MoEHE, Faisal Hussein Foundation, UNDP, Taawon, Islamic Development Bank
• Upgrade school equipment and educational aids	• Need to upgrade equipment and education aids or insure availability, especially in schools with limited educational equipment, aids to promote the quality of education and make schooling more enjoyable	• 10 schools supported with educational equipment and aids based on an inventory of priority schools.	• Improved educational encounter and satisfaction of students and teachers • May also contribute to decreasing students' dropout and teachers' turnover	2	• MoEHE, Faisal Hussein Foundation
• Fund for teacher training	• Teacher training is a continuous process and a requirement for improve the quality of education	• 100 teachers from various types of schools, especially those with limited funding receive further training	• Improved educational encounter • Satisfaction of students, parents, and teachers	2	• MoEHE, UNRWA, Waqf, private schools, universities, Faisal

¹⁵⁸ This was also recommended by Samir Jibril, Director of the Palestinian Education Governorate and Khitam Hanoun, Director of the Buildings Section at the Palestinian Education Governorate in a hearing session in Jerusalem titled Infrastructure in Jerusalem schools published in Al Quds newspaper on 2 March 2017

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementers
					Husseini Foundation
<ul style="list-style-type: none"> Encourage schools to open up facilities for extracurricular and out-of-school activities. 	<ul style="list-style-type: none"> Extracurricular activities are important for children's wellbeing and constructive engagement after school hours. Opening up of school facilities will provide children with social space which is very restricted in EJ and pave a way for more efficient use of space and resources in EJ. 	<ul style="list-style-type: none"> 10 schools receiving support to open up facilities for extracurricular and out-of-school activities 	<ul style="list-style-type: none"> More social space available for children after school Improved efficiency in relation to space and resource utilization Safe haven for children to channel their energies 	1	<ul style="list-style-type: none"> MoEHE, UNRWA, Waqf, and private schools, parents, donor countries
<ul style="list-style-type: none"> Support to AQU 	<ul style="list-style-type: none"> Support short-term training programs with focus on programs which meet the requirements of this review and across the review of other sectors, such as tourism, teacher training, conservation, traditional arts, marketing, and others. 	<ul style="list-style-type: none"> 60 trained in various fields 	<ul style="list-style-type: none"> Improved availability of local human resources in various fields. 	2	<ul style="list-style-type: none"> AQU, donor countries, specialized centers and groups in EJ
<ul style="list-style-type: none"> Support for TVET¹⁵⁹ 	<ul style="list-style-type: none"> Need to continue to train skilled workers for employment. This may be accomplished by: Developing existing infrastructure, improving the technical skills of trainers, modernizing equipment, and enriching the curricula. Apprenticeship program for graduates 	<ul style="list-style-type: none"> 3 TVET schools supported with improved physical and human infrastructure 100 graduates supported in an apprenticeship program for one year 	<ul style="list-style-type: none"> More effective and relevant training of skilled workers for employment Increased utilization of current institutions Improved linkage between graduates and market/employer needs 	2	<ul style="list-style-type: none"> TVET centers, donor countries, Ministry of Labor

¹⁵⁹ Supported by the National Policy Agenda 2018-2022

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementers
<ul style="list-style-type: none"> • School dropout¹⁶⁰ 	<ul style="list-style-type: none"> • A study needs to be conducted to propose mitigation measures, and programs to be implemented in the long term while addressing issues related to student mobility, alternate routes, and timelines to school completion, as well as to engage in rigorous evaluation of school-completion programs. 	<ul style="list-style-type: none"> • Study report on an in-depth assessment on school dropouts available 	<ul style="list-style-type: none"> • Minimized long-term effects of dropouts • Decreased student dropout rate in EJ 	0.02	<ul style="list-style-type: none"> • External consultant
<ul style="list-style-type: none"> • Establishing new schools 	<ul style="list-style-type: none"> • Increase number of schools to meet the increasing demand. 	<ul style="list-style-type: none"> • 3 new schools established 	<ul style="list-style-type: none"> • Improved accommodation of students and decreased drop rate 	20	<ul style="list-style-type: none"> • Donor countries, MoEHE, private sector
<ul style="list-style-type: none"> • Rehabilitation of schools 	<ul style="list-style-type: none"> • Continue with rehabilitation needs as per an inventory and development plan. 	<ul style="list-style-type: none"> • 20-30 schools rehabilitated 	<ul style="list-style-type: none"> • Improved school environment for students and teachers, inclusion of disabled students 	4	<ul style="list-style-type: none"> • MoEHE, Faisal Hussein Foundation, UNDP, TAAWON
<ul style="list-style-type: none"> • Special education 	<ul style="list-style-type: none"> • Need to accommodate students with special education needs, many of whom are currently serviced by centers in WJ. 	<ul style="list-style-type: none"> • In-depth study on the nature of services and potential implementing organizations • Expand services of current organizations and/or add services as needed 	<ul style="list-style-type: none"> • Improved and more accessible services to students with special needs 	2	<ul style="list-style-type: none"> • MoEHE, Faisal Hussein Foundation Princess Basma Hospital, other related organizations
<ul style="list-style-type: none"> • Remedial programs for school dropouts 	<ul style="list-style-type: none"> • Preventing school dropout and successful graduation is a national concern and a challenge for schools with youth at risk. Students disengage from school 	<ul style="list-style-type: none"> • 200 students (potential dropouts at risk) receiving remedial tutoring for one year. 	<ul style="list-style-type: none"> • Decreased student dropout rate in EJ • Minimized long-term effects of dropouts 	0.5	<ul style="list-style-type: none"> • Schools, colleges

¹⁶⁰ This is supported in the State of Palestine's National Policy Agenda 2017-2022 – National Policy and Policy Interventions under National Priority 8

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Proposed Implementers
	and drop out for a variety of reasons. No child should be left behind.				
• School for gifted children	• Gifted children require special attention and nurturing. There is currently no school catering to the needs of gifted children in EJ. Proper attention to gifted children in early years is an investment in the future of the child and the nation.	• School established.	<ul style="list-style-type: none"> • Gifted children in a nurturing and stimulating environment suiting their needs • National contributions through energies, effort, and inventions for gifted children 	5	• MoEHE, Faisal Husseini Foundation, parents, universities
• Extracurricular activities	• Extracurricular activities for students of all ages up to secondary stage during or after school hours such as field trips, lectures, workshops, films, etc. are as important as the formal educational process in terms of contribution to widening children's horizon and experiencing the world around them.	• A system of extracurricular activities instituted formally at 50 schools and initiation phase supported for one year	<ul style="list-style-type: none"> • Improved educational encounter • Satisfaction of students, parents, and teachers 	2	• MoEHE, private sector, • Faisal Husseini, • Parents Association, others
TOTAL				68.870	

6.7 Indicators and Approach for Monitoring and Evaluation

Several input, output, and outcome indicators may be used for monitoring and evaluating interventions in the education sector, as proposed above, including but not limited to:

- Percent of dropouts of grade 9 and 12 in comparison to the baseline data in EJ and WJ;
- Percent of eligible EJ children enrolled in schools/preschools;
- Number of families participating in school-related programs;
- Number of children, parents, and employers who participate in school awareness raising events, disaggregated by gender;
- Number of trained teachers and school managers;
- PNA funding allocated to education in EJ measured per student;
- Number and type of measures introduced aimed at supporting access and regular attendance of children with disabilities;
- Number and type of new relevant university education programs;
- Number and of schools rehabilitated;
- Number of new classrooms and new schools;
- Number of additional schools and facilities utilized for extracurricular activities;
- After school programs developed and offered and number of students engaged;
- Average number of students and teachers per class by type of school;
- Additional number of facilities established/operational (laboratories, computer labs, sports, etc.);
- Funding from diverse sources;
- Numbers of schools with parents' associations;
- Numbers and types of special education programs established and numbers of students enrolled;
- Number and types of student inventions/creative initiatives;
- Number of teachers trained by subject and grade
- Number of students passing the various streams of the Tawjihi exam.

6.8 Risks and Risk Mitigation

Risk	Probability	Impact	Mitigation
Related to the Political Occupation			
• Deterioration at the political level	Medium	High	• Ongoing monitoring of the situation
• Continued closure of Jerusalem and its institutions and difficult mobility within the city	High	Medium	• Continuous monitoring of Israeli actions vis-à-vis institutions in EJ • Continuous lobbying with the international community on the status of EJ
• Increasing harassment of schools with focus on Israelizing the school curriculum and conditional municipal funding	Medium	High	• Public emphasis on the fact that funding assistance is legally authorized to Jerusalem as an occupied city • Public lobbying on maintaining the Palestinian curriculum
• Failing to find qualified teachers able to move easily to EJ which may result in failure to sustain operations and compromise the quality of education	Medium	High	• Invest in a teacher development program • Support to AQU and Al-Quds Open University for their teacher development programs
• Brain drain due to better work conditions	Medium	High	• Review pay scales and reward systems to attract and retain qualified staff
• Limited land and tedious licensing procedures available for new construction	High	High	• Rehabilitation and expansion efforts
• Some Palestinian schools lagging behind Israeli municipally operated schools in terms of infrastructure and human resources	High	High	• Rehabilitation of schools and facilities including educational aides
• Time and efforts required to rehabilitate school old buildings	High	Medium	• Close coordination with related entities such as UNDP and the Welfare Association (TAAWON)
Related to Internal Palestinian Institutional Issues			
• Lack of external funding for developing and/or rehabilitating infrastructure and growth in activities and operations	Medium	Medium	• Further lobbying with Arab and international funds
• Continued financial deficit in the PNA budget and increasing public debt due to lack of funds	High	High	• Lobbying to pressure the PNA for increased funding to Jerusalem and education in particular • Further fundraising from the international community • A fundraising campaign for AQU
• Continued fragmentation, weak cooperation, and lack of strategies	Medium	High	• Inclusive umbrella for education in EJ

CHAPTER SEVEN

HEALTH SECTOR INTERVENTIONS AGENDA

7.1 Sector Profile

Health services for EJ residents are provided by five main providers: (1) UNRWA, serving the refugee population through clinics and referral to Palestinian Jerusalem hospitals, mainly Augusta Victoria Hospital (AVH); (2) private centers including clinics, laboratories, and maternity hospitals; (3) charitable and religious entities such as Makassed, AVH, St John's Ophthalmic Hospital, St Joseph Hospital, and the Red Crescent Society as well as some clinics; (4) other NGOs active in primary health care services such as the Health Work Committees; and (5) the Israeli sick funds which contract various health setups in EJ and WJ to provide health care services to Jerusalemites.

EJ residents with a valid Israeli Jerusalem identity card have access to and pay for an Israeli mandatory health insurance and can receive treatment in Israeli setups or in EJ health care institutions. There are, however, holders of a Jerusalem identity card who are denied services through the health insurance as they are unable to renew their identity card, their card has been withdrawn, or they do not contribute to the Israeli social security. Others who are considered by Israel to be illegally living in EJ are not covered by the Israeli health insurance. These may include spouses and children of West Bank Palestinians without Jerusalem identity cards.

EJ hospitals face geo-political and financial challenges. The annexation of EJ and the tightened physical security control by Israel between EJ, the WB, and the Gaza Strip (GS) create operational difficulties at hospitals, most importantly restricted accessibility to hospitals by patients and staff members. EJ hospitals require clients from the WB and the GS as EJ alone is not sufficient to sustain the hospitals, especially Makassed and AVH. A main client of the hospitals is the PNA. Reliance on reimbursement for services rendered to patient transferred by the PNA has exacerbated the financial difficulties at hospitals as a result of the volatile financial situation of the PNA and delayed transfer of payments to hospitals.

The six EJ hospitals have historically played a critical role in providing services to Jerusalemites, Gazans, and West Bankers and receive approximately 20,000 patients yearly from out of Jerusalem, specifically those referred by UNRWA and the PNA in need of services and procedures unavailable in hospitals in the WB or the GS¹⁶¹. They also have to cater to the hospitalization needs of the non-insured Jerusalemites who for residency issues as per Israeli measures are not covered by

¹⁶¹ As stated by Walid Namour, Director of AVH, an increase of 5,000 patients over 2010. Oncology cases to AVH made up most of the referrals,

the Israeli mandatory health insurance system and or simply clients who are unable to cover their hospital service costs. In the last few years close to one thousand such cases were assisted by AVH, Makassed, and St John¹⁶².

The EJ Hospitals Network (EJHN) was established in 2005 with the intention to consolidate collective work, strengthen EJ hospitals' position in negotiating with the Israeli sick funds over pricing matters, and procure together for cost efficiency. It has also been successful in attracting and channeling funding to EJ hospitals.

The hospitals funding for capital investments generally comes from donors, and so does part of the operating cost which is also covered through pay of costs for services. Since 2012, the EU and its Member States have made available over 80 million Euros for the six hospitals of EJ with a substantial contribution towards covering referrals from the Palestinian Ministry of Health (MoH)¹⁶³. The USAID also made available 55 million dollars to the hospitals in EJ between Apr. 2016 and June.2017¹⁶⁴.

7.2 Scope of the Program

The scope of the health development program tackles health care provided by Palestinian NGOs with focus on secondary and tertiary health care services provided to Jerusalemites in J1 and J2 areas. The program aims at responding to main health sector challenges, while taking into account the huge magnitude of needs and the unfavorable environment for development investment. The program focuses on detecting the most feasible and doable short- and medium-term interventions in addressing top priority needs.

7.3 Main Objectives of the Health Care Development Program

The main goal of this health sector program is to assure East Jerusalemites' access to high-quality primary, secondary, and tertiary health care. To achieve this goal, the program focuses on the following two objectives:

1. Increase resilience and sustainability of all nonprofit hospitals. This requires to ensure core financial support, renovation and improvements of their equipment, retaining their high quality and skillful medical and management staff, and improvement of the quality and diversity of services;
2. Preserve and enhance the longstanding leading role of EJ hospitals in providing a variety of specialized secondary and tertiary health care to all Palestinians in

¹⁶² Al Quds Newspaper, 12 November 2017. The EJHN's Project supports hundreds of uninsured patients.

¹⁶³ EU Press release -22 August 2016 - The EU provides 14 million Euros to EJ Hospitals

¹⁶⁴ As stated by Walid Namour and verified by Rafiq Husseini

the oPt and as a hub for medicine and nursery students as well as for training and specializing doctors.

7.4 SWOT Analysis

Following is a SWOT analysis conducted through focus groups discussions and feedback elicited from interviewees. This section is composed of three components: SWOT Summary, main challenges to be addressed, and priority developmental interventions.

7.4.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • A pool of qualified professionals in various health-related fields, highly committed to working in EJ. 	<ul style="list-style-type: none"> • Lower incentives and motivators when compared with Israeli peers • Specialists' loyalty leaning towards private practice than the hospitals • Politicization and polarization at some institutions.
<ul style="list-style-type: none"> • Strategic Development Plans available. • Institutional policies and procedures are available and credible, and boards are committed. 	<ul style="list-style-type: none"> • Management bogged down with day-to-day financial problems more than with a strategic outlook.
<ul style="list-style-type: none"> • Record of reputable achievements, such as: high occupancy, high ratio of PNA referrals, and developing new specialties as per demand among others. 	<ul style="list-style-type: none"> • Achievements jeopardized due to increasing deficit and lack of timely payment of dues by the PNA.
<ul style="list-style-type: none"> • Highly resilient despite difficulties under occupation and the unique status of EJ. • EJHN promoting coordination and a lobbying platform for EJ hospitals. 	<ul style="list-style-type: none"> • Some trapped in recurrent budget deficit due to overstaffing. • High dependency on donors for core budget support, maintenance and renovation, replacement old equipment, and introducing new health equipment.
<ul style="list-style-type: none"> • Having good contacts with international donors and able to diversify funding, i.e., the EU, USAID, and other donors in the past including for operational costs. 	
<ul style="list-style-type: none"> • Infrastructure available and suitable for effective and efficient operations • Available external funds for some infrastructural projects 	
Opportunities	Threats
<ul style="list-style-type: none"> • Increase attraction and admission of EJ clients covered by the Israeli social security and health insurance to counter some of the difficulties due to transfer issues from the PNA 	<ul style="list-style-type: none"> • Continued Israeli occupation of the city with its harassing policies and measures towards EJ hospitals and staff. • Difficult Israeli licensing measures on expansion and new services.

<ul style="list-style-type: none"> • Available funding for infrastructure from Arab, Islamic, and international funders and proposals available for expansion of services¹⁶⁵. • High solidarity with EJ to help mobilize donors funding. 	<ul style="list-style-type: none"> • Israeli taxation measures and other policies draining resources. • Accumulation of deficit and delayed payment of dues from the PNA threatens sustainability. • Establishment of specialized health care facilities in the West Bank might decrease demand for EJ health services. • Limited donor funding is jeopardizing the ability of hospitals to secure running cost, which threatens their sustainability. • Finding highly qualified staff and retaining them is a serious problem that all organizations face in Jerusalem.
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7.4.2 Main Challenges

- Maintaining the role of EJ hospitals as an integral part of the oPt health system and as the main destination for PNA referrals, including the inclusion of EJ hospitals within the PNA national health development plan aiming at achieving self sufficiency;
- Containment of the serious budgetary deficit and deficit problems due to delays in transfer of arrears owed by the PNA;
- Enhancement of reform efforts aimed at increasing sustainability and competitiveness through improving efficiency, cost recovery, staff motivation, and continued learning;
- Expanding and developing missing tertiary services including mental health care services.

7.4.3 Priority Short- and Medium-Term Interventions

The suggested interventions below are meant to improve the infrastructure of health service providers, expand capacity, improve networking and complementation of services among providers, and develop human resources for maintaining, sustaining, improving health care delivery, and establishing new needed service delivery programs to fulfill health care service needs in EJ and the rest of Palestine.

¹⁶⁵ See Aghabeikian, Varsen (2018), Social Cluster Report.

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementer/s
<ul style="list-style-type: none"> • Support for the MoH and the MoF to cover part of debt owed to EJ hospitals 	<ul style="list-style-type: none"> • Mounting debts is detrimental to the PNA and the hospitals and jeopardizes future services offered to clients 	<ul style="list-style-type: none"> • Percent of debts covered and percent of remaining debts lowered 	<ul style="list-style-type: none"> • Maintaining/ sustaining hospital services to clients 	10	<ul style="list-style-type: none"> • MoFP
<ul style="list-style-type: none"> • Budget support to cover indemnities and end of service, especially Makassed Hospital 	<ul style="list-style-type: none"> • Funds made available for coverage of indemnities will allow hospitals to downsize if needed and/or retire staff of retirement age and replace with younger and hopefully more productive and up-to-date staff • Hospitals are currently unable to retire staff because of lack of funds 	<ul style="list-style-type: none"> • Covering indemnities of retiring staff 	<ul style="list-style-type: none"> • Injecting new staff and energy to hospitals • Improved productivity • Minimizing drainage of resources • A leaner staff structure 	10	<ul style="list-style-type: none"> • EJHN • Donors • Related hospitals
<ul style="list-style-type: none"> • Support for priority upgrading needs of hospitals, including additional training and continuous professional development 	<ul style="list-style-type: none"> • Ongoing need as per inventory of needs of hospitals 	<ul style="list-style-type: none"> • 100 professionals receiving specialized, short-term, continuing professional education • 15-20 professionals receiving support for longer-term, specialization/sub-specialization programs 	<ul style="list-style-type: none"> • Maintaining hospital services to clients • Improved human resource capacity • Meeting requirements of new departments/ specialties 	3	<ul style="list-style-type: none"> • EJHN
<ul style="list-style-type: none"> • Support to the EJHN 	<ul style="list-style-type: none"> • Ongoing need for more effective and efficient work 	<ul style="list-style-type: none"> • Active operation of EJHN 	<ul style="list-style-type: none"> • Strengthened oversight and networking amongst E hospitals • Improved effectiveness and efficiency 	0.150	<ul style="list-style-type: none"> • EJHN
<ul style="list-style-type: none"> • Supporting current and expand mental health services 	<ul style="list-style-type: none"> • Political and socio-economic pressures in EJ are numerous and affect all, especially women and children. There are currently 	<ul style="list-style-type: none"> • Support to 5 NGOs offering mental health services for East Jerusalemites 	<ul style="list-style-type: none"> • Improved mental health services for the EJ population 	2	<ul style="list-style-type: none"> • Counselling centers

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementer/s
	limited mental health services, on one hand, and mounting counselling and intervention needs, on the other hand. There is need to continually monitor the general psychological status of society and provide aid to improve the general mental health to society.				
<ul style="list-style-type: none"> • Funding/support to the marginalized and those not covered by the Israeli health Insurance 	<ul style="list-style-type: none"> • There is ongoing need for funds to cover those out of the Israeli health insurance, including those whose identity cards have been revoked and those married to Jerusalemites but not recognized as residents by the Israeli system and others 	<ul style="list-style-type: none"> • 50 uninsured patients/cases supported 	<ul style="list-style-type: none"> • Rights to health services of the uninsured upheld • Minimized socio-economic strain on the uninsured 	0.500	<ul style="list-style-type: none"> • MoH, donors, private sector.
<ul style="list-style-type: none"> • Establishing new priority specialty services 	<ul style="list-style-type: none"> • Ongoing as the need arises, including providing equipment to individuals with special needs such as physically handicapped, blind, and people suffering from hearing loses 	<ul style="list-style-type: none"> • New specialties departments as per inventory and priority of needs and/or upgrading existing ones 	<ul style="list-style-type: none"> • Needed services available • Minimized reliance on Israeli services 	10	<ul style="list-style-type: none"> • MoH; MoFP; private sector, donor countries, EJHN.
<ul style="list-style-type: none"> • Training for new specialty areas 	<ul style="list-style-type: none"> • Ongoing need and as per development of new specialties 	<ul style="list-style-type: none"> • 5 professionals of each health occupation receive specialized long-term training including physicians, nurses, medical technologists, radiotherapists, and others 	<ul style="list-style-type: none"> • Improved availability of needed services • Improved health care • Minimized reliance on Israeli services 	5	<ul style="list-style-type: none"> • MoH- MoFP. private sector, donor countries, EJHN.
TOTAL				40.650	

7.5 Indicators and Approach for Monitoring and Evaluation

- Funding received from donor countries and institutions;
- Increased coverage of financial deficit at hospitals;
- Number of health workers trained in EJ hospitals;
- Client satisfaction with health care services;
- Mental health services provided;
- Number and types of new medical specialties introduced;
- Hiring of professionals with new and needed specialties;
- Improvement in general health indicators: Average Number of doctors, number of nurses, number of beds, number of dentists, and number of pharmacists per 10,000 inhabitants.

7.6 Risks and Risk Mitigation

Risk	Probability	Impact	Mitigation
Related to the Political Occupation			
<ul style="list-style-type: none"> • Continued closure of Jerusalem and the GS with mobility and accessibility to EJ leaving a small pool of clientele in EJ. 	High	Medium	<ul style="list-style-type: none"> • Continuous monitoring of Israeli actions vis-à-vis Palestinian institutions in EJ. • Continuous lobbying with the international community on the status of EJ.
<ul style="list-style-type: none"> • Constant harassment of Palestinian institutions. • Hospitals subjected to measures by the Israeli authorities, including forcible closure. 	Medium	High	<ul style="list-style-type: none"> • Seek joint ventures – Palestinian-international –as much as possible and strengthen ties with international offices in Jerusalem. • Public emphasis on the fact that fund assistance is legally authorized to Jerusalem as an occupied city.
<ul style="list-style-type: none"> • Failing to find qualified staff able to move to EJ which may result in failure to sustain operations and compromise the quality of activities. 	Medium	High	<ul style="list-style-type: none"> • Invest in a human resource development program (including apprenticeships and on-the-job training). • Support to AQU in securing accreditation of its programs and licensing of its health-related graduates.
<ul style="list-style-type: none"> • Brain drain to WJ and elsewhere due to better work conditions. 	Low	High	<ul style="list-style-type: none"> • Review pay scales and reward systems for staff in order to attract and retain qualified staff.
Internal-Palestinian institutional related			
<ul style="list-style-type: none"> • Growth in activities, operations, complexity, and development activities requiring organizational adjustments which may not be met. 	Medium	Medium	<ul style="list-style-type: none"> • Strengthen middle management, including clinician managers. • Empower managers to focus on more strategic and less operational issues within the institutions.

Risk	Probability	Impact	Mitigation
			<ul style="list-style-type: none"> • Continue efforts to build on synergies with other health service organizations in EJ.
<ul style="list-style-type: none"> • Continued and increasing deficit due to lack of transfer of dues by the PNA. 	High	High	<ul style="list-style-type: none"> • Continuous concerted efforts by the EJHN on the PNA regarding transfer of dues. • Lobbying by Jerusalemites to pressure the PNA to transfer payments on timely basis. • Further fundraising from the international community.
<ul style="list-style-type: none"> • Continuing loss of EJ hospitals centrality with opening up of specialized centers in the WB. 	Medium	Medium	<ul style="list-style-type: none"> • Continuous discussions with the PNA MoH on synergies and impact on EJ hospitals.

CHAPTER EIGHT

SOCIAL WELFARE DEVELOPMENT AGENDA

8.1 Sector Profile

Three quarters of Palestinian East Jerusalemites and one third of the children live below the poverty line compared to a 21.7% poverty rate in Israel and 30% among children¹⁶⁶. Welfare programs in EJ are covered through: (1) Israeli institutions (the social security system of the Israeli National Insurance System, the EJ Israeli Municipality, popular centers, juvenile counseling centers, labor organizations, sick funds, and others); and (2) a variety of Palestinian CBOs and NGOs and international locally based organizations which assist people and communities in better dealing with an adverse environment.

East Jerusalemites receiving Israeli welfare services represent 37% of the total Jerusalem population. However, only 22% of social workers positions are designated to them. Additional positions were promised but have not materialized. Additionally, while there are 22 welfare offices in Jewish neighborhoods, there are only five in Palestinian neighborhoods. Each social worker in EJ handles an average of 339 cases, compared to 194 in the rest of the city. This jeopardizes meeting of the actual needs¹⁶⁷, especially considering the high rates of poverty.

EJ is way behind WJ in terms of welfare- and youth-related services: social centers, public libraries, sports facilities and play grounds, public parks, swimming pools, etc. with at best 10% of what is available in WJ¹⁶⁸. Gaps in welfare-related services have to some extent historically been partially filled by a large number of ill funded Palestinian and international NGOs.

Where social services and infrastructure are missing; women, children and youth are especially affected. The availability of facilities for extracurricular and development activities, sports, culture, recreation, and social encounters is well below standard. The lack of facilities, combined with an oppressive climate and high unemployment rates, has a demoralizing impact on the population with increasing social ills.

Children and Youth

Palestinians under 28 years of age in EJ make up over 75% of the EJ Palestinian Arab population. In 2013, the percentage of individuals aged below 15 years in EJ

¹⁶⁶ Association of Civil Rights in Israel (ACRI), EJ2017 - Facts and Figures (May 2017)

¹⁶⁷ Association of Civil Rights in Israel (ACRI), EJ, 2015 - Facts and Figures (May 2015) and May 2017

¹⁶⁸ PASSIA, 2017

was 35.2% of the total population, while those aged 60 years and above made up 6.7% of the governorate's total population¹⁶⁹.

Employment amongst Palestinian inhabitants of Jerusalem stands at 67% for men and 14% for women aged 15 years and above¹⁷⁰. The PCBS reports that the labor force participation rate for ages 15 years and above in EJ governorate was 31% in 2014, down from 40% in 2009, while the unemployment rate stood at 19% in 2014, compared to 11.8% in 2009¹⁷¹.

High unemployment or underemployment may be attributed to the lack of adequate skills and resources. High rates of youth unemployment mean excessive free time. If not positively channeled, it will lead to frustration, hopelessness, and loss of confidence. It must be seriously dealt with because of its long-term negative implications.

The impact of the occupation and political violence on the lives of young Palestinians in EJ will have its toll for generations to come. Jerusalemites under 50 have been born and raised under occupation, shaping their attitudes towards society, values, and overall outlook to life and living. Youth in Jerusalem live in two worlds (Palestinian and Israeli) which are often in contradiction and in which the youth often find themselves confused and with a distorted identity. The confiscation of land, the fragmentation of Palestinian families, the Wall, limited employment prospects, and the lack of recreation opportunities compound the youth's marginalization, alienation, disempowerment, and disconnectedness with the rest of the Palestinians.

The psychological impact of occupation and violence on young people cannot be underestimated as school students are injured and often killed by Israeli live ammunition, placed under house arrest or jailed, and often suffer from the loss of their schoolmates and friends¹⁷². Minors who are arrested, interrogated, and detained suffer from various violations of human rights, including physical restraint, night interrogation, lack of right to remain silent, lack of right to counsel, lack of right to have parent present during interrogation, lack of protection in interrogation rooms, and/or being held in inappropriate conditions¹⁷³.

¹⁶⁹ PCBS, 2015 Jerusalem Statistical Yearbook

¹⁷⁰ ACRI, EJ 2015. Facts and Figures (May 2015)

¹⁷¹ PCBS, 2015 Jerusalem Statistical Yearbook

¹⁷² From October 2015 to April 2017, 40 Palestinians from EJ have been killed by the occupation, of whom 8 are children under 18. Source: journalist Maysa Abu Ghazaleh. Additionally, up until March 2017, 3,414 were jailed (including 1,053 minors). 510 continue to be jailed, of whom 85 are minors and 17 females (according to communication with the Prisoners Club in Jerusalem)

¹⁷³ B'Tselem, the Israeli Information Center for Human Rights in the Occupied Territories. Unprotected: The Detention of Palestinian Teenagers in EJ. October 2017

Most youth institutions are small with limited infrastructure and capacity basically focusing on sports. The limited availability of facilities for extracurricular education and development activities, sports, recreation, and social encounters, in combination with the oppressive climate and high unemployment rates, has a demoralizing impact on youth with increasing problems of early dropout from schools and increasing drug addiction.

Drug abuse is alarmingly on the rise among Palestinian adolescents in general, with 20% starting below the age of 18¹⁷⁴. The existence of drug addiction treatment and rehabilitation centers is limited in EJ, while available centres in WJ are not a viable option, mainly due to accessibility obstacles and/or the language barrier.

The number of addicts in EJ and its environs has exceeded 6,000, with additional estimated 25,000 users¹⁷⁵. Statistics, although dating to 2008, indicate that 2.5% of the population in EJ are addicts, amongst the highest rates in the world. More children are being drawn to drugs at a younger age with claims that over 5,000 children aged 12-17 years are using drugs in EJ¹⁷⁶. This invariably affects school dropout and crime rate. The problem is exacerbated by the fact that there are few centers that deal with drug addiction and use and are only able to cope with a very small number of cases¹⁷⁷.

To Jerusalemites, one of the most important issues that is not sufficiently covered, reported on, and dealt with is “drug use among young people”, especially synthetic cannabis, which is most addictive and most sought treatment for in Israeli and Palestinian rehabilitation centers with increasing numbers of young users in their 20s¹⁷⁸.

Women of EJ

EJ women are part of the most affected and marginalized groups, with gender concepts and roles intertwined with the occupation and its impact. Alongside social and cultural restrictions, the systematic policies of occupation exacerbate women’s sufferings. The lack of housing and over crowdedness have its greatest impact on women’s daily lives, negatively affecting family ties and relationships. Furthermore, home demolitions in EJ have also their greatest impact on female household members.

¹⁷⁴ Study reflecting dangerous numbers of drug addiction in Palestine, available at <http://www.alquds.com/articles - Nov 11-2017.Study>, indicates 26,500 drug addict in Palestine

¹⁷⁵ Al-Huda Association for the Treatment and Rehabilitation of Addicts in Shuafat. Online available At <http://www.middleestmonitor.com>

¹⁷⁶ EJ Youth finds escape in drugs. Online available at <http://www.dw.com>

¹⁷⁷ Including: My Friendly Doctor Society for the care and rehabilitation of addicts located in Bethany, the Caritas Old Town Center for Guidance and prevention of drugs, the purity center in Shuafat, the Saidieh neighborhood center, the Counseling Center in the Old City, and Al Maqdese. Additionally, the Jerusalem Women’s Center has been active in related research and awareness raising on drugs for women and other groups.

¹⁷⁸ Occupied and High in EJ (April 27th ,2015). Online available at <https://medium.com>

EJ women who are married to a West Banker/Palestinian from the PNA areas and women who are West Bankers and have married a Jerusalemite face tremendous difficulty. The same applies to women from Jordan who have married a Jerusalemite. These women live in utmost uncertainty, continually struggling to obtain permits from the Israeli authorities to stay in Jerusalem and/or to allow for their husbands to stay in Jerusalem and maintain a family. This has its toll on the family as a whole but mostly on women who are under continuous threat of expulsion, relocation, and severance of family ties¹⁷⁹.

The EJ female labor force participation is also extremely low, at less than 7% in EJG¹⁸⁰. Many are in an ongoing struggle to escape poverty as they want to work, but their search for jobs is often blocked. They are challenged by limited access to education within EJ and thus limited work prospects exacerbated by restricting patriarchal and social norms¹⁸¹.

The Elderly

Most of the elderly are covered by the Israeli health insurance and social security and are entitled to services and reductions on several services as per social security arrangements. There are also a few organizations, mostly affiliated with churches, which offer day care services to the elderly. Some, such as the AVH and elderly homes outside the Wall in El-Ezariyyeh and Abu Dis, offer in-house accommodation and services for the terminally ill and the elderly. In addition, there are few privately owned elderly services centers.

The Disabled

Children with disabilities are amongst the most vulnerable in a society, and usually children with mental disabilities are least serviced. The most prevalent disability categories are mobility, mental disabilities, speaking disabilities, and visual impairment with majority being congenital or disease related. There are few centers in EJ which deal with motor disabilities and centers for the blind.

Princess Basma Hospital is the specialized Palestinian hospital offering services for the disabled. Its work philosophy is based on community-rehabilitation and integration of the disabled in society and education through integrated schooling. It provides comprehensive services to the disabled under one roof¹⁸².

¹⁷⁹ Confirmed Interviews with Salwa Hdeib and Sama Aweidah

¹⁸⁰ PCBS, 2018, Jerusalem Statistical Yearbook 2018, p. 53

¹⁸¹ <https://newsdeeply.com/womensadvancement/articles/2017/04/14/palestinianwomen> in EJ's struggle to escape poverty

¹⁸² <https://www.youtube.com/watch?v=CETRpnKEk>

8.2 Objectives

1. Protect vulnerable groups and empower them to overcome numerous obstacles and impediments that deny them decent and healthy life as active participants in their communities.
2. The ultimate aim is to reduce poverty, improve wellbeing, raise the efficiency and effectiveness of service providers, and scale up the quality of their services to poor localities and families.

8.3 SWOT Analysis

Following is a SWOT analysis conducted through focus group and interviews. The analysis is provided under 3 sub-titles: SWOT Summary; Main challenges that face the sub-sector; and Short- and medium-term interventions. As in the previous sectors, analysis was based on secondary and primary data collection, and mainly on the stakeholders' discussion in focus groups.

8.3.1 SWOT Summary

Strengths	Weaknesses
<p>Children</p> <ul style="list-style-type: none"> • High accessibility to public healthcare <p>Youth</p> <ul style="list-style-type: none"> • Great human resource power with energies and ideas • Creative with love for competition • Initiators and agents of change. Think out of the box • Ready to experiment and venture into new things • Both genders active in organizations, mostly sports • Dynamic and keen to improve knowledge and skills • Demonstrate signs of regaining their Palestinian identity • Demonstrate signs of willingness to move on from individual to collective activities • Open to the outside world through different media sources • Strong social networks • Existence of several umbrellas and a variety of youth-related institutions <p>Women</p> <ul style="list-style-type: none"> • Vibrant women organizations • Highly educated 	<p>Children</p> <ul style="list-style-type: none"> • High children poverty rate <p>Youth</p> <ul style="list-style-type: none"> • Poor funding and investment in youth organizations • High school dropouts/absenteeism from schools • Distorted identity with increasing marginalization • Poor youth participation in decision-making at the family and organizational levels, with hegemony by the older generation • Rebellious with distorted values • Poor participation in political and cultural activities • Prevalence of deviant behaviors, especially addiction • Desperate, hopeless, with no vision for the future and insecurities • Emptiness with no constructive channeling of energies • Increasing divorce rates amongst young adults • Increasing violence amongst youth • Decreasing tolerance and acceptance of others <p>Women</p> <ul style="list-style-type: none"> • Enslaved by family traditions and rules

<p>The Elderly</p> <ul style="list-style-type: none"> • Generally, well taken care of by the family and the social security system 	<ul style="list-style-type: none"> • Low economic participation rate <p>The Elderly</p> <ul style="list-style-type: none"> • High dependency on the Israeli facilities
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> • Youth could become leaders and maintainers of EJ with its Palestinian identity if their energies are properly channeled • Use of available school infrastructure for after school activities • Further strengthening of the coalition against drugs and addiction • Further building coalitions and coordinating the work of youth organizations • Law/rules and regulations on youth participation in board membership and management of youth organizations • More effective use of social media • Mapping of and specializing organizations • More effective reliance on support from extended families • Church support/presence of church-affiliated institutions 	<ul style="list-style-type: none"> • Israeli measures in general and against the youth in specific with Israelization attempts of all facets of life • Competition amongst organizations with weak networking • Existence of Israeli centers attracting the youth, with increasing loss of identity, hopelessness, and lack of security • Child labor and abuse • The prevalence of drugs and the ease of acquiring drugs, with impact on the whole family and community at large • Increasing unemployment discouraging youth and leading to a variety of deviant behaviors, including increasing crime rate and collaboration with the occupation • High poverty and weakening social fabric, increasing early marriage for females, rapidly increasing divorce rates, weak infrastructure for protecting women and children, lack of housing and over crowdedness, further increasing misery • Continued Palestinian internal split and factionalism, marginalization of EJ with limited funding, and its impact on the morale of Jerusalemites, especially the youth • High taxation by Israel affecting all Palestinians in EJ

8.3.2 Main Challenges Facing the Social Welfare Sub-Sector

General

- Enhancing, maintaining, and strengthening the resilience and resources of the NGOs and CBOs which provide welfare-related services to vulnerable groups: children, youth, women, elderly, and disabled;
- Ensuring that staff of the NGOs and CBOs are well trained, motivated, and with proper experience to design interventions and projects and to lead and mobilize communities and resources to provide support and assistance in the implementation of their programs.

Children

- Increasing ongoing school activities, qualify school counselors to better identify and deal with psychosocial problems, and turn schools into multi-purpose centers with more child friendly atmosphere, where students can play

- therapeutically and recreationally. Additionally, support extracurricular activities and incentivize schools that open their facilities to the community after school hours;
- Insuring the wellbeing and basic rights of children and providing assistance to children under stress;
 - Managing and establishing orphanage institutions and provide for the basic needs of orphans with no support;
 - Assuring availability and affordability of preschool education provision;
 - Eliminating violence against children to avoid long-lasting dangerous impact. This requires professional interventions including counseling on protection from violence and coping mechanisms¹⁸³;
 - Combat child labor.

Youth

- Appropriate, well prepared, participatory youth development strategy and programs are imperative to ensure a well-equipped, skillful youth valuable to their communities, whilst increasing their self-confidence and awareness which preventing them from embarking on the path of social ills;
- Unemployment is the biggest challenge for youth. Supporting youth-related services to increase employability of both genders to have a long-lasting impact on the EJ inhabitants;
- Increasing awareness on risks and impacts of drugs and supporting organizations dealing with drug addiction and rehabilitation in terms of expanding services and covering operation costs as well as provision of rehabilitation and awareness raising programs;
- Increasing the provisions of psychological services for young people, including psychological therapy and play therapy, especially for children who have been imprisoned/detained and/or those under house arrest;
- Decent housing shortage is a main and general challenge to East Jerusalemites population. Special attention should be given to youth couples. Supporting housing initiatives for the youth.

Women

- Women empowerment and protection strategy focusing on increasing their economic, social, and cultural participation;
- Establishing the needed infrastructure for women's protection and empowerment, such as women's shelter, legal awareness on women rights, early marriage risks, increasing employability and support to women's

¹⁸³ See recommendations in the study by The Palestinian Counselling Center ,The Human Rights and IHL Secretariat and JLAC on Violence by Occupation and its impact on internal family and community related violence -2017.This was also emphasized in the social sector focus group and the interview with Fadwa Al Shaer.

entrepreneurship initiatives¹⁸⁴, and provision of counseling, especially for ones with children detainees and those who lost children due to the conflict¹⁸⁵.

Elderly

- Establish proper infrastructure and environment armed with suitable expertise and facilities for providing geriatric, day care, and entertainment for the wellbeing of the elderly;
- Raising awareness among the elderly about joining elderly care centers is required to attract them to such services and convince them of the benefits. Experience with the elderly reflects difficulties as the elderly perceive that organizations are after their money and their old age allowance¹⁸⁶.

Disabled

- People with disabilities must not be overlooked by more priority humanitarian issues at home, school, street, work, and all facets of life;
- Providing the necessary services and assistance to groups with special needs such as the physically and mentally handicapped, the blind, etc.

Generally

- Providing assistance to elements of society which are temporarily in need (individuals and families), elderly, single parents, temporarily incapacitated, etc.
- Managing retirement programs;
- Family consultation: Providing advice, consultation, and support to strengthen family structure;
- Fighting poverty and providing assistance to meet basic needs of low-income families;
- Unemployment support: Providing temporary income for the unemployed and assisting in finding employment.

¹⁸⁴ Strongly stressed by Noora Qort who referred to her organizations experience with the embroidery project benefiting over 500 women, the small coffee shop project and other projects on training women on starting small businesses for food production.

¹⁸⁵ Emphasized by Sama Aweida and Salwa Hdeib

¹⁸⁶ Point stressed by Noora Qort.

8.3.3 Short and Medium-Term Priority Interventions

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementer/s
SHORT & MEDIUM TERM					
<ul style="list-style-type: none"> Subsistence support for maintaining the existence of NGOs, especially those related to women, the elderly, the disabled, and drug rehabilitation. 	<ul style="list-style-type: none"> These NGOs provide vital services, and many will crumble if there is no continued funding. Their programs and services may have wide reaching effects on participants that extend far beyond their intended outcomes. This should go in parallel with a program on raising the effectiveness and efficiency of welfare NGOs whilst developing their physical and human resource infrastructure with focus on management and fundraising skills. 	<ul style="list-style-type: none"> 20 NGOs receiving support between 50,000-250,000 USD, depending on priority needs, programs, and projects. 	<ul style="list-style-type: none"> Maintaining operations and services of organizations 	5	<ul style="list-style-type: none"> Donor countries, NGOs' social responsibility. Funding by the private sector.
<ul style="list-style-type: none"> Support to youth clubs and youth activities. 	<ul style="list-style-type: none"> If youth energies are properly channeled, youth could become leaders, maintainers, and developers of EJ with its Palestinian identity. Youth clubs attract a large number of youth. Activities are needed to improve youth skills, engage both genders, and enhance the youth's leadership skills and political participation. 	<ul style="list-style-type: none"> 30 clubs supported with 30,000-100,000 USD, depending on priority needs, programs, and projects. 	<ul style="list-style-type: none"> Improved and targeted activities. Improved youth skills. 	3	<ul style="list-style-type: none"> Clubs, higher committee on sports, MoSA, MoJA, private sector, donor countries.
<ul style="list-style-type: none"> Continuing support to resident's advice and advocacy on legal, social, and civil rights in EJ. 	<ul style="list-style-type: none"> Assist people in understanding their rights and working towards their entitlements from the Israeli system to maintain the steadfastness of Jerusalemites in EJ. 	<ul style="list-style-type: none"> Support for programs and projects of 4 human rights-related organizations 	<ul style="list-style-type: none"> Improved access to entitlements Steadfastness and peoples; resilience in the occupied city. 	2	<ul style="list-style-type: none"> Rights-related organizations, donor countries.

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementer/s
<ul style="list-style-type: none"> • Youth employment programs in cooperation with the private sector 	<ul style="list-style-type: none"> • Support to projects and employment of youth in the private sector to ensure youth engagement and reduce poverty rate 	<ul style="list-style-type: none"> • 300 youth employment opportunities supported for one year 	<ul style="list-style-type: none"> • Improved youth preparation for the work environment. • Reduced poverty rate. 	5	<ul style="list-style-type: none"> • Private sector. • Youth organizations. • Related ministries.
<ul style="list-style-type: none"> • Supporting community-based rehabilitation initiatives 	<ul style="list-style-type: none"> • Further works needed to make facilities more accessible for use by the disabled. • There is high need for supporting institutions providing psychological support, especially for traumatized children as a result of the socio-political and economic strains in EJ. 	<ul style="list-style-type: none"> • 50 facilities rehabilitated for better servicing the disabled • 5 organizations in EJ working with traumatized children supported towards continuing and/or expanding activities. 	<ul style="list-style-type: none"> • More accessible facilities for use by the disabled. • Improved psychological support for traumatized children. 	2	<ul style="list-style-type: none"> • Donor countries, related NGOs.
<ul style="list-style-type: none"> • Supporting geriatric services 	<ul style="list-style-type: none"> • Services currently offered by the Israeli system will need to be gradually instituted in the respective Palestinian organizations. 		<ul style="list-style-type: none"> • Improved geriatric care and services. 	2	<ul style="list-style-type: none"> • Pertinent organizations.
TOTAL				19	

8.4 Indicators and Approach for Monitoring and Evaluation

- Number of organizations receiving funding and continuing their activities and number of beneficiaries of supported activities;
- Number of youth- and women-employment initiatives/projects supported and number of employed youth and women in supported projects;
- Number of facilities rehabilitated for more accessibility by people with disabilities;
- Number of children offered psychological support as a result of funding pertinent organizations and projects;
- Increase/decrease in number of drug addicts;
- Number of youth trained for job creation/number actively employed post training;
- Participation in youth groups and sports teams;
- Number of organizations and their staff that had infrastructure developed;
- Male/female youth participation in clubs and activities.

8.5 Risks and Risk Mitigation

Risks	Probability	Impact	Mitigation
Related to the Political Occupation			
<ul style="list-style-type: none"> • Further escalation of Israeli hostile measures encouraged by the recent US Administration position on Jerusalem. 	High	High	<ul style="list-style-type: none"> • Ongoing monitoring of the situation, enhancing international solidarity with the city, and strengthening stakeholders' unity and collective work.
<ul style="list-style-type: none"> • Escalation of harassment of Palestinian institutions and related NGOs subjected to measures by the Israeli authorities, including forcible closure. 	Medium	High	<ul style="list-style-type: none"> • Seek joint Palestinian-International ventures as much as possible and strong ties with international offices in Jerusalem. • Public emphasis on the fact that fund assistance is legally authorized to Jerusalem as an occupied city. • Maintain continuous coordination with international organizations and donors including the EU and UN bodies.
<ul style="list-style-type: none"> • Failure to find qualified staff able to enter EJ may result in failure to sustain operations and compromise the quality of activities. 	Medium	High	<ul style="list-style-type: none"> • Invest in a human resource development program (including apprenticeships and on-the-job training). • Support to AQU to secure accreditation of its programs and licensing of its related graduates.
<ul style="list-style-type: none"> • Language barrier for East Jerusalemites obtaining needed services in the WJ. 	Medium	Medium	<ul style="list-style-type: none"> • Continued lobbying towards having materials in Arabic.

Risks	Probability	Impact	Mitigation
• Continuing to lag behind in provision of municipal services compared to WJ despite paying same municipal dues.	Medium	High	• Further work by local and international NGOs highlighting discrepancies.
• Continued weakening of the Palestinian identity.	High	High	• Programs geared towards strengthening identity, especially to children and adolescents.
Related to Internal Palestinian Institutional Issues			
• Insufficient coordination continues.	Medium	Medium	• Continue efforts to build on synergies among youth-related organizations in EJ, including education, clubs, and those dealing with drug addiction.
• Continued and increasing deficit due to lack of funding.	High	High	• Ongoing efforts towards fundraising from the international community. • Lobbying by Jerusalemites to pressure the PNA to increase funding to EJ institutions. • Lobbying for timely coverage by the PNA for rendered services.
• Continued weakening of the Palestinian political, social, and economic environment.	High	High	• Persistent calls for a more active Palestinian involvement in EJ.

CHAPTER NINE

CULTURAL HERITAGE INTERVENTIONS AGENDA

9.1 Sector Profile

EJ residents are involved in a daily struggle trying to preserve their national identity and cultural heritage as well as their existence and right to stay in their city. Jerusalem was the main Palestinian cultural center until 1993, when the closure of EJ intensified, and later when the Wall completely sealed off Jerusalem. Culture as other sectors in EJ suffered gravely from restrictive Israeli policies which were mounted in 2009 against cultural activities in the city, especially the prohibition of activities related to the nomination of Jerusalem as the Capital of Arab Culture 2009.

Of special concern is the issue of the status quo and the Israeli occupation's dealing with the holy sites of the city¹⁸⁷. There are hundreds of sites in EJ that are sacred and deeply embedded in its history and are linked strongly with the three monotheistic religions in the Holy City of Jerusalem. According to international law, it is Israel's responsibility as an occupying power not to change the local laws and customs in place, including the non-acquisition of sovereignty and the status quo.

9.2 Scope of the Cultural Heritage Development Agenda

The cultural heritage development program will focus on the revitalization, documentation, protection, and safeguard activities to all threatened components as well as on increasing public awareness about the value and importance of participation in this effort. This endeavor will target sites, buildings, monuments, museum collections, and physical artifacts which have cultural significance, which are tangible, and which have been and transmitted through generations. It also includes living intangible cultural heritage¹⁸⁸ of inherited expressions including oral traditions, performing arts, local knowledge, and traditional skills. The preservation of Palestinian art, culture, music, and, most importantly, identity reflects the Palestinian life, perseverance, and steadfastness.

The interrelatedness of these components must be taken into account, such as the cultural industries, the natural cultural heritage and its preservation needs, the crafts masters and professionals in the field, the education, training and awareness raising

¹⁸⁷ This section on the Holy Shrines has been developed by Ambassador Issa Kassisieh – Deputy Head of NAD .It is detailed in the social Cluster review standalone document, accessed through www.mas.ps

¹⁸⁸ According to the definition of UNESCO, intangible cultural heritage is made up of oral traditions, performing arts, social practices, rituals and festive events, knowledge and practices concerning nature and the universe, and traditional craftsmanship knowledge and techniques. www.unesco.org/new/en/santiago/culture/intangible-heritage/

institutions, and the cultural spaces available including galleries, museums, and libraries with regards to the revival of the tangible (buildings and others) and intangible heritage (memories, stories, and personal histories documenting the past and the present and envisioning the future).

The NGOs working in EJ and dealing with the preservation, conservation, and promotion of the cultural heritage have made good progress in these areas and implemented several hundred varied projects and activities. This work is costly, and continuous funding is required.

9.3 Objectives of the Program

- Safeguard the legal status of EJ, as part and parcel of the oPt supported by the majority of countries in the world, in all UN organizations and other international forums;
- Increase awareness about the importance of Palestinian cultural heritage and enhance ownership and responsibility for preserving and enriching it;
- Launch a multiyear plan aimed at documenting EJ's physical, written, and performing cultural heritage;
- Support all responsible and active collaboration among NGOs, such as the Shafaq network, aiming at documenting, preserving, and protecting Jerusalem's cultural heritage, including helping them increase their membership and providing skills training and capacity building so that they can scale up their activities and impact;
- Preserve historic infrastructure and promote the Palestinian identity, history, and cultural narrative currently targeted by Israel's Judaization efforts in EJ;
- Improve networking among related organizations and promote employability and marketing of sector products.

9.4 SWOT Analysis

9.4.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • Diversity of talents • Shafaq as a coordinating body and a focal point • Various activities with track record under difficult political environment • Protection by Waqf (Islamic/Christian) • Some successful initiatives in conservation/rehabilitation by organizations such as Welfare Association, UNDP, and others • Old City and its walls recognized by the UNESCO World Heritage Center; • Rich architectural heritage, and most of the old buildings have preserved their historic features despite their age. • Outstanding universal value of structures. • A large number of cultural heritage sites (mosques, churches, Hammams etc. 	<ul style="list-style-type: none"> • Lack of continuity or sustainability of cultural NGOs due to limited funding¹⁸⁹ • Weak coordination with other sectors: education, tourism, and others¹⁹⁰ • Absence of a museum culture despite the presence of a few museums • Absence of a strategy for culture approved by all stakeholders and haphazard work by many stressing on the smaller rather than the larger, more inclusive culture vision and activities¹⁹¹ • Limited number of artists, musicians, dancers, etc. and inability of institutions to retain artists or those who are trained as they leave to more lucrative areas and packages¹⁹² • Limited activities on documenting intellectual heritage • Lack of regular maintenance of buildings, adding to their degradation, disintegration, and decay in some structures due to disuse¹⁹³ • Lack of awareness about the importance of preservation, coupled with economic hardships, where daily living takes precedence over preservation • Limited PNA support in EJ, especially for culture
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Tapping on the vast opportunities offered by EJ with its historic, religious, and cultural sites and reviving its centrality • Becoming a strong culture competitor to other sites, especially Israeli, based on the rich cultural heritage ¹⁹⁴ • Expansion of Shafaq with added members and strengthened coordination • Opening up to and cooperation with Arab institutions and progressive artists in Israel 	<ul style="list-style-type: none"> • Distorted biblical claims and intensive Judaization measures in EJ threatening to wipe out the Old City's ancient heritage and delete its tradition • "Most of the Palestinian neighborhoods inside the Old City wall are in a catastrophic situation. As much as 25 per cent of the Old City is "at risk" because of neglect, poor maintenance or overcrowding"¹⁹⁵ • Forcible "legal" imposition of Israeli authorities on the privacy of holy sites

¹⁸⁹ Point raised by Said Murad-Sabreen.

¹⁹⁰ Point stressed by Said Murad-Sabreen.

¹⁹¹ Stressed by Said Murad-Sabreen

¹⁹² Strongly emphasized by Jack Persekian

¹⁹³ This Week in Palestine (July 2017). Preserving Cultural Identity by Ivan Carmi

¹⁹⁴ Point stressed by Said Murad-Sabreen and Daoud El Ghoul -Shafaq

¹⁹⁵ Nazmi Jubeh-Renowned historian-Jerusalem

<ul style="list-style-type: none"> • Business-like partnerships with the tourism sector and creation of programs catering to tourists • Further funding to renovation and rehabilitation (Welfare Association, the EU, and Scandinavian interest in funding) • Opportunity to raise awareness and ownership within communities on general rehabilitation and conservation of historic sites • Reconnecting rehabilitated buildings/structures with their unique social function as a gathering site for the local community¹⁹⁵ • Coordinating with schools for strengthening art education and extracurricular art activities¹⁹⁶ • Opening up for twinning and cooperation with international cultural organizations • Interests and talents of the younger generation with a variety of art-related matters to be capitalized on¹⁹⁷ • Active targeting of the international community in EJ to join cultural activities • Moral and material support of Palestinians in Israel • Active targeting and encouragement for Arab and Muslim visits to EJ in solidarity with and in support of the occupied 	<ul style="list-style-type: none"> • Palestinian cultural heritage continually concealed by Israel in a systematic and concerted effort to undermine the Palestinian national identity • Demand for housing needs in EJ results in over crowdedness in the Old City and wear and tear of old historic buildings and infrastructure; serious threats to architectural integrity • Financial hardships might lead to loss of ownership of old historic buildings or lead to sales to cover debt • Push out economic and political factors which push artists and organizations outside the city • Cultural activities are denied permits by the occupation forces, especially those held in public spaces¹⁹⁹ • Artifacts can be easily sold and transferred to Israelis without any criminalization for such activities. • Limited space for large activities. Open spaces are reserved for Israeli activities²⁰⁰
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9.4.2 Main Challenges

- Intensive Judaization drive in EJ threatening to wipe out the Old City's ancient heritage and delete its tradition;
- Palestinian cultural heritage continually concealed by Israel in a systematic and concerted effort to undermine the Palestinian national identity;
- Arbitrary high taxation and financial hardships leading to loss of ownership of old historic buildings and thus loss of Palestinian ownership, and other push out factors which force artists and organizations to move outside the Old City;
- Protection and safeguard of artifacts from theft and transfer to Israelis and foreigners without any criminalization for such activities.

¹⁹⁵ This Week in Palestine(July 2017).Preserving Cultural Identity by Ivan Carmi

¹⁹⁶ Stressed by Said Murad-Sabreen

¹⁹⁷ Point stressed by Said Murad-Sabreen

¹⁹⁹ Point stressed by Manar Idrisi-Al Hoash and Daoud El Ghoul -Shafaq

²⁰⁰ Point stressed by Daoud El Ghoul-Shafaq

9.4.3 Short and Medium-Term Priority Interventions

The following priority interventions are meant to achieve the objectives of the cultural heritage sub-sector:

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementers
<ul style="list-style-type: none"> Continuing support for Shafaq and others. 	<ul style="list-style-type: none"> Further strengthening and empowerment is required for sustainability based on the evaluation of the current funding phase. 	<ul style="list-style-type: none"> Support for Shafaq maintained for at least another round. 	<ul style="list-style-type: none"> Sustainable coalition. Improved networking, Efficiency, and effectiveness. 	4	<ul style="list-style-type: none"> NDC (based on evaluation of the current implementation phase).
<ul style="list-style-type: none"> Support for cultural activities and the promotion of the Palestinian identity, history, and cultural narrative. 	<ul style="list-style-type: none"> Ongoing funding to activities of various forms by culture organizations in EJ, including documentation of cultural heritage, artistic, and cultural events and others 	<ul style="list-style-type: none"> Support provided to 25 activities of various organizations/groups 	<ul style="list-style-type: none"> Preservation of Palestinian identity, history, and cultural narrative. 	2	<ul style="list-style-type: none"> Local and international NGOs, funders, universities.
<ul style="list-style-type: none"> Rehabilitation of cultural, heritage, and religious sites as well as historic houses (hoash's) in the Old City. 	<ul style="list-style-type: none"> Ongoing funding is required for maintenance and preservation, especially to counter the poor quality of residential areas in the Old City and the resulting burdens suffered by the inhabitants. 	<ul style="list-style-type: none"> Rehabilitation of 15-20 heritage and religious sites Rehabilitation of 15-20 houses in the Old City based on an inventory of priority interventions for rehabilitation. 	<ul style="list-style-type: none"> Preservation of Palestinian identity and history. A more livable environment for residents of the Old City. 	5	<ul style="list-style-type: none"> UNDP, Taawon, Jerusalem Rehabilitation Group.
<ul style="list-style-type: none"> Training in rehabilitation and conservation. 	<ul style="list-style-type: none"> Ongoing need due to high demand 	<ul style="list-style-type: none"> 20-30 trained in programs of different types and duration 	<ul style="list-style-type: none"> Improved local capacity and skills for rehabilitation and conservation 	1	<ul style="list-style-type: none"> Al-Quds University. other universities, conservation centers abroad

Intervention	Justification	Output	Outcome	Est. Cost (USD Million)	Stakeholders/ Proposed Implementers
<ul style="list-style-type: none"> • Production and marketing of cultural products 	<ul style="list-style-type: none"> • Palestinians have a rich cultural heritage and cultural products. This needs further attention in relation to the developing and marketing of the products for better quality, distribution, sale, and competition with others. 	<ul style="list-style-type: none"> • Individuals/organizations producing 5 main products targeted for improved capacity and marketing of products. • 2 new ideas on production of cultural material entertained for development. 	<ul style="list-style-type: none"> • Preservation of Palestinian identity and history. • Improved quality and marketing of products. • Improved economic return. 	3	<ul style="list-style-type: none"> • Pertinent organizations including tourism
<ul style="list-style-type: none"> • Master plan 	<ul style="list-style-type: none"> • There is need to come up with a comprehensive master plan as part of broader cross sectoral plans for EJ, including cataloguing and archiving of all national culture and heritage resources necessary for future management. 	<ul style="list-style-type: none"> • Master plan available. 	<ul style="list-style-type: none"> • Integrated and comprehensive work on culture and heritage aspects. 	0.1	<ul style="list-style-type: none"> • MoTA, consultants
<ul style="list-style-type: none"> • Support to cultural activities. 	<ul style="list-style-type: none"> • Culture is one of the most marginalized sectors in terms of governmental funding and will require continuous subsistence. 	<ul style="list-style-type: none"> • Priority activities supported as per masterplan. 	<ul style="list-style-type: none"> • Preservation and promotion of Palestinian identity and history. 	1.5	
TOTAL				16.6	

9.5 Indicators for Monitoring and Evaluation

- Number and percent of collaboratively designed/implemented projects/activities by culture institutions as a result of coalitions;
- Number of partners actively participating in and contributing to coalition activities;
- Number of rehabilitated sites;
- Number of Palestinians trained in conservation and rehabilitation;
- Emergence of cultural product;
- Increased marketing of cultural products;
- Number of people reached through cultural activities;
- Number of festivals, exhibitions, and artistic events;
- Number of publications on culture and heritage;
- Emergence of young artistic talents.

9.6 Risks and Risk Mitigation

Risk	Probability	Impact	Mitigation
<ul style="list-style-type: none"> • The recent US Administration's decisions will be used by the occupation machinery to tighten closure of EJ, leaving a small pool of audience/participants in EJ cultural activities 	High	High	<ul style="list-style-type: none"> • Continuous monitoring of Israeli actions vis-à-vis Palestinian institutions in EJ • Continuous lobbying with the international community on the status of EJ.
<ul style="list-style-type: none"> • Escalation of harassment of Palestinian institutions, subjected to measures by the Israeli authorities, including forcible closure and stopping activities 	High	High	<ul style="list-style-type: none"> • Seek joint Palestinian-international ventures as much as possible and strong ties with international offices in Jerusalem • Public emphasis on the fact that fund assistance is legally authorized to Jerusalem as an occupied city.
<ul style="list-style-type: none"> • Failing to find qualified staff able to move to EJ, which may result in failure to sustain operations and compromise quality of activities 	Medium	High	<ul style="list-style-type: none"> • Invest in a human resources development program (including apprenticeships and on-the-job training). • Support for culture-related training programs in EJ (ex. through AQU or shorter programs offered by Al Ma'mal, the National Conservatory, and others).
<ul style="list-style-type: none"> • Transfer of ownership of structures with architectural and historic value to Israelis through lucrative sale offers 	Low	High	<ul style="list-style-type: none"> • Endowments and increased funds for covering cost of purchase by Palestinian entities when offers arise. • More contribution by Arab funds on buying buildings presented for sale.

CHAPTER TEN

ECONOMIC DEVELOPMENT AGENDA²⁰¹

10.1 Introduction

Over the past five decades, the IOA persisting measures against EJ have meant to contain the EJ economy and gradually separate it from its Palestinian base, eventually making it a service-based economy²⁰². The employment capacity of this sector has exceeded 80% in the Jerusalem governorate, while its contribution to the GDP of EJ has reached about 85%²⁰³.

The construction of the Wall since 2002 has completely severed EJ and most of its neighboring localities from the rest of the West Bank, and left more than 30% of its population in a few very crowded localities east of the Wall, where the WJM provision of municipal services has become scarcer than before, if available at all.

The IOA and the de-facto Israeli municipality have stepped up the looting of Jerusalem land and of the construction of settlements, and tightened restrictions on the urban expansion for Palestinian Jerusalemites. Obtaining an approval for a detailed plan for a plot of land, land parceling, registration, which are a prerequisite for applying for a building permit, have become an impossible mission. The second set of prerequisites include the availability of infrastructural connection to the site of the building: roads, water and sewage, and electricity, which should be provided by the WJM. Those were deliberately neglected by the WJM in the small area allocated for Palestinian housing to restrict building permits. So, if an EJ resident is lucky, and able to overcome the first set of prerequisites, he has to pay for the connection to infrastructure himself to get his application ready for submission to the licensing office at the WJM. Then, he/she has to wait for 3 to 8 years to get an answer, which is most likely a rejection²⁰⁴. But if he gets initial approval, the application has one year to pay the rest of permit fees, which amounts to USD 20 to 40 thousand for a 100 m.sq apartment. If he could not pay before expiry, his application will be void.

On the other hand, the IOA do not spare its efforts to levy taxes and fees, and to impose arbitrary fines on delayed payments.

²⁰¹ The economic part is based on the Economic Cluster Report, which was prepared by Dr. Mahmoud Al-Jafari and Dr. Samir Abdullah exclusively for this purpose. Dr. Jafari and Dr. Abdullah were assisted by Ahmad Safadi, Ruba Alawna, and Ghassan Halayka for the purpose of data collection, communicate with stakeholders, and arrange for interviews and focus groups discussions.

²⁰² UNCTAD (2013): *The Palestinian economy in EJ: Enduring annexation, isolation and disintegration*. Geneva, Switzerland, pp.11-14.

²⁰³ PCBS (2018). *Jerusalem Statistical Yearbook*, p. 58 and pp 136-137. The services sector includes trade, transportation, accommodation, restaurants, telecommunications, health, education, liberal professionals, and others.

²⁰⁴ Abdullah (2015), *Ibid.*, p.47

The IOA have also provided all the conditions necessary for using the dilapidated economic situation to serve its private sector. It took advantage of cheap Jerusalem labor and enabled Israeli companies to control EJ market, which was closed to WBGS products since the mid1990s.

10.2 EJ Economic Profile

Introduction

EJ's (J1) contribution to the Palestinian GDP reached 15% in the late 1990s. Following the outbreak of the Al-Aqsa Intifada in September 2000, Israel created a closure regime on the WBGS with tightened measures that denied the Palestinians access to Jerusalem. The construction of the Wall, effectively created new borders. EJ and most of its illegally annexed territory came under a tightened siege that severed the city from its economic support base in the West Bank. Access to Jerusalem has become possible only through gates with electronic inspection and only after obtaining permits from IOA. Since then, the contribution of Jerusalem economy to the Palestinian economy has started to decline. In the years following 2010, its average share dropped to below 8%. Its share to EJ Governorate economy (inside and outside the Wall) reaching only 40% at best²⁰⁵.

The 2012-2017 data on EJ show that the city's GDP rose from about \$ 1 billion in 2012 to about \$ 1.3 billion in 2016, at an annual growth rate of 4.6% at current prices²⁰⁶. However, its contribution to Palestinian GDP remained relatively unchanged at around 8%. Furthermore, different sectors' contributions to GDP have seen some changes. As Table 1 below shows, agriculture and construction contributions declined significantly. The share of agriculture fell from 1% during 2000-2002 to less than 0.23% in 2014-2016²⁰⁷. The most important economic sector in EJ, which is tourism, is subsumed under services in PCBS data. This is largely due to Israel's imposition of further restrictions on the flow of agricultural produce from EJ areas outside the Wall into EJ market within the Wall, as well as restrictions on livestock breeding within the Wall.

Meanwhile, the share of the construction sector fell from 10% to 2.5%²⁰⁸. Again, the stagnation in this sector was due to escalation of Israeli restrictions on the granting of building permits²⁰⁹. On the other hand, the EJ economy has become largely dependent on the retail and wholesale trade, car repair and the services sector that includes: accommodation, food, administrative services, education, health care and social work. The contribution of these sectors to EJ's GDP increased

²⁰⁵ UNCTAD (2013): *The Palestinian economy in EJ: Enduring annexation, isolation and disintegration*. Geneva, Switzerland, pp 9-11.

²⁰⁶ PCBS (2018), *Jerusalem Statistical Yearbook*, p 135.

²⁰⁷ *Ibid*, p 136.

²⁰⁸ Interviews with Mahmoud Zahaykeh, Chairman of the Union for Jerusalem Housing Assembly, and Saleem Abu Ghazaleh, General Manager of Al Reef for Investment and Agricultural Marketing.

²⁰⁹ Interviews, *Ibid*.

from 55% in 2000-2002 to about 77% in 2014-2016. Other sectors such as manufacturing increased slightly by one percentage point from 17% to 18%. Finally, the Palestinian financial sector – such as banking and insurance– are completely banned from establishing their branches in EJ by the IOA. And Palestinian Jerusalemites have to rely on the Israeli financial services providers.

Table 1: Economic Sectors' Contribution to EJ GDP in 2000-2002 and 2014-2016

Sector	2000-2002 (%)	2014-2016 (%)
Agriculture	1%	0.3%
Industry	17%	18%
Housing and Construction	10%	2.8%
Retail and wholesale	15%	24%
Services	40%	53%
Transport and Storage	14%	2.2%
ICT	0.1%	0.1%
Public administration and other services	3%	0.1%

Source: Palestinian Central Bureau of Statistics, Palestine in Figures, different issues.

10.3 Living Standards in EJ

The increase in disposable income and per capita income resulted largely from the growth in Palestinian Jerusalemites' employment in the Israeli economy, which employed 40% of the total Jerusalem workforce in 2014-2016. The increase in earnings resulted in an average monthly consumption of 33% higher than in Ramallah and 82% higher than in Bethlehem²¹⁰. In general, the per capita disposable income is 60% higher than per capita GDP– which is much higher than in the West Bank. Meanwhile, the consumer spending to GDP ratio reached 150% due to considerable employment in Israel's economy ²¹¹.

Despite per capita GDP growth, the purchasing power of EJ per capita income was much lower than in neighboring Palestinian cities. The poverty rate among Palestinians in EJ has constantly increased, reaching more than 75% of households, and it was even higher among children²¹². This is also consistent with the fact that the average wage in EJ is 50% lower than the wage in West Jerusalem, and EJ population share Israelis in West Jerusalem the same costs of living ²¹³.

²¹⁰ PCBS (2012), *Jerusalem Statistical Yearbook*, pp 111-117.

²¹¹ PCBS (2007), *Jerusalem Statistical Yearbook*, pp 244-245.

²¹² EU HOMS on Jerusalem 2016), par. 45

²¹³ UNCTAD (2013): *The Palestinian economy in EJ: Enduring annexation, isolation and disintegration*. Geneva, Switzerland, pp.17-22.

The average per capita income for an Israeli in West Jerusalem is \$ 42,000 in 2017. This is nine times the average income of a Palestinian in EJ²¹⁴. An Israeli National Insurance Institute report points out that more than 77% of Palestinians in EJ live below the poverty line, compared to only 23% among West Jerusalem Jewish residents. The poverty rate in EJ is the highest compared to other cities in Israel and in the oPt ²¹⁵.

On the other hand, the average monthly household consumption in EJ is \$2,142, which is 30% of household consumption in Israel (approximately at \$7140)²¹⁶. The large part of expenditure for Jerusalem households goes to basic needs of food, transportation and telecommunications. Housing depletes about 40% of the expenses of the Jerusalem household (\$857 per month). Palestinians in EJ have to endure constant increases in the cost of living, which is usually close to costs in Israel. Therefore, a big portion is spent on basic products/services, while other secondary needs, particularly social welfare, are hardly ever affordable²¹⁷.

10.4 Labor Force Participation Rate

Labor force participation rate (LFPR) in Jerusalem Governorate (JG) in 2017 was 56.4% for males, which was less than the LFPR for male at national level by 15.2 percentage points; 6.7% for females, which was less than the national female LFPR by 12.3 percentage points; and 30.4% for both sexes, which was less by 15 percentage points than the national LFPR in Palestine²¹⁸. The distribution of persons (15 years and above) in EJG according to years of schooling shows that 17.2% of employed males and 76.5% of employed females have more than 13 years of schooling. This is because of low female participation rate (6.7%)²¹⁹, and high demand for male laborers in the Israeli market. It also explains the high drop rates in EJ schools.

This low participation suggests that Jerusalem economy is unable to generate new jobs, especially for females. The problem for semi-skilled males is less acute because of their employment opportunities in the Israeli market. It is also worth noting that the unemployment rate for the 15-29 age groups, especially among university graduates who did at least 14 years of schooling, is more than 50% for females and males²²⁰.

²¹⁴ Bank of Israel, National Accounts www.boi.gov.il and PCBS 2018, Jerusalem Statistical Yearbook, pp.133 &23

²¹⁵ These data were obtained (after they had been modified at USD current prices and converted from annual to monthly data where necessary) from PCBS *Palestine in Figures* (2017) and *Jerusalem Statistical Yearbook* (2018) as well as *Statistical Abstract of Israel* (2017) issued by the Israeli Central Bureau of Statistics.

²¹⁶ Ibid

²¹⁷ Palestinian Central Bureau of Statistics (2012), Jerusalem Statistical Yearbook, pp 111-117.

²¹⁸ PCBS (2018), Jerusalem Statistical Yearbook 2018, p. 53

²¹⁹ Ibid, p. 60

²²⁰ Palestinian Central Bureau of Statistics (2018), Jerusalem Statistical Yearbook, pp 53-58.

10.5 Distribution of EJ Workers by Sector

Table 2 shows a rate of employed persons in agriculture, transport and telecommunications declined, witnessed no change in industry, and intended to decline services for the period 2011-2017. Meanwhile, the rate of those working in the tourism and construction sectors has soared due to an increase in the number of Palestinian Jerusalemites working in the Israeli construction and tourism related businesses, which employ 39.4% of the total workers in the governorate²²¹.

These figures suggest a form of redistribution of the labor force across the economic sectors. Within Jerusalem Arab economy, some sectors are getting more labor at the expense of other sectors. Within Israel's economy, Palestinian workers from EJ are hired mostly by construction and tourism industries.

Table 2: Percentage Distribution of Jerusalem Governorate Labor by Sector²²²

Year	Agriculture	Industry	Construction	Trade, restaurants and hotels	Travel and transport	Other sectors
2011	2.6	12.3	22.3	23.6	11.8	27.4
2012	1.7	10.8	22.5	24.6	12.5	28
2013	1.1	10.9	24.8	22.7	13.4	27
2014	1.9	13.8	31.7	20.7	8.1	24
2015	0.8	12.4	32	24.6	6.7	24
2016	0.7	13	30	25	7	24
2017	0.1	13.4	25.3	27.5	8	24.4

10.5.1 Distribution of Jerusalem Governorate Labor by Employment Status

Figures in Table 3 below demonstrate that in 2017, around 80.5% of the total labor force was wage earners, 13.8% self-employed, 4.9% employers and 0.8% unpaid family members.

Table (3): Percentage Distribution of Jerusalem Governorate Labor by Employment Status

Year	Employer	Unpaid worker	Wage earner	Self-employed
2011	5.9	2	81	11.2
2012	6.4	1.5	80	11.6
2013	5.4	1.1	82	11.6

²²¹ Palestinian Central Bureau of Statistics (2012, 2014, 2018), *Jerusalem Statistical Yearbook*, p 63

²²² Palestinian Central Bureau of Statistics (2017), *Jerusalem Statistical Yearbook*, p 63.

Year	Employer	Unpaid worker	Wage earner	Self-employed
2014	4.3	1.9	80	13.7
2015	3.8	0.7	81	14.9
2016	4	1	81	14.5
2017	5	1	80.5	13.2

Source: Palestinian Central Bureau of Statistics, *Jerusalem Statistical Yearbook*, 2012-2018.

The figures reflect that the share of employers and unpaid family members declined during 2011-2017; the share of self-employed workers increased significantly; while that of wage earners remained unchanged during the same period. However, the fluctuating behavior of those categories reveals the fragility of an economy that is directly influenced by changes in Israeli employment policies as well as changes in the political climate²²³.

Unemployment

Unemployment rates in the Jerusalem Governorate have seen gradual decline in recent years (from 19% in 2014 to 11.6% in 2017), owing to increase in the employment rate in the Israeli labor market for male workers. In 2015-2017, around 40% of Palestinian Jerusalemites were reported working in Israel's economy, which has become the main source of income to 54% of EJ households²²⁴.

Sources of Household's Income in EJ

The most striking and worrisome figure of the economic situation in EJ is the major changes in the composition of household sources of income, which shows increasing dependency on Israel. Wages and salaries of Palestinian workers in Israel were the main source of income in 2013 for 54.3% of households, and the Israeli Social Security system was the main source of income for 21.3% of households. Both represent the main source of income to three quarters of household's in 2013. Local sources of income are as follows: wages and salaries in the local private sector constitute the main source of income for 13.1% of households; family businesses was the main source of income for 6%, other wages and salaries from public, international bodies were the main source of income for 3.3%, and other sources provide income for 1.8% of households²²⁵. These indicators reflect a high level of fragility of the EJ economy, and high dependency on the Israeli sources of income as well.

²²³ Palestinian Central Bureau of Statistics, *Jerusalem Statistical Yearbook*, 2012-2018.

²²⁴ Palestinian Central Bureau of Statistics (2018), *Jerusalem Statistical Yearbook*, pp 53-58.

²²⁵ PCBS (2018), *ibid*, p.63

CHAPTER ELEVEN

TOURISM SECTOR DEVELOPMENT AGENDA

11.1 Sector Profile

The tourism sector in Jerusalem comprises a wide variety of products, activities, and services offered by hotels and restaurants, tourist travel and transport agencies, tour operators, tour guides, and antique and souvenir shops. However, the sector underwent a crippling decline in its major indicators since year 2000. This analysis briefly discusses the growth trends in the sub sectors of tourism in Jerusalem, and presents the SWOT analysis, challenges, priority interventions, indicators to measure progress, and risks and risk mitigation.

Hotels

As a result of the Israeli cracking down on the Intifada of Sep. 2000, the number of functioning hotels dropped from 43 in 1999 to 29 hotels in 2001, devastating the tourism sector and incapacitating its ability to recover²²⁶. The number of operating hotels underwent a perpetual decrease in 2005, dropping to 18 hotels. Following that, and until 2009, the hotel sector witnessed a considerable rise, but for a short period. The number of functioning hotels rose to 34, until growth stagnated and began declining again, causing the number of hotels to fall to 30 in 2012, to 24 in 2016, and to 20 in 2017²²⁷. Other indicators of the sector experienced similar trends to varying extents. During the period between 2012 and 2017, room occupancy decreased from 1633 to 1480, the number of beds from 3590 to 3242 beds, and the number of hotel guests sharply decreased from 188 thousand to 99 thousand²²⁸.

Tour Guides

The 1967 Israeli occupation of EJ severely affected the sub sector of tour guides in the city, which fell by more than 66%, from 150 in 1967, to only 50 in 1994²²⁹. This is ascribed to difficulties in obtaining a license for practicing the profession, and to difficulties facing non-Jerusalemite guides who wish to work in Jerusalem and cannot enter the city or Israel without permits. The number of licensed Palestinian guides now is around 500, about 230 of whom work in Jerusalem²³⁰. The working conditions of these guides are marked by instability due to high competition with Israeli tour guides, and the fact that those tour guides work on per diem basis and are not entitled to any social benefits in the case of unemployment. Another shortcoming which often leads tourist agencies to substitute Palestinian guides with Israeli ones, is the fact that the majority of Palestinian tour guides are not

²²⁶ UNCTAD (2013), p.13

²²⁷ PCBS (2018) Jerusalem Statistical Book 2018, August 2018, P.159

²²⁸ Palestinian Central Bureau of Statistics (2017), *Jerusalem Statistical Yearbook*, 2012 and 2017.

²²⁹ Halaykeh, Mohammad et al., Development of Tourism Sector in EJ (2016), MAS, p.26

²³⁰ Ibid, p.26

multilingual, which is normally a skill needed to guide tourists from East and South Asia, Russia, and Europe, and other foreign countries²³¹.

Tour Operators

Tour operators owned by Arab Palestinian Jerusalemites play a key role in promoting tour programs in Jerusalem and in other popular tourist attractions through organizing and promoting trips and package tours in the Holy Land. It was only in the last two decades that these companies entered this area of business, which was previously monopolized by Israeli companies. Currently, there are 36 working operators²³² that organize trips for tourist groups from countries that are eligible for visa-free entry to the country.

About 40% of total religious tourism to the Holy Land per year come through Arab tour operators, i.e. 600 thousand pilgrims to Islamic and Christian holy sites out of the total 1.3 million tourist arrivals²³³. Managers of tour operators stated that they have accomplished this achievement despite the intense competition from Israeli and other unlicensed Palestinian operators, who generally offer substandard services, a fact which was used against them by Israeli competitors.

In order to increase their market share, these operators had to minimize the profit margin from 25% to a mere 7%²³⁴. Additionally, managers have highlighted the vital need for enhancing the Ministry of Tourism's cooperation with operators in promoting tourism in Jerusalem and facilitating access to new markets. Additionally, they have stressed the potential role Palestinian embassies in that regard, by liaising and connecting tour operators with their counterparts in the countries they are stationed in, with the purpose of establishing cooperation agreements.

Souvenir and Antique Shops

Since the beginning of the century, souvenir manufacturing and craft workshops and antique shops have been undergoing a deep shock. In addition to the adverse impact of the sharp decline in tourism activities, catalyzed by the deteriorating security situation following the aforementioned escalation in confrontations with the Israeli occupation, the sector was profoundly impacted by Israel's accession to the World Trade Organization. This meant free trade relations and opening the Israeli market to China, India and other countries, thus allowing the flow of cheap counterfeit souvenirs and products.

²³¹ Halaykeh.

²³² Halayka, Mohammad, et al. (2016), *ibid*, p.27

²³³ *Ibid*, p.27

²³⁴ *Ibid*. p.28

A large number of these workshops and shops were forced to close down, or to move outside Jerusalem in order to reduce production and operational costs, especially duties and taxes levied by different Israeli authorities. According to estimates²³⁵, about 350 shops were closed, adversely affecting the Old City's position as a tourist attraction. Such a situation necessitates action by various stakeholders and the implementation of interventions that aim to revitalize the Holy City, and to preserve traditional crafts, which constitute an essential part of the Palestinian cultural heritage.

Tourist Land Transport Companies

A number of the tourist land transport companies operating in Jerusalem, licensed by the Israeli Ministry of Transportation, are run by Arab Jerusalemites who operate a total of 450 buses²³⁶. The fleet of buses transports tourists from airports, land crossings and other locations to Jerusalem. These companies are the only transport companies allowed to transport tourists from Jerusalem to other Palestinian cities in the West Bank and vice versa, since all other Palestinian transport means are not allowed to enter Jerusalem or to cross the Green Line. Nonetheless, these companies face a difficulty because they are obliged to pay insurance premiums to Israeli companies, who charge them approximately double the amount charged to Israeli transport companies²³⁷. According to Israeli insurance companies, this is justified by those buses high risk exposure during transporting tourists from Jerusalem to other Palestinian cities.

The highly unstable performance of the Palestinian tourism sector, as demonstrated by its main indicators, is ascribed to its extreme sensitivity to political instability prevailing under prolonged Israeli occupation²³⁸. However, the political factor is not the only cause behind this volatility and decline in the performance of the tourism sector. Other chief causes for the decline include the sizable investments and financial assistance offered by banks and Israeli municipalities to construct a number of huge Israeli hotels in the "no man's land" and in some major tourist attractions such as the Old City in EJ. There is no doubt that this expansion has come at the expense of expanding Palestinian hotels in the area.

In addition, the low accommodation rates offered by Bethlehem hotels has also played a significant role in curtailing demand for Jerusalem hotels, leading to a low average occupancy rate of around 40% over the last five years²³⁹. As a result, the

²³⁵ Badran, A. (2018): Closed Shops in EJ: Causes and the possibility of reopened. A field work discussed in workshop held at PLO Office, Abu Dis, January, 2018.

²³⁶ Interview with Omar ALKhatib, Main Tourist Bus Company, EJ.

²³⁷ The annual insurance premium for an Israeli tourist bus is NIS 20 thousand, whereas that for Arab tourist bus is NIS 40 thousand, in case paid immediately, rising up to NIS 72,000 if paid as installments. Based on Interviews with the owners of the tourist transport companies.

²³⁸ Halaykeh, Mohammad et al., Development of Tourism Sector in EJ (2016), MAS: Ramallah.

²³⁹ Palestinian Central Bureau of Statistics (2017), *Jerusalem Statistical Yearbook*, p.157.

sector's revenues declined, and its ability to compete through investments in renovation, modernization of facilities, and the development of the sector's services, was paralyzed.

EJ embraces most of the city's religious and historic sites, destinations and tourist attractions, yet, less than one-fifth of the total tourists in the city stay in hotels owned by Arab Jerusalemites, while the other four-fifths stay in Israeli hotels. Revenues from EJ's hotels and restaurants make a mere 8% of the total at best. In addition, tourist tours are restrained during evening hours in EJ, as commercial and business enterprises and shops close by 8 pm in the summer season, and by 6 pm in the winter season²⁴⁰. The latter issue reflects the weak coordination between the commercial sector and the tourism sector, and the need for the activation of Tourism Cluster Board, which can handle some regulatory and coordination functions (such as working hours, weekend, holidays...etc.).

There is also a wide gap between the state of infrastructure (including waste collection, roads and sidewalks, lighting of streets and other public facilities... etc.) in Arab neighborhoods markets compared to that in Israeli neighborhoods. This gap is the result of the Municipality's racist discriminatory policy which has been burdening Jerusalemite commercial enterprises in EJ with heavy taxes, fees and fines in addition to the poor services and negligence of the neighborhoods' needs. On the other hand, the municipality continued its endeavors to increase the attractiveness and competitiveness of West Jerusalem's markets by allocation of budgetary funds, helping the city maintain an active and lively nightlife offering all the recreational facilities and logistic services until late-night hours.

Despite the overwhelmingly difficult conditions and the sector's declining indicators, the tourism sector maintained a central role in Jerusalem's economy. Data available show that during the period between 2014 and 2016, the total value added of EJ's tourism sector was more than US\$ 40 million, while the number of workers increased up to 2,000 workers²⁴¹.

11.2 Objectives

The main objective of the Development Agenda is to improve the competitiveness of the Palestinian tourism sector and to enable it to benefit from EJ's comparative advantage as an international tourist destination for pilgrimage and other kinds of tourism.

²⁴⁰ Interview with merchants.

²⁴¹ PCBS (2018), *Jerusalem Statistical Yearbook*,

To achieve this objective, the following goals should be pursued:

- Increasing the attractiveness of hotels, restaurants and tourist markets in the Old City and its neighborhoods.
- Increasing the accommodation capacities by reopening the closed hotels or by building new ones.
- Capacity building of the sector’s staff and workers in EJ and equipping them with the right skills needed for hospitality occupations.
- Developing promotional packages for groups and individuals by Palestinian tourism operators working in all stages of the value chain.
- Regulating the private sector institutions and enhancing collaboration among these institutions to improve the quality of tourism services, promoting the culture of tourism among residents and workers in Jerusalem, so they can leave positive impressions on domestic visitors and foreign tourists.
- Encouraging the diversification of tourism services to respond to the different backgrounds and cultures of all kinds of domestic and foreign tourists.

11.3 SWOT Analysis

The SWOT analyses of the internal and external environments were carried for the tourism sector and for the other economic sectors as well. The analysis relied on in-depth and structured interviews and on the discussions in the focus groups, which was attended by the relevant stakeholders. The conclusions can be summarized under three titles: SWOT summary, which provide the strengths and weaknesses of the sector’s internal environment, and of the opportunities and threats of the external environment; the second issue is the identification of the main challenges that face the sector; and the short and medium-term interventions for addressing the challenges and achieving the pre-set sector objectives in each sector and sub-sector.

11.3.1 SWOT Summary:

Strengths	Weaknesses
<ul style="list-style-type: none"> • Jerusalem is a unique global tourist destination, rich with cultural, religious and historic heritage. • Long-established and distinguished expertise in customer-oriented activities and areas related to tourism. • Friendly and hospitable workers and staff. • The diversity of the internationally appealing Palestinian cuisine. • Other facilities supporting the tourism sector, like hotels, travel agencies, restaurants, land-transport...etc. 	<ul style="list-style-type: none"> • Most hotels, restaurants and tourist shops have no access to finance restoring, maintaining and improving their facilities to stay attractive or to upgrade their services and competitiveness to attract tourists. • The restrained nightlife in the Old City and its neighborhood is a discouraging factor for domestic and foreign tourists. • Weak hospitality, marketing promotional, and languages skills. Underdeveloped use of the Internet modern social media, and follow-up of customer satisfaction. • Shortage in the number and skills of Palestinian tour guides against a large number

<ul style="list-style-type: none"> • Hotels and restaurants are within close proximity to the Old City and most of tourist attractions. • The tourism sector and the supporting industries contribute more than 40% of EJ's GDP. • EJ is close to other ancient tourist cities such as Bethlehem and Jericho. Thus, hotels in the city may cooperate with their hotels in case of overbooking. • An efficient land transport fleet of buses. 	<ul style="list-style-type: none"> • of Israeli guides who promote their own ideological and political narratives about Jerusalem. • Shortage of skilled craftsmen capable of innovation and renovation of craftworks and traditional products to increase sales and create new jobs. • Inability to compete with the competitive prices of hotels in Bethlehem, which adversely affects demand for hotels in Jerusalem. • Old-fashioned accounting and auditing systems that do not comply with the requirements of the Israeli tax regulations. • Lack of cooperation among actors along the value chain, and between the actors in the sector and the other sectors, i.e. retail trade, personal services...etc.
<p>Opportunities</p>	<p>Threats</p>
<ul style="list-style-type: none"> • Availability of a fleet of buses for transporting tourists between Bethlehem, Jerusalem and Jericho. • Establishing strong relations with international and regional tourism operators, Central Asian countries, Russia and South Africa. strong potential also lies in the possibility of cooperating with Jordan, by organizing tourism packages that target Islamic countries whose residents have never visited the top Islamic attractions (mosques). • Increasing demand for religious tourism, especially Islamic tourism to alAqsa which is performed all year around. • The steady growth of international tourism and the low costs and advanced transport mediums. • The diverse and mild climate year-round and the central geographical location of Palestine in general and of Jerusalem in particular, 	<ul style="list-style-type: none"> • IOA negligence of Arab neighborhoods where hotels are located, like lighting of streets and collecting waste reduces demand for its services and discourages investments in commercial shops, restaurants and coffee shops that are necessary for attracting tourists. • Unfair competition with Israeli hotels, which are strongly subsidized by the IOA. • IOA restriction on building permits and high costs on licenses of new tourist facilities. • IOA control over boards crossing from Jordan and Egypt, and Israeli airports, further restricting the entry of tourists to the oPt. • The heavy presence of the Israeli paramilitary troops in EJ streets convey negative message to tourists, increase the feelings of insecurity, which affect their choices, • Closing shops in early evening hours discourages tourists from staying and shopping in the eastern part of the city.

11.3.2 The Main Challenges Facing the Tourism Sector

- Lack of institutionalized cooperation and collaboration at the intra-sectoral level and at the inter-sectoral level, especially with the commercial sector, weakens competitiveness and market share. Furthermore, it hinders collective effort to face arbitrary Israeli hostile policies and measures that negatively impact the sector's businesses.

- The sector has been denied access to adequate and secured financing, which hinders investments in the rehabilitation of operating hotels and restaurants, and in turn weakens their attractiveness, competitiveness and quality of services
- The attractiveness of the city as a top destination for tourists was adversely influenced by the large number of closed hotels and tourist shops, diminishing the absorptive capacity of the sector.
- The poor exploitation of domestic and inbound tourism (especially from Arab and Islamic countries) as a protection strategy and for enhancing the political and religious status of Jerusalem and preserving its cultural heritage.
- Facing the continuous application of the Occupation's discrimination policy, by raising the tax burden on EJ (Arnona) while cutting expenditure on basic services such as maintenance of roads and sidewalks, street lighting, supply of water and sanitation, and waste collection in streets and courtyards.
- Competitiveness of the national handicraft products against cheap imports of counterfeit products, and the limited introduction of new innovative and creative products, portraying "the symbolism of Jerusalem" beautifully.
- The scarcity in skilled staff equipped with the profession's skills, culture - informed and capable of providing high quality services that leave positive impressions on tourists.

11.3.3 Short and Medium-Term Interventions:

Intervention	Rationale	Output	Outcome	Est. Cost (USD Million)	Implementers
<ul style="list-style-type: none"> Develop and rehabilitate existing hotels, to enable them to provide high standard services and competitive prices. 	<ul style="list-style-type: none"> Increase attraction and comfort to tourists is essential to raise competitiveness and market share. 	<ul style="list-style-type: none"> 20 hotels rehabilitated and well equipped. 	<ul style="list-style-type: none"> All EJ hotels increased occupancies and market shares with respect to Israeli hotels. 	Loan guarantee 50 (each Hotel will be offered a loan up to 3 million).	<ul style="list-style-type: none"> Local contractors;
<ul style="list-style-type: none"> Set up a distinct academic program in hotel management taught at universities and colleges to prepare workers with the capacity to handle foreign tourists. 	<ul style="list-style-type: none"> Respond to the high demand for well-educated and skillful hospitality staff to work in the hotels and restaurants in EJ. 	<ul style="list-style-type: none"> New subsidized one-year hospitality learning program for youth in EJ is well running and graduating 100 new hospitality staff every year. 	<ul style="list-style-type: none"> Scaled up skills for 500 new hospitality workers and professionals. 	5	<ul style="list-style-type: none"> Bethlehem University; Al-Quds University; vocational education centers;
<ul style="list-style-type: none"> Support traditional craft industries that depend on innovation and creativity, which embody the national attributes of Jerusalem and its sites in their products. 	<ul style="list-style-type: none"> Scale up the quality and innovation of souvenir and traditional products. 	<ul style="list-style-type: none"> 5 short courses a year aimed at developing the technical, administrative, product design, and marketing skills of craftsmen and product developer. 50 craftsmen and product developers per year are trained and assisted in scaling up their businesses. 	<ul style="list-style-type: none"> Scaled up businesses with distinct products and marketability. 	0.5 (0.1 per year)	<ul style="list-style-type: none"> National and International experts;
<ul style="list-style-type: none"> Support for transportation companies to maintain modern bus fleets, and reduce insurance costs. 	<ul style="list-style-type: none"> Renewal of busses aged more than 5 years to assure comfort for tourists. 	<ul style="list-style-type: none"> All tourism bus fleets are modernized with increased reliability for comfortable travel for tourists. 	<ul style="list-style-type: none"> EJ bus companies are more efficient and sustainable 	10 (loan guarantee facility)	<ul style="list-style-type: none"> Palestinian Banks; PIF;
<ul style="list-style-type: none"> Increase the number of tourists guides and 	<ul style="list-style-type: none"> Tour guides are key to provide the true story of EJ and for the 	<ul style="list-style-type: none"> 4 years well designed learning program for tour 	<ul style="list-style-type: none"> More responsive service by well- 	1.2	<ul style="list-style-type: none"> Al-Quds University; Bethlehem

Intervention	Rationale	Output	Outcome	Est. Cost (USD Million)	Implementers
increase the needed languages	promotion of its hotels, restaurants and souvenir shops	guides with proficiency in the right set of languages <ul style="list-style-type: none"> • 50 guides ready to work after 5 years 	prepared Palestinian tour guides		University; Birzeit University
<ul style="list-style-type: none"> • Develop programs for local tourists around the year. 	<ul style="list-style-type: none"> • Utilize the huge local demand to visit EJ from all Palestinian localities and all age groups. 	<ul style="list-style-type: none"> • Provide regular shuttle buses from all WB and Gaza cities Every Friday, and Sunday to EJ. 	<ul style="list-style-type: none"> • 5000 Palestinian individuals visiting EJ every day from remote cities 	7.5 (1.5 million per year as 30% subsidy for bus cost)	<ul style="list-style-type: none"> • Bus companies of EJ;
<ul style="list-style-type: none"> • Encourage and support Palestinian tour operators to promoting and organizing tours for EU, Russian, American, and Far East tourists. 	<ul style="list-style-type: none"> • Avoiding Israeli operators will increase occupancy and added value. 	<ul style="list-style-type: none"> • Number of tour operators Increased; • Number of tourists increased 	<ul style="list-style-type: none"> • Improved tour operator's performance responding to the needs of tourists from the EU, Russia, the USA, and the Far East. • Higher occupancy in EJ hotels, restaurants, and increase of sales in the gift shops. 	(5) (Bridge finance facility)	<ul style="list-style-type: none"> • Arab Hotels Association;
<ul style="list-style-type: none"> • Revitalize closed hotels and prepare them for business again 	<ul style="list-style-type: none"> • This project aims at increasing EJ accommodation capacity 	<ul style="list-style-type: none"> • 20 closed hotels will go back to business 	<ul style="list-style-type: none"> • Increased hotels capacities and readiness to receive tourists 	(20) (risk fund)	<ul style="list-style-type: none"> • Local contractors and Palestinian banks;
				74.2 m	

11.4 Indicators for Measuring Progress in Implementing the Tourism Sector Agenda

The progress achieved in implementing the Tourism Sector Development Agenda can be measured by using the following indicators:

- Increase in hotel occupancy rate and the average length of stay;
- Increase in the number of operating hotels and their absorptive capacity: number of rooms and accommodation capacity;
- Increase in the number of the sector's workers and their classifications;
- Increased volume of tourists and sources of domestic and inbound tourism;
- Number of conferences and workshops held in hotels;
- Number of hotels that perform scheduled maintenance works as well as furniture and equipment renovation;
- Number of traditional craftwork shops and the change in the size of sales
- Increased number of tour guides;
- The quantitative and qualitative development of tourist buses;
- Improved customers' satisfaction with their accommodation in EJ hotels;
- Number of institute and college graduates of the various tourism professions

11.5 Risks Facing the Implementation of the Tourism Sector Development Agenda

Risks	Probability	Impact	Risk Mitigation
<ul style="list-style-type: none"> • Scarcity of funds for reopening closed hotels and tourist shops and rehabilitation of operating hotels and restaurants. 	High	High	<ul style="list-style-type: none"> • Looking for new potential partners to secure the needed funds. • Providing adequate guarantees to the PA's sources of funding, and loan guarantee programs. • Resorting to small and microfinance institutions.
<ul style="list-style-type: none"> • Lacking an institutionalized intra-sectoral collaboration, integration and unity among the sector's institutions, for safeguarding its interests and addressing constraints and measures affecting those interests, and to tackle issues related to unfair competition, 	High	Medium	<ul style="list-style-type: none"> • MoTA and MoNE should cooperate to assist stakeholders in institutionalizing collaboration and encourage cooperation among all stakeholders.
<ul style="list-style-type: none"> • Continued and increased market Dumping with cheap counterfeit craftwork imports, 	High	High	<ul style="list-style-type: none"> • Keeping records of original Palestinian craftworks, marking them with a special mark to differentiate them from their counterfeits.
<ul style="list-style-type: none"> • Increased Israeli restrictions on tourist arrivals from friendly countries, heading to EJ. 	Medium	Medium	<ul style="list-style-type: none"> • Monitoring Israel's measures at crossing points, and exposing its arbitrary measures.

Risks	Probability	Impact	Risk Mitigation
			<ul style="list-style-type: none"> Continually publicizing these restrictions and contacting international organizations for lobbying and awareness raising on the issues.
<ul style="list-style-type: none"> Escalation in settlers' provocative harassments and Palestinians responses. 	High	High	<ul style="list-style-type: none"> Safeguarding tourist shops. Keeping order and self -restraint and preventing harming of tourists.

CHAPTER TWELVE HOUSING SECTOR DEVELOPMENT AGENDA

12.1 Sector Profile

Right after its occupation on 5 June, 1967, the IOA expanded the area of EJ by over 10 times from 6500 to 71,000 dunums that it illegally annexed it to Israel and placed under the control of the Municipality of West Jerusalem. The IOA further confiscated 23,378 dunums (or 32.7%) of the total for building colonies, zoned 18,000 dunums (25.2%) as green areas and for the construction of roads, banned construction in an additional 21,795 dunums (or 30.5%) as a preserved area, and allotted some 9,000 dunums (12.6%) as building area for all the Palestinian inhabitants of EJ and its 28 satellite villages²⁴².

The latter share actually includes the built-up areas of all neighborhoods of EJ and other localities, so the Palestinians have either for build in-between, or on rooftops of existing buildings, or replace them if permitted. The IOA use of further “series of discriminatory zoning policies allows Israel to make it nearly impossible for Palestinians to acquire a building permit to build new structures or expand existing ones. Consequently, there is a high level of overcrowding, and Palestinians are forced to resort to construction of homes without permits. Moreover, Israel continues its policy of home demolitions under the pretext of unlicensed construction. Currently there are 25,000 homes at risk of meeting the same fate like 3,500 homes demolished since 1967”²⁴³.

The Jerusalem Municipality illegally applies the 1965 Israeli Planning and Building Law, and enforces a package of condition aimed at deterring east Jerusalemites from applying for building permits. This package includes high fees levied by the various occupation departments. One of the major obstacles Palestinians face is land registration, which is a prerequisite for applying for a building permit. Around 85% of the land in EJ and the neighboring towns and villages is not registered in the Land Registry Department²⁴⁴. The IOA do not recognize property rights unless the applicant has title to the land. It rejects permit applications unless the registration process is completed. It further declines applications in residential-zoned areas in EJ, where no construction can actually take place prior to the completion of a process of re-division (new unification and division) which requires the approval and physical presence of all owners²⁴⁵.

²⁴² Abdullah, Samir (2015), The Impact of Israeli Violations on Housing Sector in the OPT, MAS, p.24

²⁴³ NAD https://www.nad.ps/sites/default/files/50years_of_occupation.pdf

²⁴⁴ Abdullah, Samir (2015), Ibid. p. 15

²⁴⁵ An example of this situation was the "freeze of construction in 51 "reunification and re-division" plots in neighborhoods between Beit Hanina and Shu'fat for more than a decade before 2005. In: Abdullah (2015), *ibid.* p.46

Furthermore, The Israeli Planning and Building Law prohibits construction in areas where there is underdeveloped or no infrastructure (roads, water and sewage). The Law stipulates that these services, particularly roads, be legally constructed prior to granting permits. The fact is that many planned roads have yet to be built, and some existing roads do not conform to the master plans, which makes them unfit for construction. The applicant is required to present a detailed plan for the road leading to the construction area, which often means an increase in the costs borne by the applicant for road construction. The applicant also bears the costs of connecting the planned construction to the sewerage system, which does not exist in many neighborhoods in EJ. In this case, the building must be connected to a sewage treatment plant, according to a report by Bimkom²⁴⁶. In addition, many of the Palestinian neighborhoods cannot comply with the numerous arbitrary requirements; EJ lacks some 65 kilometers of main sewerage lines. Furthermore, obtaining a building permit requires at least one parking spot per housing unit. This condition has become one of the main obstacles due to the high population density in Palestinian neighborhoods²⁴⁷.

Those applying for building permits have to pay permit fees, development fees, betterment levies and others. The calculation is made on the basis of the area of the entire parcel, and not just the area of the building. For example, the permitting cost for the construction of a small house of 100 square meters on a plot of land with an area of 500 square meters is about USD 22 thousand. The permitting process includes complex, long and costly hurdles on the path to obtaining building permits, which is well beyond what Palestinian Jerusalemites can afford²⁴⁸:

First: furnishing a proof of ownership: Applicant must submit a proof of land ownership recognized by the Land Registry Department. The Ministry of Justice must then confirm that there are no other claims to such lands. Then there is a confirmation from the Custodian of Absentee Property that the land is not under their management, and finally a confirmation from the Israel Mapping Centre that the land is identified for building, and that it has no additional identification.

Second: Owners of the land must obtain a declaration from the Environment Department that the plot of land is not subject to nature protection.

Third: A confirmation from the Department of Archaeology that the parcel has no archaeological or religious importance.

Fourth: payment of building permit fees. This begins with the payment of a file opening fee, and then development fees, road and sidewalk fees, water and

²⁴⁶ Meir Margalit (2003), Chronic Discrimination in EJ-Evidence from the Municipal Budget, Jerusalem center for social & Economic rights. P.33, in Abdullah (2015), p.44BimKom (),

²⁴⁷ Cohen-Bar, Efrat, "Trapped by Planning," p. 53. Retrieved from <http://bimkom.org/eng/wp-content/uploads/TrappedbyPlanning.pdf>; In Abdullah, (2015), *ibid*, p43-44

²⁴⁸ Cohen-Bar, Efrat, *Ibid*, in Abdullah, Samir (2015), p.45-49

sanitation infrastructure fees, betterment fees, fees related to land survey and registration, and fees for changing the nature of the use of land– from agricultural land to land for construction.

Fifth: additional conditions and restrictions on building permits: Due to the absence of municipal master plans, the applicants are required to prepare detailed drawings as an initial condition to be considered for the application. The municipality stipulates that the plan explicitly shows the parts to be parceled for public use such as construction of roads, and other infrastructure and green areas²⁴⁹ .

Sixth: the permitting costs for an apartment of 100 square meters are estimated at \$40,000, and due to delays, the applicant has to wait for a period between three and ten years to obtain the permit.

These policies and measures resulted in two parallel problems: Large shortage in housing supply; Increase in the number of buildings built without permit.

Between 1967 and 2012, the Jerusalem Municipality granted 4,300 residential and non-residential building permits for Palestinians in Jerusalem and the surrounding towns and villages. These permits included extension to existing buildings, as well as construction of a single apartment, and multi-apartment buildings. On average, each permit added only 4 housing units²⁵⁰.

In general, there is considerable variation in the authorization of permits over the period. Between 1967 and 1972, only eight permits were granted annually. The figure increased to 200 in the following decade (1973-1983), but declined to 50 in 1990-1991, and rose again to 280 in the years from 1992 to 2000. The years from 2005 to 2009 saw a significant decline (600 in total or 130 per year). The figure remained almost unchanged during 2010-2015²⁵¹. This sheds light on the fact that the slowdown in the authorization of building permits is a result of the Municipality's strict terms regarding land ownership and registration procedures in the Land Registry Department²⁵².

A comparison with the number of permits in Israeli neighborhoods reveals the severity of the plight. From 2005 to 2009, about 3,197 building permits were granted for the Jewish population in West and EJ. These permits led to the construction of 17,715 housing units, of which 2,350 (or 13.2%) were constructed in the Palestinian neighborhoods (whose population constitutes 37% of Jerusalem's total population). The remaining 86.8% (15,365 apartments) were built in West

²⁴⁹ United Nations, Office for the Coordination of Humanitarian Affairs, Special Report, April 2009, Op. Cit., P. 8, In: Abdullah, Samir (2015), *ibid*, p.49-52

²⁵⁰ Abdullah (2015), *ibid*, p.49

²⁵¹ Cohen Bar, Efrat, (2014), *Ibid*, provided in: Abdullah, (2015), *ibid*, p. 49-50

²⁵² Cohen-Bar, Efrat, "Trapped by Planning," Op. cit., p. 53.

Jerusalem, whose population constitutes 61% of the total population in the Western and Eastern side of Jerusalem²⁵³. During that period, for the Jewish population approved building permit applications accounted for 55% of the total number of applications in EJ, while in West Jerusalem the percentage reached 9.86%. Although, these figures exemplify ethnic discrimination, they do not portray the full chapters of the tragedy. This is because these figures do not include the hundreds of Palestinian applications that are rejected at the file-opening stage.

These measures have led to an acute shortage of residential units in EJ and its Arab neighboring towns and villages within municipality jurisdiction. Some estimates put the shortage figure at 42,000 units. According to Bimkom's report "Trapped in Planning:" [O]f Jerusalem's over 200,000 housing units, less than one quarter are located in the Palestinian neighborhoods. In other words, the 370,000 Palestinian residents of EJ have to make do with about 50,000 housing units (roughly 25% of the total number of units)." Because the average family size is large in the Palestinian neighborhoods in EJ, the report estimates the Palestinian neighborhoods' need at "about 72,500 housing units, a gap of about 24,350 housing units between the actual and the required number of housing units²⁵⁴.

12.2 Sector Objectives

- Reducing the current acute shortage (40,000-50,000 units) in the provision of decent housing for the Palestinian population in Jerusalem. As a minimum 2000 apartments are needed annually to restrict additional rise in that shortage.
- Protecting demolition-threatened houses, whose owners were either denied a permit or couldn't afford the requirements for a permit.
- Increasing the area for construction through the development of structural drawings, subdivision of land still available for construction and providing the financial support required for that.
- Looking for appropriate tools to provide financial support for the implementation of housing programs; the support is meant to cover the costs of issuing permits and the construction and restoration of existing buildings to make them habitable, especially in the Old City.

²⁵³ Samirat, I.(2016): *Economic Costs of the Demolition of Palestinian Houses in Jerusalem during 1967-2013* (in Arabic). Markaz Alma'lomat Albadeela: Publications of the Occupation Economy, Beit Sahour, West Bank.

²⁵⁴ Cohen-Bar, Efrat, "Trapped by Planning," Op. cit., p. 47.

12.3 SWOT Analysis

12.3.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • The religious and historical status of the city and connectedness and loyalty Palestinian Jerusalemites have toward their city • The housing and construction sector contribute more than 10% of GDP • Established expertise of sector developers • Constant attention to renovating the houses of the Old City and improving their suitability for dwelling; 	<ul style="list-style-type: none"> • There is no authorized Palestinian reference agency to facilitate and support for carrying detailed planning for land plots to allow Palestinian Jerusalemites apply for building permits. • High land prices, high permitting fees, high construction costs, and lack of financing are hard deterrence for decent housing in EJ. • Most of Old City houses suffer from a lack of regular restoration due to Israeli restrictions or lack of financial resources. • Absence of a technical support agencies to help in following the procedures for issuing permits.
Opportunities	Threats
<ul style="list-style-type: none"> • The acute shortage in residential and non-residential buildings provides a profitable opportunity for real estate developers • Funding opportunities from Arab and Muslim countries for some housing projects in Jerusalem, such as the United Arab Emirates' Teacher Housing Project. • Potential for developing the building material industry and constructing low-cost housing suitable for low and limited income earners. • Large Islamic and Christian land properties could be used for large social housing for low income families 	<ul style="list-style-type: none"> • The IOA condition of 10 dunums as the minimum for the detailed land planning to accept owners building permits applications has denied Palestinian Jerusalemites of using their small unplanned land plots for building. • Ever increasing land prices, building permitting, and construction costs are depriving Palestinian Jerusalemites of decent housing. • Lack of infrastructure in Arab neighborhoods makes many households unable to obtain building permits. • Lack of access to finance construction, is limiting the ability of Palestinian Jerusalemites to build their homes. • Obtaining a construction permit for the Palestinian population is a complicated process that takes 3-10 years, compared to 8 months for the Jewish population. • Risks associated with building without permit– with thousands of homes under constant threat of demolition • Overcrowding in EJ houses is a main evacuator of its people. It further limits their rights for privacy, which has negative psychological impact on all family members especially on children and youngsters, and affect their education attainment.

12.3.2 Main Challenges to the Housing Sector

- Combating the arbitrary procedures and restrictions imposed on the use of land in Jerusalem for development and housing construction;
- Protecting the increasing number of demolition-threatened homes through legal support;
- Increasing house renovation projects in the Old City, and encouraging dwelling and resilience there; and
- Providing the necessary funds to help Jerusalem's Palestinian population overcome the obstacles imposed on construction by the occupation authorities. It is necessary that these funds cover fees for drawings, land subdivision and permitting.

12.3.3 Short and Medium-Term Priority Interventions

Intervention	Rationale	Outcome	Output	Est. Cost (USD Million)	Implementation
<ul style="list-style-type: none"> Stakeholders Coop Council/ focal point for the housing sector. 	<ul style="list-style-type: none"> A Coordination Council of main stakeholders and professionals to help in facilitating the collective effort in EJ neighborhoods in facing the housing crisis. 	<ul style="list-style-type: none"> Well-functioning coordination body. 	<ul style="list-style-type: none"> Efficient secretariat services and follow up. 	0.2	<ul style="list-style-type: none"> The Stakeholders Council
<ul style="list-style-type: none"> 50 Detailed Plans for housing and vital services: Schools, hospitals, parks, and sport infrastructure. 	<ul style="list-style-type: none"> Encourage neighbored households to unify their effort to overcome the minimum area limit. 	<ul style="list-style-type: none"> Increase land plots ready for building permits Increase building permits for a minimum of 2500 housing units per year. 	<ul style="list-style-type: none"> 100 detailed parcellation plan ready in 5 years. 	5	<ul style="list-style-type: none"> Urban planning companies
<ul style="list-style-type: none"> Financing of construction permits costs before expiry date. 	<ul style="list-style-type: none"> Failing in payment of building permit fees on time leads to the loss of long-awaited permit and all expensive documentation in the dossier. To renew the application, the applicant should start from scratch. 	<ul style="list-style-type: none"> All initially approved building permits utilized. 	<ul style="list-style-type: none"> Having poor owners of initial approval assisted to pay the required fees before the expiry date. 	10	<ul style="list-style-type: none"> Grants from Arab donors
<ul style="list-style-type: none"> The creation of building permits technical assistance office to assist poor household in preparing needed documents and applications for building permits. 	<ul style="list-style-type: none"> This office can provide advisory assistance to Palestinian Jerusalemites in the preparation of documents required for applying for building permit. 	<ul style="list-style-type: none"> Shortening of time, effort, and cost of building permits to EJ families. 	<ul style="list-style-type: none"> Well experienced legal and engineering staff ready to provide advice to applicants for building permits free of charge. 	2.5	<ul style="list-style-type: none"> Relevant NGOs, Bar Association, Engineering Association
<ul style="list-style-type: none"> Establishment of housing for young couples; low income families. Fund to ensure investment in the housing sector and participating in reducing the risks for the private sector. 	<ul style="list-style-type: none"> Filling the gap in housing lending provision enable young couples; poor or limited income families' access to finance building, restoration, or purchasing their homes. The housing fund will provide loan guarantees to young couples. 	<ul style="list-style-type: none"> More young couples will be able to get decent housing and stay inside the city. 	<ul style="list-style-type: none"> Well established housing fund to manage a revolving fund to help young couples, who have limited income have decent housing. 	20	<ul style="list-style-type: none"> Islamic and Christian Waqf; Palestinian banks, PIF, International donors.
				37.7	

12.4 Indicators for Measuring Progress

- Number of collective land-detailed plans submitted to the authorities for approval– as a groundwork for construction;
- Number of building permits approved for construction;
- Number of units constructed annually;
- Number of demolition-threatened homes saved by litigation;
- Amount of housing-support funds and number of recipients;
- Number and area of units renovated and restored;
- Number of public facilities expected to be built, such as schools, healthcare centers and clubs;
- Amount of funding raised from donors to implement the Agenda interventions; and
- The amount of funding paid to implement different interventions.

12.5 Risks to the Development of the Housing Sector

Risk	Probability	Impact	Risk Management
<ul style="list-style-type: none"> • The failure of Jerusalem housing sector in forming a reference body to organize the sector and help in the implementation of the Agenda interventions. 	High	Medium	<ul style="list-style-type: none"> • Setting up a reference body approved by the PNA, and giving it full powers to execute the needed interventions.
<ul style="list-style-type: none"> • Lack of funds to implement the interventions. 	High	High	<ul style="list-style-type: none"> • Re-prioritizing interventions towards the less costly, more effective ones • Increasing allocations by the PA general budget and the PIF to finance interventions • Launching local and Arab-Islamic donation campaigns to finance the Agenda's interventions.
<ul style="list-style-type: none"> • Israel's increased encroachment on the Arab's right to property and construction in Jerusalem and the transfer of areas zoned as "green" for the purpose of constructing colonial settlements. 	Medium	High	<ul style="list-style-type: none"> • Combating the Israeli double standards, and racist policies of using the assigned green areas in EJ for building Jewish colonies by lobbying against resorting to international environment bodies and to ICC.
<ul style="list-style-type: none"> • An increase in racist laws (by West Jerusalem Municipality and the Supreme Planning Council) regarding planning, the percentage of building area, the number of floors, waiting periods, permitting fees, validity of building permits, and permitting in subdivided lands. 	High	High	<ul style="list-style-type: none"> • Seeking help from the relevant international organizations to pressure the Government of Israel to remove restrictions on construction by the Palestinian population in Jerusalem.

CHAPTER THIRTEEN

TRADABLE SECTORS DEVELOPMENT AGENDA

The tradable sectors included in the subprogram are manufacturing, agriculture and information technology sectors in EJ, which were affected the most by the Israeli occupation closure regime, and by high exposure to competition from Israeli and imported products and services.

13.1 Sectors Profile

Industry

In 2015, the Jerusalem Governorate's industrial sector employed 5,051 workers and ran 1136 mining, manufacturing and electricity, and water and gas establishments, 1,111 of which were reported in the mining & manufacturing sector²⁵⁵. The sector's value added in the Jerusalem Governorate (J1 & J2) was \$280.4 million in the same year. The mining and manufacturing sector claimed 62.4% (\$174.9 million) of that output, with employment reaching 4,224 workers. The remaining 37.6%, equivalent to \$105.5 million was produced by the electricity, water and gas sub-sectors, which employed only 827 workers²⁵⁶.

Distribution by area shows that J1 produced 41.6% of the total industrial value added of EJG in 2015, equivalent to \$116.7 million. On the other hand, J2 produced 58.4% or \$163.7 million. The industrial sector's contribution to the GDP of J1 (estimated at \$1,074 million) reached 10.9% in 2015, which compares well with the share of the industrial sector in the Palestinian GDP²⁵⁷.

Artisanal handicraft and traditional industries were badly impacted by Israel's joining the WTO in 1995, and its opening up with South East Asia since 2002, which exposed the Palestinian products to harsh competition from imported cheap counterfeit goods, which are marketed as Palestinian goods at very low prices. The Israeli occupation policy makers, heavily involved in the protection of their SMEs and in helping their restructuring towards high value-added products, or in moving their manufacturing plants to the so called Qualified Industrial Zones (QUIZ) in Jordan and Egypt, do not give any attention to EJ manufacturing sector. They do not allow for a grace period, nor provide any kind of protection to the sector.

The sector includes more than 150 establishments, which run industries in furniture, clothing, construction materials, food, artisanal handicraft and traditional industries. After the construction of the Wall many establishments left EJ City. In

²⁵⁵ Palestinian Central Bureau of Statistics (2017), *Jerusalem Statistical Yearbook*, p. 127.

²⁵⁶ Ibid, pp. 153-154.

²⁵⁷ PCBS, 2017, *ibid.*, p.157. see also UNCTAD (2013), *Ibid.*

2013, less than 10% of establishments were still operating inside the Wall²⁵⁸, but maintained their permits to operate inside the city, so they can sell their products in EJ. The most notable of such products are leather, textiles, building materials, and artisanal handicraft and traditional industries, which in particular, are essential in the Old City of Jerusalem because of their connection to tourism.

The most effected by the Israeli restrictions and standards was the Food Processing and Manufacturing sub-sector, which represents one third of Jerusalem's industry. The IOA forbid entry of food products coming into Jerusalem from outside the Wall without standard and health certificates, which are difficult to get. So EJ market was dominated by major Israeli food industries. Currently, 20% of businesses work in the leather, bags and footwear industries, 18% in furniture, and the rest in other activities such as textile, printing and publishing²⁵⁹.

The market in the Old City of Jerusalem is home to micro and small, family run workshops, producing artisanal handicraft and traditional industries such as furniture, brass, embroidery and ceramics. These businesses were badly affected by the Wall, which deprived them from cheap labor and most of their clientele. So, they have to contend with few shoppers, and pay more to EJ workers as per the minimum wage policy²⁶⁰. These changes added to the existing heavy burden of high rent, high taxes, heavy handed municipal restrictions and regulations. The EU HOMS report estimated the impact of the Wall on the trade sector in the city at USD200 million per year²⁶¹. As a result, hundreds of manufacturing workshops forced to close down, and, either moved to EJ neighborhoods and towns outside the Wall, or sought to wage work in Israel or in the WB²⁶².

The central and municipal tax and inspection authorities also added salt to injury by escalating their frequent inspections raids. Oftentimes, tax authorities confiscate production equipment to force workshops to pay the municipal tax (Arnona), which increased the number of closed shops and workshops.

Agricultural Sector

Published data indicates that the agricultural sector in EJ makes up a modest share of the GDP, and employs only 0.2% of the total workforce, which suffers from a lack of skilled agricultural workers²⁶³. Livestock businesses produce broiler and egg, in addition to livestock breeding, while farms produce mostly olive oil. About

²⁵⁸ PCBS, *Jerusalem Yearbook*, UNCTAD, 2013)

²⁵⁹ NEDP III (2012), *Vision of the Palestinian Private Sector, Toward Jerusalem Economy and Export Incentives*, A Conference Proceedings Published by SIDA.

²⁶⁰ Israeli minimum wage is NIS 5300 compared to the Palestinian wage NIS 1450, for more information, see <http://www.aliqtisadi.ps>.

²⁶¹ EU HOMS (2016), *Ibid.*, par.43.

²⁶² See: EU HOMS (2016), *Ibid.*, par. 45

²⁶³ Palestinian Central Bureau of Statistics (2017), *Ibid.*, p. 63.

3.5% of households rely on animal husbandry (especially in Sawahrah Al-Gharbiya, Sur Bahir, Um Tuba and other neighborhoods near the Wall to the east and southeast of Jerusalem), and 98% of the households are engaged in small-scale agricultural activities in home gardens²⁶⁴.

Most of crop farms are located outside the Wall. In the past, Jerusalem markets were supplied with vegetables and fruit from villages northwest of the city. The Wall, however, has confiscated and closed large areas of fertile agricultural land. In addition, urbanization has reduced the area of agricultural land and the volume of fruits and vegetables output as a result. Currently, vegetables, fruit and other products are supplied by the Israel's Central Cooperative for the Marketing of Agricultural Produce (Tnuva), with the exception of olive, which has become the most important crop in EJ²⁶⁵.

Pressure on livestock production has continued to grow. Several orders by the Israeli Jerusalem Municipality and the Israeli Ministry of Health restrict livestock-related activities in the city. The Friday Market for Livestock, where livestock was traded near Al-Asbat (Lion) Gate, was closed. Yet these restrictions have not stopped investment in the livestock sector²⁶⁶. Hamouda Dairy Company in Al-Sawahra Al-Sharqiyah, for example, has managed to obtain a permit for marketing its dairy products in EJ. Meat shops are supplied with meat from slaughterhouses in the industrial area of Atarot²⁶⁷, which, in turn, is supplied with chickens from Israel and Palestinian livestock farms in Abu Ghosh and Beit Nekuba, west of West Jerusalem.

With this being the case, there is good potential for investment in animal production to meet the needs of Palestinian Jerusalemites, and open new jobs for hundreds of workers. This requires enhancing the expertise and knowledge necessary for constructing and managing modern farms for the production of poultry, eggs, white and red meat, and milk. There is also the possibility to benefit from the expertise of Palestinian farmers, who are working in advanced farms in Jerusalem area inside the Wall, as well as from the skilled Palestinian Jerusalemites working in the Israeli agricultural sector (who make up about 10% of the total number of Palestinian Jerusalemites working in Israel). It is important to encourage them to start their own projects, which will contribute to revitalizing EJ's economy and improving the food security for its residents²⁶⁸.

²⁶⁴ Interview with Saleem Abu Ghazaleh, Reef Microcredit Company PARC,

²⁶⁵ Ibid.

²⁶⁶ Ibid.

²⁶⁷ Atarot industrial area was established in mid 1980s as part of the settlement enterprise to the north of EJ. Some Palestinian businesses moved to it to benefit from its infrastructure and proximity to cheap labor in rest of the West Bank.

²⁶⁸ Abu Ghosh and Beit Nekuba produce broiler chickens, eggs and breed meat cattle. It is possible to benefit from the expertise of the farmers of these towns in livestock production.

13.2 Objectives of the Tradable Sectors Development Agenda

- Increasing the industrial and agricultural production capacity (livestock production) and improving the competitiveness of products in EJ and increasing their share in the Jerusalem market as well as in the markets of the rest of the occupied State of Palestine and Israel.
- The Jerusalem Chamber of Commerce, Industry, and Agriculture can play an active role in strengthening the integration of tradable sectors in Jerusalem with the Palestinian tradable sectors along the value chain, and increasing EJ's tradable sector cooperation with the internal trade (wholesale and retail) and exporters.
- Forming a reference association comprising agricultural and industrial sector producers with the purpose of promoting partnerships in joint export and import businesses, and enhancing collaboration between Jerusalemite producers and the West Bank and Gaza Strip retailers.
- Supporting innovation in production to increase competitiveness and market share.
- Reducing the excess supply of cheap, low quality, counterfeit souvenirs in the Jerusalem market, which creates unfair competition with genuine Palestinian products.
- Increasing the engagement of Palestinian banks in financing the tradable sectors in EJ. and enlarging the active loan guarantees facilities to increase EJ's producers' access to finance.

13.3 Tradable Goods SWOT Analysis

13.3.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • Established expertise in leather, clothing, textiles, furniture, and artisanal handicraft and traditional industries. • Availability of well-trained, skilled workers who can use high-tech in production. • High quality, state-of-the-art products, especially in artisanal handicraft and traditional industries. • Good potential for increasing access of agricultural and industrial products to the Israeli market, and to export markets free of Israeli arbitrary measures that prevent West Bank and Gaza exporters. • Some production activities within the value chain (particularly within leather, artisanal handicraft and traditional industries) are independent of the 	<ul style="list-style-type: none"> • Producers moved their operations outside EJ. • Little effort exerted in scaling up and restructuring the manufacturing and agricultural production towards high value-added products, and overcoming the impact of high cost of labor on the competitiveness of EJ products. • Little effort in the promotion of investments and innovation in the EJ tradable goods, which reduced the contribution of this sector in the GDP of EJ. • Lack of access to funding from Palestinian banks to the sector weakened sector in EJ, the effect of the few financing initiatives to resolve the problem is not sufficient. • The Wall has raised production costs and sent many companies out of business, turning many

<p>Israeli market- making them resilient to unexpected shocks.</p> <ul style="list-style-type: none"> • Availability of skilled labor in livestock breeding to meet the demand in EJ and its surrounding areas. 	<p>business owners into wage-earners and forcing others to move out of the city.</p> <ul style="list-style-type: none"> • Skill development in the city is not focused on what its market needs, which creates an ever-increasing gap in the needed skills.
Opportunities	Threats
<ul style="list-style-type: none"> • There is a great potential for exporting ceramic and other traditional products labeled with the name of "Jerusalem" to Arab Muslim, and many friendly countries. • Free movement of EJ businessmen to Israel and its ports could be utilized in marketing and exporting Palestinian goods, and in soliciting and importing know-how and high tech from producers of the rest of oPt. • The applicable high standard in EJ in the production of goods could be transferred to scale up the quality in the rest of oPt. This will help Palestinian products access to • Promising investment opportunities in modern livestock industries– which would harness the expertise employ more labor and help Jerusalem and the rest of the Palestinian Territory provide a reliable source of food supply. 	<ul style="list-style-type: none"> • Dual colonial Israeli policy, by levying very high taxes on EJ residents and applying tightfisted spending on social and physical infrastructure, zoning and housing, and education, which worsened the business and investment climate. • The occupation authorities continue to pressure Palestinian Jerusalemites politically and economically to push them out of the city. Arab Jerusalemites are subject to unfair municipal taxes and exorbitant building permitting fees. Israel deals with them as "dwellers", always threatened with ID revocation. • The IOA continue to disrupt the investment climate in the city by deliberately ignoring social and physical infrastructural needs such as schools, sport facilities, water and sewage network, roads, solid waste collection, and others that create a business unfriendly environment. • The IOA is taking advantage of Trump's Administration's recent decision to move the US Embassy to Jerusalem to further isolate EJ from its Palestinian surroundings and increase restrictions on the city's economy and its central role. • Arab Jerusalem businesses continue to suffer from poor access to finance from Palestinian banks, owing to the lack of loan security and absence of plans to handle that problem. • Decline in agricultural produce owing to Israel's confiscation of arable land and the restrictions on raising livestock within EJ

13.3.2 Main Challenges to the Development of the Productive Sectors

- The unfavorable investment climate due to political instability and the Occupation's dual colonial hostile policies hamper development, especially arbitrary taxes and forsaking the development of social and physical infrastructure;

- Safeguarding the Palestinian souvenir and handmade traditional products from unfair competition from Israeli and Palestinian imported cheap and low-quality counterfeit goods.
- Lack of safe non-Israeli and friendly banking credit to Jerusalem's companies to finance new investments and/or modernize existing industries. Palestinian and Arab banks operating in rest of oPt are denied business in EJ.
- The responsibility of taking all necessary actions to pressure Israel to abolish its decision regarding the closure of the Chamber of Commerce in EJ. If the establishment of such an institution is authorized it can effectively regulate the market and the economic sectors it represents (trade, industry and agriculture).

13.3.3 Short and Medium-Term Priority Interventions to Support the Artisanal Handicraft and Food Industries

Intervention	Rationale	Output	Outcome	Est. Cost (USD million)	Implementers
<ul style="list-style-type: none"> Handcrafts Modernization Program. 	<ul style="list-style-type: none"> Modernization of Handicrafts in EJ is badly needed to assist craftsmen better respond to market needs, scale up their productivity and quality of products, and increase their market share and profitability. The Agenda should provide new equipment and tools for design, production, and packaging. This should be accompanied with technical, marketing, and admin training. 	<ul style="list-style-type: none"> 30 handcrafts workshops will be modernized and well-functioning. Craftsmen will be trained and able to use the new equipment and tools, and new products will be introduced in the market. 	<ul style="list-style-type: none"> 30 handcrafts workshops will reopen their workshops. New jobs will be opened for potential craftsmen, New attractive products introduced, and sustain-ability increased. 	5	<ul style="list-style-type: none"> Trade Unions, Chambers of Unions should cooperate by adopting 4P marketing strategies and promotion.
<ul style="list-style-type: none"> Support to SMEs in livestock projects such as egg production and broiler, milk and cattle fattening. 	<ul style="list-style-type: none"> This project aims to improve food security for EJ, the West Bank, and the Gaza Strip population. It will create hundreds of sustainable new jobs, reduce dependency on Israel, and improve Palestine's trade balance. 	<ul style="list-style-type: none"> 10 livestock to-off-the line livestock farms established in J1. The combination of farms and production capacities will be determined upon the results of the feasibility study. 	<ul style="list-style-type: none"> High quality red meat, white meat, milk, and eggs will replace imported livestock products in EJ the West Bank and the Gaza Strip. 	(20) (credit facility)	<ul style="list-style-type: none"> Livestock production Investors; Local and International expertise will be provided by interested donors
<ul style="list-style-type: none"> Investment in training and 	<ul style="list-style-type: none"> Establishing vocational centers will provide 	<ul style="list-style-type: none"> The combination of skilled workers with 	<ul style="list-style-type: none"> Workers who own design skills, called designers –maker, will keep 	2	<ul style="list-style-type: none"> Vocational centers with regional and international new

Intervention	Rationale	Output	Outcome	Est. Cost (USD million)	Implementers
education of young craftsmen to obtain skills and innovative talents keeping up with modern times	workers skills and abilities that depend on High-tech. Such kind of training and education will be an innovative input.	new inputs and advanced technology will come up with new products that satisfy customers in both local and export markets. Also, skilled workers will be employed to produce competitive products.	producing innovative products which are not produced in China or Turkey. Craft products own the symbol of “Jerusalem” with new styles and designs, such as: leather, wood, shoe, jewelers, and copper products, new fashion, pottery and ceramics.		experts to train youth with new skills to work in craft industries that depend on entrepreneurship and innovation. <ul style="list-style-type: none"> The Ministry of Higher Education should cooperate to establish new programs to enhance the role of the craft industry as a driver to accelerate growth and job creation in both industrial and tourism sectors and the entire economy. The EU has played a significant role in financing investments in the craft industry in terms of training human resources adapting and adoption of new technology
<ul style="list-style-type: none"> Rehabilitation of closed shops to work in the production and marketing of handcrafts and traditional products that are within the tourist interests and concerns. 	<ul style="list-style-type: none"> The rehabilitation of 300 shops will enhance forward and backward linkages of the EJ economy. Closed shops account for 30% of total shops in the Old City market of EJ. 	<ul style="list-style-type: none"> Also, rehabilitation of closed shops should be accompanied with skilled owner who are specialized in certain occupation to run new business. A certain number of shops are out of business due to economic factors and market failure. 	<ul style="list-style-type: none"> New opened shops, mainly in the -Old city of EJ, will be specialized in craft products at the retail level for tourists and local customers. New opened shops will1-Offer new products to new and old customers. Apply marketing innovation to attract customers. Process innovation to keep reducing the cost of running the business. 	20	<ul style="list-style-type: none"> The Chambers of Commerce and other Business and Trade Unions in Jerusalem, Bethlehem and Ramallah to evaluate reasons, and pushing and pulling factors behind moving businesses from Jerusalem to those cities. MAS could conduct research and evaluate surveys conducted on closed shops in the Old -City of EJ.
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13.4 Performance Monitoring Indicators and Assessment of Results

- Number of companies that received assistance: reconstituted and resumed work.
- Number of new companies in productive sectors.
- Increasing production: value added.
- Increasing the production capacity of the sub-sectors, measured by the increase in value added– increased sales and market share.
- Number of shops reopened in the Old City.
- Number of companies that received funding from Palestinian banks and lending institutions.
- Number of graduates trained and qualified to work in small projects in closed shops.
- Number of new products whose production depends on innovation.
- Number of participants in management and marketing skills training.

13.5 Risks and Risks Mitigation

Mitigation	Impact	Probability	Risk
<ul style="list-style-type: none"> • Distinguish Palestinian authentic goods and traders collaborating on boycotting imitated and cheap goods. 	High	Medium	<ul style="list-style-type: none"> • Dumping cheap goods imported through Israel, which push Jerusalemites manufacturers out of business.
<ul style="list-style-type: none"> • Avoiding confrontation in shopping areas making up for lost hours by extending open hours. 	High	High	<ul style="list-style-type: none"> • Increase in settlers’ provocation and violence in EJ
<ul style="list-style-type: none"> • Special focus of available loan grantees schemes on SMEs in Jerusalem businesses, and news loan guarantees might be needed. 	High	Medium	<ul style="list-style-type: none"> • Access of business to financing remains an embodiment.
<ul style="list-style-type: none"> • More active and dynamic communications among members to establish organization mechanism to protect and safeguard the productive sectors and increase cooperation and coordination among stakeholders. 	Medium	High	<ul style="list-style-type: none"> • The Chamber of Commerce remains closed, and no alternative organization mechanism is established
<ul style="list-style-type: none"> • Reprioritizing the interventions • Allocating more funds from the PNA to the program. 	High	high	<ul style="list-style-type: none"> • Lack of financial support to this program

CHAPTER FOURTEEN

ICT SECTOR INTERVENTION AGENDA

14.1 Introduction

The contribution of the information and communication technology sector (ICT) to the economy of EJ is still insignificant. It adds around USD 2 million to EJ GDP, and has employed 80 persons in 2016²⁶⁹. But due to the role of ICT sector in economy nowadays, especially in boosting productivity and innovation in all economic and social sectors, it should be considered in any development endeavour. Furthermore, the ICT sector in EJ lags behind other cities and governorates in terms of its job creation, contribution to GDP, and exports. In addition, Al Quds university is one of leading Palestinian universities that has a long experience in providing a variety of ICT education programs, and qualify hundreds of graduates every year, who suffer from lack of decent ICT jobs.

14.2 Objectives of the ICT Sector Development Agenda

- Improving the skills of graduates in information technology, and developing digital curricula in line with the needs of global and local companies;
- Encouraging the use of information technology in other sectors, particularly the artisanal handicraft industries and tourism sub-sectors;
- Creating an enabling environment that can empower young Arab Jerusalemites and support their innovation initiatives within the sector.

14.3 ICT Sector SWOT Analysis

14.3.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • A large number of graduates with computer engineering and information technology degrees • A constant growth in demand for services in this sector despite its relatively small share in terms of production, employment and export. • An adequately developed infrastructure that can better support the provision of high-quality products and services– the low costs of Internet and telecommunications services can help improve the provision of electronic movement and unrestricted access to international and Israeli IT giants, as well as access to IT Arab population experts within Israel. 	<ul style="list-style-type: none"> • The small size of the local market in EJ– and the restriction Israel imposes on the access of West Bank Palestinians (who represent the main clientele) to Jerusalem forced many IT entrepreneurs to set up their businesses in Ramallah. • IT graduates still lack some training and practical skills– which puts them at a disadvantage in terms of employment in international companies active in Jerusalem (such as Intel and Cisco).

²⁶⁹ PCBS 2018 Jerusalem Statistical Yearbook, p.148

<ul style="list-style-type: none"> • Access to IT global markets does not need big investments. 	<ul style="list-style-type: none"> • The small size of the ICT sector companies does not help create new jobs for the pool of graduates (with unemployment rate reaching 50%). • Lack of business incubators to stimulate innovation, entrepreneurship and initiation. • IT brain drain through USAID and Cisco, each of which attracts outstanding graduates to work abroad for generous privileges. • The low wages in the sector forces talents to seek other more-rewarding opportunities- this is the reason that IT companies have high turnover rates.
Opportunities	Threats
<ul style="list-style-type: none"> • A growing demand for IT and computer graduates in most regional countries. • There are potentials for selling software services associated with the name "Jerusalem" abroad, especially in the Arab Region. • It is possible to bring in Arab IT experts from Israel to develop and modify the IT curricula in line with the requirements of international companies, which increase graduates employability. 	<ul style="list-style-type: none"> • Restrictions (under security pretexts) by the Israeli occupation on Arab Jerusalemites with ICT skills (particularly denying them jobs in high-tech industries) • A gap between the skills graduates have and the real needs of the local and global markets. • A decline in the number of attendants in IT programs in some Palestinian universities, which threatens the sustainability of such programs.

14.3.2 Main challenges

Our analysis suggests the existence of the following major challenges:

- The responsibility for improving the quality of education in various IT agendas to producing graduates that can effectively join the labor market;
- The responsibility for addressing the problem of the high levels of unemployment among IT graduates;
- Poor infrastructure which would, otherwise, enable IT entrepreneurs to develop and implement their initiatives;
- Minimal use of information technology in many productive sectors: agriculture, industry, tourism, services and trade.

14.3.3 Short and Medium-Term Interventions

Intervention	Rationale	Output	Outcome	Est. Cost (USD Million)	Implementing Bodies
<ul style="list-style-type: none"> Scaling up the quality of ICT education programs in EJ universities which responds to market needs 	<ul style="list-style-type: none"> High quality ICT education will increase productivity and innovation; employability of graduates; matching skills and capabilities with market needs, and enrollments in the ICT fields. 	<ul style="list-style-type: none"> Top quality learning program for relevant ICT fields is running. 	<ul style="list-style-type: none"> Highly qualified ICT graduates are available and contribute to advancing productivity in other sectors; attracting the attention of International companies. 	5	<ul style="list-style-type: none"> Faculties of Engineering, Science and Technology, Ministry of Higher Education.
<ul style="list-style-type: none"> Establishing of business Incubators for IT talent to host and empower youth talents 	<ul style="list-style-type: none"> IT Business incubation has become an essential and effective tool to assist promising startups succeed. 	<ul style="list-style-type: none"> Establishment of an IT business incubator. It can benefit from several successful experiences in other Palestinian cities. 	<ul style="list-style-type: none"> IT business incubator with adequate capacity (no less than 10 startups) is well functioning. 10 startups every 6 months 	5	<ul style="list-style-type: none"> PITA and PICTY or other relevant body; Palestinian IT Incubator experts working in Israel.
<ul style="list-style-type: none"> Internship program for IT graduates 	<ul style="list-style-type: none"> On-job-training enables fresh graduates to make smooth transition from school to work. It provides practical training, knowledge on work ethics, team work, and communication skills, which increase their employability. 	<ul style="list-style-type: none"> Enroll fresh EJ graduates in an internship program in cooperation with private sector organizations 	<ul style="list-style-type: none"> Up to 200 IT graduates are will prepare for the job market. 	0.5	<ul style="list-style-type: none"> NGOs and universities, and private sector companies such as Jawwal, Watanya, and banks
<ul style="list-style-type: none"> Wage subsidy program for IT unemployed youth 	<ul style="list-style-type: none"> Provide on the job practical training for IT unemployed graduates to increase their employability 	<ul style="list-style-type: none"> Provide 50% of IT graduate salary for 6 months to acquire practical experience. 100 graduates per year targeting both males and females will be enrolled in the program. 	<ul style="list-style-type: none"> Increase the skills and practical experience, which will increase employability for 500 IT graduates, and encourage companies through the added value of having an IT expert in their companies 	1.5	<ul style="list-style-type: none"> EJ companies, institutions, and NGOs.
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14.4 Performance Monitoring Indicators

- Number of participants in training programs at companies;
- Support allocated to ICT sector startups;
- Number of projects implemented within the framework of program interventions;
- Number of employees in these projects;
- Number of existing business incubators;
- Number of participating entrepreneurs;
- Number of students enrolled in university ICT, computer and computer engineering programs
- High-tech based commodity and service exports.

14.5 Risks and Risks Mitigation

Risks	Probability	Severity	Risk management
•Continued Israeli security restrictions on hiring Arab Jerusalemites (with ICT, computer and electronic engineering degrees) in the Israeli high-tech industry	High	High	<ul style="list-style-type: none"> •Recruiting Jerusalem ICT graduates by West Bank companies •Engagement of ICT companies to invest in Palestine- would create jobs, and such companies would likely improve their profits thanks to low wages
•Israel's disapproval of granting permitting to business incubators or to applications for upgrading ICT infrastructure	Medium	Low	<ul style="list-style-type: none"> •Setting up business incubators in neighborhoods or cities adjacent to Jerusalem •Prioritizing efforts to accommodate young Jerusalem ICT entrepreneurs in West Bank business incubators
•Lack of funding to program interventions	High	High	<ul style="list-style-type: none"> •Reconsidering the scheme and design of interventions and increasing the contribution/ sponsorship of the private sector to certain interventions •Obtaining financial support from the PA budget
•Jerusalem companies' unwillingness to provide training to ICT graduates	Medium	High	<ul style="list-style-type: none"> •Assisting Jerusalem ICT graduates receive training in West Bank companies and institutions
•1948 Palestinian ICT experts unwilling to provide assistance in developing educational programs and business incubators	Medium	High	<ul style="list-style-type: none"> •Bringing in Palestinian experts working abroad or international experts

CHAPTER FIFTEEN INTERNAL TRADE SECTOR AGENDA

15.1 Sector Profile

Internal trade comprises wholesale, retail, vehicle and repair and fuel trade. In 2017, the number of commercial enterprises working in EJ was 5,326, about 52% of the total number of enterprises in the governorate (J1 and J2). The number of workers was 11,318. Total output reached USD 569.7 million in 2016. However, the sector's indicators in Area J1 (the area inside the Wall) exhibit a downward trend; wholesale and retail trade's contribution to GDP declined from USD 414.3 million in 2012 to USD 347.8 million in 2016; the sector's contribution to GDP declined drastically from 41.7% to 26.8% during the same period²⁷⁰.

The deterioration in the trade sector is associated with the Israeli isolation of the city from its shoppers/visitors coming from different Palestinian cities and villages in the oPt, who used to shop, work, and pray in the city. In addition, the eruption of confrontations and clashes triggered by settlers' provocative incursions in Al Aqsa Mosque Courtyard and in the Old City, escalate tension and lead to a slowdown in tourism and retail sector activities as well. The spread out of Israeli policemen and border policemen and the increasing tax campaigns launched by tax authorities and the municipality, especially the Arnona tax, and other municipal taxes and arbitrary fines, drive dozens of the city's traders out of business. Some of the city's shops were closed by court order for not paying the accumulating tax and fine debts²⁷¹.

The Israeli municipality's constraints, measures and fines imposed on some commercial activities, and the inadaptability of some of the traders to new procedures, have led for example, most meat shops and dozens of other shops to go out of business. In addition, the municipality continues its discriminatory policy²⁷² of neglecting to provide basic municipal services to the city's streets, yards, and facilities, such as maintenance, waste collection, renovation, street lighting and provision of healthcare facilities, water, street benches and others, all detrimental to the city's status as an international tourist destination.

Being an ancient city filled with ancient gates and narrow alleys, the Old City's roads are made for pedestrian use that is not suitable for commuting with today's transportation mediums. This affects the types of goods and services vendible in its shops. The long-distance shoppers have to walk carrying their shopping bags, makes shoppers prefer buying their daily needs from stores outside the Old City.

²⁷⁰ PCBS (2018), Jerusalem Statistical Yearbook, August 2018, p.131, 169

²⁷¹ Badran, (2018), *ibid*

This problem necessitates helping shop owners to cope with the changing preferences of the Old City's visitors. Shutting down hundreds of shops in EJ, particularly in the Old City, and closing shops in early evening hours debilitated the city's markets and lessened its attractiveness to all types of visitors.

Considering these difficult circumstances, there is need for a development program to halt the deterioration of the sector and revive trade. To that end, a number of interviews and discussions were conducted with Jerusalemite traders and merchants who have long expertise in this field and who are aware of the challenges facing the sector. Based on the discussions, a set of viable objectives/goals was defined, priority challenges were diagnosed, and short and medium-term interventions that are practical and doable to achieve those goals were identified.

15.2 Objectives of the Internal Trade Agenda

- Reviving commerce in Jerusalem, especially in the Old City.
- Regulating the commercial business activities in Jerusalem to respond to the interests of the trade sector and the tourism sector and enhancing cooperation and integration between the two sectors and with other sectors.
- Increasing Jerusalem's attractiveness and developing its competitiveness as a top tourist attraction for inbound and domestic tourists, by the provision of high-quality yet affordable products and services.
- Reopening shops which were forced to close their doors for economic and financial reasons, building on the experiences of other historic cities that were able to restructure and rebuild their old markets in a way that reflects the aspirations and preferences of visitors.

15.3 SWOT Analysis

The analysis of the sector's internal and external environments is based on discussions in the focus groups and interviews with stakeholders, which we summarize under the following titles:

SWOT Summary; Main challenges; and Short and Medium-term Interventions;

15.3.1 SWOT Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> • EJ's religious significance as a destination for prayer and pilgrimage. It is an international tourism destination filled with unique markets with remarkable designs attractive to all sorts of tourists. Thousands of Palestinian visitors and tourists from all over the world visit the city every day. • Jerusalemite traders have been working in this profession for many generations, which was passed from one generation to the other, proud of their profession, and having the communication and language skills necessary to communicate with customers and visitors. • The trade sector's contribution to Jerusalem's GDP (the area inside the Wall (J1)) is the largest among the other economic sectors. • The trade sector's contribution to employment is the largest as well, employing one-third of Palestinian Jerusalemites. 	<ul style="list-style-type: none"> • There are no efficient public promotional institutions working on promoting tourism in the city to attract tourists and shoppers. • Lack of a regulatory body responsible for regulating the working hours of the sector; following-up on the public interests of traders; and establishing integral relations with the tourism sector. • The deteriorating competitiveness of the Old City's markets, which used to be a destination for Palestinian Jerusalemites and domestic visitors from nearby cities and villages, substituted with supermarkets and huge retail centers (shopping malls) outside the Old City. • Lack of an authority/body, adequate funding sources, and technical and professional support to maintain the resilience of traders and shops, especially those that have been closed because of losing their customers and means of sustainability.
Opportunities	Threats
<ul style="list-style-type: none"> • EJ is an international touristic destination for millions of tourists of different nationalities and religions each year. • Thousands of Palestinians from the OPTs and Israel visit the city daily, especially on Fridays, and national holidays and during Muslims and Christians feasts, and the holy month of Ramadan. • Jerusalem is a lively service and commercial center for all Palestinians, especially from central governorates, mostly for education and healthcare purposes. • Applying a preferential treatment to Jerusalem's products and services by the PNA, will economically revive the city. 	<ul style="list-style-type: none"> • Instability as a result of settlers' continuous assaults on Palestinians in the Al Aqsa Mosque courtyard, and clashes with praying Palestinians halting the commercial life in the Old City's markets and its neighborhood. • The arbitrary fines and taxes imposed by the Israeli Municipality on Arab Jerusalemite traders negatively affecting business turnover. • The six types of levied taxes is are a heavy burden on Jerusalemite traders and a push factor leading to diminishing internal trade. • Colony outposts inside the Old City, the high-security measures for guarding these outposts, and military checkpoints at their gates are all push factors affecting the shopping activity in the nearby shops. • Israeli competitor malls and big commercial centers such as "Malha Kenyon" and the "Mamilla Mall" in West Jerusalem, which launch continuous marketing campaigns for attracting Palestinian shoppers during holidays and feasts. • The spread out of street vendors is a form of unfair competition which affects selling activities in shops

15.3.2 Main Challenges Facing the Trade Sector in EJ

- Mitigating the consequences of settlers' assaults and Israeli policemen provocative actions to maintain the flow of business activities and to cut the sector's losses.
- IOA closure of the Jerusalem Chamber of Commerce, Industry, and Agriculture left its members without any regulatory body, to take care of their common interests, and provide them with information, recommendations, certificates of origin, and other services. Creating an interim body to provide most needed functions is important for their businesses and for helping them get organized to follow their interests.
- Convincing closed shops owners in the Old City to reopen their shops and enabling them to resume their businesses, considering the changing conditions in their particular market. Scaling up their administrative, technical, and marketing skills will contribute to their success, and increased resilience.
- Breaking the isolation of Jerusalem, and enhancing its integration with the rest of the oPt as well as increasing the market share of Jerusalem's products in the Palestinian domestic market, though increasing private and governmental demand on these products.
- Finding a feasible and sustainable solution to the problem facing shoppers in the Old City, i.e. having to carry heavy shopping bags all the way from the market to the bus station, will encourage shoppers to head to the Old City for shopping.

15.3.3 Short and Medium-Term Priority Interventions

Intervention	Rationale	Output	Outcome	Est. Cost (USD Million)	Implementation
<ul style="list-style-type: none"> Rehabilitate, remodel, and revitalize the closed shops inside the Old City. 	<ul style="list-style-type: none"> Safeguard the property rights and Increase the attractiveness and profitability of shops in the Old City. 	<ul style="list-style-type: none"> Reopen the 350 closed shops in the Old City²⁷³ 	<ul style="list-style-type: none"> Most of the closed shops are open and back in business in the coming 5 years 	10 (access to soft loans) 5 subsidies	<ul style="list-style-type: none"> Local small contractors
<ul style="list-style-type: none"> Conduct and implement a Promotion and Marketing Plan of Jerusalem focused on internal tourism. 	<ul style="list-style-type: none"> Increasing the number of tourists and local shoppers in the city will create more jobs and revenues to merchants and craftsmen. The strategic plan should increase the attraction of the city by using all media tools, insuring the satisfaction of visitors, and provide information and volunteers to help visitors. 	<ul style="list-style-type: none"> Professional promotion and marketing plan is prepared by a professional marketing body, with wide participation of all stakeholders. 	<ul style="list-style-type: none"> The 5-year promotion and marketing strategic plan for the city is implemented 	0.5	<ul style="list-style-type: none"> PalTrade, Chambers of Commerce. Tourism Board
<ul style="list-style-type: none"> Provision of training and advisory sessions with Old City merchants to scale up their management, communication, and sale skills. 	<ul style="list-style-type: none"> Scaling up managerial, and communication skills and attitudes will increase sales and insure customer satisfaction and loyalty. 	<ul style="list-style-type: none"> A weekly 3 hours workshop for 20 owners/ managers of shops for 6 months, coached by highly qualified consultant. Training workshops At least 200 merchants are enlightened with essential managerial and marketing skills. 	<ul style="list-style-type: none"> 200 Owner/ Manager trained and their managerial and marketing skills strengthened. 	0.35	<ul style="list-style-type: none"> Chamber of Commerce
<ul style="list-style-type: none"> Establishing a decent transportation facility 	<ul style="list-style-type: none"> Shoppers from the Old City suffer from the difficulty of 	<ul style="list-style-type: none"> A cooperative like establishment could be 	<ul style="list-style-type: none"> Shoppers are not worried about 	0.15	<ul style="list-style-type: none"> New town transportation

²⁷³ Badran, 2016, Ibid

Intervention	Rationale	Output	Outcome	Est. Cost (USD Million)	Implementation
to help shoppers in carrying their purchased goods from the Old City to the bus station as a courtesy or for an affordable fee.(Pilot Project)	carrying goods from the Old City, so they hesitate to shopping from there. A safe and reliable facility for transporting their purchased good will encourage them to shop the needs they wish to buy, which will increase demand for the Old City shops and scale up their steadfastness.	established and equipped with handcarts and/or motorcars; starting with 10 carts. A depository place could be arranged in the bus station to deliver the shipment safely to owners.	carrying heavy purchase from the Old City. <ul style="list-style-type: none"> • Increased purchases from the Old City 		cooperative to be established
<ul style="list-style-type: none"> • Encouraging and organizing internal solidarity tourism from Palestinian cities to EJ in the weekend and holidays 	<ul style="list-style-type: none"> • Most Palestinians are anxious to visit EJ. Thus, arranging for shuttle buses to transport visitors from their cities to EJ and get them back would be most welcomed by EJ shops and restaurants. The visitors can tour the Old City on their own, but provide voluntary guidance should be available for those in need to visit the main sights. 	<ul style="list-style-type: none"> • More visitors touring and shopping in the Old City 	<ul style="list-style-type: none"> • Merchants will get more shoppers and sales. • Bus companies benefiting and expanding. • A more revived and active tourism sector 	0.5	<ul style="list-style-type: none"> • Municipal councils, NGOs
				6.5	

15.4 Indicators for Measuring Progress

- Number of shops that were rehabilitated inside and outside the Old City.
- Number of commercial shops that were rehabilitated and reopened to resume its business.
- The growth in the sales of the Old City's shops and its neighborhood and their turnout.
- Increased working hours of the Old City's shops and the commercial market in the neighborhood.
- Number of training workshops targeting traders in the Old City.
- Number of training workshop participants.
- The growing number of domestic visitors from other Palestinian cities.
- The growing number of Palestinian visitors from Galilee, Al Muthalath (Triangle) and the Negev.

15.5 Risks Facing the Implementation of the Trade Sector Development Agenda

Risks	Probability	Impact	Risk Mitigation
• Escalation in Israeli provocative actions especially in the Al Aqsa Mosque courtyard	High	High	• Compensating for the wasted time by increasing the working hours in the evening and launching marketing campaigns to attract shoppers
• Traders' uncooperative responses to initiatives and proposed interventions	Medium	High	• Promoting initiatives and involving traders in discussions that open the floor for sharing ideas, and modify these initiatives in light of their suggestions
• Uncooperative Jerusalemite transport bus companies	High	Medium	• Alternatives for transportations by using regular buses in two stops; departure points in Jerusalem to crossing points, and from crossing points to other areas and vice versa.
• Lack of needed funding for implementing the proposed interventions	High	Medium	• Rescheduling interventions by priority • Reducing the scope or the size of interventions • Allocation of budget support to top priority interventions.

CHAPTER SIXTEEN

IMPLEMENTATION ARRANGEMENTS

16.1 Institutional Setup

An appropriate institutional setup is essential for the continued and sustainable implementation of any development efforts, whatever their scope and magnitude might be. This issue is mentioned in the majority of previous development plans and programs for EJ. Given the sort of existing challenges and the complicated situation on the ground, as well as the new adverse circumstances, this matter has to be addressed immediately. The required body should act as a shadow municipality with the following attributes:

- Leen and strong body with a clear mandate and structure and well-defined tasks and responsibilities to lead the development efforts in the City;
- Strong and professional capability adequate for informed and dynamic decision-making and responsiveness;
- Capable and dedicated professionals with experiences in feasibility, design, procurement, implementation, oversight, monitoring, and evaluation;
- Credibility and knowledge of EJ's affairs and people as well as ability to engage relevant stakeholders along the whole project cycle, so that it can help in building a purposeful partnership with EJ's credible NGOs and private sector companies in order to use their capacities and experiences in the implementation of the interventions;
- Using the existing capacities in ministries and PEC DAR to carry the above-mentioned functions.

16.2 Financial Resources

The estimated cost of implementing this 5-years Agenda is USD 395.6 million. The implementation of most of the proposed interventions depends on donor's support, especially those to be implemented by civil society organizations. Some potential Palestinian and foreign financial resources include the following:

16.2.1 Palestinian Financial Resources

Public Sector

Despite the difficult financial situation of the PNA, the allocation of funding to EJ's development should be increased and given a top priority. The PNA can stimulate and encourage EJ's suppliers of goods and services by giving them favorable treatment in PNA's procurement and in settling arrears to them with minimum delay. The PNA's funding should be directed toward the areas that donors do not support, such as core funding to civil society organizations, especially those

specializing in implementing development interventions focused on children, women, and youth development. The introduction of 1% solidarity tax on some luxury goods and services and on salaries could also mobilize millions of dollars if managed properly.

Households

The difficult economic situation in the oPt, which is reflected in the stagnant economic growth, the high PNA budget deficit, and the very high unemployment rate, indicates that local resources to finance the development efforts in EJ are limited. So, the implementation of the proposed interventions has to rely mainly on external funding and support. However, this does not mean that the Palestinian people cannot contribute to fostering the steadfastness of Jerusalemites and to revitalizing their economy. Many of the proposed interventions, such as the activation of internal tourism and giving priority to EJ's products in PNA's procurement and at household level, will have a meaningful positive impact.

Private Sector

A loan guarantee facility is required to stimulate the provision of funding to the EJ private sector. Such a facility will help the private sector rehabilitate the closed hotels, shops, and artisan workshops as well as scale up the creation of new jobs and increase the attraction of the Old City to tourists and visitors of the City. Local and expatriate Palestinian investors, especially those engaged in private sector related activities, such as trade, tourism, and housing, as well as health and education service provision, should be encouraged by their EJ counterpart to create partnerships in order to invest in EJ. The Private sector organizations, such as business associations and Chambers of Commerce, can play a matching role to facilitate partnerships.

Social responsibility contributions of local companies, if properly stimulated and organized, could become an important source of funding for EJ's development initiatives too.

Diaspora

Palestinian communities abroad should be reached out to and encouraged to support EJ's development interventions. The creation of a Jerusalem Solidarity Fund in Kuwait, Saudi Arabia, the UAE, and Qatar by community leaders to collect monthly contributions from Palestinians in the Diaspora and other Arabs could mobilize millions of dollars. The success of such an initiative depends on the creation of a transparent and well-structured institutional national setup.

Local and Foreign NGOs and UN Organizations

Religious institutions such as the Islamic Waqf, Christian churches, and church-related local organizations could also contribute to raising the funds needed for the envisioned development efforts.

16.2.2 External Financial Resources

Palestine is supported by more than 80 Arab, Islamic, and foreign countries, international multilateral and unilateral organizations, and religious, foreign, and international NGOs. With the exception of a few Western countries, those donors could be approached and invited to support EJ's development programs and agendas.

Donor Coordination Mechanism

Palestine has an extensive experience with regards to donor coordination. Donors also have a well-established structure, which groups donors according to their preferences in sectoral working groups²⁷⁴. So, representatives of EJ's sectors could easily join these groups and promote EJ's projects in the right place. This should be coordinated upfront with the Office of the Prime Minister to formalize the arrangements. The Jerusalem Unit at the Office of the President can take the initiative and facilitate the engagement of donors in financing EJ's development interventions.

²⁷⁴ Aid Coordination Structure, see Annex no. 3

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ANNEXES

List of Participants in the Focus Groups and Individual Interviews by Cluster

Annex I: Other Contributing Individuals to the Agenda

Name	Organization	Nature if contribution
Suheil Miari	Makassed Hospital	Information on Funding
Fouad Hallak	NAD	Review of document
Jamil Rabah	NAD	Review of document
Mohammad Hadiyeh	NAD	Review of document
Ashraf Khatib	NAD	Review of document
Tamara Essayyed	NAD	Review of Document
Staff member	Palestinian Central Bureau of statistics	Statistics on Number of Jerusalemites 2018
Ghassan Shakhshir	Norwegian Representative Office to the PA	General discussions on EJ
Daniela Andreevska	Consultant	Editing

Annex II: Human Rights and Governance Cluster: Participants in Focus Groups

Name	Organization
Ibrahim Shaaban	Faculty of Law – Al-Quds University
Moen Odeh	Lawyer
Munir Nusaibah	Community Action Center
Bdour Hussein	Jerusalem Legal Aid and Human Rights Center
Zakariyah Odeh	The Civic Coalition for Palestinians Rights in Jerusalem
Aisha Ahmad	The Independent Commission for Human Rights (ICHR)
Mohammad Hadyeh	Alternative Dispute Resolutions and Studies (ACT)
Liana Bader	Al Haq
Ziad Hammoury	Jerusalem Center for Social & Economic Rights (JC SER)
Rasha Abbas	Addameer Prisoners’ Support and Human Rights Association
Naser Isa Hidmi	Jerusalem Committee Against Judaization (HIMMA)

Annex III.A.: Social Cluster: Participants in the Focus Groups

Names of Participants	Organization
Fawziyyeh Musmar	Muslim Women/Wadi El Jz
Adel Hallak	Al Aqsa Schools and Kindergartens
Nabeel Daoud	
Ikram Al Weheidi	Muslim Women’s secondary school
Ahmad Safadi	Al Aytam/Al Thory
Sameer Jibril	Directorate of Education
Sawsan Safadi	Directorate of Education
Aref Hussein	Al Naizak
Haya Maraqa	Field worker -Directorate
Raeda Atton	Field Supervisor-Directorate
Nida Amireh	Al Aytam –Basic school
Mai Amireh	YWCA
Abdel Qader Hussein	Faisal Hussein Foundation

Names of Participants	Organization
Ziad Al Shamalli	Parents union –Jerusalem schools
Ziad Hammoury	Legal Counselling Center
Hania Bitar	PYALARA
Fatmeh Abdellatif	Jerusalem Women’s center
Ahmad Safadi	Elia for Media
Riyad Shihabi	Old city youth organization
Hamdi Rajabi	Ministry of Jerusalem Affairs /governorate
Issam Jweihan	Al Maqdisy
Majed Alloush	Al Sadeeq Al Tayyeb
Jamal Ghosheh	Jerusalem-Al Hilal Club
Mohammad Abdel Fattah	Clubs Union and Shuafat Camp Youth Center
Saleem Fageeh	
Sandrine Amer	YWCA
Mazen Jaabary	Arab Studies /Youth Department
Naheel Bazbasat	YWCA
Samer Nusseibeh	Businessman
Nasser Qous	African Community

Annex III.B: Social Cluster: Individual Interviews

Name	Subsector
Rafiq Hussein	Health
Walid Namour	Health, Elderly
Rania Elias	Culture
Umayyah Khammash	Health
Jack Persekian	Culture and heritage
Fadwa Shaer	Social Welfare
Issa Kassissieh	Cultural heritage, Social Welfare, General
Amer Khalil	Culture
Huda Al Imam	Culture and heritage
Sama Aweidah	Women
Salwa Hdeib	Women
Daoud ElGhoul	Culture
Manar Idrisi	Culture
Said Murad	Culture
Nora Qort	Welfare, geriatrics, women, health and culture

Annex IV.A.: Economic Cluster: Participants in Individual Interviews

Name	Title/position/institution
Eng. Nidal Gheith	Business owner, former Director of Jerusalem Holding Company
Ziad Hammouri	Director of the Jerusalem Center for Economic and Social Rights Economic Expert
Eng. ineer Ali Shqeirat	Director of Ali Shukairat Brothers Company
Eng. Sami Mashal	Engineer and Contractor – EJ
Eng.Mahmoud Zahaykeh	Chairman of the Union for Jerusalem Housing Assembly

Name	Title/position/institution
Nabeel Harbawi	Businessman from Jerusalem
Ghaleb Kalouti	Businessman from Jerusalem
Abu Dhafer	Member of the Board of Directors of the Chamber of Commerce
Basher Mashni	Taj Cluster
Elias Tamas	Insurance Agency
Raed Saadeh	Hotel Owner – Head of the Tourism Cluster
Aref Husni	Director of Al-Nayzak - Technology Sector
Firas Amad	Director of the Holy Land Hotel
Jawad Abu Omar	Chairman of the Tourism Committee in the Old City
Nora Qort	President of Wojoood Museum
Omar Khateeb	Director of Jabal Al-Zaytoon Bus Company
Hakam Salawdeh	Agricultural Relief Committee (PARC)
Muhammad Qirrish	Economic Researcher
Saleem Abu Ghazaleh	General Manager -Al Reef for Investment and Agricultural Marketing
Fadi Hidmi	Former Director of the Arab Chamber of Commerce in Jerusalem

Annex IV.B.: Tourism Sector Experts: Participants in Focus Groups

Omar Khateeb
Tony Khashan
Firas Amad
Manar Idrees
Raed Saadeh
Mahmoud Jaddeh
Basher Mashni
Ehab Ja'bari
Mahmoud Abu Eid

Annex IV.C.: Housing Cluster Experts

Raed Basheer, Lawyer
Mahmoud Zahayke, Engineer
Samer Masha, Engineer
Naser Abu Leil
Hani Sroor
Hisham Al-Bakri
Zeyad Zghair
Marwan Mimi, Engineer

Annex IV.D.: Tradable and ICT Clusters: Participants in Focus Groups

Zeyad Hammouri
Aref Hussein
Imad Muna
Farid Taweel
Dr. Iyad Jaber
Azzam Abu Sa'ood
Dr. Ahmed Seyam

Annex V: Donor Coordination Structure in Palestine

Economic Strategy Group (ESG)

Members:

Office of the European Union Representative (EUREP), France, FAO, Germany, the International Monetary Fund (IMF), the Netherlands, Norway, Spain, the United Kingdom (UK), the United States (USA)

Agriculture Sector Working Group (ASWG)

Members:

Denmark, EUREP, the Islamic Development Bank (IDB), Italy, Japan, the Netherlands, Switzerland, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the USA, the World Bank

Private Sector Development and Trade Sector Working Group (PSDT SWG)

Members:

Canada, EUREP, France, Germany, the IDB, the International Finance Corporation (IFC), Italy, Japan, the Netherlands, Spain, Sweden, Switzerland, the UK, the United Nations Development Programme (UNDP) UNRWA, the USA

Fiscal Sector Working Group (FSWG)

Members:

Australia, Belgium, Brazil, Canada, Denmark, EUREP, Finland, France, Germany, Ireland, Japan, Norway, Poland, Russia, Slovenia, Spain, Sweden, the Netherlands, the UK, the USA, the World Bank

Micro and Small Finance Task Force (MSFTF)

Members:

EUREP, France, Germany, the IFC, Italy, the Netherlands, Switzerland, the UNDP

Governance Strategy Group (GSG)

Members:

Canada, Germany, Italy, Japan, the Netherlands, Norway, the UK, the USA, the World Bank

Security Sector Working Group (SSWG)

Members:

Canada, Denmark, EUREP, the Geneva Centre for the Democratic Control of Armed Forces (DCAF), Germany, the IMF, the Netherlands, Norway, Russia, Sweden, Turkey, the Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO)

Justice Sector Working Group (JSWG)

Members:

Canada, EUREP, France, Germany, Italy, the Office of the High Commissioner for Human Rights (OHCHR), Sweden, the UK, UNDP, the USA (USAID, USSC)

Elections Working Group (EWG)

Members:

Austria, Belgium, Denmark, Canada, France, Germany, Ireland, Italy, Japan, the Netherlands, the NDI, Norway, Spain, Sweden, Switzerland, the UK, UNDP, UNSCO

Public Administration and Civil Service Sector Working Group (PACS SWG)

Members:

EUREP, Germany, Italy, Sweden, USAID, the World Bank

Infrastructure Strategy Group (ISG)

Members:

EUREP, Germany, France, Japan, the World Bank, Italy, Spain, Sweden, Norway, UNDP

Water Sector Working Group (WSWG)

Members:

Austria, EUREP, Finland, France, Japan, Sweden, the Netherlands, the United Nations International Children's Emergency Fund (UNICEF), USAID

Municipal Development and Local Governance Sector Working Group (MDLG SWG)

Members:

Belgium, EUREP, France, Germany, Italy, Japan (JICA), Sweden, the Netherlands, UNDP, United Nations Human Settlements Programme (UN-HABITAT), USAID

Environment Sector Working Group (EnSWG)

Members:

The Food and Agriculture Organization of the United Nations (FAO), Italy, Japan, EUREP, Spain, Switzerland

Affordable Housing Thematic Group (AH TG)

Members:

Austria, the UK (DFID), the Office of the Quartet Representative, UNDP, UN-HABITAT

Solid Waste Management Thematic Group (SWM TG)

Members:

EUREP, Italy, Japan, UNDP, the World Bank

Social Development Strategy Group (SDSG)

Members:

Belgium, Canada, EUREP, Finland, Germany, Ireland, Italy, Norway, Portugal, UNICEF, UNRWA, the USA, the World Bank

Education Sector Working Group (ESWG)

Members:

Canada, EUREP, France, Italy, Japan, Norway, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Sweden, Switzerland, UNICEF, United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), the USA, the World Bank

Health Sector Working Group (HSWG)

Members:

Austria, Belgium, Italy, EUREP, France, Japan, the UK, the United Nations Population Fund (UNFPA), UNICEF, UNRWA, the USA, the World Bank, NGOs: the Health Work Committee (HWC), the Palestinian Medical Relief Society (PMRS)

Social Protection Sector Working Group (SPSWG)

Members:

Canada, Food FAO, France, the International Labour Organization (ILO), Italy, Spain, UNFPA, UNRWA, USAID, the World Food Programme (WFP), the World Bank, NGOs: the Association of International Development Agencies (AIDA)

Humanitarian Task Force (HTF)

Members:

The European Commission Humanitarian Office (ECHO), Sweden, Spain, the Netherlands, Norway, Switzerland, France, Ireland, Canada, the UK, the USA, NGOs: AIDA

Labor Sector Working Group (LSWG)

Members:

Canada, EUREP, France, Italy, Japan, Norway, OCHA, Sweden, Switzerland, UNICEF, UN Women, the USA, the World Bank, NGOs: AIDA, the Palestinian Non-Governmental Organizations Network (PNGO)

Tourism and Culture Sector Working Group (TCSWG)

Members:

Canada, EUREP, France, Italy, Japan, Norway, Office OCHA, Sweden, Switzerland, UNICEF, UN Women, the USA, the World Bank, NGOs: AIDA, PNGO

Gender Mainstreaming for Effective and Efficient Aid Management

Members:

Austria, Argentina, Belgium, Brazil, BTC, Canada, the Czech Republic, Denmark, DFID, ECHO, EUBAM, EUPOL COPPS, EUREP, Finland, France, FAO, Germany, GIZ, Hungary, the IMF, Ireland, Italy, the Italian Agency for Development Cooperation, Japan, JICA, Korea, KOICA, Malta, Mexico, Norway, OCHA, OHCHR, Poland, Portugal, Slovenia, Spain, the Spanish Agency for International Development Cooperation (AECID), Sri Lanka, Sweden, SDC, Switzerland, the Netherlands, the UK, DFID, UN-Habitat, UNDP, UNFPA, UNICEF, UNOPS, UNRWA, UNESCO, UNSCO, USAID, the WFP, the WHO

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