



Canadians for Justice and Peace
in the Middle East



Module 6: International and Canadian Aid to Palestine

April 28, 2006



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International Revenue Streams received by the Palestinian Authority

- The PA has three sources of funding:
 - Clearance revenues transferred from Israel, estimated at \$65 M (US) per month (Note: these revenues were established through the quasi-customs union between Israel and Palestine set up via the Oslo Accords)
 - Budget support from the international community, estimated at \$34 M per month,
 - Domestic revenues, estimated at \$35 M per month.

| | |
|---|---------------|
| Each month PA requires | \$165 million |
| (of which 60% is salaries to PA) | |
| In 2005 the PA received: | |
| VAT and customs | \$60 million |
| Average donor payments | \$30 million |
| Internal other taxes | \$30 million |
| Note: The deficit of \$45 million was in part due to the increase of PA salaries announced in 2005. | |

Changes to the PA revenue picture

- Since January, Israel has withheld the clearance revenues legally owed to the PA
- Since January, Israel has imposed harsh trade restrictions on the Palestinian territories (“trade and labour restrictions” in World Bank terminology)
- At end of March, Western aid donors declared a cessation of aid payments to the PA
- According to the World Bank, under this scenario (Scenario 4):
 - Real GDP per capita declines by 27 percent in 2006
 - Personal incomes decline by 30 percent in 2006
 - Unemployment hits 47 percent, and poverty 74 percent by 2008

World Bank Predictions

Scenario 1: No Abrupt Change in revenue streams

Scenario 2: Suspension of Clearance Revenue Transfers, Trade and Labor Restrictions (Israel acts alone to pressure the PA)

Scenario 3: Gradual Cutting off of Aid Flows (Western donors pressure the PA)

Scenario 4: Suspension of Clearance Revenue Transfers, Trade and Labor Restrictions, and Reduced Aid Flows (Both Israel and Western donors pressure the PA)

| Assumptions | 2005 (est.) | Scenario 1 | | | Scenario 2 | | | Scenario 3 | | | Scenario 4 | | |
|--|----------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 |
| Revenues transferred | 740 | 790 | 783 | 778 | 100 | 0 | 0 | 704 | 696 | 689 | 100 | 0 | 0 |
| Revenues withheld | 0 | 0 | 0 | 0 | 489 | 568 | 573 | 0 | 0 | 0 | 422 | 503 | 507 |
| Palestinian workers in ISI | 44,800 | 32,800 | 20,100 | 7,400 | 22,700 | 13,400 | 7,400 | 32,800 | 20,100 | 7,400 | 22,700 | 13,400 | 7,400 |
| Foreign assistance | 1,300 | 1,300 | 1,200 | 1,100 | 1,300 | 1,200 | 1,100 | 1,100 | 1,000 | 900 | 1,100 | 1,000 | 900 |
| Public consumption | 1,514 | 1,551 | 1,567 | 1,583 | 1,243 | 1,243 | 1,243 | 1,514 | 1,514 | 1,514 | 1,071 | 1,071 | 1,071 |
| Exports | 590 | 647 | 681 | 723 | 500 | 540 | 576 | 655 | 690 | 732 | 506 | 547 | 585 |
| Population (million) | 3.51 | 3.63 | 3.76 | 3.88 | 3.63 | 3.76 | 3.88 | 3.63 | 3.76 | 3.88 | 3.63 | 3.76 | 3.88 |
| Inflation (cpi, %) | 3.5 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Outcomes | | | | | | | | | | | | | |
| GDP | 4,044 | 4,296 | 4,272 | 4,264 | 3,192 | 3,110 | 3,132 | 4,038 | 4,006 | 3,983 | 2,910 | 2,835 | 2,851 |
| GDI | 5,815 | 5,983 | 5,766 | 5,560 | 4,799 | 4,549 | 4,429 | 5,550 | 5,316 | 5,085 | 4,353 | 4,096 | 3,959 |
| Private consumption | 3,652 | 3,829 | 3,837 | 3,856 | 3,044 | 2,947 | 2,950 | 3,708 | 3,721 | 3,754 | 2,953 | 2,792 | 2,777 |
| Investment | 1,022 | 1,161 | 1,044 | 927 | 588 | 480 | 467 | 861 | 742 | 604 | 405 | 369 | 362 |
| Imports | 2,734 | 2,892 | 2,857 | 2,824 | 2,183 | 2,100 | 2,104 | 2,700 | 2,660 | 2,622 | 2,026 | 1,945 | 1,944 |
| GDP per capita | 1,152 | 1,183 | 1,136 | 1,099 | 879 | 827 | 807 | 1,112 | 1,066 | 1,026 | 802 | 754 | 735 |
| GDI per capita | 1,657 | 1,648 | 1,533 | 1,433 | 1,322 | 1,210 | 1,141 | 1,529 | 1,414 | 1,310 | 1,199 | 1,089 | 1,020 |
| Real GDP growth | 6.3 | 4.9 | -2.3 | -1.7 | -18.5 | -4.3 | -0.8 | -0.2 | -2.6 | -2.1 | -24.5 | -4.3 | -1.0 |
| Real GDP p.c. growth (%) | 2.7 | 1.3 | -5.5 | -4.9 | -21.3 | -7.4 | -4.0 | -3.6 | -5.8 | -5.3 | -27.1 | -7.4 | -4.2 |
| Real GDI p.c. growth (%) | 4.3 | -2.6 | -8.6 | -8.5 | -21.9 | -10.1 | -7.7 | -10.2 | -9.2 | -9.3 | -30.0 | -10.8 | -8.3 |
| Cumulative real GDP p.c. change since 1999 | -30.6 | -29.7 | -33.6 | -36.8 | -45.4 | -49.5 | -51.5 | -33.1 | -37.0 | -40.3 | -49.4 | -53.2 | -55.1 |
| Unemployment (%) | 23.4 | 22.4 | 28.7 | 34.1 | 35.5 | 41.4 | 44.9 | 24.2 | 29.7 | 34.8 | 39.6 | 44.3 | 47.0 |
| Poverty (%) | 44 | 43 | 48 | 51 | 62 | 67 | 70 | 47 | 51 | 55 | 67 | 72 | 74 |

Source: West Bank and Gaza, Economic Update and Potential Outlook, World Bank, March 15, 2006

Impacts via PA Salaries

- Since 2000, poverty rates increased from 22 percent to 56 percent
- Without PA salaries, poverty rates are expected to rise to 74 percent by 2008
- Over 150,000 people are employed by the PA, and their salaries support about 1 million people – roughly 25 percent of the population

Issues with trying to force aid entirely through new, non-PA channels (slide 1)

- The World Bank notes three important obstacles if all aid were redirected through int'l or Palestinian NGOs:
 - Emergency/humanitarian assistance levels will ramp up much more slowly under new (and external) needs assessment processes
 - Israeli border restrictions would be a severe and ongoing problem for international aid donors
 - Aid to pay salaries for the PA have always been viewed as a useful type of welfare to the PA administration.
 - Some reports estimate that 1 in 4 Palestinians depends on a PA salary.
 - OCHA states that PA employees make up 37 percent of the workforce in Gaza, and 14 percent in the West Bank

Issues with trying to force aid entirely through new, non-PA channels (slide 2)

- The Office for the Coordination of Humanitarian Affairs reports:
 - “International humanitarian agencies do not have the capacity to take over the running of PA services, even if the security situation allowed.”
 - The PA employs 12,000 health sector employees (and 62 percent of all health care facilities) (wage bill of \$8.8 million / month)
 - The PA Ministry of Health runs 22 general hospitals, UNRWA runs one, and NGOs run 12 smaller, specialised hospitals.
 - Health care professional will start charging for their services, excluding many from care
 - Key public health programs would be gutted, including immunization and mother and child care programs
 - An informal health care economy would reduce care quality
 - The PA employs 39,000 in education, and runs 76 percent of all schools (wage bill of \$22.6 million / month)
 - School routines will break down: reduced hours, class size
 - Teacher morale would decline, drop-out rates would rise, quality would decline

Issues with trying to force aid entirely through new, non-PA channels (slide 3)

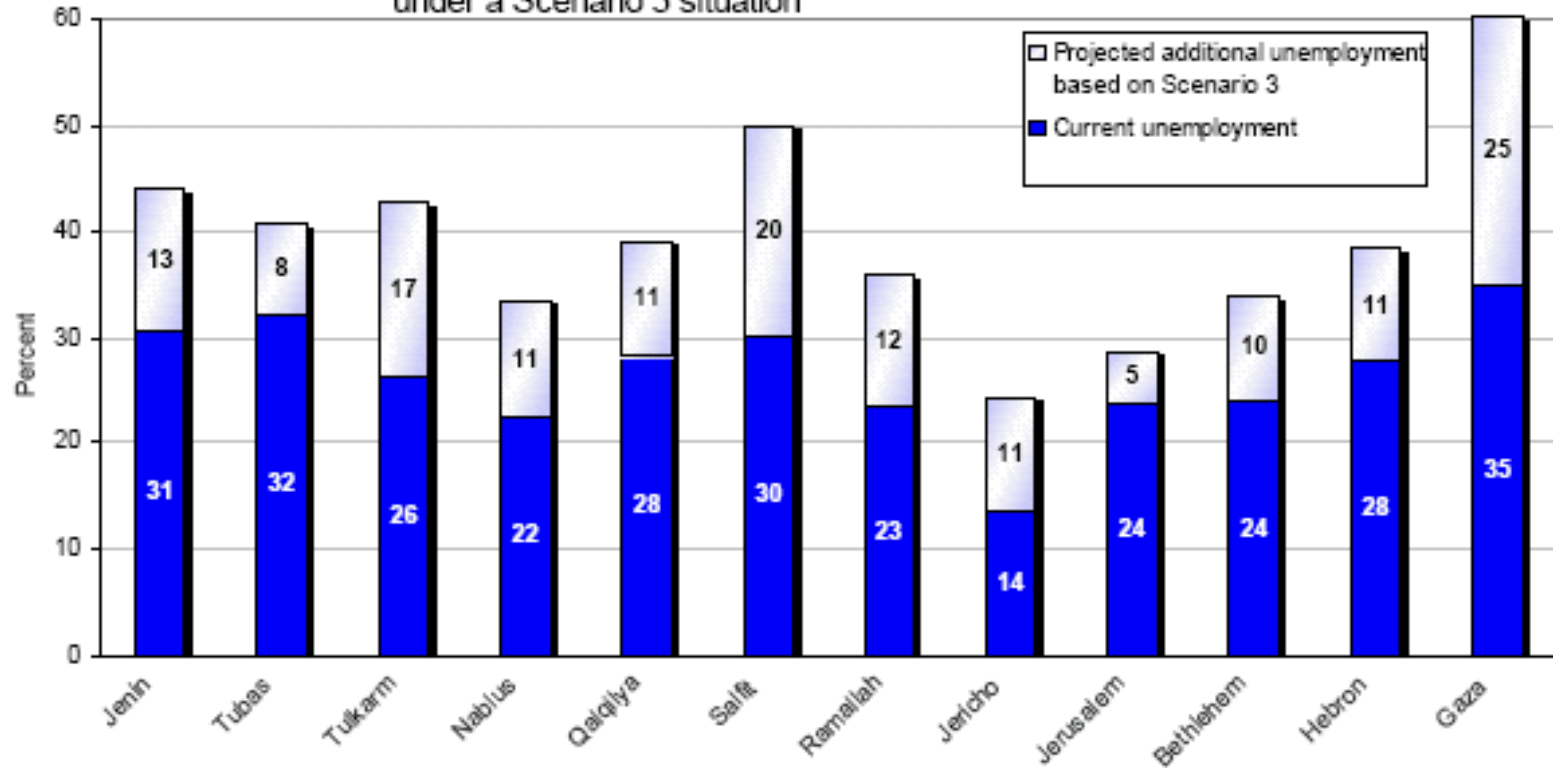
- The Office for the Coordination of Humanitarian Affairs reports:
 - The Ministry of Labor and Social Affairs (wage bill of \$1.3 million / month)
 - Humanitarian aid for unemployment and social hardship cases
 - Distributes 65 percent of all WFP (World Food Programme) food
 - PA pensions for those who have retired from the public sector (wage bill of \$5.2 million / month)
 - 9,800 Palestinians receive a pension
 - The PA also employs tens of thousands* in law enforcement
 - Non-payment of law enforcement employees could trigger a rise in criminality, kidnapping and protection rackets

Summary Impacts of Financial Pressures

| Assumptions | Scenario 1 – Current crisis and no abrupt change in PA funding | Scenario 2 – Current crisis plus limited erratic PA funding | Scenario 3 – Current crisis and no funds available for the PA |
|--|---|---|--|
| Aid to the PA | <ul style="list-style-type: none"> PA receives aid as in 2005 (approx. \$360ml) | <ul style="list-style-type: none"> The PA receives limited funding (approx. \$230m) from Arab countries and most Western funding is withdrawn² Western donors identify alternative financing mechanisms separate from the PA.³ Donor contributions are delayed by banks' halting of transactions with the PA. The liquidation of PA assets and borrowing from banks is delayed. | <ul style="list-style-type: none"> All aid to the PA is halted |
| Clearance revenue transfers from Israel | <ul style="list-style-type: none"> PA receives transfers as in 2005 (\$790m). | <ul style="list-style-type: none"> The GoI suspends the transfer of revenues which it collects on behalf of the PA – a contravention of the 1994 Paris Protocol.⁴ | <ul style="list-style-type: none"> As in Scenario 2 |
| Insecurity | <ul style="list-style-type: none"> Israeli security measures continue to intensify e.g., search and arrest campaigns, internal closures, incursions, artillery shelling. The firing of homemade rockets from the Gaza Strip to targets inside Israel continues. The threat of suicide attacks continues. | <p>In addition to the trends mentioned in Scenario 1:</p> <ul style="list-style-type: none"> Violence from unpaid security staff possibly increases Security possibly restricts the ability of international workers and organisations to function Violence is expected to be directed at Israel. | <p>In addition to the trends mentioned in Scenario 2:</p> <ul style="list-style-type: none"> The PA loses control of security. Privatised security is offered by armed groups. |
| Trade and labour restrictions | <ul style="list-style-type: none"> Internal closures remain tight and possibly rise Restrictions on access to closed areas (e.g. Jordan Valley, Seam zone, East Jerusalem) continue. The trisection of the West Bank is maintained Permit regime is further tightened Gaza's crossings to Israel are further limited | <p>In addition to the trends mentioned in Scenario 1:</p> <ul style="list-style-type: none"> Restrictions on workers through Karni and Erez crossings between the Gaza Strip and Israel continue and possibly tighten. Movement from the West Bank to Israel and Jerusalem deteriorates esp. with the Barrier's completion and the continued reduction of worker permits. | <ul style="list-style-type: none"> As in Scenario 2 |
| Investment in the domestic economy | <ul style="list-style-type: none"> The GDP does not experience the modest growth as in 2005 due to PA's unsustainable fiscal policy (down from 6.3 to 4.9%). Palestinian businesses are unable to market produce due to closures. | <ul style="list-style-type: none"> GDP falls by 25% Local revenues decline to \$25m / month from \$35m. Entrepreneurs' savings are exhausted and private investors abroad turn away due to the uncertain environment. | <ul style="list-style-type: none"> The economy slides into a collapse far worse than in Scenario 2. |

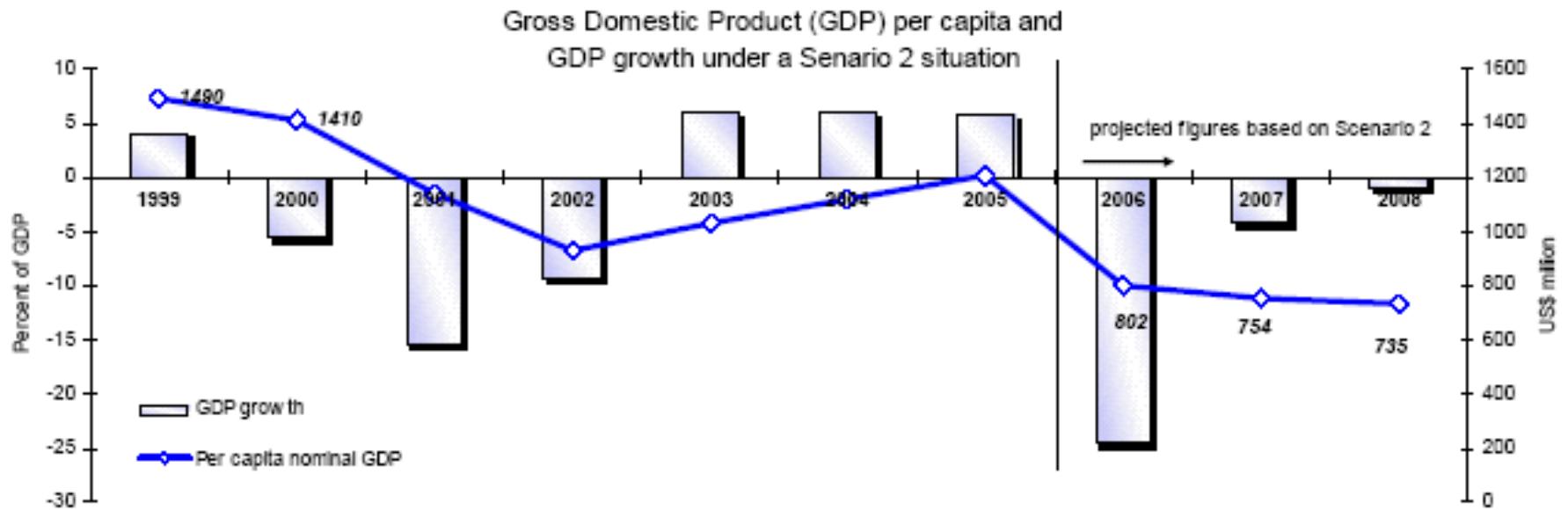
Projected Unemployment, by region

Current and Projected unemployment by governorate under a Scenario 3 situation



Data Source: OCHA calculations based on PCBS Labour Force Survey Data Q3 2005.

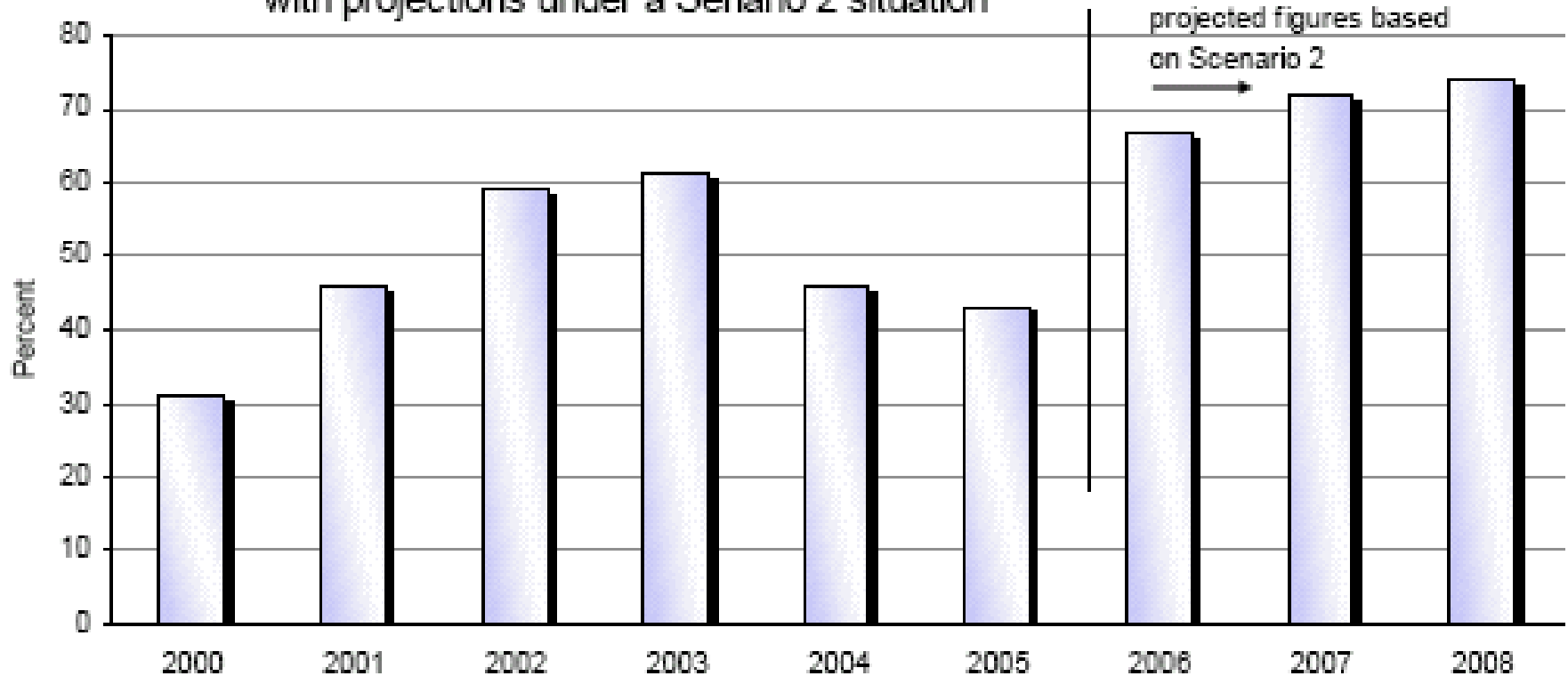
Projected GDP Impacts



Data Source: 1999-2005 - IMF data, 2006-2008 projections World Bank.

Projected Poverty Levels

Poor in the occupied Palestinian territory
with projections under a Scenario 2 situation



Data Source: World Bank

World Health Organization (WHO): Overall predictions for the health sector

- The WHO summarizes the its health care predictions based on withdrawal of int'l aid and customs transfers:
 - PA Ministry of Health - Acute financial crisis, salaries will not be paid to a certain proportion of MoH staff, and medical supply will be in shortage.
 - Rapid decline of the public health system towards a possible collapse.
 - Shift of control and management of health service system away from the public sector to NGOs, UN system and the private sector.
 - No access – or limited access – to preventive programs and curative services for an important part of the population, particularly for the poor (1,564,137, 43% of total population)1.

World Health Organization (WHO): Consequences on the Health System

- Governance
 - Paralysis of the MoH, or an MoH less capable of developing health policy, regulatory and coordination related functions.
 - Increased fragmentation of the health system resulting from lack of homogeneity of standards and protocols, which will produce inequities in the access to health services.
- Health care financing
 - Lack or decreased amount of funds to cover MoH needs, disruption or reduced capacity in public health financing.
 - Salaries of the civil servants (57% of all health workers) not paid or increased difficulties in paying them.
 - Large absenteeism among public sector health staff, increased drain of MoH professionals to NGO and private sector.
 - Severe shortage of drugs and medical supplies.
 - Increased proportion of health financing through user charges, as a consequence of increased use of private providers.
- Resource generation
 - Training and capacity building activities suspended.
 - Maintenance, rehabilitation and development of health facility network equipment and infrastructure suspended.
- Service provision
 - Breakdown of more than half of total PHC centers (56.5% of all PHC facilities are MoH run), due to irregular or non-attendance of health staff, and to lack of drugs and supply.

World Health Organization (WHO): Consequences on Health Programs – 1

- Preventive and promotive programs: 413 PHC (Public Health Care) centers (357 in the WB and 56 in Gaza) and 140 to 252 maternal and child health clinics (208 in WB and 44 in Gaza) will be affected, leading to an important or drastic reduction of their service provision capacity towards their closure. Programs likely to be affected (numbers refer to 2004 data):
 - Immunization: 65,796 children (35% of the children in Gaza and 85% of the children in the WB)
 - Dietary Supplementation: 63,736 children (72.8% and 47.9% of the children 3 weeks -12 months in the WB and Gaza respectively) 79,037 pregnant women (78.9% of all pregnant women in the WB and 71.8% in Gaza)
 - Growth monitoring: 65,796 children receive monitoring.
 - Antenatal and postnatal services: services received by 90,409 women (96.5% of all pregnant women) and 31,263 (33.5% of all pregnant women)
 - Delivery services: 59,731 deliveries (55.2% of total deliveries)

World Health Organization (WHO): Consequences on Health Programs – 2

- Curative and rehabilitative programs, services likely to be affected:
- Maternity: 47% of maternity beds are located in MoH hospitals. In 8 (of 15) districts, 100% of maternity facilities are from MoH.
- General hospitals: 61% of general hospital beds are located in MoH hospitals (66% of internal medicine beds, 71.3% of pediatric beds and 58% of the surgical beds are located in MoH hospitals)
- Other hospital services:
 - Admissions: 278,839 patients (7.67% of the total population) were admitted to the MoH general hospitals; 8,732 admissions to the emergency hospitals and 879 to the mental hospitals.
 - Out-patients: 751,988 patients (20.67% of the total population) benefited from the MoH out-patient departments.
 - Surgical operations: 72.4% were performed in the MoH hospitals.
 - 482 patients are on regular hemodialysis in the MoH hospitals.
- Emergency services: 976,400 patients (26.84% of the total population) received emergency services in MoH hospitals.14



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Canadian Aid to Palestine

Canadian Aid Programs

- CIDA estimates that between 1993 and 2004:
 - Canada allocated on average \$25 million a year for development initiatives in the West Bank and Gaza, focused on programs of
 - social development
 - Governance
 - civil society capacity building
 - refugees/peace-building
 - By the end of 2005, Canada's disbursements since the 1990s had reached a total of approximately \$333 million
- Despite repeated requests for clarifications from CIDA, CJPME has had trouble getting good detail on the existing Canadian aid programs for Palestine, as well as details on the impacts of planned changes
- Information is changing quickly – be prepared for potential changes

Canadian Programs - suspended

Four operational projects (\$7.34 million over four years) are being suspended.

- Housing Rehabilitation and Policy Development (Canada Mortgage and Housing Corporation, PA Ministry of Public Works and Housing and PA Ministry of Finance, \$6.3 million, 2005-08): to assist the PA in the field of housing both at the policy and operational levels.
- Refurbishment and Management of Ramallah Municipal Industrial Park (Federation of Canadian Municipalities, City of Ramallah, \$400,000, 2005-07): to assess the feasibility of assisting the Ramallah Municipality to refurbish and manage its industrial park.
- Middle East 4 Meeting (Justice Canada, \$600,000, 2005-06): to convene justice ministers from the PA, Israel, Jordan and Egypt to engage in an annual justice dialogue.
- English Language Training for Palestinian Security Officials (Canadian Foreign Affairs Department assistance to the PA, \$41,000)

Canadian Programs – to be restructured (slide 1)

Canada is restructuring the following programs “assistance to the PA or its officials, or that entailed systematic engagement with the PA” on a “case-by-case basis to eliminate any PA involvement”:

- Judicial Independence and Human Dignity (University of Windsor, BirZeit University and the Palestinian High Judicial Council, \$4.5 million, 2005-09): which seeks to train Palestinian judges on issues such as judicial independence and human rights.
- Palestinian Municipal Management, Phase 2 (Federation of Canadian Municipalities, municipalities of Rafah and Khan Yunis, PA Ministry of Local Government, \$3.2 million, 2003-06): to improve the management capacity of municipalities and encourage citizens’ participation in municipal affairs.
- Education Capacity Building (UNICEF, \$5 million, 2005-06): to improve teaching methods across the West Bank and Gaza.
- Governance Capacity Project (managed by the Canadian Representative Office in Ramallah, \$417,000, 2005-08) which seeks to provide advice and support to CIDA and the PA for public sector reform.

Canadian Programs – to be restructured (slide 2)

Canada is restructuring the following programs “assistance to the PA or its officials, or that entailed systematic engagement with the PA” on a “case-by-case basis to eliminate any PA involvement”:

- Child Friendly Cities (UNICEF, \$3.5 million, 2004-07): to improve local-level planning and services for children in six Palestinian cities.
- Child Wellbeing Phase 2 (Secretariat for the National Plan of Action for Palestinian Children, and the Ministry of Education, \$3 million, 2004-07): to improve coordination and services for children in the area of safe learning and play environment and psycho-social counseling.
- Technical & Vocational Training for Palestinian Women (World University Services of Canada, Alternatives, PA Ministry of Social Affairs, \$3.8 million, 2002-06): to empower low-income women to improve their economic conditions through the provision of training and other development initiatives.
- Middle East Capacity Building Fund (\$500,000, 2005-07): to respond rapidly to Palestinian development needs with Canadian technical expertise. No ongoing project activities at present.

Canadian Programs Continuing

A number of Canadian programs have not yet been identified for suspension or restructuring. They seem to be:

- UNRWA humanitarian support for Palestinian refugees, including support for microcredit, job creation and shelter rehabilitation (\$12 million, 2005-07), refugee camp upgrading (\$6.5 million, 2003-06), management reform (\$129,000, 2006), and refugee record systems development (\$1.2 million, 2004-08).
- Palestine Trade Centre (\$5 million, multi year): to support the private sector association of Palestinian exporters to compete internationally and access regional and global markets. Project remains at the planning stage.
- Provision of Border Management Expertise (\$500,000, 2005-07): A Canadian border management expert is deployed to the US Security Coordinator team.
- Expert Advisory Services Fund (International Development Research Centre, \$5 million, 2001-07): to support planning, policy development, research and dialogue on peace and refugee issues.
- Scholarship fund for Palestinian Refugee Women (International Development Research Centre, UNRWA, \$1.5 million, 2000-09): to support the professional development of Palestinian refugee women in Lebanon

April 2006 Changes in Canadian Aid to West Bank and Gaza through C.I.D.A.

| Project Title | Partner | Project Duration | Project Status | Millions of Dollars Canadian Committed |
|--|---|------------------|---------------------------|--|
| Response to the Consolidated Appeal Process | UNDP | 2006-2007 | Maybe affected | 5 |
| Housing Rehabilitation and Policy Development | CMHC | 2005-2008 | Suspended | 6.3 |
| Improving Living Conditions of Refugees | UNRWA | 2005-2007 | Maybe affected | 1 or 19.829 ** |
| Middle East 4 Meeting (ME 4) | Justice Canada | 2005-2006 | Suspended | 0.6 |
| Water Demand Initiative in the Middle East and North Africa | Intl. Devel. Research Centre | 2005-2010 | Maybe affected | 0.2 *** |
| Neighbourhood Corners Phase II | Oxfam Quebec | 2005-2007 | Maybe affected | 1.5 |
| Annual Institutional Support to UNRWA | UNRWA | 2005-2006 | Maybe affected | Not available |
| Governance Capacity Project | Cdn. Representative Office, Ramallah | 2005-2006 | Being restructured | 0.4175 |
| Palestinian Election Support Fund | Cdn. Representative Office, Ramallah | 2004-2006 | Maybe affected | 0.5 |
| Middle East Good Governance Fund | IRDC | 2004-2009 | Maybe affected | 0.3 *** |
| Media capacity building initiative | Institute for Media Policy and Civil Society | 2004-2006 | Maybe affected | 0.05 *** |
| Support to Palestinian Elections | UN Development, Program | 2004-2006 | Being restructured | 1.2 |
| Child well being Phase II | Secretariat of the National Action Plan for Pal. Children | 2004-2007 | Maybe affected | 3 |
| UNICEF Child friendly cities | UNICEF – New York | 2004-2006 | Being restructured | 3.5 |
| Reform support fund - Phase II | DFAIT | 2004-2006 | Maybe affected | 0.5 |
| World Bank reform trust fund | DFAIT | 2004-2006 | Maybe affected | 0.5 |
| Middle East program in civil society & peace building II | McGill U. Office of International Research | 2003-2006 | Maybe affected | |

April 2006 Changes in Canadian Aid to West Bank and Gaza through C.I.D.A.

| Project Title | Partner | Project Duration | Project Status | Millions of Dollars Canadian Committed |
|---|---|------------------|----------------------------|--|
| Reform support fund - Phase I | DFAIT | 2003-2006 | Maybe affected | 0.5 |
| Palestinian municipal management project - Phase II | Federation of Canadian Municipalities | 2002-2006 | Being restructured | 3.2 |
| Expert and Advisory Services Fund - III | International Development Research Centre | 2001-2007 | Maybe affected | 3.5 |
| Technical and Vocational Training for Palestinian Women | Entraide universitaire mondiale du Canada WUSC | 2001-2006 | Being restructured | 3.8 |
| Palestinian Mortgage and Housing Corporation | CMHC | 1999-2007 | Maybe affected | 3 |
| Networking for Peace | Not available | 1999-2006 | Maybe affected | 2.4 |
| Refurbishment and Management of Ramallah Municipal Industrial Park | Canadian Federation of Municipalities | 2005-2008 | Suspended | 0.4 |
| English Language Training for Pal. Security Officials | DFAIT to PA | Not available | Suspended | 0.041 |
| Judicial Independence and Human Dignity | U. of Windsor, BirZeit U., and Pal. High Judicial Council | 2005-2009 | Being restructured | 4.5 |
| Education Capacity Building | UNICEF | 2005-2006 | Being restructured | 5 |
| Middle East Capacity Building Fund | Not available | 2005-2007 | Being restructured | 0.5 |
| Palestine Trade Centre | Not available | Multi year | Maybe affected | 5 |
| Provision of Border Management Expertise | US Security Management Team | 2005-2007 | Maybe affected | 0.5 |
| Expert Advisory Services Fund | International Development Research Centre | 2001-2007 | Maybe affected | 5 |
| Scholarship fund for Pal. Refugee Women | International Development Research Centre | 2000-2009 | Maybe affected | 1.5 |
| Assistance to the Pal. Coastal Police | DFAIT | 2006-2008 | Not operationalized | 4.5 |

April 2006 Changes in Canadian Aid to West Bank and Gaza through C.I.D.A.

| Totals | Change | Millions of Canadian \$ |
|--------------------|---------------------|-------------------------|
| | Suspended | 9.741 |
| | Not Operationalized | 4.5 |
| Sub-total | | 14.241 |
| | Being restructured | 22.1175 |
| | Maybe affected | ? |
| Grand Total | | ? |

Footnotes:

- This chart is based on the best information available at time of writing. Lack of access to Foreign Affairs and CIDA officials prevented resolution of inconsistencies between different pages on the CIDA site.
- ** The suspended project “Housing Rehabilitation and Policy Development” had a budget apparently stated to be either \$1 million or \$19.829 million depending on which page of the CIDA site is examined.
- *** These amounts represent the Palestinian portions of projects involving different recipient jurisdictions.
- Because of the incompleteness of the information available, no Grand Total of projects “suspended”, “not operationalized”, “being restructured” and “maybe affected” is possible here.
- The overall CIDA budget for aid to Palestine is not available.

References:

CIDA Project Browser <http://les.acdi-cida.gc.gc.ca/servlet/JKMSearchController>

Canadian Aid Programs in the West Bank and Gaza http://www.acdi-cida.gc.ca/cida_ind.nsf

West Bank and Gaza Overview <http://www.acdi-cida.gc.ca/CIDAWEB/webcountry.nsf/VDUDocEn>



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Moral and Legal Concerns

Moral Guidelines for Humanitarian Assistance

- UN organizations provide humanitarian assistance (HA) on the basis of three principles¹:
 - Humanity
 - Neutrality
 - Impartiality
- Assistance is provided in order to “save lives, alleviate suffering and maintain human dignity”²

¹ UN GA Resolution 46/182 (1991)

² Principles and Good Practice of Humanitarian Donorship, June, 2003

Moral Guidelines for Humanitarian Assistance

The UN allocates assistance on the basis of clear criteria guiding humanitarian interventions, including:

- Principle of Impartiality:
 - Humanitarian assistance should be guided by need rather than political requirements according to the principle of impartiality.
- Principle of Neutrality:
 - Humanitarian assistance is neutral, and humanitarian agencies should interact with all parties to ensure access and to negotiate conditions for delivery. Humanitarian assistance should be provided with the consent of the host authority.
 - Humanitarian intervention should be expanded to address the impact of increasing poverty and unemployment – for example, through employment generation and the provision of credit, so as to target the poorest and stimulate the local economy.
- Principle of Humanity:
 - To be effective, projects need to be implemented in coordination with local authorities.
 - Barring a situation of collapse, humanitarian initiatives should not duplicate PA services.
 - Humanitarian assistance should not replace the core public sector responsibilities such as ensuring the right to health care and education.
 - Humanitarian interventions should not cause irreversible changes to the PA over time. They should be time-bound and subject to regular review as the situation evolves.

Applicability of International Humanitarian Law: Fourth Geneva Conventions (slide 1)

The Fourth Geneva Conventions make Israel – as the occupying power – responsible to ensure that the humanitarian needs of the civilian population are met:

- Article 55 – Ensuring adequate food and medical supplies
“...the Occupying Power has the duty of ensuring the food and medical supplies of the [occupied civilian] population; it should, in particular, bring in the necessary foodstuffs, medical stores and other articles if the resources of the occupied territory are inadequate.”
- Article 56 – Ensuring the functioning of medical institutions
“To the fullest extent of the means available to it, the Occupying Power has the duty of ensuring and maintaining, with the cooperation of national and local authorities, the medical and hospital establishments and services, public health and hygiene in the occupied territory, with particular reference to the adoption and application of the prophylactic and preventive measures necessary to combat the spread of contagious diseases and epidemics. Medical personnel of all categories shall be allowed to carry out their duties.”

Applicability of International Humanitarian Law: Fourth Geneva Conventions (slide 2)

The Fourth Geneva Conventions makes Israel – as the occupying power – responsible to ensure that the humanitarian needs of the civilian population are met:

- Article 23 – Expediting of relief supplies

“Each... party shall allow the free passage of all consignments of medical and hospital stores... intended only for civilians of another High Contracting Party, even if the latter is its adversary. It shall likewise permit the free passage of all consignments of essential foodstuffs, clothing and tonics intended for children under fifteen, expectant mothers and maternity cases.”

- Article 50 – Ensuring the functioning of educational institutions

The Occupying Power shall, with the cooperation of the national and local authorities, facilitate the proper working of all institutions devoted to the care and education of children.



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Alternative Aid Options for the PA

Other Middle East Countries are pledging aid

The countries to date which have pledged aid are:

- Saudi Arabia (\$90 million US)
- Kuwait (\$7.5 million US)
- Qatar (\$50 million US)
- Iran (\$50 million US)
- Others?

Difficulties of receiving aid

As of April 25th, the PA had still to receive any of the pledged aid:

- Arab League banks had been unwilling to release funds
 - Banks in the region are unwilling to transfer funds in the face of warnings from the Bush administration that they could be breaking U.S. laws
 - The PA said it would not object to having all foreign funds funnelled through the office of Palestinian President Mahmoud Abbas (the U.S. has not blocked money from flowing to Abbas)



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End of Module