An Oral and Documentary Analysis of Western Donor Perceptions of Development and Peacebuilding in their Palestinian Aid Programming, 2010-2016

Donor Aid Effectiveness and Do No Harm in the Occupied Palestinian Territory

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On the 25th Anniversary of the Oslo Accords, this report assesses the approach taken by 9 of the top Western donor countries/institutions that have for decades determined the structure of development aid in the Occupied Palestinian territory (OPT). It does this by focusing on the period 2010-16 through a quantitative keyword and qualitative analysis of 80 of their combined reports, and interviews with several dozen officials who contribute to the shaping of policy. This examination was conducted in order to offer a better understanding of how these donors perceive the Oslo Peace Process, Palestinian development, Israeli military rule, the ongoing colonisation of Palestinian land and the conflict resulting out of the combination of these processes. This is all carried out using an ‘Aid Effectiveness’ lens, with an emphasis on local leadership and local knowledge, but while also bearing in mind a ‘fragile and conflicted states’ framework and the ‘do no harm’ principle. Thus, the report’s analysis acknowledges that all donors involved in a conflict situation become actors in that conflict. For this reason, they should strive to provide their assistance in as neutral a manner possible, and be cognisant of the actual context they are intervening in (through strong analysis) in order to not make conditions worse.

The 9 Western actors analysed comprise not only some of the biggest sources of funding in the $30+ billion spent on ‘Oslo aid’ since 1993, but are also the ‘intellectual drivers’ who have determined just how that aid – and Palestinian economic and social institutions – is shaped. They include the United States, which has dominated the Middle East Peace Process (MEPP) politically as arbiter of Israeli-Palestinian peacebuilding; the European Union, which with its member states has acted as the leading financial contributor of Oslo aid, and the World Bank, which has played a leading role reporting on the state of Palestinian development and guiding donors through the bilateral giving process. Other influential actors analysed include the IMF, Canada, the UK, Norway, Sweden and Germany, all of whom have been funding a peacebuilding model built on an underlying precept that Palestinians need to be endowed with liberal democratic institutions in order for them to be able to cohabitate in peace with Israel, and where that peace will be cemented based on free market international trade and development funding to incentivise the Palestinians to abandon violence.

This report also provides context for living and political conditions in the OPT, which are then compared to the donors’ policies and a description of each donor. In so doing, it sheds light
on a gap that exists between the overarching Oslo aid model and donors’ policies, with actual conditions in the OPT and what is considered effective aid. The report also describes a noticeable rhetorical gap that exists between donors’ policies with their actions, and identifies nuances in the donors’ positions. The report further engages expert opinions on the state of Oslo and the OPT, while providing recommendations for future research into the role of these powerful and under-researched donors.

Ethos

Ultimately this study references one of the central precepts of aid effectiveness, namely that donors should be accountable to the stakeholders whose lives they are theoretically working to improve. This includes the imperative for stakeholders, like the Palestinians, to be given ownership over how funding is spent. This is done in order for aid to be truly empowering and impactful in a way that best addresses their priority needs. For this reason, it is important to independently, through Palestinian civil society organisations, audit donors to hold them accountable for Palestinian needs. Such an audit is especially imperative in a protracted conflict where aid has as much potential, if not properly constructed, to do harm as to provide assistance, and where aid has clearly after 25 years of high levels of spending failed to engender any peace or sustainable development in the OPT.

Production

The research for this study was carried out by Dr Jeremy Wildeman at the University of Bath’s ‘Department for Social and Policy Sciences’, with funding support from the Global Challenges Research Fund (GCRF). It was completed in the winter of 2017-18 and was then prepared for publication within the year, including content updates in that time period. This study was carried out for, in collaboration with and in support of, two Palestinian stakeholder organisations, Aid Watch Palestine and the Al-Shabaka Policy Network, who will help disseminate the findings locally. Their own mandates as organisations include monitoring and providing policy advocacy on donor spending. The study was conducted in such a way that the bulk of the research will be published with Aid Watch Palestine in Arabic and English, with the intention of being as accessible as possible to stakeholders and policymakers. Meanwhile, Al Shabaka will assist with the publication of further policy analysis in Arabic and English.

Expert Input

Special thanks go to a number of leading scholars who provided input into designing or reviewing sections of the report. First, to Dr Nora Lester Murad who provided advice on the terminology of keywords in the reports, which use the framework of aid effectiveness. To Dr Emile Badarin for reviewing the section on Sweden. To Dr Melanie Meinzer for reviewing the section on the United States. To Dr Shir Hever for reviewing the Context section and section on Germany. To Dr Alaa Tartir, Joan Deas and Elise Reslinger for reviewing the Summary of Findings. And, last but definitely not least, to Dr Ben Boulton for reviewing all sections and editing the English language content of the entire report.
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Acronyms

AHLC – Ad Hoc Liaison Committee
ATC – Anti-Terrorism Certification
BDS – Boycott, Divestment, Sanctions
BMZ – Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung Federal
  (German Ministry of Economic Cooperation and Development)
CEPR – Center for Economic and Policy Research
CIDA – Canadian International Development Agency
COGAT – Coalition of Government Authorities in the Territories
CSOs – Civil Society Organisations
CRS – Congressional Research Service
DG DEVCO – Directorate-General for International Cooperation and Development
DFID – Department for International Development
DFLP – Democratic Front for the Liberation of Palestine
EAP – Emergency Assistance Program
EC – European Council
ECHO – Directorate-General for European Civil Protection and Humanitarian Aid
  Operations, formerly known as the European Community Humanitarian Aid Office
EEAS – European Union External Action
EPJP – Enhanced Palestinian Justice Program
EO – Executive Order
EUPOL COPPS – EU Co-ordinating Office for Palestinian Police Support
FSP – Fragile States Principles
GAC – Global Affairs Canada
GAO – Government Accountability Office
GCTS – Global Counter Terrorism Strategy
GIZ – Gesellschaft für Internationale Zusammenarbeit GmbH (a German development
  agency that provides services in the field of international development cooperation)
GNI – Gross National Income
GPSF – Global Peace and Security Fund
IAEA – International Atomic Energy Agency
ICC – International Criminal Court
IDF – Israeli Defense Forces
IFI – International Financial Institution
IHL – International Humanitarian Law
INCLE – International Narcotics Control and Law Enforcement
INL – Bureau of International Narcotics and Law Enforcement Affairs
HRW – Human Rights Watch
KfW – formerly KfW Bankengruppe, originally from Kreditanstalt für Wiederaufbau (a German government-owned development bank, based in Frankfurt)
MAS – the Palestine Economic Policy Research Institute
MEPP – Middle East Peace Process
MFA – Ministry of Foreign Affairs
MoEHE – Palestinian Ministry of Education and Higher Education
NGO – Non-Governmental Organisation
NPA – Palestinian National Policy Agenda
NSA – Non-State Actor
OCHA – the UN Office for the Coordination of Humanitarian Affairs
ODA – Official Development Aid
OECD – Organisation for Economic Co-operation and Development
OPIC – Overseas Private Investment Corporation
OPT – occupied Palestinian territory (comprised of Gaza, the West Bank and East Jerusalem)
PCBS – Palestinian Central Bureau of Statistics
PEGASE – EU mechanism for support to Palestinians
PFLP – Popular Front for the Liberation of Palestine
PIJ – Palestinian Islamic Jihad
PLC – Palestinian Legislative Council
PLO – Palestinian Liberation Organisation
PMA – Palestinian Monetary Authority
PRDP – Palestinian Reform and Development Plan
PRDP-TF – Palestinian Recovery and Development Plan Trust Fund
RCMP – Royal Canadian Mounted Police
Sida – Swedish International Development Cooperation Agency
START – Stabilization and Reconstruction Task Force
SWP – Stiftung Wissenschaft und Politik
TIM – Temporary International Mechanism
TIPH – Temporary International Presence in Hebron
UNCTAD – United Nations Conference on Trade and Development
UNDP – United Nations Development Programme
UNDP/PAPP – United Nations Development Programme/Programme of Assistance to the Palestinian People
UNESCO – United Nations Educational, Scientific and Cultural Organization
UNGA – United Nations General Assembly
UN OCHA oPt – ‘Office for the Coordination of Humanitarian Affairs, Occupied Palestinian Territory’
UNRWA – The United Nations Relief and Works Agency for Palestine Refugees
USAID – United States Agency for International Development
USSC – Office of the U.S. Security Coordinator
WFP – World Food Programme
Section I: Introduction

In order for aid to be effective, it must be accountable to its recipients. So, one of the first and most obvious priorities is that the recipients know how much money is entering their communities, the source of those funding streams, to where they are going and for how long that funding is expected to flow. In the context of the OPT tracking these funds is a something of monumental task, given the vast array of (innumerable) state and non-state donors from all around the world who together spend hundreds of millions of dollars per year on Palestinian aid, each of whom acts in accordance with their unique programming goals and in a multitude of home languages. Even then, just knowing the sums involved provides only a partial and quite limited picture of what is taking place with that funding. Figures and brief categorisations do not shed light on the framework within which the aid money is being spent, in the highly complex context of the fragile and conflicted OPT.

This type of information, knowing why funding is being spent and in what manner, is critical information for the Palestinian recipients, as well as donors who wish to achieve progressive developmental outcomes by reflecting on their own and peer practices. In fact, since ‘context is king’, nothing is more vital than understanding qualitatively just what the impact of a particular fund is and why it came to that result, in order to know what then might be done to improve it or even if the fund/programme should exist at all. Yet this type of qualitative analysis is particularly hard to come by in the OPT, due to a limited number of independent assessments and the sheer complexity of a topic that typically clashes with the normative values of the actors engaged in the Oslo Peace Process.

Almost universally recipients have no idea as to what the politics and philosophical idiosyncrasies of the donor (especially donor state) funding their work may be, or what that funding means on the grander scheme of national and global strategic impacts for issues such as resource extraction, labour and securitisation. Further, recipients will nearly always lack the institutional capacity to track, monitor and analyse those funds, in order to keep their political and civil society leaders abridged of the nature of that funding. This is particularly pronounced in a conflict situation, where recipients like the Palestinians are after all people in a situation

1 For this reason, Aid Watch in 2016 commissioned two researchers (including the current author) to start accounting for these totals by mapping the largest bilateral sums for the period 2012-2014/15. See Alaa Tartir and Jeremy Wildeman, ‘Mapping of Donor Funding to the Occupied Palestinian Territories 2012 - 2014/15 (English Report): Limited, Disorganized and Fragmented Aid Data Undermining Transparency, Accountability and Planning’ (Aid Watch Palestine, November 2017).
of vulnerability under military occupation, and in the context of an aid system defined by realpolitik, where it is likely a donor’s stated aims may not match their real unspoken aims.²

In the case of the OPT, as is described in more detail in Section III, international donors have under US leadership spent tens-of-billions of dollars on Palestinian aid since 1993. That spending was/is in large part meant to help build Palestinian institutions that will form the basis of a Palestinian state and will encourage free market trade, all with the end aim of fostering economic growth and peacebuilding with Israel, within the framework of the Oslo Accords. Thus, the Palestinian aid process effectively represents a large-scale development-for-peace programme, which is being extended in one of the most politically sensitive geostrategic regions of the world.

Within that funding process, both state and large state-backed multilateral actors are the main drivers of funding, and Western actors in particular are foremost. As such, their thoughts and opinions matter most in the hierarchy of power of Palestinian development aid. As Section III describes, their funding has coincided with a sharp decline in Palestinian standards of living, incredible violence and acute humanitarian crises. For this reason, when viewed from above, the Oslo development-for-peace aid programme appears after 25 years of spending to have been a catastrophic failure of epic proportions. Yet this is not necessarily a reason to just quit funding. Those adverse conditions now necessitate aid funding, perhaps more than ever before, provided that funding is given with caution in an appropriate manner based on strong contextual analysis, along with a commitment to achieve positive outcomes and do no harm.

Donors and Aid Effectiveness

What this study does is start the process of assessing what donors are doing by undertaking analysis of how they view and approach their Palestinian aid programming. It does this by focusing on their Palestinian aid reporting for the years 2010 to 2016, while putting those reports into context with analysis of their policies found online and with interviews by the people who contribute to making their policies. This is presented in Sections IV and V, and this further contextualises the OPT’s developmental and conflict situation that is outlined in Section III. It does this by beginning with 9 of the most important Western donor-actors, the United States, the World Bank, the IMF, Canada, the UK, the EU, Germany, Norway and

Sweden, who have more than $14.778 billion in Official Development Assistance (ODA) since 1993.

Using the OECD QWIDS international development statistics data-set:

- The US is shown to have spent $7.049 billion on Palestinian aid from 1993 to 2016.
- Canada $0.608 billion from 1993-2016.
- The UK $1.056 billion from 1993 to 2016.
- The EU $1.978 billion from 2012 to 2016.
- Germany $1.485 billion 1994 to 2016.
- Sweden $0.982 million from 1993 to 2016.
- See section V for a description of how the World Bank manages billions in funding, and how the Bank and IMF influence how donors spend their Palestinian ODA.

Table 1 - Palestinian ODA Spending since 1993 by the Donor-Actors in this Survey

This analysis is all done with reference to widely accepted principles for aid effectiveness that each of the donor-actors (herefore usually referred to as donors) has acceded to on the international stage through the Organisation for Economic Co-operation and Development (OECD), specifically within the Paris Declaration (2005) and Accra Agreement for Action (2008).

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The Paris Declaration on Aid Effectiveness

The Paris Declaration (2005) is a practical, action-oriented roadmap that seeks to improve the quality of aid and its impact on development. It gives a series of specific implementation measures and establishes a monitoring system to assess progress and ensure that donors and recipients hold each other accountable for their commitments. The Paris Declaration outlines the following five fundamental principles for making aid more effective:

- **Ownership**: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- **Alignment**: Donor countries align behind these objectives and use local systems.
- **Harmonisation**: Donor countries coordinate, simplify procedures and share information to avoid duplication.
- **Results**: Developing countries and donors shift focus to development results and results get measured.
- **Mutual accountability**: Donors and partners are accountable for development results.

The Accra Agenda for Action

Designed to strengthen and deepen implementation, the Accra Agenda for Action (AAA, 2008) was designed to strengthen and deepen implementation of the Paris Declaration. It takes stock of progress and sets the agenda for accelerated advancement towards the Paris targets. It proposes the following four main areas for improvement:

- **Ownership**: Countries have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more use of country systems for aid delivery.
- **Inclusive partnerships**: All partners - including donors in the OECD Development Assistance Committee and developing countries, as well as other donors, foundations and civil society - participate fully.
- **Delivering results**: Aid is focused on real and measurable impacts on development.
- **Capacity development**: Enhanced ability of countries to manage their own future.

Table 2 - The Paris Declaration on Aid Effectiveness (2005) and The Accra Agenda for Action (2008)\(^4\)

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This analysis was also conducted taking into account the Do No Harm principle, developed first in 1999 by Mary Anderson, and also the Fragile States Principles (2007), which is OECD-endorsed and should always be taken into consideration when providing aid assistance in a conflict situation. In fact, one of the Swedish analytical reports reviewed in this survey specifically references the Fragile States Principles (FSP), noting that FSP ‘complements the Paris principles, aiming to support constructive donor engagement in fragile contexts with weak governance and minimising unintentional harm’.


1. Take context as the starting point
2. Ensure all activities do no harm
3. Focus on statebuilding as the central objective
4. Prioritise prevention
5. Recognise the links between political, security and development objectives
6. Promote non-discrimination as a basis for inclusive and stable societies
7. Align with local priorities in different ways and in different contexts
8. Agree on practical co-ordination mechanisms between international actors
9. Act fast… but stay engaged long enough to give success a chance
10. Avoid pockets of exclusion (‘aid orphans’)

Table 3 - The Fragile States Principles (2007)

This study pays particular heed to the essence of all these principles during donor intervention, which entails: donor respect for the actual historical context of the region in which they are intervening, donor respect for the concept of neutrality in their intervention/s, and donor


8 OECD, ‘Principles for Good International Engagement in Fragile States and Situations’.
respect for local leadership in determining the funding process while developing capacity. Further, the study’s qualitative analysis of donor documentation found in reports, and on websites, in combination with anonymised interviews with high level officials, reflects the need in foreign aid to go beyond the quantifiable information found in openly accessible data. That quantifiable data after all only offers a limited impression of what is happening. As Regilme et al observe in relation to their recent research into foreign aid in Thailand, ‘any kind of investigation about foreign aid’s political consequences must go beyond the quantifiable and measurable amounts of military and economic aid found in openly accessible data’ and include the shared political discourses and publicly stated policy preferences of donor governments, which are informative as to how and in what ways foreign aid is most likely to be used.\(^9\) Regilme noted that, ‘these ideas and discourses reflect the underlying intentions, causal expectations, and priorities of leaders in both donor and recipient countries’.\(^10\) So again, context is king, but this includes not just the context where the intervention is taking place, but also the country from within which an act of aid intervention originates.

This report is carried out with a specific focus on development aid and its impact on Palestinians in the OPT, who are located within the temporal-geographical boundaries of Palestinian lands (Gaza, the West Bank and East Jerusalem) that Israel conquered from Egypt and Jordan in 1967. This focus is also justified by the fact that these lands are the areas where a Palestinian state was supposed to be established, based on the Oslo Accords and Peace Process. It is for this reason that donor aid has since 1993 been centred on the OPT, where ‘the Israeli occupation and the recurring Gaza wars have turned disaster into a normal state for many Palestinians and dependence on foreign aid is high’.\(^11\)

The study is done to provide a snapshot for Palestinians, donors and other interested parties of how and why these large sums are being spent. It is being published ‘open access’ in Arabic and English, with the intention of laying the groundwork for further tracking and analysis of donors and donor aid in the OPT. Only through a deeper analysis of the complex and convoluted Palestinian aid process can we hope to understand these funding patterns. Ultimately it is envisaged that Palestinian stakeholders will become equipped with knowledge


\(^10\) Regilme Jr.

that will allow them to take some measure of control over their own developmental process, as advocated by the principles for aid effectiveness themselves.
Section II: Summary of Findings

Analysis & Context

What stands out from the donor reporting on their OPT aid programming is how they perceive and present the context they are working in. Strong analysis of the context of an intervention is crucial to a donor not doing harm in a fragile and conflicted state. This analysis does not seem always to be present with donors active in the OPT, especially the powerful North American based ones. This can be observed in how they perceive and account for the fundamental factors driving conflict between Israel and the Palestinians, such as occupation, settlements, settlers and colonisation. Here some donors rarely, if ever, identify those factors, even though they are the main causes of Palestinian poverty, the failure of the Oslo Process, continuous violence and instability.

Canada stands out here for never once referring to there being an occupation, settlers, settlements or colonisation in 1000 pages of reporting on their overseas aid, an oversight that is particularly telling because Palestinian aid nearly always constitutes a significant proportion of their annual aid envelope. Likewise, in 160 pages of US Government Accountability Office (GAO) reports, these terms are nearly never mentioned, and that is important when bearing in mind the fact that the US is one of the biggest donors financially and the main political driver of the aid process. Although the IMF does reference the settlements a modest 31 times across 587 pages in 16 reports, this averages slightly less than two instances per report, an oversight that is particularly striking as it relates to such a key obstacle to Palestinian state development. The other terms occupation, settlers and colonisation are basically not mentioned in the IMF reporting. There settlers and colonisation are not mentioned, while occupied and occupation are mentioned only once each, with occupied appearing in a footnote referencing an UNRWA report with occupied in the title, and occupation appearing once as a belief by the IMF that the OPT economy benefitted from the Israeli occupation from 1967 to the early 1990s.

The World Bank is ‘an’, if not ‘the’ intellectual driver of the architecture of Palestinian ODA. It generally does a better job than Canada, the US and IMF in adopting the use of contextually accurate terminology across the 739 pages in 19 reports reviewed in this survey. The Bank

12 OECD, ‘Principles for Good International Engagement in Fragile States and Situations’.
14 IMF, 4.
even mentions colonisation once, although accidentally in citing the name of a report by the Palestine Economic Policy Research Institute (MAS). The World Bank also mentions the words settler 19 times and settlements 68 times. However, only 5 of 19 reports use the word ‘settler’, and references to settlements are only made in half the reports. In the largest of the reports reviewed in this survey, a 239-page Bank assessment of its work in the OPT covering the decade 2001-2009, the Bank only mentions settlers 3 times and settlements 2 times. Further, there is a noticeable trend that, during the period from 2009 to 2017, the Bank acknowledges the presence of settlers and settlements less frequently, despite the fact that their disruptions of Palestinian life in the OPT (See Section III Context). This also overlooks the fact that they are the attribute that most characterises Israeli rule of the OPT, are consistent with Israel’s historical policies of regional settlement and state building and are a flagrant violation of international law.

Meanwhile, the Bank only rarely refers to the ‘occupation’ or ‘occupied’ territory, even though both are internationally accepted descriptions relating to Israeli rule there, as per UN Security Council Resolutions 298 (1971), 446 (1979) and UN General Assembly resolution 32/5 (1977 October 28). In fact, rare references to the occupation often come from a reference to a report title or institution with ‘occupation’ or ‘occupied’ in its name. Further, references to the occupation disappear completely after 2012, even though the occupation very much exists and very much impedes on every aspect of Palestinian daily life. Occupation in fact looks like a dirty word to the Bank, said with only great reluctance. The result of reading these four donors’ reporting – the US, Canada, the IMF and the World Bank – is that outside of the occasional ‘rogue’ World Bank report, one might forget the occupation and settlements were issues of importance, or that they even exist at all (see Canada).

This contrasts with the Europeans, which this survey found were generally more prone to use accurate terminology when describing the context in the OPT. Although the Norwegians rarely mention settlers and settlements (1 time and 15 times respectively) across 236 pages of reporting, they do reference ‘the occupation’ 116 times and ‘occupied’ 27 times. On reading


through the Norwegian reports, the reader never loses sight of the fact that the Palestinians are occupied, even if the settlements appear as an oversight.

While the EU references ‘settlers’ only 8 times in 199 pages of reporting reviewed in this survey, ‘settlements’ are referenced 57 times, ‘occupation’ 72 times and ‘occupied’ 163 times. It is impossible to forget the context when reviewing EU reporting. The Swedish exhibit particularly sophisticated contextual reporting across 183 pages of reporting, described in detail in Section V Sweden, with references to the ‘settlers’ 8 times, ‘settlements’ 33 times, ‘the occupation’ 53 times and ‘occupied’ 41 times. Unlike its former colonies and cultural cousins in North America, in 32 pages of reporting reviewed in this survey the UK references ‘settlers’ 12 times, ‘the settlements’ 17 times, ‘the occupation’ 7 times and ‘occupied’ 11 times.

Security and Vulnerability

This leads to a second and important topic that relates to the question of how aid is delivered. The Palestinians in the OPT have been living under a harsh military occupation since 1967. They are kept in a situation of vulnerability, exposed structurally to violence on a collective level, in an occupation characterised by frequent and grossly asymmetrical violence conducted between Israelis and Palestinians. Yet, key donors do not seem to fully take account of the disproportionate nature of this violence, the extreme vulnerability of the occupied group as compared to the occupier, or the fact that security from violence is a right held by both groups.

For instance, the Canadians and Americans appear to be preoccupied with providing security for Israel from Palestinian violence, inversely reflecting the proportionate power and frequency of violence carried out between the two sides, where one is the occupier and the other occupied. In the US reporting there is an overwhelming concern with ‘terrorism’ at 165 uses, an average of more than once per page; and with ‘security’ at over 250 uses, on average 1.56 uses per page in the five reports analysed. Although a minority of instances specifically reference security for Israel or US national security objectives, the vast bulk of 245 uses of security are general references that seem to focus on reducing violence carried out by Palestinians, with ‘terrorism’ nearly exclusively reserved to Palestinian violence. Of the rare 3 instances where security is mentioned as security for Palestinians, this came as a reference to food security and not of Palestinian security from violence.

In the Canadian reporting, the one stand-out keyword is ‘security’ at 27 uses. It is largely not clear who will benefit from this ‘security’ though the tone of the Canadian reporting suggests
it is centred on containing Palestinian violence. In a similar manner to the US, the 4 specific references to Palestinian security do not propose to protect Palestinians from violence, but rather focuses on providing food security. The IMF is also concerned with ‘terrorism’ at 27 uses, which it references nearly as frequently as ‘Israeli settlements’. Generally speaking the concept of security is a thematic priority throughout the IMF’s analytical reporting. Palestinian security from violence is specifically mentioned 2 times in the IMF reporting, which is less than the 8 times Israeli security is mentioned; while it is never clear who specifically benefits from security in 74 references, the tone of the reporting does resemble the Canadian and US concern for containing Palestinian, but not Israeli, violence.

The focus of the World Bank’s combined reports tended often to be on the Palestinian economy, and the security situation. Again, the World Bank shows more nuance in its analysis than the Canadians, US and IMF. In spite of its attempts to steer clear of political topics, the Bank does reference settlements, the occupation, security and terrorism as obstacles to the development and peacebuilding process. It often recognises that the Palestinians are living under occupation and that Israeli settlements undermine the state building process. The Bank does make fairly frequent use of the term ‘security’, and is willing to discuss Palestinian security from violence in 17 keyword instances across the reports. However, the Bank is also more likely to be vague about who will benefit from security (53 references). Meanwhile, the Bank is more than twice as likely to reference Israeli security concerns, with 41 usages, which compares to the 17 instances referencing Palestinian security concerns.

As with the terminology of occupation and settlements, there are differences in how European donors perceive security when compared to the North American based donors. For instance, while the Norwegian reports acknowledge Israeli security on three occasions, Norway shows a concern almost unique among the donors in stressing the need for Palestinian security from violence, which is referenced 37 times. Meanwhile, in the 48 instances where security was used in the Norwegian reports without clearly referencing one national group, Norway gives an impression that this conceptualisation of security does not just refer to Israeli security from Palestinian violence, but also to Palestinian security from violence. This also seems to be why terrorism is only mentioned once in the three reports, and in this instance is a reference to an early classification the US and Israel had of the Palestinian Liberation Organisation (PLO).

Further, even when Israeli security was mentioned, in one instance the Norwegians made

sure to reference Palestinian security, within an analytical description of what low levels of political legitimacy mean for an un-democratic PA unable to provide security from violence to its citizens.  

The EU exhibits an outward concern for Palestinian rights and for human security in the region. The EU refers to security for Palestinians 44 times and effectively does not reference terrorism with just 2 uses. Their reporting displays a concern for security for Palestinians from violence that not all donors share, and that concern includes abuses of Palestinians by the Palestinian security forces that countries like the US, Britain and Canada have invested significant resources into training and equipping. Although security is not specified for a specific national or ethnic group in 61 instances, the EU focus on human security suggests no bias in favour of any one group of people over another. Further, the EU reports consider in detail how Israeli security policies undermine the Palestinian economy and state-building processes, both of which are intrinsic to the Oslo Peace Process.

The United Kingdom only mentioned ‘terrorism’ three times while referring to ‘general security’ 37 times out of 39 total references to ‘security’. However, the British government displays a sophisticated understanding of security that includes a willingness to critique Israeli security abuses. For instance, the one time that security for Israel was raised in their reports, this was as a critique of Israeli policies:

We believe that these restrictions damage the economy and living standards of ordinary people in Gaza without achieving Israel’s security objectives.

That willingness to critique Israeli occupation policies included Israel’s frequent use of administrative detention to jail Palestinians without charges, and included a discussion of the way in which administrative detention is meant to be applied under international law.


18 Skjæveland and Bauck, 4.
20 Foreign and Commonwealth Office, 4.
The Swedes mentioned ‘terrorism’ just nine times, ‘security for Israel’ 28 times, ‘security for the Palestinians’ 18 times, ‘security in-general’ seven times, and security for other states or actors 318 times. The Swedes appear to have a different conception of these terms though, and of the Israeli state’s relationship to them. For instance, their discussion of terrorism is thoughtful and unlike some other donors not just a reflex accusation against the Palestinians. Of the nine times when terrorism was mentioned, seven citations referred to the fact that Israeli security measures against the Palestinians may actually increase the occurrence of terrorism; one time referred to the misuse of the term by far-right Israeli politicians, and one time noted that Israeli politicians use the word when needing ‘to look tough’ for electoral reasons.

Further, a lot of the discussion surrounding Israeli security includes critical questions of it, referring seven times to Israeli security abuses of Palestinians that include torture, interrogation, the use of human shields, collective punishment, security for settlements and house demolitions.

Meanwhile, some German interviewees were critical of the funding of security in the OPT. Interviewee H7 said that essentially most major crime in the OPT is perpetrated by Jewish settlers, which the Palestinian authorities are not allowed to tackle. He/she said why focus on Palestinian security spending when that is not a priority need for Palestinians living under occupation? (Section IV Interviews explore the securitisation of the PA and the development of the security sector in the OPT in more detail.)

Rights

As with settlements, security and occupation, there is a divergence between the North Americans and the Europeans in their perceptions of rights in the OPT. The United States does not mention Palestinian economic rights and of the 10 rare instances where human rights are mentioned, four references relate to Israeli human rights. The Canadians likewise do not reference Palestinian economic rights, and only reference human rights vaguely on three occasions. The IMF meanwhile only brings up human rights once and economic rights nine times.


23 Montell, 44.

times. Again, the World Bank shows more nuance, with 18 references to human-centric rights and nine to economic counterparts. Even then, this is relatively few for a conflict defined by extreme violence and human rights abuses, in which peacebuilding has effectively become synonymous with economic growth. It is also concerning to see donors that are focused on security who do not give equal concern to concepts of rights that are necessary to balance out the impact of securitisation, something that is clearly important in the context of Palestinian vulnerability. By contrast, Norway referenced human rights 214 times and the EU a remarkable 400 times, across much fewer pages of reporting than the US, Canada, IMF and World Bank. Meanwhile, the EU references economic rights 30 times and Norway just once. Again, the UK diverges from its North American cousins by referring to rights with a human focus on 49 occasions, including many references to refugee rights. The UK does not reference economic rights. The Swedes also display a deep concern for the human rights situation in the OPT with 511 references but mention economic rights just once. But the Swedes were also an outlier among donors in evidencing a concern to support advocacy work for Palestinian rights.

It is interesting that these leading donors do not pay more heed to economic rights in their analysis, given the importance of economic growth to the Oslo model. This is also noteworthy given the World Bank’s lead role in producing regular economic analysis of the OPT in reports that nearly all observers refer to when assessing regional developments.

**Democracy**

The Oslo Peace Process and Palestinian development have from their inception been predicated on the establishment of democratic PA institutions. Further, it may be argued that democratic governance represents local empowerment, as the aid effectiveness principles reiterate. Yet key donors seem to forget about democracy, and the North American ones are most likely to do so when reporting on Palestinian aid. Here the US refers to democracy a modest 21 times and the Canadians just nine times, with the latter potentially being a generous estimate: two of these nine instances are taken from the Report to Parliament on Canada’s

"ODA 2010-2011," when the former Canadian International Development Agency (CIDA) refers to its support for democracy in the Middle East without ever directly mentioning Palestinians or even the West Bank and Gaza. Meanwhile, four uses of ‘democracy’ were within the non-ODA Global Peace and Security Program. Further, there were two references to ‘democracy’ in a Report to Parliament 2012-2013 that strongly implied but did not refer directly to the OPT, with just one direct reference to democracy in a discussion about funding for the Royal Canadian Mounted Police (RCMP) and EU Co-ordinating Office for Palestinian Police Support (EUPOL COPPS) in the OPT.

The IMF never mentions democracy and the World Bank echoes its North American-based counterparts by never mentioning democracy either, outside of two times when discussing the governance of Non-Governmental Organisations (NGOs) in June 2010. Here the World Bank’s lack of concern for democracy stands out, in large part to its role as the architect of the Oslo aid model and, as discussed in later sections, the fact that donors like Canada and the US rely on the Bank’s reporting in their own analysis. Further, the lack of interest in Palestinian democracy exhibited in the analysis of these donors is concerning when taken into context with their lack of concern for rights in the OPT, their general pre-occupation with the securitisation of the Palestinians and gaps in their contextual understanding of the OPT.

Here the UK joins its North American cousins in failing to sufficiently cite the word ‘democracy’ in their reports. However, the other Europeans again contrast significantly with the North Americans. As the sponsor of the Oslo Peace Process and Chair of the AHLC, Norway exhibits a particular concern for Palestinian democratic development. Norway refers to democracy a remarkable 329 times in just three reports, while clearly linking the concept to good governance. Norway also expresses concern that the PA’s lack of democratic accountability may have implications for its legitimacy with Palestinians and also its stability.

Likewise, the EU reports do not neglect the original goals of the OPT state building mission, referencing Democracy 141 times. Nor do they shy away from describing serious problems


with the state building process donors are funding in the OPT. For instance, EU reports highlight the weakness of PA security forces and the impunity with which Israeli forces operate in Palestinian territories. Meanwhile, though the Swedes only refer to democracy 8 times, they often tie the concept to the PA to its citizenry. This includes Swedish support for Palestinian civil society in the latter’s advocacy work for democracy.

State and Institution-Building

Many of the interviewees said that support for Palestinian ‘institution building’ was their central developmental purpose as donors in the OPT. Further, in spite of delayed statehood for the Palestinians, many of the interviewees were positive about the Palestinian capacity to manage their own affairs, especially from a human capital perspective. This was especially noticeable among World Bank interviewees.

PA democratic governance has been trending downwards towards authoritarianism in recent years. This follows a Western-backed Fatah coup in 2007 that reversed the Hamas victory in Palestine’s 2006 election, along with the 2013 resignation of the technocratic Fayyad government that ruled the West Bank after the coup. However, this regression should maybe not be a surprise given the mixed donor message on democracy and a focus on the securitisation of Palestinians, with both elements being foremost in the strategy of the powerful United States and influential World Bank. Concern about this move towards authoritarianism and the erosion in PA institutions since 2013 was repeatedly voiced throughout the interviews.

As German interviewee H5 said, they now have real concerns about the PA. He/she said for instance that the PA is not leading on key issues like unemployment. Meanwhile, H5 said that every aspect of what is liked about Abbas by the international community is disliked by the Palestinian public. Interviewee H6 from Germany said that a system of political corruption is being encouraged by the donors, with the PA elite being encouraged to cooperate with the Israelis outside of democratic accountability to their own citizens.

Interviewee D6 from Canada saw this regression away from democracy as being linked to the securitisation of the Palestinian people. He/she tied this to the post-coup work done by the US and other donors, like Canada and the UK, training the PA security and encouraging them to jail Palestinians on the logic that, ‘To put Israel’s nerves at ease, we need to show that it will not be attacked. Then everything will work once Israel is comfortable’. Interviewee D6 also said that the US wanted the PA legal system to become better at catching ‘bad guys’ so that Israel would then start to lift restrictions, leading to renewed peace negotiations. Thus, the
securitisation of Palestinian violence was by these donors’ logic supposed to reignite peacebuilding.

**Advocacy, Accountability and Aid Effectiveness**

Accountability in aid spending and support for the Palestinians to engage in advocacy are both intrinsic to aid effectiveness. Here there was a lot of variance among the donors in their approach to these concepts. First, the US exhibits no interest in any of these terms in its GAO reports. Accountability is brought up four times, and not as donor accountability to the stakeholders. Canada likewise shows no interest in these terms, as shown by the fact that aid effectiveness only appears 30 times in its information-poor reporting. However, these 30 usages were references to all Canadian aid, not the OPT specifically, and only the most optimistic reading would interpret them in this latter sense. The IMF is also not interested in advocacy and when it references accountability, it seems not to mean the aid effectiveness concept of donor accountability to the recipient stakeholders, but rather the accountability of the PA to others. Of the six times that the IMF uses the term ‘aid effectiveness’ in hundreds of pages of reporting, it does not appear to be referring to the Paris Declaration or Accra Agenda. It is here that we again see the World Bank deviate from the other North American donors. Though it shares their disinterest in advocacy with just 2 references, it does acknowledge aid effectiveness with 34 references and accountability with 101 usages.

Interestingly, Norway displays almost no interest in advocacy or aid effectiveness. Though it references accountability 77 times, this is largely the responsibility of the PA to its citizens (as per democratic governance), and not of the donors to the PA. Likewise the UK exhibits no interest in advocacy or aid effectiveness – the 23 instances when the reports reviewed in this study raise accountability appear to envisage the PA being accountable to other parties, including the donors.

The EU only mentioned aid effectiveness 14 times, but referred to advocacy 40 times and accountability 141 times. Here the keyword ‘accountability’ is used not just to reference donor obligations to the Palestinian stakeholders, but in other important ways such as making Israel, the PA and Hamas accountable for politically-motivated human rights violations.\(^30\) Meanwhile,

the relatively few EU references to ‘aid effectiveness’ do include explicit references to the Paris Declaration.31

Again, Sweden displays one of the most sophisticated applications of these terms. Advocacy was mentioned 74 times in the five Swedish reports reviewed, which was the highest among all the surveyed donors. This is nearly twice as many times as the EU reports’ 40 instances. Sweden and the EU, meanwhile, account for 114 of the 119 uses of advocacy in all of the donor reports reviewed, or 96% of total uses. Further, the Swedish concern with advocacy was predicated on support for human rights work.

Meanwhile, ‘accountability’ appeared 81 times and ‘aid effectiveness’ 32 times in the Swedish reports. As with other donors, accountability did at times refer to PA accountability, though this was in reference to the PA serving the Palestinian people. In referring to institution building, the Swedes observe: ‘The focus is to be on strengthening the Authority’s [PA’s] capacity for accountability so that citizens’ rights and needs can be met throughout Palestine’.32

Unlike most other donors in this survey, the Swedes highlight the mutual accountability element of aid effectiveness, where donors and partners are each supposed to be accountable for development results.33 This is one of the foundations of the Paris Declaration,34 yet many of the donors surveyed in this study do not appear to be committed to it. The Swedes even connect accountability and advocacy to one another, with support for civil society and advocacy work being supposed to push government accountability, contributing to democratic good governance.35 In being unique among the Western donors in this study, the Swedes used a 2015 report Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine to specifically discuss donor


33 Karlstedt et al., ‘Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report’, 23.

34 OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.

accountability to Palestinian stakeholders, and the effective absence of this form of accountability.\(^{36}\)

**Harmonisation**

Given that donors have signed up to the Paris Declaration and Accra Agreement, and given the potential positive impact those principles could have on aid outcomes (and even peacebuilding), it is concerning to see the effective disinterest by important donors towards these principles in the OPT. This point can be further explored with reference to their treatment of three of the foundational principles for Aid Effectiveness in the 2005 Paris Declaration:

- **Ownership:** Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- **Alignment:** Donor countries align behind these objectives and use local systems.
- **Harmonisation:** Donor countries coordinate, simplify procedures and share information to avoid duplication.\(^{37}\)

Harmonisation of donor requirements does not feature in most of the funding available to Palestinians,\(^{38}\) in spite of coordination at the international level by major donors on the Ad Hoc Liaison Committee (AHLC) undertaken with the intention of charting out the course of Palestinian ODA. The Swedes explore what this means in-depth, describing how because of the sheer number of grants and non-harmonised requirements, Palestinian organisations are fully occupied with upwards accountability to the donors,\(^{39}\) ‘rather than downwards accountability which is vital for building legitimacy’.\(^{40}\) They observed:

\(^{36}\) Karlstedt et al., ‘Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report’, 74.

\(^{37}\) OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.

\(^{38}\) Karlstedt et al., ‘Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report’, 74.

\(^{39}\) Karlstedt et al., 10.

\(^{40}\) Karlstedt et al., 35.
The extensive numbers of separate grants, requiring separate reporting, make the CSOs [Civil Society Organisations] heavily engaged in upwards accountability towards the donors at the expense of linking closer to their constituencies.\textsuperscript{41}

Judging how infrequently most of the donors in this survey took accountability into account in their analytical reporting, this should maybe not be surprising. Further, since donors’ conditional rules for grants have not been harmonised and because Palestinian organisations have to manage large numbers of grants with many different requirements, this puts a heavy managerial and administrative burden on Palestinians. This is a main cause of inefficiency.\textsuperscript{42}

This was reflected in a number of the interviews. Interviewee E3 from Norway observes that at the general level there is limited coordination among donors and development partners, and that this is still a challenge to being aid effective in the OPT. He/she said that many different rules and regulations – as well as many projects – exist between the different donors/development partners, and that these differences undermine the concept of coordination. Interviewee E3 adds that it can be really time-consuming trying to understand what is happening when coordinating among themselves and that it is hard to ascertain where replication is taking place in order to avoid it. Interviewee E3 observes that while some donors appear to subscribe to the ideal of aid coordination, the reality is that there are many different rules and regulations between the many different donors that undermine this.

Meanwhile, one official described how at the level of the EU, it can be tough developing coherent policy because there so many strong opinions on Palestine. Interviewee G1 from the EU adds that opinion was divided among member states that want to build closer ties to Israel with others who want to better hold Israel to account in order to force it to meet its obligations to the Peace Process and improve its treatment of the Palestinians. Perhaps as a result of those differences in opinion, interviewee G1 also observed that the EU did not do much politically during the Obama Presidency. He/she noted they were comfortable with relying on him / the US for leadership.

\textsuperscript{41} Karlstedt et al., 55.

\textsuperscript{42} Karlstedt et al., 56.
Conditionality

As opposed to core funding, which offers financial security for a recipient to develop the internal life of their organisation/institution in order to pursue their local mandate, donors in the OPT are shifting towards funding agreements that are burdened with increasingly detailed and prescriptive requirements. Each agreement reflects the unique laws regulating aid funding in a donor country, as well as the specific administrative granting mechanisms used by the organisations and agencies through which funding is being dispersed. Worse, each Palestinian recipient is often required to create a separate system of administrative accounts to manage a donor’s specific grant. This all combines to create an incredibly complex donor environment for a people in a situation of vulnerability, which further contributes toward upward accountability to the donors and that is antithetical to the ethos of aid effectiveness. As the Swedes observed:

The situation is far from what Northern government donors committed themselves to in effective delivery of aid as defined in the series of high-level meetings on aid effectiveness in Paris, Accra and Busan. The Fragile State Principles using context as the starting point exposes reasons for why the inefficient and fragmented funding situation for civil society still remains and shows how international politics hamper aid effectiveness. This trend was remarked on by many of the interviewees in this study, either as a note on how funding takes place or as a matter of great concern. At a national level, interviewee A1 from the World Bank noted they provide budget support to the PA on a conditional basis and that conditionality is based on policy reforms. He/she notes that they focus on the reforms the PA needs to make to improve its economy. One of the IFI Officials I spoke with said that they know World Bank to negotiate all of its projects, including the PRDP Trust Fund (PRDP-TF) conditions with the PA, and that he/she understands the Bank to have never forced the PA to do anything. However, he/she noted that many other donors, including the EU and USAID, do tend to operate independently with their own guidelines and approaches, where there could be a difference in Palestinian agency to develop their own programming.

43 Karlstedt et al., 74.
44 Karlstedt et al., 74.
Interviewee E3 from Norway observes that it is important for Palestinians to have their own identity, in spite of aid. He/she used the example of the education system. There Palestinians want to have full control of their own education curriculum. But because they receive development aid they are responsible to the donors and this allows donors to assert their opinions, ask questions and sometimes impede Palestinian education.

In the case of the sizable Canadian aid envelope, interviewee D6 from Canada said there was a complex hierarchy where the Canadian officials clearly felt they were better than the Palestinians and that they often hired very well-paid white male consultants before hiring Palestinians. In contrast with the IFI Official describing the PRDP-TF, interviewee D6 said the Paris Conference paper that led to the Palestinian Reform and Development Plan (PRDP) was actually written by the World Bank with help from the IMF, but was signed by the Palestinians to create the illusion that this was a locally-led process. He/she said the World Bank excused this on the basis of the reasoning that the Palestinians do not have the capacity to write it. So, instead they would allow Palestinians to ‘comment’ and then the Bank would keep what they deemed appropriate – significantly, many of the Palestinian comments were rejected. Interviewee D6 says the Palestinians will not admit to it, but it was not written by them, instead being written by ‘white blonde people from the West’ in the Ministry of Finance. This corresponds with Leech’s research that attests the British Department for International Development (DFID) played a lead role in developing the PRDP.45

Overall, when referring to Canada’s aid, interviewee D6 said that there is no local ownership in the Canadian aid programme to the Palestinians. He/she said it might be better to replace the term ‘ownership’ with term ‘appeasement’, in reflection of the fact that Canada is giving the PA leaders something to help them to stay in power. Interviewee D6 further said that at one point CIDA wrote a 5-year programme of what they would fund for the Palestinians based on the PRDP, but that Palestinians were never allowed to see it. Interviewee D6 also said that from 2008-10 the Palestinian Ministry dealing with aid wanted to know everything Canada was funding. Canada was upset and refused to hand over the data, even though this is required under the principles of aid effectiveness. So, based on interviewee D6’s account, Canadian aid programming, which they did not want to let Palestinians see, was based on a PRDP national plan that was not written by Palestinians. This would comprise a sort of ‘closed-loop’ aid ecosystem where donors are communicating among themselves separately from the

Palestinians, determining the composure of Palestinian state and society ‘on behalf’ of the Palestinians. It would be a complete and total violation of the principles of aid effectiveness.

Interviewee D6 noted that Canadian officials were at the same time disingenuously referencing Paris and Accra throughout the aid process – he/she said they seemed sincerely to feel that they were adhering to aid effectiveness models, particularly of local ownership, so long as these funds matched ‘Canadian values’. Meanwhile, D6 said Palestinians would ‘play the game’ by saying they need ‘capacity funding’ when in reality they just need money. It is important to remember here that the OPT has been aid dependent since the onset of Oslo and that Palestinians typically need to find creative ways to access funding in order to meet their basic needs.46

Many donors were wary of their power and concerned about how this would affect Palestinian stakeholder recipients of donor aid. For instance, interviewee H4 from Germany said that in their agency they consciously try to avoid being a colonial donor and that they try to give as much room to their partners to manoeuvre as possible. Interviewee F1 from Sweden said that one of their solutions to aid effectiveness is to provide core funding. Further, even donors that worked on a conditional basis were cognisant of the limitations of their policy toolbox given the political context of occupation. Interviewee A1 from the World Bank said the problem in the OPT does not relate to money or the PA’s ability to enact policy reforms, but is instead attributable to the fact that progress is conditional on what the Israelis can do. Another European official concurred, and observed that Palestinian reforms alone are not sufficient, because you need donor and Israeli support for real progress to be made.

Some interviewees were highly cognisant of the power they wield as donors and what that means for the Palestinians they work with. Interviewee H7 from Germany warned that as a donor you need to understand the context and treat it carefully, to act with caution and to be cognisant of your power – otherwise, you may do harm. He/she gave as an example work in Area C, which comprises 60% of the land in the West Bank. He/she noted how Israeli authorities restrict building infrastructure in this Area, which results in many donors instead building in Areas A and B where they can obtain permission from the PA. As a result, donors

are creating a pull drawing in Palestinians from Area C to Areas A and B where there are more services and economic opportunities, and fewer Israeli restrictions.

Interviewee H7 said this process of drawing Area C Palestinians into the smaller enclaves in Areas A and B facilitates Israel's push to drive Palestinians out of Area C, and further strengthens Israel's predisposition to transfer its own citizens into settlements it is building in the OPT (See Section III Context for further details). This colonisation undermines and renders impossible the two-state solution that donors have been sponsoring for 25 years. Further, any such forced demographic changes contravene international law and many state laws. In this way, donors appear to be inflicting serious harm in the OPT through their funding.

Finally, interviewee H7 suggested that there was a difference in how continental European donors give, as compared to Anglo-Saxon donors. He/she said that EU organisations are more likely to give core funding support and to accept political advocacy within charity work. Here, he/she was referring to the UK as though it was already out of the EU, in advance of its formal (anticipated) 2019 departure from the institution. He/she added that as of October 2018 there is a trend for EU organisations to fund projects rather than offer core funding. Palestinian interviewee I1 was incredibly pessimistic and claimed that there is no agency among the Palestinians and that donors determine everything.

**Interviewees versus Report Analysis**

As described in Section IV of this study, there was and is a great divergence in views among the interviewees on how to approach Palestinian aid, and reasons why it is failing. This spectrum of opinion was evidenced between and even within donor actors – there was, for example, incredible differences in opinions between Canadian interviewees. There was also evidence to suggest that the interviewees are constrained by the politics of their country and their institutions, with the consequence that this affected their documented work and how they approach aid. This made the interviews that more interesting, since the interviewees displayed a much greater analytical understanding of the OPT than evidenced in their organisational or

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institutional reporting. Again, Canada provided a more extreme example with highly informative interviews being juxtaposed against incredibly weak analytical reporting. A similar phenomenon was also evidenced in the example of Germany. Likewise, the World Bank and IFIs evidenced some noticeable weaknesses in contextual analysis, which contrasted with some particularly informative interviews.

This almost certainly reflects the politicised nature of the topic of Israel and Palestine for donors, particularly Western ones, and the reality that documents are ‘social facts’, which are produced, shared and used in socially organised ways. This confirms that ‘text is context - at once both produced by and productive of the whole social world’ and are not therefore transparent representations of professional diagnoses. To put it differently, every document is written or produced by someone in a specific context and for a particular purpose.

What also came through from the interviews were an almost universal expression of concern for and connection to the Palestinian stakeholders that interviewees were working with. As interviewee A1 from the World Bank said, Palestine is a ‘special place and special people’. Further, regardless of their different views on the impact and manner by which aid was being given, they were all concerned with the horrors of the status quo and many, such as interviewee H5 from Germany, said the truth is that we are moving towards a one-state reality. Interviewee H7 from Germany had no optimism for the future, as both a one-state and a two-state solution would mean one side giving up privileges, which it refuses to do. Interviewee H7 thinks it is most likely that Israel will continue driving the Palestinians in the West Bank into ever more densely populated enclaves, then annex large parts of the West Bank where the Palestinian population is lightly dispersed. Interviewee H6 from Germany said that individual donor organisations cannot do much, as they are part of the system and are embedded within it. He/she said the best thing they can do is provide political information back home in order to bring about political change. He/she said that might lead the international community into actually taking international law seriously in the OPT, something which the community, to date, seems to be avoiding.

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Conclusions

All evidence points to aid not delivering results in the OPT, and this is further affirmed by the fact that living and political conditions have continuously deteriorated since 1993. Over $35 billion (USD) in aid funding has failed to reverse this development,\(^5^1\) and may even have contributed to the worsening of conditions by being given in a contextually inappropriate manner, and this suggests that there is now a need for a radical departure from the existing aid model. This includes the need to acknowledge how the partisan domestic politics of powerful donors impedes on their ability to retain some measure of neutrality when offering aid funding to a fragile and conflicted state like Palestine / the OPT. This is particularly true for North American donors, where zealous pro-Israel sympathies have long since defined their approach to the Middle East.\(^5^2\) This suggests that any departure should include altering the hierarchy of leadership in a Palestinian development process that has remained static since 1993.

Based on this survey, there appears to be a spectrum among the nine donors that relates to the extent to which they respect globally accepted principles for aid giving in the context of Palestinian aid, including those that govern spending efficacy and doing no harm in the OPT. On this spectrum, Canada, the US and the IMF appear to sit on one end as more regressive donors, possibly doing inflicting through weak analysis and subsequent policy recommendations and funding. Sweden, Norway and the EU, who generally exhibit more


sound contextual analysis and concern for those aid principles. Meanwhile, Germany, the World Bank and the UK lie somewhere in the middle.

Overall, this suggests that in any change in the hierarchy of donor leadership in the Palestinian aid process, continental European donors should maybe take a stronger political role and therefore replace North American donor actors. That being said, even if EU analysis has been – at times – more direct in problematising the issues, concrete action does not necessarily follow. For instance, the goals of the EU in the OPT have been seriously hampered by ‘binding constraints’, the most significant being Israeli restrictions in relation to the occupation and allocation of resources for settlements, as well as Palestinian political divisions and the absence of a democratic process. Yet while these binding constraints have been highlighted in EU statements, the EU has, ‘to date been neither willing nor able to address these constraints squarely with an effective political response’. So, ‘notwithstanding ardent declaratory policies, massive financial support, dialogue and [the] deployment of other instruments’, EU cooperation has had little demonstrable impact on the main obstacles to achieving the Two-State solution.

So there exists the possibility that the optimal solution may not just be a remaking of the hierarchy of political leadership among Western donors, but of seeking leadership from political actors elsewhere in the non-Western world. Further, nothing will compare to respecting true Palestinian ownership and leadership over their own aid process. This includes developing the Palestinian institutional capacity in government and in civil society organisations to take control over their own aid process, and in compliance with – at minimum – the principles for aid effectiveness. Further, any aid should be based on strong, neutral analysis appropriate to funding in a conflict situation, in order to do no harm. All of that analysis should be made available to the Palestinians in a transparent manner, and donors should make an effort to harmonise how they give, with the intention of fostering downward accountability.

54 Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 8.
Still, given the incredible complexity of an aid environment populated by so many different donors from around the world, each with their own unique internal complexity, it is very difficult for Palestinians or any non-specialist, to fully comprehend why a donor is giving and what its approach is. For this reason, it would be ideal to have specialists create profiles of these donors that will be available in English and Arabic, as this study has begun to do with nine donor-actors. This should also be done for major donor organisations with large Palestinian aid budgets that work out of those countries, including Oxfam, World Visions and Save the Children, all of whom are active in the OPT. This includes an independently assessment of what the donors are doing, in order to hold them accountable and foster the best aid process possible. Such independent assessments like this study are all too rare once the sheer scale of funding involved in a sensitive region, and its failure to produce results are taken into account.

Finally, in any analysis we must also bear in mind the incredible limitations Palestinian authorities (and Palestinians as a people) face in the development process given their financial dependence on donors and on Israeli tax collection, all while living under the strict (and violent) control of the occupying Israeli military and armed settlers. Further, those donors have shown a willingness to quickly punish the PA with embargoes and to force a change in government when the PA takes policy actions they disapprove of. Meanwhile, the PA has a limited capacity to govern due to fragmentation, leaving it in charge of – at most – over 40% of the West Bank in Areas A and B; meanwhile Hamas rules Gaza, Israel controls East Jerusalem and the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) plays a de facto governance role for refugees. For all these same reasons, the PA alone cannot handle this burden of research tracking of Palestinian aid, if at all. Rather, this should ideally be done from outside the PA by Palestinian civil society and research centres, with the support of international researchers. That would include funding for a large-scale and independent audit of donor aid in the OPT, with an aim of producing new policies for an entirely new aid model that can finally contribute to peace and development in the region. This is much overdue following decades of failed donor intervention and humanitarian crises, and this survey can be used as a starting point within this larger research process.
Section III: Context

When the Oslo Accord was signed in 1993, there was widespread optimism that Israelis and Palestinians would find peace together, through the asymmetrical ‘two-state’ solution proposed within the Middle East Peace Process. To help make that peace a reality, countless state and non-state actors from the international community began contributing substantial funding to Palestinian development aid projects, in order to build the institutions of a Palestinian state. These institutions would be modelled on popular Western theories in public and development policy for what the ‘best kind of state’ should look like, in order for that Palestinian state to be successful, and in this instance for peace to take hold. This was based on an underlying assumption that development aid could, when combined with those institutions, act as a catalyst to Palestinian economic growth, thereby providing Palestinians with a ‘peace dividend’ that would, simultaneous to donor driven state building, encourage them to participate in peacebuilding with liberal and democratic Israel.

Altogether donors have disbursed over $35 billion (USD) in Palestinian aid since 1993, and all signs point to further significant spending. Of these donors, Western states have since 1993 dominated the Palestinian aid process financially, politically and intellectually. This has offered them incredible influence over the Palestinians, especially because Palestinian OPT economic activity collapsed with the onset of the Peace Process, due to a tightening of the Israeli military occupation, sweeping restrictions on Palestinian freedom of movement, and rapid increases in settlement building on displaced Palestinians' land. This saw donor aid become the lifeblood for Palestinian economic and institutional survival. This also offered donors the opportunity to exert incredible influence over Palestinian officials and political leaders.

A large proportion of the Oslo era aid has been disbursed through three multilateral, international organisations: UNRWA, the World Food Programme (WFP) and the World

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56 The arrangement reflected a relationship popular in North American international relations that can be described as an uneven mutual dependence, or an asymmetrical relationship of interdependence where Israel remains the dominant, leading power. It is believed that this system will be peaceful when populated by ‘rational’ liberal democracies. This system of peacebuilding was popular with neoliberals of the era, such as Joseph Nye. Joseph S. Nye, ‘Soft Power’, Foreign Policy, no. 80 (1 October 1990): 158, https://doi.org/10.2307/1148580.

57 Tartir, ‘How US Security Aid to PA Sustains Israel's Occupation’; Tartir, ‘International Aid to Palestine’.

Bank. During Oslo, the US has acted as the arbiter determining the political parameters of the Peace Process and how aid is disbursed. It has also been one of the largest single donors to the Palestinians giving $7,049 billion (USD) from 1993 to 2016. Meanwhile, the EU and its member states have in this period been the biggest contributors of Palestinian aid on an annual basis, with the EU alone giving $1.978 billion (USD) from 2012 to 2016.

Though the US does dominate the Peace Process politically, differences do exist between the EU and US approaches to Oslo aid, particularly because the EU is not as close an ally of Israel as the US. The EU has had a particular aim of building up the PA’s institutions for a future ‘democratic, independent and viable Palestinian State living side-by-side with Israel in peace and security’. The EU is much more likely than the US to reference international law when dealing with the Israeli-Palestinian conflict, and the EU tends to be much less involved than the US on security issues. While the US has negotiated its aid programme for the Palestinians through Israel, the EU has not; and while the EU has supported the PA with direct budgetary assistance, the US has done so only in exceptional circumstances due to Congressional restrictions.

Substantial aid has also flowed in from other Western donors including Norway and Canada. Other notable donors include Australia, New Zealand and Japan. This aid has helped underwrite the practical costs of the PA and has provided the Palestinian leadership with the means to cultivate domestic support for itself. It has also offset Israel’s costs of administering the occupation. But while these donors and the EU have contributed the largest sums for


61 Hever points out, ‘the registering of official aid disbursement is slanted to exclude donations from Muslim countries through zakat and other means. Direct aid to mosques and religious organisations is further not registered by the World Bank or the “Office for the Coordination of Humanitarian Affairs, Occupied Palestinian Territory” (UN OCHA oPt)’, which help collect data on aid flows Shir Hever, ‘Quick Review of Something?’, 14 November 2018.


Palestinian aid funding, it is still the US that has politically determined the parameters of how aid is spent.

**An Investment in Peace**

To make this process of Palestinian development and peacebuilding work, Western donors assumed that the Palestinians would have to attain a level of development closer to Israel, their liberal democratic counterpart, as this enable them to become a rational and moral partner able to co-exist in true peace. Thus, the Palestinians would need to be democratised and endowed with modern state institutions. Further, the donors thought that if the OPT’s economic links to Israel were reinforced, and both sides subscribed to a free market system, their strengths and weaknesses would come to complement one another, contributing to the realisation that they had more to gain by working together than in conflict. This would be an imitation of the liberal peace model that took place in Europe after World War II, with free market capitalism leading the way forward to peace.

The task of establishing the foundation of the intellectual blueprint has, under the influence of US leadership, been given to the World Bank. In developing an aid model for the OPT, the US pushed for the World Bank to play a lead role, and this was most likely attributable to the fact that the Bank could be trusted to represent the US vision in the aid process. Le More observed:

> The US remained after all the Bank’s biggest stakeholder, and it was the US which in 1993–1994 had pushed for the Bank’s prominent place in the aid coordination setting.

Together the Bank and the donors optimistically, but prematurely, reclassified the OPT as a post-conflict context. Thus, the aid model that policy makers would create for the

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65 The World Bank is so closely linked to the US that rival states consider the Bank to be an extension of American foreign policy. *Inside Story - China Banking Checkmate?*, 2015, [https://www.youtube.com/watch?v=yioaSWu3fUY&feature=youtube_gdata_player](https://www.youtube.com/watch?v=yioaSWu3fUY&feature=youtube_gdata_player).


67 Their classification of Israel and Palestinian being post-conflict situation has remained unchanged since 1993, allowing the original aid and peace models to continue largely unaltered well into the 2010s. CDS-BZU, ‘Public Debate on Alternatives to Aid and Neoliberal Development in the OPt (Unpublished)’ (Center for Development Studies, Birzeit University, 2011).
Palestinians was designed for a post-conflict environment, even though the conflict had not actually ended, and showed no signs of stopping 25 years later. Those policy makers then went on to produce a development model in which Palestinian poverty was designated as a ‘technical problem’ separate from politics. This model was built on an underlining premise that poverty could be solved through well-constructed and apolitical policy, reflecting a mainstream technocratic ‘problem-solving’ approach to development that was well-established at this point in time. Further, although the entire basis of Palestinian development spending sought to foster conditions that were meant to contribute to peacebuilding, the model nonetheless emphasised the need to solve Palestinian poverty separate of the politics of occupation and conflict. It thereby inverted cause and effect by operating as though poverty was the driver for conflict, rather than its real cause, specifically the debilitating military occupation of the OPT.

Prior to the PA being formed in 1994, the first key World Bank document that referenced the Palestinian development model was 1993’s *An Investment in Peace*. In reflecting popular developmental views that were pervasive at this point in time, donors adopted an approach whereby Palestinians and their society would need to be remade in the image of the West, in order for poverty to be truly resolved by building the right type of liberal-democratic state. The document laid out a development model that would be repeatedly reinforced over the following 25 years by subsequent World Bank reports and policy recommendations. These have acted as a blueprint for European and other international donors on how to give, and for the Palestinians on how to implement. The approach taken by the Bank can be described as economically neoliberal and is similar in format to other programmes created by International Financial Institutions (IFIs) for developing states in the 1990s. The core normative values

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informing the Bank’s model for the Palestinians emphasise: open markets, economic integration with Israel, regional economic integration, financial liberalisation, ‘good governance’ and support for ‘democracy’.74

Western donor governments had from the onset of Oslo flagged liberal-democratic institution building as a key priority in Palestinian development, because they wanted to turn the PA into a sort of Kantian ‘moral republic’; a liberal state whose power would rest in the true consent of citizens in the OPT. In the donors’ view a state of this kind would be less likely to enter into war, and would be even less predisposed to do so against another liberal state. They therefore anticipated peacebuilding could occur through the construction of a democratic Palestinian state, established soundly on liberal institutions, that would be more likely to exist in pacific union with Israel, which already served as an example of such a moral republic.75

The Bank further emphasised institution-building upon the basis of its assumption that a strong central authority (government) and stable institutions are necessary preconditions for economic growth, provided it is the ‘right’ type of liberal government with the right type of institutions to oversee a free market economic system. In performing this role, the Bank also set out the legal framework for Palestinian economic activity and the PA’s economic relations with Israel.76 Some aspects of this were even written into Palestinian law, such as PA Basic Law Article 21, which states that ‘the economic system in Palestine shall be based on the principles of a free market economy’.77

In addition to providing an intellectual framework for Palestinian aid, the Bank has often run aid programs directly. Many of them have been quite significant, such as the Emergency Assistance Program (EAP) that ran between 1994 and 1996, and provided a framework for channelling early donor assistance to the Palestinians. Sometimes the World Bank oversaw how the PA itself spent its funds. From 2008, it managed the PRDP-TF, which was used by


75 Immanuel Kant, Perpetual Peace (Minneapolis, Minnesota: Filiquarian Publishing, LLC., 2007).


Western donors to carry out reforms in the PA. The PRDP relied on a World Bank bank account through which most bilateral aid to the PA flowed. That meant for a period the PA lacked control over its own bank account to finance its operations. This also meant that aid could be blocked if the Bank felt the PRDP was not being carried out in the way international donors wanted. That left the PA with scant space to develop its own policy outside foreign demands.\footnote{78}

One 2006 estimate claims that, starting from 1997, the World Bank managed nearly 5% of all donations directly.\footnote{79} Another 2006 estimate made by the Bank was that it has been involved in 20% of all donor disbursements since 1994.\footnote{80} Further, those estimates do not even take into account the large sums of money going through the Temporary International Mechanism (TIM) and the EU’s Direct Financial Support to the Palestinian Government (PEGASE) – the Bank co-managed both programs, routing money to the OPT in a way that temporarily avoided the PA, in order to circumvent the results of the 2006 Palestinian parliamentary election won by Hamas. According to data collated from the PA Ministry of Finance, in more recent years the World Bank has been one of four key donors sustaining the PA. Between January 2012 and May 2016 those donors were: the EU ($981 million), Saudi Arabia ($908 million), the World Bank ($872 million) and the US ($477 million).\footnote{81}


Above all else, the Bank’s greatest point of influence is the role it plays as Secretariat for the AHLC, since it was formed in October 1993. The AHLC is where the biggest donors meet on a biannual basis to determine how Palestinian funding will be spent. The AHLC is chaired by Norway, cosponsored by the EU and US, and includes members such as Canada, some Arab countries like Saudi Arabia, and both Israel and the PA. Its membership includes other powerful multilateral institutions like the UN and IMF.82

### Composition of the AHLC:

**Chair:** Norway  
**Co-Sponsors:** EU and US  
**Members:** PA, GoI, Canada, Egypt, IMF, Japan, Jordan, UN, Russia, Saudi Arabia, Tunisia  
**Bilateral invitees:** Subject to the agreement of AHLC members  
**Secretariat:** World Bank

| Table 4 – Composition of the AHLC |

The World Bank has a great deal of influence on how AHLC participants give. Prior to each meeting it submits a report to update its members on recent economic and fiscal trends, while also providing economic and institutional analysis. The report helps to set the agenda and frame the discussion of the donor meeting. Le More observes:

> Praised for their timeliness, quality and thoroughness, those reports shaped the response, agenda and allocation of funds of the entire aid community in a way reminiscent of the impact the initial six-volume study *An Investment in Peace* and [the] EAP had had on building consensus and forging a common donor strategy in the first few years of the Oslo process.83

It is within this structure that donors have taken a lead role in determining how the OPT economy and PA will be sustained under occupation. Since their aim was to engender economic growth to foster a two-state peace, there is now fairly broad agreement in the

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research literature that they have failed after 25 years of violent conflict, sharp economic decline, the lack of progress in Palestinian state building, the large-scale disappearance of Palestinian land as a result of Israeli settlement activity and human rights abuses that affect millions of people on a daily basis.\textsuperscript{84}

**Palestinian Decline**

Israeli settlement building and the confiscation of Palestinian land accelerated after Oslo was signed, alongside policies of closure limiting the ability of Palestinians to enter Israel, move freely inside the OPT or travel and trade abroad. Closure directly contravened the spirit of Oslo and specifically the 1994 Paris Protocol, which laid out an economic relationship between OPT Palestinians and Israel, specifically guaranteeing the right of these Palestinians to work in Israel.\textsuperscript{85} In fact, in order for the logic of the economic element of the Oslo Peace Process to work, these workers needed to have access to the Israeli market. Yet closure began almost immediately after the Peace Process began.\textsuperscript{86} This led to an enormous reduction in the number of work remittances sent to the OPT, as fewer Palestinians could work in Israel, and the loss of income was exacerbated by an ongoing but more pronounced Israeli sabotage of


Palestinian trade and industry. This is a primary reason the OPT’s economy declined sharply after 1993. Further, Israeli settlement building undermined the OPT’s territorial integrity, fragmenting the Palestinians into isolated communities that are now governed by rival Palestinian factions in the Gaza Strip and the West Bank, and by Israel in East Jerusalem and Area C, which comprises the majority of West Bank territory.

MAP 1 – Restricting Space in the occupied Palestinian territory: Area C Map | Dec 2011

88 UNOCHA, ‘Restricting Space in the Occupied Palestinian Territory: Area C Map Dec 2011’, United Nations, United Nations Office for the Coordination of Humanitarian Affairs - occupied Palestinian
By the late 1990s the OPT was in a much worse condition than prior to Oslo, and it continued to deteriorate. The combination of closure and settlement building has fractured and utterly devastated the Palestinian economy. Taking into account a development and peace model predicated on private sector growth, all indicators have shown serious decline. The World Bank noted in May 2017 that ‘the manufacturing sector, which is usually one of the key drivers of export-led growth, has largely stagnated and its share of GDP has dropped from 19% in

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1994 to 11% in 2015. In addition to the Bank’s estimate that the manufacturing sector’s share of the OPT’s economy had halved, the share of the agriculture sector, once the backbone of the OPT’s economic life, declined from 12 to just 4% over the same period.

As a result of this economic decline, Palestinians came to depend on foreign aid for survival. As the private sector declined it was replaced with aid dollars to power the economy. Macroeconomic data for the post-Oslo period indicates that growth in aid dependency far outstripped any economic expansion. Although between 1996 and 2006 per capita aid increased by 14.74%, during the same period, the gross national income (GNI) of Palestinians dropped by a remarkable 27%. Overall dependency on aid increased from 14.42% in 1996 to 35.34% in 2006. Whereas in 1991 the private sector made up as much as 80% of GDP, in 2009 foreign aid comprised the largest part of the economy at 49% of GDP.

As result of aid dependency, most growth has occurred in public sector services in the past two decades. Aid funds coming into the OPT have largely sustained the PA and paid Palestinian salaries. That aid is also used to purchase basic goods. These goods arrive into the OPT from Israel suppliers, thereby enriching the occupier. By 2017 Palestinian exports comprised 19% of GDP while imports comprised 56% of GDP, establishing a seemingly unsustainable trade deficit of 37% of GDP that is among the highest in the world. This massive deficit was being paid into the incomes of Palestinian workers in illegal Israel settlements, the remittances of expatriate workers and foreign aid. Hever estimates that up to 72% of foreign

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92 Ahern, 7.

93 Hever, Political Economy of Aid to Palestinians Under Occupation, 29.


96 Read Hever, The Political Economy of Israel’s Occupation.

aid ends up in the Israeli economy.\textsuperscript{98} While the post-Oslo Palestinian economy has been in severe decline, Israel has been able to enjoy robust growth.\textsuperscript{99}

But the pervasive condition of Palestinian insecurity is arguably even more important than economics. Throughout the Peace Process, Palestinian daily life in the OPT has been characterised by extremes of insecurity, violence and human rights abuses.\textsuperscript{100} Palestinians are invariably afflicted by strong feelings of worry, anxiety, grief, sorrow, distress—in addition to frustration, incapacitation, anger, deprivation and suffering.\textsuperscript{101} Palestinian homes are regularly destroyed and property confiscated as an act of collective punishment or to make way for Israeli colonists. As of April 2017, 269,000 Palestinians in the West Bank and 213,000 Palestinians in East Jerusalem were at risk of forcible expulsion.\textsuperscript{102} Meanwhile, standards of health, literacy and education are substantially lower in the OPT than in Israel.\textsuperscript{103}

Meanwhile, the condition of Palestinian self-governance may have hit its lowest point in 2017/18, following 25 years of donor-led state-building and a decade after a US-backed coup abrogated the 2006 Palestinian electoral results, leaving Fatah in charge of the West Bank and Hamas controlling Gaza (see Section IV ‘Local Empowerment vs Conditionality’ for more details). As reported by Human Rights Watch (HRW), the Fatah-led PA in the West Bank routinely arrests and tortures peaceful critics and opponents—as do the donor embargoed Hamas authorities in Gaza. Further, as the PA-Hamas factional feud has deepened, each has targeted the other’s supporters.\textsuperscript{104} As a result, HRW recommended in 2018 that the EU, the US and other governments should suspend aid to the specific units or agencies implicated in widespread arbitrary arrests and torture, until the authorities curb those practices and hold

\textsuperscript{98} Hever, ‘How Much International Aid to Palestinians Ends Up in the Israeli Economy?’, 1.


\textsuperscript{101} Rita Giacaman et al., ‘Health in the Occupied Palestinian Territory 1: Health Status and Health Services in the Occupied Palestinian Territory’, \textit{The Lancet} 373 (7 March 2009): 343–343.


\textsuperscript{103} Giacaman et al., ‘Health in the Occupied Palestinian Territory 1: Health Status and Health Services in the Occupied Palestinian Territory’, 342.

those responsible for abuse to account. However, in the same year that this was happening, the US Trump Administration was drastically slashing funding for health and education services for Palestinians, including all US support for Palestinian refugees through UNRWA, while also continuing to set aside funding for PA security forces.

While the PA security apparatus can exercise coercive power over Palestinians in the West Bank, it is powerless to protect them from the endemic daily violence carried out by Israel or its settlers there. Further, that security apparatus was rebuilt by the donors following the Second Intifada to coordinate with Israel in the OPT, and this has had the effect of reorienting the PA towards quelling resistance to the occupation in the OPT, rather than challenging the occupation. Fatah-PA is also increasingly dependent on Israel to ensure its financial survival. While donor aid dropped to 17% of the PA’s expenditures in 2017, with an accompanying negative impact on the OPT’s economic vitality, this has also made the PA more dependent on the GoI, because 70% of PA tax revenues are collected by Israel before being transferred to the PA, as arranged under the 1994 Paris Protocol. This offers the Israeli occupying forces yet one more lever of control over the Palestinians. Those taxes are revenue streams that Israel can and often will hold back from the PA over political differences as a way to try to alter PA policy.

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105 ‘Palestine’.


Instances of Israel withholding PA tax revenues include:

- In August and September 1997 following a bombing in Jerusalem
- From December 2000 until December 2002 during the Second Intifada
- From March 2006 until July 2007 after Hamas’ electoral victory and formation of government
- After the PA signed a reconciliation agreement with Hamas in May 2011
- After Palestine attempted an upgrade of its status at the UN and was accepted as a member of the UN cultural agency UNESCO in November 2011.
- After November 2012, when the UN General Assembly voted overwhelmingly to recognise the state of Palestine.
- In January 2015 Israel sought to bring war crimes prosecutions against Palestinian leaders in retaliation against Palestinian attempts to join the ICC
  (The above compiled by Al-Haq)
- In July 2018 the Knesset passed a bill that would deduct the salaries of Palestinians accused of terrorism from the monthly tax revenues (roughly $130 million) that Israel collects on behalf of the PA.

Table 5 – Instances of Israel Withholding Palestinian Tax Revenue 1997-2018

Palestinians in the OPT live under dysfunctional donor-driven, and/or embargoed authorities, or directly under oppressive Israeli rule in East Jerusalem and Area C. As a result, there are now deepening water-related, electricity-related, infrastructural and environmental crises facing Palestinians. By 2017, over 40% of 4.8 million OPT Palestinians were still in need of humanitarian assistance and protection. While the two-state solution has theoretically been maintained by donors, Palestinians have in reality never escaped an Israeli occupation that


became ever more severe after 1993. In that time, Palestinians have collectively endured chronic exposure to humiliation, a form of assault linked to negative mental health and a common tactic of war.\(^\text{113}\) It is in this single state of separate but (highly) unequal cohabitation, a separateness referred to as Hafrada in Hebrew,\(^\text{114}\) that Israeli rule is increasingly referred to as apartheid.\(^\text{115}\) Conditions have become so dystopian in Gaza, with its economy and productive base eviscerated and the Strip reduced to a humanitarian case of profound aid-dependency,\(^\text{116}\) that the UN has warned it could become uninhabitable by 2020.\(^\text{117}\)

### Settler Colonialism

Separateness and extreme inequality within a single political unit runs contrary to the spirit of the two-state model, envisioned by many supporters of the Oslo Process, of an Israeli political unit and a Palestinian one trading peaceably side-by-side. Yet this became the only reality when Oslo was carried out parallel to an acceleration in Israel’s colonisation programme in the OPT, without meaningful resistance by the international community. In 1972 only 10,531 settlers lived in the OPT.\(^\text{118}\) When Oslo was signed in 1993 approximately 110,000 Israeli

\(^\text{113}\) Giacaman et al., ‘Health in the Occupied Palestinian Territory 1: Health Status and Health Services in the Occupied Palestinian Territory’, 844.


\(^\text{118}\) ‘Comprehensive Settlement Population 1972-2010’ (Foundation for Middle East Peace, n.d.).
settlers lived in the West Bank and Gaza, while another 146,000 resided in East Jerusalem.\footnote{119} By 2002, the total number of settlers in the OPT had risen to 380,000.\footnote{120} By 2013 an astonishing 350,000 Israeli settlers were living in the West Bank alone, while a further 300,000 occupied East Jerusalem.\footnote{121}

This settlement building has facilitated Israel’s annexation of large parts of the West Bank and East Jerusalem.\footnote{122} As Michael Lynk, UN Special Rapporteur on the situation of human rights in the Palestinian Territories, points out, ‘no country creates civilian settlements in occupied territory unless it has annexationist designs in mind’ – this is why the international community has designated the practice of ‘settler-implantation’ as a war crime, as per Rome Statute of 1998, Article 8(1)(b)(viii).\footnote{123} While Israel denies that the West Bank, which it refers to as ‘Judea and Samaria’, is occupied and rejects the applicability of the Fourth Geneva Convention there, the position that it presents to the rest of the world is that it remains willing to negotiate the territory’s future status with the Palestinians.\footnote{124} At the same time the infrastructure of the territory, from sewage connections to communication systems and the electrical network, has been completely integrated into Israel’s domestic system.\footnote{125} This reflects how Israel, from shortly after the occupation began in June 1967, has in practice taken many steps consistent with establishing a sovereign claim over the West Bank – tellingly, these actions have escalated significantly in recent years.\footnote{126} Article 7 of Israel’s Basic Law further states that ‘the
state views the development of Jewish settlements as a national value and will act to encourage and promote its establishment and consolidation'.

This settlement building in the OPT can be legitimately described as ‘settler colonialism’. This entails an initial extermination or expulsion of a majority of the indigenous population on a conquered land, followed by the demographic ‘swamping’ of these territories (i.e. the OPT) by settlers from a metropole conquering state (i.e. Israel), and/or settlers from a variety of other non-indigenous locales (i.e. Jewish settlers originating from the US, Canada, France and Russia).

Violence is carried out against the indigenous peoples, including everyday forms of humiliation, exclusion and racial segregation, further facilitating this demographic swamping. Some of this process is carried out informally and some of it is sanctioned officially by the occupying settler state’s laws.

Two characteristics of the settler society are an exclusionary racial identity and expectations of self-government. Colonists are always already considered as civilised, regardless of their actions, and are imbued with rights and obligations that mirror the metropole. Accordingly, they are classified as being radically different from those they conquered and dispossessed. The original inhabitants are in turn considered to be child-like and uncivilised, incapable, immature, lacking in both rationality and in competence. Upon this basis their rights can be reasonably withheld by a state that deems them unworthy of political or social equality. It is a potent mix of ‘intra-racial egalitarianism’ and ‘inter-racial exclusion’.

An essential feature of this colonialism is ‘a sustained institutional tendency to supplant the indigenous population’. This renders development not just unlikely, but likely impossible, because effective development would impede the process of supplanting the indigenous population, and would accordingly be viewed with disquiet by the colonising entity. So, for this reason Israel undermines any development work undertaken by the few donors willing to work

127 Lynk, 16.


129 Bell, 20–21.

130 Bell, 20–21.

in Area C. At the same time, the colonising entity will take and make use of whatever resources the indigenous population has to offer to help accelerate the colonisation process, including the use of captured indigenous labour to build infrastructure.

It is no coincidence that the process of annexation is considered illegal by modern international law, and that no exception is permitted for a practice considered to be an intolerable scourge of human suffering from darker times.\textsuperscript{132} Likewise it is no coincidence that the forced transfer of populations, such as out of Area C of the West Bank, constitutes a war crime under international law.\textsuperscript{133} In fact, if international law were fully respected, it would likely render any process of settler colonisation difficult, if not impossible.


\textsuperscript{133} Lynk, 14.
Section IV: Interviews

In order to better understand the aid environment, I carried out dozens of interviews with senior officials from eight of nine of the top Western donors of ODA to the OPT. My aim in meeting with them was to better understand the Palestinian aid ecosystem through their experiences, and to cross-verify information found in their state’s/agency’s reporting and other official documentation. This offers additional perspective that cannot be gleaned from reports found in the public domain. This was done bearing in mind that these reports are very much subjective social constructs and by nature not neutral (see Section V: Document Analysis), something that is important to bear in mind when engaging with a topic as highly politicised as Israel and Palestine. This is even more true of Western countries like the United States and Canada where powerful pro-Israel lobby groups have created a political climate that represses individuals and organisations that advocate for equal Palestinian rights.

It is for this reason that all interviews for this study were strictly anonymised, whether the interviewee felt this was necessary or not. All of those interviews were semi-structured. The interviewee and I therefore introduced our ideas and experiences into the data production process in a format commonly called a ‘collaborative interview’.¹³⁴ There I relied on a series of prompts, not questions, to learn from the interviewees about their experiences, challenges they have seen and possible successes they might wish to highlight. As much as possible interviewees were allowed to answer questions or discuss the general topic in their own way, and in their own words.¹³⁵ The semi-structured interviews were supposed to allow me, as the researcher, to do all I could to encourage the participants to talk about the events, feelings and opinions they hold on the research topic, as they reflect on the process and impact of Palestinian aid funding. The strict anonymity was also meant to improve the frankness with which interviewees could speak, though to what extent this had an impact is difficult to measure, owing to the political nature of the subject and the professional roles the interviewees filled in representing their state and/or institution.

From an exploratory perspective, this approach was meant to allow me to discover what the participants thought was important about their work, the purpose of OPT aid and the language they use to talk about aid. This opened up possibilities for me to consider different traits of


¹³⁵ Jane Elliott, Using Narrative in Social Research: Qualitative and Quantitative Approaches (SAGE, 2005), 32.
their work, while identifying and elaborating on perceived advantages and disadvantages of these social phenomena vis-à-vis the intended goals of donor aid generally in the OPT, and their own works specifically. From an explanatory perspective the semi-structured interviews helped me elaborate on why people experienced or understood certain social phenomenon of aid in the OPT, taking into consideration their experiences, opinions and feelings to better understand their behaviour or attitudes. This approach was also evaluative in that I was trying to ascertain what the interviewees, as participants, thought about the social phenomenon they experienced.

Given the sensitive nature of the interviewing, I only kept written and coded notes, foregoing my original intention to audio-record the interviews upon realising how uncomfortable the recording would make these officials feel when protecting their anonymity. I also opted wherever possible to meet the interviewees in a setting they were comfortable in. In part for that reason I travelled to multiple countries in order to meet them in person in their office or a neutral setting, only occasionally carrying out interviews by telephone or Skype. That provided the added benefit of understanding the location and office culture they worked within, as well.

Finally, even though the interviews are being kept anonymous, it is important for me as the researcher to make certain that the respondents are portrayed fairly. I try to do this by giving the reader enough evidence to show the complexities and problems in my interpretation of their words. My goal was to illuminate the historical record, providing a plausible interpretation to connect all the different facts and ideas together.\textsuperscript{136} For this to be possible, I had to do my utmost to always be as fair and objective as possible, bearing in mind that it is impossible to be completely objective as a researcher of shared social phenomena,\textsuperscript{137} but that it is important to strive towards this ideal.

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\textsuperscript{137} ‘Many social researchers accept a fallibilist epistemology – that is, they hold that there is no absolutely secure foundation for knowledge; hence all claims to know are always in principle uncertain and corrigeblie. Fallibilists hold that because knowledge claims never literally mirror or represent an independently given reality, objectivity cannot inhere in the results of inquiry (that is, in the claim itself). A knowledge claim cannot be objective by virtue of the fact that it expresses the way things “really are” because we can never know that for certain. Rather, judging whether a given knowledge claim is objective is a matter of appraising the conduct or procedure of inquiry’. Victor Jupp, The SAGE Dictionary of Social Research Methods (1 Oliver’s Yard, 55 City Road, London England EC1Y 1SP United Kingdom: SAGE Publications, Ltd, 2006), http://srmo.sagepub.com/view/the-sage-dictionary-of-social-research-methods/SAGE.xml.
\end{flushright}
The Interviewees

Overall, I engaged with around 155 potential interviewees, and ultimately met with and interviewed 37. They were mostly senior staff from governmental, multilateral and non-governmental institutions from the donor-actors that are researched in this survey. These were in-depth interviews. The 37 did however include two academic observers and a senior Palestinian civil society observer of the aid process. In addition to the Palestinian observer, these interviewees worked for eight of the donor actors covered in this survey (the United States, Canada, Norway, Sweden, Germany, the EU, the World Bank and the IMF). Multiple attempts to arrange a meeting with British officials were fruitless.

The interviewees were employed during different points in the study period, with some being in position in 2017 and some in the past. Some of the interviewees had a great deal of experience of the region or the topic (sometimes dating as far back as the 1990s), while others only had more recent experience. As may be expected, this was a highly educated and interesting group of individuals who added a diverse array of perspectives, concepts and ideas that were not represented in their institutions' written reporting. As I found with my past research into Canadian project coordinators of aid in the OPT, the multinational interviewees from the nine donors for this study took their roles very seriously as aid-givers supporting Palestinian civil society, state building and peacebuilding. Upon speaking to them, I was struck by the frequency with which they were structurally limited, whether by the overall mandate and/or political realities of their agency and government. Irrespective of whether their aid efforts were successful or not (from a humanitarian or developmental perspective), they nearly always expressed a strong emotional intent to do well for the Palestinians in the OPT.

Though it is always difficult as an individual to have your own work put under the proverbial microscope, especially work in difficult regions where successful outcomes may be unlikely, this emotional investment may also be a reason why some of the interviewees became defensive about their work during some of my interviews. The impression I had is that, regardless of the actual outcomes of their work, they were nearly all genuinely invested in making Palestinian lives better. Thus, in one case a couple of interviewees were visibly upset with me from the start of an interview, and sought to engage more in confrontation than in dialogue and discussion, even going so far as to repeatedly question my capacity as a researcher. In the same interview they discussed how they had regularly grappled with Israeli

138 Jeremy Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012’ (PhD, University of Exeter, 2016).
officials who contested many aspects of their own work. In other cases, an interviewee appeared to fabricate a business trip to skip out of an interview with me at the last minute. During another interview, an interviewee got up to leave in the middle of a discussion, appearing to fabricate an alternative appointment, after having sat for some minutes red-faced, wide-eyed and evasive, clearly afraid to be part of the discussion about Palestinian aid.

Fear may also have been a contributing factor as to why I was not able to gain an in-person interview with DFID officials from the UK, either in the UK or in the field in the OPT. At the same time as I was trying to arrange this meeting, the Department as under the oversight of Priti Patel, an ardently pro-Israel Minister and Secretary of State for International Development. The extent of her personal commitment was underlined when she was forced to step down from her post for breaking British Parliamentary protocols by taking a secret trip to Israel with pro-Israel lobbyists to meet Israeli government officials during what she sought to represent as a ‘holiday’. During this trip Patel suggested funnelling British aid money to the Israeli army for use in the occupied Golan Heights, whose occupation is considered to be illegal under international law (although significantly not by the British government). She carried out at least a dozen meetings on the trip with the influential lobbyist Lord Polack, the director of the Conservative Friends of Israel (CFI) for 25 years from 1989. This all seemed consistent with Patel’s strong pro-Israel policy lurch that included a 2016 decision to cut aid to the OPT by £17 million, a decision which also impacted beleaguered Gaza. This move towards an outwardly pro-Israel stance may have inspired fear within the department about meeting with a researcher to discuss Palestinian aid. It is also worth mentioning that a number


of observers suggested that the British bureaucracy had been in a state of paralysis since the vote for Brexit in June 2016. As one EU official said, the UK is absorbed with Brexit and this seems to have translated into a lack of policy direction in non-Brexit areas.

Other than a few less-than-friendly exchanges, the interviewees were on the whole quite accommodating, making time to meet with me and discuss the subject material. They were also quite forthcoming, shedding an incredible amount of light on the topic of OPT aid, development and peacebuilding. I consider myself lucky to have met and interacted with them all. As with past experiences carrying out elite interviews with Palestinian aid actors, I could sense palpable frustration among nearly all of them with the lack of progress towards peacebuilding, the constant decline in Palestinian standards of living, and I suspect frustration with the political restraints placed upon them as aid actors.

What follows are some of the themes that came up in those conversations. All interviewees are anonymous, but the donor / institution they represent is often coded by letter, with:

- A = World Bank
- B = IMF
- C = USA
- D = Canada
- E = Norway
- F = Sweden
- G = EU
- H = Germany
- I = Palestine

Meanwhile, some interviewees simply requested that they not be cited at all, and in instances I only refer to a general geographic area in order to add a further layer of anonymity to interviewees.
Feedback by the Interviewees

Donor Coordination

International donors have long played a pivotal role in the Oslo Peace Process and had a determining impact on it, because of their substantial spending in the OPT, and because of their substantial economic and military support for Israel. As the focus of this study is on donor spending towards Palestinians in the OPT, and does not delve into comparative support for Israel, it is important to start off by remembering three of the most foundational principles for Aid Effectiveness found in the 2005 Paris Declaration are:

- Ownership: Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- Alignment: Donor countries align behind these objectives and use local systems.
- Harmonisation: Donor countries coordinate, simplify procedures and share information to avoid duplication.  

Here an emphasis is placed on local knowledge and leadership alongside support for capacity building. Coordinated alignment behind local strategies is meant to make aid more efficient and to make it easier for stakeholder recipients to access the funding they need. In this case, the donors have had 25 years of experience to develop working systems for the Palestinians.

As one European Official interviewed for this study pointed out, the Third party in the Israeli-Palestinian conflict is the donors. The importance of the role played by donors is likewise a key point emphasised in the secondary literature on donor intervention in conflict situations, noting the power they have to change the dynamics of a conflict – for better or for worse. That European Official also said that the AHLC as an association feels responsible for the well-being of the Palestinians and the Peace Process. For that reason, the donors in it are committed to making significant aid transfers to support both the people and the Process. This official also said that they consider coordination and funding through the UN or PA to be intrinsic to their aid to being effective.

143 Hever, ‘Foreign Aid to Palestine/Israel’; Hever, The Political Economy of Israel’s Occupation; Hever, ‘How Much International Aid to Palestinians Ends Up in the Israeli Economy?’
144 OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.
145 Anderson, Do No Harm.
Interviewee G2 said the EU, as institutions and member states, coordinate and decide among themselves on who does what in the OPT. Speaking in 2017, he/she said they have undertaken extremely successful coordination of donor activity over the past three years. He/she said that also includes working with non-EU European partners Switzerland and Norway. Interviewee G2 said that they wished coordination success stories like the Palestinian one would happen in other countries in the world, but are nonetheless happy that this is happening in the OPT.

Another Official said that convergence is limited by the different ‘red lines’ certain EU member states have for Israel and the OPT. Nonetheless, he/she said European countries still found a lot of common ground to allow for joint programming and implementation. The Official said serious work had been done during 2015-16 that led in 2016 to managed coordination at the local level, among headquarters, to define a joint EU strategy. The Official said that subsequent collective action by the EU member states and partners is something they were proud of, mirroring G2’s positive feelings about this outcome. This trend towards some level of European coordination in the OPT is something that has also been confirmed in the academic literature by Bicchi.146

However, interviewee E3 said that overall there is limited coordination among the donors and development partners, and that this is still a challenge to being aid effective in the OPT. Interviewee E3 said that many different rules and regulations – as well as many projects – exist between the different donors/development partners, and that those differences undermine the concept of coordination. Interviewee E3 added that it can be really time consuming trying to understand what is happening coordinating among them and that it is hard to ascertain where replication is taking place in order to avoid it.

... many different rules and regulations – as well as many projects – exist between the different donors/development partners, and ... those differences undermine the concept of coordination.\textsuperscript{147}

Meanwhile, some interviewees said that it can be tough developing coherent policy at the EU because there are so many strong opinions on Palestine (i.e. the red lines). Interviewee H5 said there is no consensus among the EU-28 nations on what their policy should be towards the Israel-Palestine conflict, let alone within states the countries themselves. Interviewee G1 added that the EU was divided among member states that want to build closer ties to Israel, and others who wanted to better hold Israel to account to force it to meet its obligations to the Peace Process and improve its treatment of the Palestinians. Meanwhile, G1 also said the EU had not done much under Obama, relying on him for leadership.

Interviewee G2 added that the AHLC meetings are a useful exercise in donor coordination and policy-making. He/she said that there the World Bank presents concrete input and solid projects. He/she said that while the Bank does not necessarily have a strong influence on the EU, but it has an important role to play, including making the fiscal case for the Palestinians, getting resources to the Palestinians and because of the good relationship the Bank has with the Israelis. Interviewee G1 also said that the World Bank reports are an important source for decision making, among the many sources the EU looks at.

Meanwhile, interviewee H3 said that they would like to see more consistent Arab funding. This was a sentiment that came up in a number of interviews. Interviewee H3 said Arab donors come and go according to political moments, such as stepping in if the PA is about to fail. He/she said that failure is in fact when you see both the Arab donors and Israel step in. In the latter case, this would consist of Israel releasing funds that it was supposed to transfer to the PA according to the 1994 Paris Protocol of the Oslo Process.\textsuperscript{148} Those funds are taxes collected on the PA’s behalf under the Protocol, but which Israel often holds back when

\textsuperscript{147} Interviewee E3

seeking to punish or force policy out of the PA.\textsuperscript{149} Withholding those funds of course creates incredible insecurity at the PA, which impedes development. It also represents the use of hard power by an occupying military to achieve a political outcome.

\textit{Institution and Two State Building}

An Official I interviewed from an IFI said that they understand the World Bank, as a lead guide in the donor process, was not necessarily fixated on fighting poverty in the OPT, so much as building institutions for a future Palestinian state. This was particularly true she/she said for the period 2008-9 to 2011-12, following the Second Intifada. He/she felt that positive results contributed to the declaration by the Bank in 2011/12 that the PA had sound institutions. This is something that was iterated by interviewee H3 as well, who said that in 2011 PA financial management and governance processes were better than in many other states. However, the aforementioned IFI Official said that progress in building institutions has since stalled, and even went into reverse. Further, he/she understands that in this period of reversal the Bank may now be more focused on poverty reduction than institution building.

Still, many of the interviewees said that support for Palestinian institution building constituted their central developmental purpose in the OPT. That is consistent with the original developmental model first laid out by donors in the early 1990s, which was to build a Palestinian liberal democracy and free market economic system through the ‘right’ state institutions. Those were then supposed to sustain the Oslo Process and to help build peace. For many, that goal has remained unchanged. Interviewees D1+D2+D3+D4+D5 said for instance that Canada’s basic objective since Oslo has been to support the Two-State Solution and to build a Palestinian state to live side-by-side in peace with Israel, and D7 said that this has hardly changed to this day.

Interviewee A3 says an early turning point for state-building, in terms of policy, took place in 1998 when the PA failed to hold elections. Just as some officials would say that by 2011/12 the PA was ready to govern a state, A3 says that in 1998 it was also ready to do so. He/she said there was optimism back in the late 1990s that this could happen. However, cancelling municipal elections with the rise of Islamic political actors made it clear to Palestinians on the ground that democratic statehood was not going to happen. This also happened during a

\textsuperscript{149} Mosse and Atlex Consulting, ‘Israel’s Relatiatory Seizure of Tax - A War Crime to Punish Palestinian ICC Membership’.

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period of enhanced Israeli settlement building, which evoked real Palestinian anger. As a result, at that point the PA bled legitimacy. Meanwhile, A3 suspected that the US Bill Clinton Administration might not have minded that the elections were cancelled.\footnote{150 The President’s wife Hillary would later make a similar case in September 2006 when she was running for re-election to the Senate, “I do not think we should have pushed for an election in the Palestinian territories. I think that was a big mistake,” said Sen. Clinton. “And if we were going to push for an election, then we should have made sure that we did something to determine who was going to win.” Ken Kurson, ‘2006 Audio Emerges of Hillary Clinton Proposing Rigging Palestine Election’, Observer, 28 October 2016, https://observer.com/2016/10/2006-audio-emerges-of-hillary-clinton-proposing-rigging-palestine-election/.
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\textit{Just as some officials would say that by 2011/12 the PA was ready to govern a state, [one interviewee said] in 1998 it was also ready to do so.}\footnote{151 Interviewee A3}

As the self-anointed political arbiter overseeing the Peace Process,\footnote{152 Le More, \textit{International Assistance to the Palestinians after Oslo}, 2008, 109.} US influence over other donors in the development process has been overarching. Using a Canadian example, interviewee D6 spoke of the extent of US influence on Canada’s Palestinian aid policy. Interviewee D6 recounted a story about General Dayton, who oversaw security training at the PA while serving (2005-10) as the Chief of the Office of the US Security Coordinator (USSC) in Jerusalem, responsible to the US Secretary of State.\footnote{153 Mark Perry, ‘Dayton’s Mission: A Reader’s Guide’, \textit{Al Jazeera}, 25 January 2011, sec. News/Investigative, https://www.aljazeera.com/palestinepapers/2011/01/2011125145732219555.html.} Dayton was a friend of Canada’s then Minister for International Cooperation, Bev Oda (2007-12), under the Conservative Harper government (2006-15), and apparently visited Canada often. Interviewee D6 says that after the Palestinian ‘technical government’ was set up in the West Bank in 2007, Dayton was in Ottawa and Minister Oda asked him for advice on how Canada should support that government. Before leaving, Dayton said something along the lines that, ‘To put Israel’s nerves at ease, we need to show that it will not be attacked. Then everything will work once Israel is comfortable’. From there, D6 says Canada chose to focus on justice and security funding, even though it had been looking at other developmental priorities. Interviewee D6
said that Canada also chose to prioritise humanitarian funding, because otherwise Israel would have to pay for those costs and ‘be unhappy’ with doing so. Interviewee D6 says that other coordinating meetings with the World Bank and USAID led to suggestions to take an approach similar to Dayton’s advice, but D6 suggested that Dayton effectively defined Canada’s aid programme on that trip.

Interviewee D6 also said that Dayton and the US wanted the PA legal system to become better at catching ‘bad guys’ to appease Israel, so that Israel would then start to lift restrictions, and that this would lead to renewed peace negotiations. So, at one-point Canada wanted to ‘help’ rewrite PA justice law, even though such changes were not possible under PA law during an unelected technocratic government. Meanwhile, D6 says Palestinian civil society was upset that Canada focused on putting people in jail, rather than defending them in the court of law. Interviewee D6 says that Palestinians understood what was happening, saying, ‘You Canadians are supporting the jailing of Palestinians so that you make Israel feel better’.  

‘You Canadians are supporting the jailing of Palestinians so that you make Israel feel better’.  

Further, interviewee D6 suggested that the jailing process is the reason many Palestinians do not trust the PA security forces. Interviewee D6 said that Palestinians wonder who the security is for and what exactly the PA security does for Palestinians? This is a documented concern. The PA security after all cannot protect Palestinians from Israeli violence, are unable to respond to settler violence, and are required to drop their weapons and retreat when Israeli forces appear. Meanwhile, D6 observed that regular people in the OPT hated Dayton. Interviewee D6 said that Palestinians saw his work as being done to appease Israel, and not to help Palestinians because Dayton focused on ‘justice’ work that in reality centred on imprisoning Palestinians. In fact, the Palestinians said Canada should not work with Dayton. In contrast, D6 says that the Canadian officials in charge said that, ‘they know from the EU, the US, the World Bank and the IMF’ that the Palestinians love Dayton, and that only UNIFEM

154 Interviewee D6 recounting the thoughts of Palestinian civil society on Canadian policy

155 Tartir, ‘The Palestinian Authority Security Forces’.
and UNRWA were not enthusiastic. Meanwhile, D6 said those same officials thought Canada was well liked during the time of the Harper government, even though many Palestinians were very unhappy with Canada over its hawkish pro-Israel foreign policy. Interviewee D6’s more pessimistic views are consistent with comments by Canadian project coordinators interviewed by this author for another study. One had there recounted how someone from Foreign Affairs in Canada came to them for help, actually admitting, ‘Look our reputation is crap’. Interviewee E2 said that prior to Oslo there were no Palestinian institutions. There was just Palestinian civil society. Another European official said that Oslo was actually never meant to be an economic peace. Rather, the aim was to support peace through Palestinian institution building. That institution building would be supported by the donors, and in turn that would support the economic element of the development plan that was expected to foster peace. This was corroborated separately in an interviewee with an Official at the World Bank. Notably, the European official said that economics should though never replace the political element of peacebuilding within the Oslo Peace Process. Interviewee H6 supported that point by saying that politics and economics share equal importance, but you need political will for the money to have an impact on creating a political solution. The European official further made the point that state-building is of itself political by nature, not technical and neutral. Interviewee E3 echoed that European official’s reflection pointing out in their support for education that, ‘Education is always political. In Palestine it’s quite political’, and especially in the OPT.

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… Oslo was actually never meant to be an economic peace. Rather, the aim was to support peace through Palestinian institution building. That institution building would be supported by the donors, and in turn that would support the economic element of the development plan that was expected to foster peace.158

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157 Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012’, 253.

158 Interviewee E2
Interviewee E4 said that Palestinian civil society is vital to nation building. He/she said though that there is now a controversy in that the PA has a challenging relationship with parts of the civil society. He/she said that is a problem since civil society, like democracy, is vital to Palestinian state-building. It is interesting to note here that in the analysis of donor reports below, Norway is by far one of the main donors discussing democracy, with some others not mentioning democracy at all.

There was a consensus meanwhile among EU officials that the reason the EU is in the OPT is to support Oslo and the two-state solution. Interviewee G5 said the EU is focused on making the path to the two-state solution possible. Interviewee G1 said the long-term objective of the EU is to support the two-state solution. Interviewee G2 said the EU’s political objectives in the OPT are to support a two-state solution. He/she added that it is still in existence, but would not be without the EU. At the same time, G2 said the Palestinians are increasingly able to run their own state.

Interviewee G5 said the EU still supports the two-state solution, but that the situation became more challenging with changes in USA politics in the Trump-era, and also due to the challenging debate in Israel about Palestinians. So, he/she said a question is how to keep the two-state debate open? Meanwhile, G5 said Palestinian funding is an operationally large sum of EU tax money. They – as EU policy-makers – need to keep it justifiable, which means there needs to be a goal to strive towards. Meanwhile, G1 said there is an internal debate at his/her agency as to whether or not they should feel strongly about the two-state solution, or be more flexible.

Interviewee H2 from Germany said the job of their agency is to support the two-state solution and state-building. Interviewee H3 said that they consider their work to be in a fragile and conflicted region and that they do not consider Palestine to be a state. He/she said their work also includes a focus on Area C, which represents 61% of the land in the West Bank and is for that reason intrinsic to there being a future Palestinian state.159 Yet it remains under full Israeli control and is now comprised by a majority population of settlers.160


Interviewee H5 also said that state-building is a key part of their work, but that they are falling behind in the political part of their peacebuilding. He/she said the truth is that ‘we’ are moving towards a one state reality. He/she said that on the ground, the two-state solution looks much more like a theory than the one-state solution.

… the truth is that ‘we’ are moving towards a one state reality.\(^\text{161}\)

Interviewee H5 added that most successes of the state-building process have been in the islands of Area A that donors fund and Israel is not interested in. This stands in contrast to Area B and especially Area C, where Israeli settlement building is taking place and has been leading to the de facto annexation of the West Bank.\(^\text{162}\) It is thus logical that B1 found the Israelis do not like the IMF highlighting Palestinian developmental indicators in Area C, given how Israel appears interested in absorbing those areas. Israeli pressure over analytical reporting on Area C was the experience of several of the IFI personnel interviewed.

Finally, many of the interviewees conveyed concern for the current state of the PA and Palestinian institutions. Interviewee B1 was concerned about a decline in recent years in the quality of PA institutions, which the donors have been funding. That decline is likely in comparison to a ‘highwater’ mark of 2011/12 referenced by multiple interviewees. An European official said the AHLC is supposed to reinforce Palestinian leadership and that they have a long history of trust with Abbas going back to when Oslo was first negotiated and signed. He/she feels the PA would be in a very tough situation if it were left on its own without donor support, so they are reluctant to pull funding away from it. One IFI Official noted that donors feel the PA needs donor money in order to keep it from dissolving.

\(^{161}\) Interviewee H5

Condition of the PA

What is the condition then of that PA the donors are concerned about after 25 years of state-building? Interviewee A1 said the PA is politically weak and that the donors are trying to influence a weak government. He/she added that the level of agency of the PA is extremely limited, and that this is in no small part because the PA is told they have to take the political situation as given. One IFI Official said that in reality the PA is a non-government in a non-state that annoys the Israelis in its very existence. Further, as he/she points out, anyone with real power on the Palestinian side is either in jail or dead. So how can you expect the PA to drive real change?

As the IFI Official pointed out, without elections the PA lacks legitimacy. He/she said that even if we could at any stage be fairly confident in the institutional capacity of the PA, he/she points out that you need political legitimacy as a government in order to carry out actions. Meanwhile, he/she criticised people who blame the PA for performing poorly, in the sense that those people need to think about the pressure the PA faces working in such challenging circumstances. Thus, that Official said, ‘Hats off to the PA for running a government under occupation’.

Interviewee D7 added that there are great challenges with justice sector reform and building an effective state in the OPT, because there is no actual Palestinian state and there have been no elections for more than 10 years. Further, D7 said Hamas is a terrorist organisation and it is impossible for Canada and other international donors to fund them, and that there is meanwhile no Palestinian Parliament to draft laws during the unelected technocratic government. So, while he/she said that Canada can and does build capacity, there needs to be a Palestinian Parliament to create laws. Further, the PA needs elections in order to establish legitimacy with the Palestinian people.

163 An IFI official
Interviewee G5 said that on the Palestinian side there is no prospect for life development, including because the PA has become a more and more oppressive regime. Interviewee H1 said that in recent years concerns about governance issues at the PA have grown among donors. Still, Germany wants to back the PA and make sure it does not collapse. Meanwhile, the German priority is not the promotion of democracy. For this reason, they are avoiding questions about human rights and democratic governance, and supporting Abu Mazen rather than confronting him over issues with authoritarian practices, human rights abuses or shrinking spaces for civil society.

\[\ldots\text{the German priority is not the promotion of democracy. For this reason, they are avoiding questions about human rights and democratic governance, and supporting Abu Mazen rather than confronting him over issues with authoritarian practices, human rights abuses or shrinking spaces for civil society.}\]^{164}

Interviewee H5 said they are now having real concerns about the PA. He/she said for instance that the PA is not taking a lead on key issues like unemployment. Meanwhile, H5 said that every aspect of what is liked about Abbas by the international community is disliked by the Palestinian public. Interviewee H6 said that the ‘white elephant in the room’ is that the PA elite looks after itself ahead of the people, and that the PA has been accused of corruption for years.

Interviewee I1 said that the Palestinian people wonder what the PA President is doing exactly? The feeling is nothing. He/she said that the PA is not providing services in return for taxation, a perception echoed by interviews with Palestinian entrepreneurs in research being conducted by University of Exeter PhD candidate Oliver Hayakawa.\[^{165}\] Interviewee I1 added that the PA cannot offer protection or provide services. Israeli troops come and go from Area A as they please, and there is not even a fair health insurance in Palestine. Instead, the PA looks like a

\[^{164}\text{Interviewee H1}\]

\[^{165}\text{Oliver Hayakawa, ‘Facebook Message - Hayakawa’s PhD Research on Palestinian Entrepreneurs’, 12 June 2018.}\]
gang with the taxes paying for them just to be in power. As a searing indictment of the condition of the donor-backed, democratic state-building process, I1 said there is no justice, no transparency … just corruption.

Fostering Israeli-Palestinian Cooperation

Since the start of the Oslo Process, the international community has been keen to foster cooperation between Israel and the Palestinians, particularly through free market trade. They considered this trading-cooperation key to making Oslo work, and that the Palestinians would anyway need access to the Israeli market to develop their own OPT economy. Thus, interviewee H3 was echoing a longstanding IFI sentiment when he/she stated that there is a need for the small Palestinian economy to be integrated in with Israel’s. Interviewee A1 added that since they [as donors] cannot influence politics, they shifted their energy to the private sector. He/she said that there is a vibrant private sector in Israel, some of which is apolitical and outsourcing work to India. He/she said why not outsource to the OPT? Interviewee A1 added that there are some problems with the Palestinian equipment, but he/she felt that the Israeli and Palestinian private sectors can be made to cooperate, because they want just to make money.

As a forum, interviewee E4 said the AHLC is the main forum for bringing Israelis and Palestinian authorities together at a high level, with donors, in search of agreements to make the Palestinian economy grow. So, E4 saw in the AHLC a useful dimension for political dialogue for the Peace Process.

Meanwhile, interviewees D1+D2+D3+D4+D5 from Canada said that they take heart in the security cooperation they have seen between Israel and the Palestinians, because this is also vital to a future Palestinian state. Anecdotally they felt that security coordination helped stave off a wave of Palestinian violence in 2017 and that Netanyahu would like to see more security work. Further, interviewee D4 feels security contributes a great deal towards progress in the Peace Process and, D1 added, towards progress in development. Further, D4 said Canada actively monitors peace between Israel and Egypt, and thus he/she feels this is a niche Canada can contribute positively toward. Interviewee D3 said Palestinians have made great use of this sector and that Canada is ready to continue supporting it.

Interviewee D7 from Canada added that investing in security is constituted by better schools, sports clubs and social safety, not just a police force. He/she said at the local level we long ago figured out that, in the long run, the best way to improve security and reduce crime is not
through police forces and jails. That is just one component of justice. More importantly, we need to invest more in education, health care and social services for our longer term security and prosperity. Interviewee D7 added that in fact this is a global lesson that can be learned.

[Interviewees from Canada said ‘they take heart in the security cooperation they have seen between Israel and the Palestinians, because this is also vital to a future Palestinian state’.

Meanwhile, interviewee D6 felt that Israel is happy with post-Second Intifada changes to the justice sector. He/she said they can now control some Palestinians by proxy, sending their intel to the PA security to act on Israel’s behalf. Meanwhile, the Israeli Defense Forces (IDF) can still pick up anyone whenever it wants. The current arrangement does not impinge on the IDF’s ability to act.

Israel as a partner

Israel may not be the easiest partner to build peace with. As interviewee A1 said, Israeli domestic politics are ugly and complicated. Interviewee G5 said that on the Israeli side the ‘Peace Process’ has become silent, as within Israeli politics it was replaced by a discussion centred on ‘security’ from about 2002 onwards. Interviewee E4 said they are concerned about Israeli politicians worrying more about short-term electoral survival, and how violence carried out by Palestinians against Israelis undermines the Israeli willingness as a group to work with Palestinians.

Further, the settlers became more and more of a problem to the Oslo Peace Process. One IFI Official says the settlers got worse-and-worse over time. He/she said it is very difficult to work with such ideologically and religiously motivated people. He/she said that post-2000 there were a lot of religious extremist settlers coming from the US, among a large number of US settlers. The Official added that the Russian settlers were, by contrast, more economically

\[166\] Interviewees D1-5 from Canada
motivated and easier to deal with. Interviewee E4 added that it is really upsetting to see Israeli soldiers protecting settlers who are engaged in violence against the Palestinians. He/she said this undermines law and order, and that it is also important to protect Palestinians from violence. It is worth nothing that, in contrast to the Norwegians, top donors like the Canadians and Americans do not discuss in their reporting the importance of protecting the Palestinians from violence.

In their development work, interviewee G1 said the Israelis are happy with his/her agency’s work in Gaza. Interviewee G1 said that their work reduces the costs for Israel to keep Gaza stable, which is a well-documented phenomenon. However, G1 said they also try to keep Israel out of their projects due to humanitarian principles. Interviewee G1 added that in contrast to Gaza, Israel has a big problem with donor work in Area C. He/she said that because of such pressure their agency is almost the only major actor present in Area C, and many other actors often turn to them as a means to support works in Area C.

Meanwhile, interviewee H3 said their reports highlighting the economic costs of the occupation are not well received by the Israelis. Interviewee H3 said the Israelis will claim there are no blockades and ask why they, as donor-actors, are working in Area C. However, H3 said they do not face pressure to change the reports, and H3 further said that it is important to highlight the costs of the occupation, to show why it is important to end it.

Interviewee H6 is meanwhile not optimistic about the situation in the OPT and has long considered Oslo dead. He/she said that since the time of the assassination of Israeli Prime Minister Rabin in 1995 it has been clear that Israel has not wanted to cede the OPT. Interviewee H7 added that it is the clear rule of law does not work in Israel regarding the OPT, and lately (updated 2018 October) within the Green Line (Israel). Further he/she said there are no credible assertive political leaders left in Palestine, and no Israeli partners with a strong constituency behind them for peacebuilding. Yet, H7 said some people among the donors/international community still want to deepen their relationship with Israel based on the argument that they can then change Israeli opinions, which he/she said is a doubtful assumption. Meanwhile, interviewee H4 said that it is concerning that far-right Israelis are meeting with and working with far-right Europeans. He/she said that there is now a mainstream white supremacist ideology in Israel.

… some people among the donors/international community still want to deepen their relationship with Israel based on the argument that they can then change Israeli opinions, which … is a doubtful assumption.168

Strategic Importance of Israel and Palestine

One European official made certain to iterate a reminder of the intrinsic strategic importance of Israel and the OPT for Europeans, which is the basis for the strong European presence in the region. That European Official said the Middle East peace file is important because the issue holds public importance across the West, where there is a public discourse about it in nearly every capital. He/she added that Israel and Palestine are the key to Middle East regional peacebuilding. Interviewee A1 echoed that viewpoint that the Palestinian issue remains key to the Middle East. For example, he/she said that Syria is still closely connected to Palestine, along with the other Levantine states. He/she says that a Syrian agreement always works back to Palestine and that the stability of many states remains connected to Palestine.

Interviewee G2 said the Israeli-Palestinian conflict is still a top priority for the EU because of the geographic proximity of the conflict to the EU and as a solution for broader Middle East peace. One European Official added that governments may need to support the Palestinians because, should the PA collapse, where will the additional Palestinian refugees go? He/she said this in the context of the Syrian refugee crisis that swept across Europe starting in 2015. That European Official said Palestinians would almost certainly end up moving to Europe in another refugee movement. Meanwhile, interviewee H5 noted that German Chancellor Merkel said that geographically the OPT is the European hinterland and destabilisation will adversely affect the EU. Therefore, containment of the conflict is a German concern, and as part of that containment so is keeping functional that which has been built up as a part of the Oslo state-building process.

168 Interviewee H7
There was not uniform concern that migration out of the OPT to Europe would happen. Interviewee H2 said that while migration is a top concern in domestic politics in Germany, there is a perception that Palestinians are not likely to migrate. Interviewee H5 said they are giving a lot of money to the Palestinians for a small population. However, Germans are willing to spend on this because of their relationship with Israel. He/she said Germany is very interested in the region and concerned for Israeli security. This corresponds to a point made by E4 that while there is consensus among donor parties in the international community that Palestine is important, the way in which that consensus is expressed is nuanced by the relationship some of them have to Israel. That is reflected in the fragmented approach to donor coordination.

Local Empowerment vs Conditionality

Donor countries agreed in the Paris Declaration (2005) that local ownership was essential to development. There the developing countries should set their own strategies for poverty reduction, improve their institutions and tackle corruption. In the agreement donors also agreed to align themselves behind those stakeholder objectives, to use local systems, and to pursue a mutual accountability where donors and partners are both accountable for development results. Further, in the Accra Agenda for Action (2008) those donor countries further agreed, within the concept of ownership of aid, that stakeholder countries should have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more donor use of country systems for aid delivery. Participants also agreed in Accra that capacity development, to build the ability of countries to manage their own future, lies at the heart of the Agenda for aid effectiveness.169

Interviewee A1 said that they, as the World Bank, provide budget support to the PA on a conditional basis. That conditionality is based on policy reforms, now referred to as ‘prior actions’. Interviewee A1 said that there they focused on what reforms the PA could do to improve its economy. However, he/she said the problem in OPT is not one of money or policy reforms the PA can do, but that progress lies with what the Israelis can do. Another European official concurred, saying that Palestinian reforms alone are not sufficient, because you need donor and Israeli support for real progress to be made.

169 OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.
One of the IFI Officials I spoke with said that they know the World Bank to negotiate all of its project conditions, including the PRDP-TF, with the PA, and that he/she understands the Bank to have never forced the PA to do anything. However, he/she noted that many other donors, including the EU and USAID, do tend to operate independently with their own guidelines and approaches, where there could be a difference in the Palestinian agency to develop their own programming.

Interviewee E3 said meanwhile that it is important for Palestinians to have their own identity, in spite of aid. For instance, Palestinians want to have full control over their own education curriculum. However, since Palestinians receive development aid they are still responsible to the donors and this leads to the donors having opinions/questions that can influence how the Palestinians educate. Here the Palestinians have limited agency and are still responsible to their funders.

In the case of the sizable Canadian development aid envelope, interviewee D6 said there was a complex hierarchy where the Canadian officials clearly felt they were better than the Palestinians. He/she said there was a sense of superiority among some Canadian officials, which was reflected by some Canadian project coordinators. In the most extreme case, D6 said one Canadian official would say about Palestinian partners, ‘You have to yell at them to understand that this is Canadian money and Canada decides how it is spent’. This type of statement, though jarring and maybe not universal, is consistent with encounters with Canadian officials recounted by some aid interviewees in other research this author has conducted. Meanwhile, D6 said the Canadians often hired non-Palestinian consultants for development work, mostly white men who are paid very well because they had to work in the ‘unsafe’ West Bank.

Emphasising an absence of Palestinian ownership over the Palestinian aid process, interviewee D6 said the Paris Conference paper that led to the PRDP was actually written by the World Bank with help from the IMF, and only signed by the Palestinians to create the illusion that this was a locally led process. He/she said the World Bank excused this based on the reasoning that the Palestinians do not have the capacity to write it. So instead they would allow the Palestinians to ‘comment’ and then the Bank would keep what points they deemed appropriate, after rejecting much of the Palestinian feedback. Interviewee D6 says the Palestinians will not admit to it, but the PRDP was not written by them. It was written by white

170 Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012’, 276.
blonde people from the West working in the Ministry of Finance. This does correspond with Leech’s research about DFID and the lead role it played in developing the PRDP.\footnote{Leech, \textit{The State of Palestine}, 80–84, 173.}

\begin{quote}
[The PRDP] was written by white blonde people from the West working in the Ministry of Finance.\footnote{Interviewee D6}
\end{quote}

Overall, when referring to Canada’s aid, D6 said that there is no local ownership in the Canadian aid programme to the Palestinians. He/she said it might be better to replace the term ‘ownership’ with the term ‘appeasement’, where Canada is giving the PA leaders something to help them to stay in power.

Interviewee D6 further said that CIDA wrote a 5-year programme of what they would fund for the Palestinians based on the PRDP, but that Palestinians were never allowed to see it. Interviewee D6 also said that from 2008-10 the Palestinian Ministry dealing with aid wanted to know everything Canada was funding. Canada was upset and refused to hand over the data, even though this is required under the principles of aid effectiveness. So, based on interviewee D6’s account Canadian aid programming, which Canadian officials did not want to let the Palestinians see, would be based on a PRDP national plan that was not written by Palestinians, but rather Westerners. This would comprise a sort of ‘closed-loop’ aid ecosystem where the donors are communicating among themselves separately from the Palestinians, determining the composure of Palestinian state and society through their funding policies. If true, this would be a complete and total violation of the principles of aid effectiveness.

Interviewee D6 notes that Canadian officials were nonetheless referencing Paris and Accra throughout the aid process. He/she said they seemed sincerely to feel that they were adhering to aid effectiveness models, particularly of local ownership, so long as those funds matched ‘Canadian values’. Meanwhile, D6 said Palestinians ‘play the game’ saying they need ‘capacity funding’ when in reality they just need money. It is important to remember here that

\footnotetext[171]{Leech, \textit{The State of Palestine}, 80–84, 173.}
\footnotetext[172]{Interviewee D6}
the OPT has been rendered aid dependent after 25 failed years of Oslo, and Palestinians need to find ways to access funds to meet their basic needs.¹⁷³

Finally, D6 said that when Canada put out a call for proposals for funding in the OPT, this was never publicised. They would instead meet people in the field and let them know they could bid on the unpublicised call. Canadian officials would also tell them how to design a project to meet Canadian needs. Interviewee D6 said Palestinians did not propose their own projects that got funded. They had to propose what Canada wanted in order to get funding.

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... Palestinians did not propose their own projects that got funded. They had to propose what Canada wanted in order to get funding.¹⁷⁴

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One European Official did say it was easier to deal with Salam Fayyad at the PA, who was the unelected ‘technocratic’ Prime Minister from 2007 to 2013. Fayyad is the product of a Western education, PhD from the University of Texas at Austin, and of Western institutions, having worked at the IMF and World Bank. The European Official also said he/she found Fayyad’s plan very useful while in power.¹⁷⁵ Interviewee B1 likewise said their institution had a very close working relationship with Fayyad, and G5 said that when Fayyad was there, the PA had a Western feel that donors could more easily approach. Interviewee G5 said it was a sense of reform that matched Western standards.

One European Official said that a main problem in dealing with the Palestinians is fragmentation. Who is the AHLC supposed to deal with, including within the PA and between the PLO and PA? Interviewee G5 added that the rupture between Hamas and Fatah also hurts the two-state solution. By 2017, interviewee I1 said many West Bankers no longer identify with

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¹⁷⁴ Interviewee D6

¹⁷⁵ Likely referring to the Fayyad plans for state building, such as the PRDP
Gaza, saying they cannot live together. Interviewee I1 said that this is the result of the policies of segregation, both geographically and mentally.

Yet, it is the donors themselves that were key to that rupture. Secret documents obtained by the US magazine Vanity Fair indicate that the Bush Administration helped the Palestinian President Abbas’ political party, Fatah, instigate and fight a conflict to retake full control over the PA, after the Hamas political party had won the 2006 January 25th election. The Palestine Papers reveal British Intelligence MI6 helped draw up the plan for a Fatah-led PA, similar to DFID helping plan the PRDP. This coincided with constant pressure by Israel and most Western states to delegitimise Hamas from the moment it took power, while encouraging Abbas to take powers away from Hamas by decree.

By that point in 2006, President Abbas’s office had developed a good working relationship with both Israel and the US, to the point where Palestinian security was sharing almost all the information it was collecting with Israel. In spite though of Western support, Fatah was pushed out of Gaza by June 2007 following a year-and-a-half of tension and occasional fighting, leaving the OPT extremely fragmentised. From mid-2007 onward Fatah was in control of the PA in the West Bank and Hamas in Gaza, while all the OPT remained under Israeli military occupation.

This fragmentation of the Palestinians was reinforced by aid donors when the Fatah-led PA was rewarded with a generous increase in funding in Paris 2007 December 17th. There nearly 90 global donors pledged $7.7 billion in development aid to the PA at a conference. French President Nicolas Sarkozy spoke there of the ‘urgent’ need to establish a Palestinian state by


the end of 2008. In the same period US Secretary of State Condoleezza Rice reinforced the West’s neoliberal vision for a PA that will live in peace with Israel,

Our administration has put the idea of democratic development at the centre of our approach to this conflict, because we came to believe that the Israelis will not achieve the security they deserve in their Jewish state and the Palestinians will not achieve the better life they deserve in a state of their own until there is a Palestinian government capable of exercising its sovereign responsibilities, both to its citizens and to its neighbours. Ultimately, a Palestinian state must be created that can live side by side with Israel in peace and security.

Yet, democratic development seems incongruous with a donor-sanctioned coup against a democratically elected Palestinian government, regardless of what the donors might feel about that government.

While donors rewarded Fatah’s putsch with generous aid packages, they joined with Israel in cordonning off the Hamas-governed Gaza Strip from the outside world. Gaza was put under a punishing siege consisting of a combination of embargos on trade by Israel, and strict limitations on aid by donors that began with the embargo on Hamas when it won control of the PA in 2006. As John Dugard, Special Rapporteur on the situation of human rights in the Occupied Palestinian Territory, wrote in 2006 about the serious humanitarian crisis prevailing in the West Bank, and to a greater extreme in Gaza,

The humanitarian crisis was in large measure the result of termination of funding of the Palestinian Authority since Hamas was elected to office, he said. In effect the Palestinian people had been subjected to economic sanctions — the first time an occupied people had been so treated. Israel violated international law as expounded by the Security Council and the International Court of Justice and went unpunished. The Palestinian people were punished for having democratically elected a regime unacceptable to Israel, the United States and the European Union. Sadly, the United Nations must share some of the blame for the humanitarian crisis as it effectively

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condoned the taking of measures against the Palestinian people in its role as a member of the Quartet.\textsuperscript{183}

Gaza would suffer further and further from economic siege and from regular military confrontations with Israeli, the most destructive of which have been a series of three massive bombardments of the Strip between 2008 December and 2014 July. Those levelled the tiny, densely populated territory. Meanwhile the aid and trade embargos on Gaza were vigorously fortified by a newly installed, Western-backed dictator of Egypt, Abdel Fattah el-Sisi, who had in 2013 removed a briefly lived democratic government in Egypt. All combined the siege makes any rebuilding from bombardment a slow, difficult and nearly impossible process, even for essential services like waste management. All appearances indicate that Gaza is being punished collectively for the government it elected.

Through their 2007 aid packages to a Fatah run PA, donors again prioritised state-building, but with an increased emphasis on security.\textsuperscript{184} Abbas’ PA was given support by donors and Israel to govern, including to deploy PA police to Area A. In addition to security, donors tasked the Abbas government to push forward with reform.\textsuperscript{185} This turned into the aforementioned PRDP, which committed the PA to pursue good governance, law and order and the delivery of basic public services throughout the OPT. Strengthening the PA security services became a top priority in that commitment. Secretary of State Rice wrote in 2008 that the onus was on Palestinians to reign in violence,

This state will be born not just through negotiations to resolve hard issues related to borders, refugees, and the status of Jerusalem but also through the difficult effort to build effective democratic institutions that can fight terrorism and extremism, enforce

\begin{itemize}
\item \textsuperscript{185} See Amundsen, Giacaman, and Khan, \textit{State Formation in Palestine}; Hanieh, ‘Development as Struggle: Confronting the Reality of Power in Palestine’.
\end{itemize}
the rule of law, combat corruption, and create opportunities for the Palestinians to improve their lives. This confers responsibilities on both parties.\textsuperscript{186}

To carry out the reforms required by Western donors, an economist who had long worked at both the World Bank and IMF was chosen to be PA Prime Minister, and that was Salam Fayyad. Now far removed from the democracy that had allowed Hamas to win government in 2006, Abbas appointed Fayyad on the basis of a national emergency in 2007 June, bypassing the Palestinian Legislative Council (PLC). Fayyad would from that point oversee the implementation of the PRDP, run through a bank account controlled by the World Bank.

The PRDP necessitated a number of cuts to PA public sector spending to reduce the PA deficit, something long advocated in World Bank reports on PA governance. These measures of austerity in a time of humanitarian crisis included reducing the number of workers in the Ministry of Health, implementing pre-paid electricity meters for thousands of Palestinians – with electricity bought from settlements – and reducing pension commitments. However, the cuts did not have a significant impact on the deficit because of a substantial increase in security spending. In 2009, $USD 109 million was committed to expand the training and size of PA security forces. Those forces were supervised by General Dayton and had already been under Fayyad’s control as early as 2005.\textsuperscript{187} So while PA government cuts made life even harder for Palestinians, increased security spending created a more repressive PA security apparatus that was used to suppress dissent. So, in spite of extra donor aid and cost-cutting efforts by the Fayyad government, the PA would increase its debt load to $4.3 billion by early 2014. As a result, even with donor assistance and direct budgetary assistance from the EU, the PA has often been unable to pay the salaries of 170,000 public employees. Those employees keep the OPT economy solvent and the very high unemployment levels artificially lower than they otherwise would be.\textsuperscript{188}

In the context of the failed 2006 election and subsequent coup, interviewee H4 said that the US and EU gave a bad signal to the Palestinians about democratic governance and support for Palestinian national aspirations. Further, he/she said the US and EU did not go to Gaza

\textsuperscript{186} Rice, ‘Rethinking the National Interest’, 19.


and speak to the people for their opinions, and that this further made a bad impression on the Palestinians. Meanwhile, H7 said there is essentially very little non-Jewish-settler crime in Palestine, which the Palestinian authorities are not allowed to tackle, so why focus on security when that is not a priority need for Palestinians living under occupation? Interviewee H5 said that there is no rule of law in East Jerusalem, Hebron, Areas B and Areas C. There the police laugh if you call them.

… there is essentially very little non-Jewish-settler crime in Palestine, which the Palestinian authorities are not allowed to tackle, so why focus on security when that is not a priority need for Palestinians living under occupation?189

Wary of their power as a donor, interviewee H4 said that at their organisation they consciously try to avoid being a colonial donor and that they try to give as much room to their partners to manoeuvre as possible. Interviewee F1 from Sweden said that one of their solutions to aid effectiveness is to provide core funding, because core funding provides security that allows you to develop the internal life of an organisation. Interviewee H7 said that EU organisations are more likely to provide core funding support, and that is important, because it is likely more valuable than the conditional funding coming from the Anglo-Saxon countries. He/she added in 2018 October that, sadly, there is now a trend within EU organisations to fund conditional projects, rather than offering core funding.

Finally, Interviewee I1 said there is no agency among the Palestinians and that the donors determine everything. An example is with Palestinian villagers who depend on donor funding. Interviewee H7 said that they misrepresent their priorities in a way they think would make a donor more likely to invest in their community, in lieu of describing their true needs. This is not so much a reflection of the character of those people, but of the failure of aid to be responsive to local leadership and local needs. Those villagers know how the funding game works, and

189 Interviewee H7
their approach reinforces I1’s comment that Palestinians do not have agency, while donors determine everything. The villagers have to work within the donors’ system.

De-development and Domination

Interviewee E4 said they are concerned to see worrying trends in Palestinian governance and that there is a shrinking space for human rights activists. Yet while E4 said they should not as donors stop raising concerns about this with the PA, they are worried about putting too much pressure on the PA while it is not that stable. If they were for instance to sanction the PA and stop investing in the PA it could collapse, leading to the loss of decades of institution-building.

Likewise, interviewee B1 said the donors have invested a lot into building institutions at the PA. There is a concern this will backslide, with the risk that the Palestinians will blame Israel for that decline. He/she said that there is some truth to that, especially in regard to the way Israel transfers clearance revenues to the PA and how holding back funding adversely affects its governance. However, B1 still thought there is a lot they can do within the existing constraints, were the two sides to set aside the politics.

Another IFI Official noted that the Palestinian economy is stock full of talented people. However, he/she pointed out that Israel can stop any competing business it wants. As Roy uncovered in her research over the past few decades, this happens regularly, with Israel undermining Palestinian businesses that compete with an Israeli equivalent or contribute towards Palestinian economic self-sufficiency. It is part of a process Roy termed ‘de-development’ and which describes Israeli economic domination over the Palestinians.190

Further, that IFI Official noted that when Israelis and Palestinians do cooperate together in a business, the Israelis will dominate a Palestinian business from the top. This reinforces the matrix of occupation and inequality when it is not specifically challenged.

Interviewee D6 said that Canadian officials are wasting Canadian money building markets when Palestinians cannot even trade between their own cities. He/she pointed out that Canadian aid officials are building Palestinian trade capacity based on the ‘hope’ Israel will someday allow free movement, when Israel does not see it in their interest to allow the

Palestinian economy to develop – a decades old phenomenon long acknowledged in the literature on the Israeli occupation.\textsuperscript{191} Meanwhile, as A3 pointed out the ‘swiss cheese’ nature of the Palestinian territory works to the advantage of Israeli goods entering and exiting Palestinian population centres, while outcompeting Palestinian goods that cannot easily move between Palestinian cities.

Some EU officials said the occupation and fragmentation of the OPT is the greatest challenge they and Oslo face. Thus, the EU is giving a lot of money, but that this is not having the desired effect on the two-state solution. That peace model is being eroded by facts on the ground. A result of this is that their Palestinian aid is being questioned increasingly by Parliamentarians and citizens back in the EU, since it is not achieving its aims. Further, H5 said that since the conflict is currently contained, and since it appears to be stable without much violence, Germans are asking, ‘why fund the Palestinians’?

Interviewee H6 said that as a result of fragmentation the Palestinians in Gaza and the West Bank people are feeling increasingly distant from one another. He/she said there is a feeling in Gaza that they are being ruled by Ramallah, from the donors of the PA. Meanwhile, there is little money going to Gaza out from the decision makers in Ramallah, contributing to further fragmentation of the Palestinians.

Interviewee H1 added that there is a rift within the German development community about working within the Israeli permit system in Area C, because this may be working with and legitimising the occupation of those territories. Interviewee H7 meanwhile said it is not really possible to work in Area C. Yet, you cannot work in Areas A and B at the exclusion of Area C without doing harm. The dilemma then is what if the Israeli government does not want Area C to be developed. Meanwhile, he/she said that no one is speaking about Gaza, where you notice the children growing up are smaller now due to the blockade. So, who will care if Area C faces a Gaza GDP style collapse? No one seems to care about Gaza.

Interviewee H1 said the current donor model in the OPT constitutes the imposition of a way of thinking on people without giving them alternatives. Interviewee H6 said he/she does not see privatisation helping economic development. Interviewee H6 said the focus should instead be on social and economic rights. Palestinian interviewee I1 further said that the World Bank has created a debt trap for Palestinians. He/she said Ramallah, the seat of the PA and most

economically vibrant of the Area A cantons, has become as expensive as Europe. Interviewee I1 wonders how is this possible in a region as poor as Palestine. He/she said this is certainly linked to the way aid flows are occurring, and that the PA and foreigners there are doing well off that process, while the rest of the population lives in poverty. He/she said that Ramallahites are even getting tired of northern migrants traveling there to work, referring to those elite foreign workers as ‘Thailands’. Interviewee H5 added that Ramallah is an ‘aid’ bubble that should not naturally exist.

… Ramallah is an ‘aid’ bubble that should not naturally exist.\(^{192}\)

Interviewee E3 said that Norway is paying attention to, trying to meet and really concerned about Paris and Accra. However, it is worth noting that the terminology rarely appears in the Norwegian reporting analysed in this study. That is indicative of a general lack of concern exhibited for aid effectiveness in a lot of the donor reports analysed in this study.

Interviewee H7 said that you need to understand your power as a donor and act with caution, warning that you need to understand the context and treat it carefully. He/she gave as an example how, restricted by the Israeli authorities when building infrastructure in area C, many donors then build in Areas A and B where they can obtain permission from the PA. What then happens is the donors create a pull drawing Area C Palestinians into the densely populated A and B enclaves, where there are more services, reinforcing the Israeli aim to drive the Palestinians out of area C. This in effect is reinforcing then, rather than resisting, the conditions that are undermining Palestinian society, and would be a violation of Do No Harm (1999) and the Fragile States Principles (2007).\(^{193}\)

\(^{192}\) Interviewee H5

\(^{193}\) Anderson, *Do No Harm*; OECD, ‘Principles for Good International Engagement in Fragile States and Situations’; Karlstedt et al., ‘Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report’.
Oslo’s Impact

Interviewee G5 said that a key change since 2002 has been how a lack of confidence has crept in with regards to the two-state solution. Interviewee A3 says that originally though Oslo represented a broader international order and that it was a sincere attempt to build peace. He/she added that Peace Agreements sometimes ‘paper over’ the central points of a conflict while starting out working on the margins. He/she said this is done in order to give the parties involved time and space to develop good-will, progressing on some issues together before tackling the hardest political problems. However, that does not guarantee that the core problems will be solved. He/she points out that this approach did not work in Sudan, Bosnia and Palestine, where the core issues were never successfully tackled following the marginal ones.

In spite of decades of ‘peace building’ and billions of dollars spent on institution building, interviewee A3 says that things have not changed since 1992, and have maybe gotten worse. He/she says that the OPT is not a physically big space and that land is everything. He/she says that when their colleagues saw the post-Oslo map with the different Areas A, B and C, and saw that the land looked like ‘Swiss Cheese’, they knew it was not going to work. They could not fathom how the two-state solution could work from a legal or economic perspective. Further, A3 was not confident that the Palestinians would gain more control of their land.

… when their colleagues saw the post-Oslo map with the different Areas A, B and C, and saw that the land looked like ‘Swiss Cheese’, they knew it was not going to work.\(^{194}\)

One official from an IFI said that during the First Intifada Israel was responsible for the administration of the Palestinians. So, it made sense when A3 said the First Intifada (1987 – 1991), if taken from an economic perspective, could be considered a tax revolt where Palestinians rose up against Israel for extracting more than it invested. Meanwhile, on the Israeli side they considered themselves to be paying for security in the OPT and wanted out

\(^{194}\) Interviewee A3
of security provision. This would be made possible by changes to local governance structures under Oslo. There the PA was put in control of security in parts of the OPT.

Interviewee A3 noted that, as a result, Israel could during the Second Intifada claim that since the PA was in power in the OPT, there was no occupation and then withhold services. At the same time the international community funds the costs of the Palestinians, and the status quo, while Israel makes money off the OPT, all without having to relinquish control over the territory.

One interviewee further added that the economies in Israel and Gaza were distorted by the inflow of international funding. Interviewee D6 also said that all senior people in the West know that if they pull their funding, then Israel has to pay for the occupation and reclaim its official role as the occupying force. He/she said they talk about this at meetings of the World Bank and EU, and yet they do nothing.

Meanwhile, a European Official familiar with the AHLC said the body was never meant to be a substitute for peace. Interviewee G5 further said that while you cannot have a Peace Process without economic development, you cannot have economic development in lieu of a Peace Process. The European Official added that the Palestinian economy will not be sustainable without a peace deal. He/she was concerned that some – though not all – Israelis think you can skip the peace deal and just do development. Further, that official said the AHLC still feels the Paris Protocol is intrinsic to the Peace Process, but that Israel needs to do more to fulfil its obligations under the 25-year-old agreement. He/she said the PA is pushing for this, but Israel is reluctant. Meanwhile, he/she said that challenging the Oslo Accord itself could be in danger due to current politics in Israel.

A European Official I spoke with in the interviews said that the main criticism of the AHLC is by the Boycott, Divestment, Sanctions (BDS) community, which makes the claim that the AHLC is a lifeline for the occupier, underpinning the occupation. However, he/she argues that to the contrary the AHLC has been creating institutional conditions for a durable peace and a negotiated two-state solution. Interviewee E3 meanwhile said that they think Palestinians would prefer freedom and independence over development aid, and that if the political situation were different they might not even need aid. Interviewee E3 also said the best solution is the two-state solution.

As far as political progress is concerned, interviewee H4 said that German aid is having no political impact and that you cannot have an impact if you do not follow up with ‘politics’. If the two-state option is the solution, then he/she said support it wholeheartedly. He/she said the international community are the Godfathers of Oslo, so they should do something about it. Otherwise, do something else, because Israel is openly saying the two-state solution will not happen and settlements have meanwhile made two-states impossible. Interviewee H4 added that the international community should put pressure on Israel, not just the Palestinians. In the end pressure needs to be put on Israel, because this is better for Israel, too, in order for it to be open and democratic. Interviewee H4 said though that it appeared as though Europeans seemed to take a decision in 2006, following the Hamas victory, not to engage in politics. Meanwhile, interviewee H1 said German aid actually works with the occupation, in the sense of it working within the Israeli planning system when it comes to projects in Area C, and thus Germany ends up accepting the Israeli civil administration as the legitimate decision-making power. However, he/she said the question that keeps arising is what could be done otherwise?

Interviewee H7 said the Palestinians simply need a moment of independence and breathing room free from Israeli rule. Yet, he/she says there is a donor emphasis on Israeli-Palestinian joint projects, which does not allow for this. At the same time those projects are not really working, as this necessitates eye level interaction which is impossible given the asymmetrical power structures between Palestinians and Israelis. Interviewee H7 also said that all the social problems in the region are linked to the colonial system, and added that the non-rich Israelis in an increasingly unequal society get pushed into the settlements for economic reasons, in search of a better life.

Finally, Palestinian interviewee I1 said people are getting desperate because they do not know how to cause change. There is however a feeling held by many Palestinians that they need to get rid of the PA, in order to do away with the illusion that they are not being directly occupied by Israel. For the international community, interviewee H5 concluded that we have to adjust

196 Interviewee E3
to the street level talk, where it is ridiculous to talk about two states when confronted by the real facts on the ground.

**Politics Trumps Rationalism**

An Official I spoke with that worked with the AHLC said that the World Bank’s mandate in the OPT was to foster institution building in the immediate period after the Second Intifada, approximately 2007-14. He/she said that in that time the Bank appeared to operate in the OPT as it does elsewhere in the world, but that the special circumstances of Israel and the OPT leads to exceptions to the rules. For example, during the Second Intifada the Bank worked with NGOs, and that is something they do not do anywhere else.

One Official I spoke with even said the Bank may not have wanted to be involved in managing the PRDP Trust Fund to the PA,¹⁹⁷ but were both pressured into this role by leading donors and incentivised by the Kuwaitis, who offered a large sum of funding for the World Bank, if it managed this Palestinian fund. The Official thinks that the Bank’s condition was that this be done on the World Bank matrix. He/she also understands that the Kuwaiti funding may not have materialised as the amount they pledged, though it is worth noting that this would be standard for Kuwait in the OPT.¹⁹⁸ The main message that Official was conveying about the Bank is that political forces may have been pushing the Bank in a direction it would not necessarily be comfortable with.

Interviewee D7 said though that the challenge with Israel and the Palestinians is that that the whole conflict is politically driven. Interviewee D6 pointed out that aid is by nature very political. Politicians make decisions on aid, and those decisions are based on domestic politics, not on facts on the ground or need. This is in spite of general acceptance among donors and aid practitioners that aid needs to be given in as neutral and non-politicised a fashion as possible.


¹⁹⁸ According to data acquired from the Kuwait Fund for Arab Economic Development, from January 1962 up to July 2016 the Kuwaiti government provided Palestinians with KD 45,783,150 ($155,000,000) of funding out total pledges of KD 91,270,150, meaning that only 50% of funding promised by the Kuwaiti government was ever disbursed to the Palestinians. Alaa Tartir, ‘Mapping of Donor Funding to The Occupied Palestinian Territories 2012 – 2014/15’, Alaa Tartir, Program Director of Al-Shabaka, Engaged Scholar, Global Citizen (blog), 10 November 2017, 134, https://alaatartir.com/2017/11/10/mapping-of-donor-funding-to-the-occupied-palestinian-territories-2012-2014-15/.
to be effective, particularly for fragile and conflicted states. Interviewee D6 said Canada’s aid in the OPT did not derive conclusions out of facts, and this appears to be corroborated in the document analysis found below in Section V on Canada. Rather, D6 said Canadian policy-makers picked and chose facts to support a pre-existing argument. Those facts and decisions were in D6’s time produced by pro-Israel lobby groups and the influence of US General Dayton.

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Canada’s aid in the OPT did not derive conclusions out of facts …

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Interviewee D6 said they could not understand how CIDA people thought they were not doing harm, or how they thought they were somehow complying with aid effectiveness. He/she said there was no self-reflection by the Canadian officials and no rational thought. Interviewee D6 said they used a lot of flowery and meaningless language, were in no way open-minded and that for them facts did not matter.

Interviewees D1+D2+D3+D4+D5 said Canada puts lots of work into any statement or even just a tweet due to the sensitivity of the topic of Palestine in Canada. Interviewee D6 linked this approach to a strong pro-Israel lobby in Canada and an effort to appease it at all costs. Interviewee D6 said that the Palestinians noticed this with a shift in Canadian voting at the UN. Interviewee D6 said that as Harper became more comfortable in his role as Prime Minister he became more focused on Israel as a friend, and always investigated Israel lobby allegations raised in Canada. There was for instance a lot of lobby work done by the pro-Israel lobby to ask what the Canadian government would do to stop Canadian tax dollars from supporting terror. They did a lot of work trying for instance to tie UNRWA to terrorism. So, Harper ordered a review of the UN wanting to cut funding to UNRWA. Interviewee D6 said this

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199 Anderson, *Do No Harm*; OECD, ‘Do No Harm - International Support for Statebuilding’ (OECD, 2010).

200 Interviewee D6

201 Yakabuski, ‘On Israel, Trudeau Is Harper’s Pupil’.
led to CIDA staff spending three months gathering information on UNRWA’s connections to Hamas, only to conclude the allegations were false. USAID also found no proof of connections.

Still, according to D6 the pro-Israel lobby was not happy with the result, and they were influential. This was especially the case for the conservative political organisation B’nai Brith, which seemed at some point to have a direct link to Harper. The end result was politics trumping rationalism and aid ethics, with CIDA’s multilateral branch review concluding that UNRWA was a bad organisation. However, the government of Canada had to fight the impression that the cuts were done using questionable indicators in a non-transparent process. Ultimately D6 said CIDA/GAC officials were aware of the statistics and how unfair the situation is in the OPT, yet Canada was only concerned with appeasing Israel and the pro-Israel domestic lobby, and in the process was violating the basic principle for neutrality when delivering aid in a conflict situation.

Interviewee H5 said that Germany is being asked by Palestinians not to block attempts to hold Israel accountable for its actions. Interviewee H5 added that Israel and Palestine should not be a football game where you, including donors like Canada and Germany, choose to be in favour of one side over the other. He/she said that intervention should be about human rights. Interviewee H6 added that the international community should take international law seriously.

Interviewee H7 said that continental Europeans, especially Germans, do not separate politics from aid. By contrast, Anglo Saxon charities are not supposed to be political by nature, even if that is impossible in development and especially conflict context. Interviewee H7 added that there is no such thing as separating politics from human rights. That is by nature political.

Meanwhile, interviewee H1 said that Germany tried to stop the PA from accession to the ICC statute. He/she added that while it is not publicly stated in Germany, it is also understood that BDS organisations will lose their funding over their political approach. In fact, he/she said that current German government policy is, as of 2018 autumn, no funding for BDS activities and no cooperation with persons or organisations where the main purpose of their work is BDS.

202 Anderson, Do No Harm.
Connection to the Palestinian People

At an international level, interviewee H7 said that states identify with other states, not the people within them. Thus, the international community of states is more easily able to identify with Israel as a fellow state, as opposed to the stateless Palestinians. At a more personal level, interviewee I1 expressed a perception by Palestinians that dead Palestinians are just numbers to the PA, Palestinian factions, Israel and the international community.

While there was a great deal of divergence among interviewees as how to approach Palestinian development and the Oslo Peace Process, there was one area of near unanimity: a genuine, deep and personal connection to the Palestinians that included a great deal of respect and concern for them. As A1 said, Palestine is a, ‘special place and special people’. With the exception of the Canadian interviewees, who mostly emphasised how much they appreciated both sides, the interviewees were overall largely fixated on the bad deal the Palestinians had received, and with seeking ways to make life better for them.

[Palestine] is a special place and special people

Palestinian Strengths

Capacity development, which means building the ability of countries to manage their own future, lies as the heart of the Accra Agenda for Action (2008). With regard to the Palestinians, many of the interviewees had a lot positive to say about the Palestinian capacity to manage their own affairs, especially from a human capital perspective. This was especially notable with World Bank interviewees. As one IFI Official pointed out to me, the Palestinian economy is stock full of talented people. As interviewee A1 said, things the Palestinians do well include: human capital, education, health, service delivery and community participation in schools. Interviewee A1 also said that the Palestinian Central Bureau of Statistics (PCBS) is

203 Interviewee E1

204 OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.
the best stats bureau in the Arab world and that the Palestinian Monetary Authority (PMA) is run very well with scrupulous regulations.

… many of the interviewees had a lot positive to say about the Palestinian capacity to manage their own affairs, especially from a human capital perspective. This was especially notable with World Bank interviewees.205

Interviewee F1 said that they consider the local partners to be the experts. He/she said that while they will provide advisors for capacity development in other countries, they never had a need for that in Palestine. He/she said there is a lot of knowledge and expertise trained locally, and in the diaspora abroad. Since people have the knowledge on a general level to run aid programmes, that does not though mean that they can always run them. So, in the case of Palestine, Sweden will sometimes strengthen the internal capacity of an organisation to run aid programmes. This can mean developing internal policies in order to establish structure, such as providing international humanitarian law (IHL) training for a Palestinian NGO working in human rights.

Meanwhile, some interviewees were very impressed by the resilience not just of the Palestinians generally, but of the beleaguered people in Gaza in particular. Interviewee E4 said the situation in Gaza is dramatic and the resilience of the people amazing. Interviewee G1 was also impressed by resilience of Gaza’s population, given the bleak picture being painted by partners there. Interviewee H5 found it very interesting that Palestinians even have enough hope to get up in the morning, and he/she said that they were inspired by this Palestinian resilience.

Finally, interviewee H6 said there is still great potential in Palestinian society, in spite of all the set-backs. He/she said it has a skilled expat community and there is a sense of nationhood among Palestinians. There was still hope in spite of the current bleak outlook.

205 Interviewee A1
Future Prospects

So, what were the prospects for the Palestinians in this context? The interviewees came up with a variety of ideas, proposals and outlooks.

Interviewee G1 advocated for income generating activities that can contribute to Palestinian resilience. He/she said that resilience is fostered through income generating activities. He/she said there is more dignity in that than handouts of food, and that this has the further benefit of not disrupting the local economy. Interviewee G1 also said that there are studies that argue that this approach increases dignity.

Interviewees D1+D2+D3+D4+D5 said it is easy to be discouraged, but that Canada remains quite active diplomatically. They also said that direct negotiations within the Oslo framework are the only way forward, and that unilateral actions are not helpful and undermine peacebuilding. Meanwhile, D1 said his/her colleagues are divided over the results of Canada’s aid work, and do not expect there to be a change in the status quo or for peace to take hold. However, he/she did say that they at least take satisfaction in keeping the situation from getting worse.

Interviewee C4 said nothing is getting better. Interviewee H6 said that the situation in the OPT is in constant deterioration. Interviewee A3 feels so bad about the situation. Every trip he/she makes, he/she says the situation looks worse. Interviewee A3 added that many people invested their lives into the development and peace models in Israel and the OPT, and felt they needed to be optimistic. However, he/she said this optimism was not possible after Netanyahu was first elected in 1996. Now, A3 feels that there is no optimistic trajectory to grab onto.

An Official from an IFI pointed out that the problem in the OPT is a political problem, and not an economic one. Palestinians do not need capital. There the gaping need is for a political solution. He/she also raised existential questions. If institutions are not being formed, why are they – as donors – there? With the lack of progress in actually establishing Oslo, he/she even questioned what the PA is doing there. Meanwhile, A1 hopes though that civil society can effect change where governments have failed.

Interviewee E2 said that Norway is seeking to reduce PA dependence on aid and that they see no alternative to the two-state solution. Meanwhile, E3 said he/she sometimes would like to see more achievements and says that sometimes the lack of results in frustrating.
It is worth noting that the Paris Declaration (2005) calls for results, where developing countries and donors shift focus to development results. It also calls for mutual accountability, where donors and partners are both accountable for development results. In a report dated from 2012, the height of the PRDP and a more optimistic period in the Palestinian state-building process, the results of each were already not strong. The report stated that there had been only moderate achievements for results and low achievements in mutual accountability.

Interviewee E4 said that they are hoping for movement to take place in the political process, but facts on the ground are a challenge to the realisation of the two-state solution. He/she pointed out that restrictions on movement inside the OPT and between the West Bank and Gaza are critical barriers. He/she implored Israel to halt settlement building, and said that it is impossible to build a society and form a nation in the current conditions. Interviewee F1 said that the Swedes sometimes ask themselves, ‘If things don’t develop in a favourable way, with no reconciliation or peace or a better humanitarian situation, why are we here?’ Still, he/she thinks there is hope, that one needs take a long-term perspective and needs to be patient.

If things don’t develop in a favourable way, with no reconciliation or peace or a better humanitarian situation, why are we here?

Interviewee G1 said they are concerned with high unemployment, a lack of hope among Palestinians and the possibilities of radicalisation that may result from the absence of hope. Meanwhile, G5 said that donors have gotten complacent with what the Palestinian population will put up with. He/she said that the most dangerous thing is a disappointed hope. Interviewee H3 is concerned by the unsustainable status quo because there have been too many declines

206 OECD, ‘The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action’.


208 MOPAD, 6.

209 Interviewee F1
throughout all facets of Palestinian state and daily life. He/she said this status quo cannot be maintained.

Interviewee H4 said it was still important for them as a donor to be present in the OPT, for fear that society would otherwise break down. Like anywhere in the world, he/she said it is just cynical to not be engaged in aid when the context is complicated and the results are questionable. He/she said it is still important to help, and that aid just needs to be done better. Meanwhile, H6 said that individual donor organisations cannot do much, as they are part of the system and embedded within it. The best thing they can do is provide political information back home.

Interviewee H7 said the Europeans want the 1948-67 border for the two-state solution, but do not have the tools to enforce this or for a variety of reasons do not want to use these tools. He/she still supports the two-state solution, because he/she considers it by far to be the best option. Interviewee H7 says he/she holds this stance because he/she does not believe in the one-state solution, stating that it already exists and that it is a nightmare. However, H7 said there is some ‘poetic justice’ for Israel in that nightmare, because Israel was not willing to cede even the small 22% of historical Palestine that Palestinians were willing to live with, under with the Oslo Accord. Now though, H7 has no optimism for the future, as both a one-state and a two-state solution must mean one side giving up privileges which it refuses to do.

What H7 thinks will most likely happen is that Israel will continue driving the Palestinians in the West Bank into ever more densely populated enclaves, then annex large parts of the West Bank where there is little Palestinian population. Israel would then declare the Palestinian enclaves as not-occupied anymore, because they would be left with a narrow boarder with Jordan, say at the Allenby/Hussein Bridge. That would of course be tightly secured by joint Jordanian-Israeli security forces, similar to what Israel did in Gaza. The Palestinians would then be left to be self-governed by local ‘lords’. In this way Israel will have gained control of the territory up to the Jordan river without having to think of giving Palestinians citizenship and while making sure the Palestinians are divided geographically from one another, unable to maintain political cohesion.

Finally, interviewee H5 said there are no signs that Israel is evaluating its military presence. Interviewee H5 said that the Palestinian people have lost hope that the occupation will end. So, as a result, people just want to have better lives under occupation. Interviewee I1 said there is a perception now among Palestinians in the OPT that services were better under Israeli rule than PA rule. He/she said that many Palestinians prefer an Israeli passport to the Palestinian papers, or just to leave the OPT altogether.
Section V: Document Analysis

When dealing with any form of documentation it is important to bear in mind that documents are ‘social facts’ that are produced, shared and used in socially organised ways – to this extent, ‘text is context - at once both produced by and productive of the whole social world’.

Texts are not transparent representations of organisational routines, decision-making processes or professional diagnoses. Every document is written or produced by someone in a specific context and for a particular purpose – in the case of aid reporting, for example, documentary production is generally connected to ensuring current and future funding.

As part of the process of building a case to sustain funding for their work, aid organisations and the government agencies responsible for aid funding typically create optimistic reports about their own work, advertising their successes while glossing over the shortcomings.

This is true of even the largest of organisations and the departments with the most robust funding streams. Thus, we must bear in mind that those reports are often written as much, if not more, for marketing and fundraising than analytical purposes. When projects are deemed successful that encourages further funding for a programme, and also helps keep staff employed. It is at that moment that even the branches of large agencies become like a business enterprise, with entire organisations depending on successful projects to remain funded. This impacts not just employees, but programme beneficiaries and even the original granting bodies that need to show they are funding successful work. In this way success becomes an internalised representation and a way to keep funding flowing, and is not necessarily connected to the developmental or humanitarian needs originally identified for that funding process.

So, it should come as no surprise to note that it is well understood within the aid industry that when an organisation attempts to build an argument for the success of its activities, they prefer

210 Wolfe, Settler Colonialism and the Transformation of Anthropology the Politics and Poetics of an Ethnographic Event, 5.

211 Matthews and Ross, Research Methods, 277.

212 This ‘glossing over’ also applies to the removal of material that could be considered to be politically sensitive. For example, in their research into child protection in the OPT, Hart and Lo Forte engaged several interviewees who declared that the original reports are subsequently edited to remove material deemed to be politically sensitive. One agency official said: ‘[U]nfortunately the oPt MRM reports tend to get quite heavily edited in New York. I am not sure if this occurs at the level of UNICEF HQ or at the SRSG’s office or both. The result is a somewhat watered down or sanitised version of the original.’ Jason Hart and Claudia Lo Forte, ‘Mandated to Fail? Humanitarian Agencies and the Protection of Palestinian Children’, Disasters 37, no. 4 (2013): 638, https://doi.org/10.1111/disa.12024.
to present their project in terms that will be deemed successful by the funders they are dependent on. Mosse observed:

Development success is not merely a question of measures of performance; it is also about how particular interpretations are made and sustained socially. It is not just about what a project does, but also how and to whom it speaks, who can be made to believe in it.

Further, in order to maintain this process of ‘socialising’ success, aid organisations control the message produced by their staff because they fear bad commendations will sabotage their efforts to make a project look successful.

Thus, it is important to be wary that an aid organisation’s data will be predisposed to tell ‘happy’ stories, while suppressing more contentious ones. Further, although most documents can provide a fixed record of something that happened at a particular time, it is not, as with any document in any context, unheard of for histories to be rewritten. After all, authors regularly rewrite history. Meanwhile, much of the reporting on aid is done electronically, and electronic documents may more easily be subject to alteration or deletion than paper documents.

For all these reasons, it is not possible to look at an aid organisation’s report as neutral. They are very much subjective social constructs. Those reports are as much a tool in public relations to advertise an organisation’s work, as a summary of what they accomplished or did not accomplish. We should for these reasons not use these documentary sources (reports) as surrogates for other kinds of data, and especially as a sole source of data. The interviews in

214 Mosse, 158.
215 Mosse, 157–58.
216 Matthews and Ross, Research Methods, 287.
218 Matthews and Ross, Research Methods, 277.
the previous section provide another form of primary data that contextualises the analysis of donor reports, and what donors are thinking and doing.219

The Donor Documents and Analysis

Of the 9 donor actors considered in this analytical survey, 80 of their reports were read pertaining to their Palestinian aid programming, including their own analysis for that programming. In addition, some background research was done on each donor, including a review of primary and some secondary websites on the topic of Palestinian aid and the Israeli-Palestinian conflict. It is important to bear in mind that not all donors have uniform reporting methods. For instance, the Canadians seemed to lack specific public reporting on their Palestinian aid, and their general reports to Parliament on Canada’s overseas aid were therefore analysed. Some donors like Sweden and Norway produced periodic and very specific reports on aspects of their aid programming and the development context in the OPT. Further, some donor actors’ reporting was a lead source of analysis for other donors. For instance, all of the donors relied to some extent on World Bank and IMF analysis of the OPT and Palestinian development, and some actors, such as Canada and the US, relied quite heavily on this analysis.

All of the 80 reports were read completely to understand the full context of what they were presenting, but they were also all keyworded to identify specific terms relevant to the aid effectiveness lens used to analyse them. For this reason, words like ‘accountability’, ‘aid effectiveness’ and ‘rights’ were keyworded. This is done bearing in mind that rights may be considered a central element of aid effectiveness, but also that ‘violence and state fragility are often characterised by systematic violations of fundamental human rights’.220 Rights were then considered from two broad perspectives, one human centric (i.e. human rights) and another economic (i.e. property rights). ‘Democracy’ was another key-word, having long been a central part of the Oslo aid model and also arguably a central element of aid effectiveness. Further, as an aid model developed by Western liberal democracies, it goes without saying that the


Western donors should consider democracy to be the ultimate form of governance that other states will aspire towards in a state building process.

Because understanding the context of an intervention is so vital to aid effectiveness, and particularly so in a fragile and conflicted state, terms were sought out that offer insight as to how each donor perceived the OPT (i.e. how strong their analysis was). These included keywords essential to describing the actual situation of the OPT: ‘colonisation’, ‘settler’, ‘settlements’, ‘Jerusalem’ (as Palestinian land and where Western donors mean East Jerusalem), ‘occupation’, ‘occupied’, ‘terrorism’ and ‘security’. Security was further broken down into a ‘security-for-who’ perspective, where security was referred to (1) security for Israel; (2) security for the Palestinians, (3) general security (does not specifically mention a particular group); and (4) where security for another non-Israeli and non-Palestinian group and/or actor (i.e. Jordan). Additional keywords, taken on in consultation with stakeholders, included: ‘advocacy’, ‘justice’ and ‘law’ (law was considered from both economic (business) and non-economic perspectives).

In the case of this study the documents were readily available in electronic formatting. On occasion, I reviewed reports outside the 2010 to 2016 timeline that the study is focused on, most notably in the case of Canada. Note that the page numbering in citations reflects the page from the document as a whole, as listed in a pdf viewer from start to finish, and not the internal page listing. Also, in this ‘Document Analysis’ section, analysis of the German reporting was not presented, but the German aid structure in the OPT was instead described as Germany has a complex aid structure that many people are unfamiliar with. In addition, there was a dearth of easily accessible, information rich reporting on German aid to the Palestinians. This is counterproductive because this information should be easily accessible to stakeholders.
The World Bank plays a lead role in defining the Palestinian aid regime and has acted as the guide for major bilateral donors disbursing aid in the OPT in support of the Peace Process. This guidance is based on a plan the Bank first set out in 1993 in its policy document, *An Investment in Peace*, which established the blueprint for Palestinian development that has defined the overall Palestinian aid model ever since. Economically, both the Bank and that plan can be described as neoliberal. The plan is very similar in nature to other programs created by IFIs for developing world states in the 1990s. This is reflected by the core normative values informing the Bank’s plan for the Palestinians, which emphasise: open markets, economic integration with Israel, regional economic integration, financial liberalisation, ‘good governance’ and support for ‘democracy’. The World Bank prioritised institution building for the Palestinians to ensure these normative values were infused into the new Palestinian state they were building; in addition, this also reflected a clear belief that a strong central authority (government) and stable institutions are necessary preconditions for growth. This growth was then expected to foster peace. Meanwhile, some donors had already long considered institution building to be a key way to support the Two-State Solution, creating a Palestinian state to be a partner-in-peace for Israel.

In this role, the Bank has set out the legal framework for Palestinian economic activity and Palestine’s economic relations with Israel. Some aspects of this have even been written into Palestinian law, such as a PA Basic Law Article 21, which states that ‘the economic system in Palestine shall be based on the principles of a free market economy’.

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221 Neoliberal development aid practitioners are persistently optimistic about the power of policy to solve real world problems. Mosse, *Cultivating Development*, 3–4.


227 Bolstad and Viken, ‘2003 Amended Basic Law’.
has acted as Secretary to the powerful AHLC since the latter was formed on 1993 October 1. It has set the aid agenda for bilateral donors to OPT Palestinians on issues of governance and state-building, economic growth and regulation.

The AHLC has two meetings per year, which take place in the Spring and Autumn. During these meetings the World Bank, IMF and PA report to the committee. One meeting usually takes place in New York City and the other in Brussels. According to one official, the AHLC has limited powers to issue sanctions, but it does have the trust of both Israel and the PA, and this provides it with the opportunity to instigate change. He/she added that the Bank provides good overall reporting on the development situation in the OPT, while the IMF offers a more macroeconomic perspective. He/she said these contrasted with the more political reports produced by the UN.

In 2002, the Bank began to produce a series of yearly reports on Palestinian economic crises. These assessed the impact of Israeli policies on OPT Palestinians, the impact of international aid and of the PA’s institutional response to the violent Second Intifada. In combination with two important 2004 studies that discussed the economic and technical aspects of Israel’s disengagement from Gaza, the reports laid out policy recommendations for donors, for the PA and for Israel, with the aim of fostering Palestinian economic recovery during the Second Intifada.228

Interviewee A1 feels that the Bank’s greatest influence lies in its analytical work. They are the main provider of reports to donors and the international community, and this includes their bi-annual report to the AHLC (described below). As A1 said, the reports are not perfect, but at least they are independent and evidence-based. He/she even said they share the reports with the Coalition of Government Authorities in the Territories (COGAT) – a unit of the Israeli Ministry of Defence responsible for implementing government policy in Area C – and the Israeli Ministry of Foreign Affairs (MFA) for comment – he/she said this usually results in a long list of comments that relates to Area C. This is consistent with other IFI officials I spoke with, who remarked that Israel does not usually receive their analysis on Area C well, and always produces lots of comments. Interviewee A1 said meanwhile that there is a lot of interest in the reports by the US government. It is also of interest to note the contribution of one IFI official who described how different countries rely on the World Bank to say things they cannot say, because the World Bank is seen as non-political.

Two other IFI officials I interviewed concurred the Bank’s analytical work is well-received, because there is no politics in their analysis. Interviewee A3 further said that the Bank’s work is respected for the quality of its work, its independence and its integrity. He/she said it is respected by both Israelis and Palestinians, and may be the only such institution respected by both. Meanwhile, interviewees from the Bank raised the possibility that the Bank’s involvement encourages more donors to give. Interviewee A1 said that for donors, ‘There is some comfort to know the Bank is involved, as the Bank will not just pump money in [to the OPT for no reason]. Also, there is less political pressure on how the Bank will spend their money, allowing them to spend where money is most productive’. While A3 said the Bank independently has not ever had much influence, unless the parties engaged so inclined to accept its guidance, one IFI official said it was hard to gauge just what influence its reports had on the donors. He/she did say that the Bank acted though as a guide for the PA.

Here it is important to note that the World Bank does more than influence events through policy analysis. It exercises hard power by acting as a donor to the Palestinians, directly running numerous aid programmes. Many have been quite significant, such as the EAP that ran between 1994 to 1996 providing a framework for early donor assistance channelled to the Palestinians. The World Bank has even overseen how the PA spends. From 2008, the Bank managed a PRDP-TF, which was used by donors to carry out reforms in the PA. The PRDP relied on a World Bank bank account through which most bilateral aid to the PA flowed. That meant the PA did not have control over its own bank account and aid could be blocked if the Bank felt the PRDP was not being carried out in a manner consistent with the wishes of donors. The PRDP had a profound, possibly determining impact on the development of the PA after the Second Intifada.

One 2006 estimate suggests that from 1997 onwards, the World Bank managed nearly 5% of all donations directly. In a 2006 estimate, the Bank claimed that it has been involved in 20% of all donor disbursements since 1994. These estimates do not even take into account the large sums going through the TIM and the EU’s PEGASE, which were programmes that the Bank co-managed, which were first set up to circumvent the PA following Hamas’s 2006 election. According to data collated from the PA Ministry of Finance, in more recent years the World Bank has been one of four key donors sustaining the PA. Between January 2012 and

229 Hever, ‘Foreign Aid to Palestine/Israel’.

230 ‘West Bank & Gaza - The Palestinian Economy and the PA’s Fiscal Situation: Current Status February 2, 2006’.
May 2016 those donors were: the EU ($981 million), Saudi Arabia ($908 million), funds channelled through the World Bank ($872 million) and the US ($477 million).  

Meanwhile, it is worthwhile to note a point that one well-regarded researcher makes with regard to the economics of the region, namely that much of the data assessing the Oslo-aid process has come from the same institutions responsible for the implementation of the aid projects - this is a reflection of the Bank’s strong links to UN agencies, other mainstream state agencies and other Non-State Actors (NSA) working in the OPT. Thus, there is no independent auditing/monitoring of the work of implementing agencies and they are, to all intents and purposes, effectively assessing their own work.

**Statements**

The World Bank website for its West Bank and Gaza mission stated:

The World Bank has assisted the Palestinians since the Oslo Accords of the early 1990s – continuing to lay the foundation of a future Palestinian state so that it can deliver services to the people. Grants, financed from the World Bank’s own income and supplemented by Trust Funds contributed by donors, fund the Palestinian Authority’s projects in water and sanitation, municipal, education and social protection sectors.

The lack of progress towards peace and reconciliation creates an unsustainable economic situation. Donor support has significantly declined, and a financing gap persists despite the PA’s fiscal performance having improved in 2017. The Palestinian internal polity remains divided between Gaza and the West Bank, with grave uncertainty about the reconciliation process.

The website further stated that:


The Bank functions as the secretariat for the Ad Hoc Liaison Committee (AHLC) of donors to the Palestinian Authority. The Bank submits a report prior to each meeting updating partners on recent economic and fiscal trends, and provides economic and institutional analysis.

A World Bank administered multi-donor Trust Fund has channelled budget support (approximately US$1.5 billion since its inception) in support of the Palestinian Authority’s reform program in macro-fiscal strengthening and public financial management. Australia, France, Japan, Norway, and Kuwait have committed to continue channelling their budget support through this Palestinian Reform and Development Plan Trust Fund. 234

In April 2018, the Bank further clarified that:

A sustainable growth path for the Palestinian economy depends on a domestic private sector that can compete in regional and global markets and increase its export of goods and services. Thus, the World Bank Group’s assistance strategy for 2018-21 is focused on creating a conducive environment for private investment in the productive sectors of the economy. 235

Thus, in 2018 the Bank’s focus remained very much the same as it did in 1993, and therefore advocated the view that private sector-led growth would bolster prospects for peace in the Middle East.

World Bank Document Analysis

Taking into account the importance of the Bank in the development model built to support the Oslo Peace Process, 19 World Bank reports on the OPT were reviewed for this study. These reports were written from 2009 to 2017. Of these reports, 18 were biannual reports for the AHLC committee, while the nineteenth was a lengthy 239-page report, entitled The World Bank Group in the West Bank and Gaza, 2001–2009 Evaluation of the World Bank Group.

234 The World Bank In West Bank and Gaza.

235 The World Bank In West Bank and Gaza.
Program, which evaluated the Bank’s work in the 2000s. The tally of keywords and a description of their deployment in the reports follows:

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<tbody>
<tr>
<td>Advocacy</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Accounta-(ble, bility)</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>Aid Effectiveness</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Colon-(y, isation, ial, ies)</td>
<td>1</td>
<td>This term is used on a single occasion, when it is cited in the title of a report by MAS</td>
</tr>
<tr>
<td>Settler</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Settlements</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td>Democra-(cy, tic)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Jerusalem (in the context of Palestinian land)</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Justice</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Occupied</td>
<td>51</td>
<td></td>
</tr>
<tr>
<td>Law (not business, finance or property)</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Law (business, finance or property)</td>
<td>215</td>
<td></td>
</tr>
<tr>
<td>Terror-(ism, ist)</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Security for Israel (including taking Israeli claims verbatim)</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Security for Palestinians</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Security not clear</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>Security for other states or actors</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Rights (human focused)</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Rights (economic focused)</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Table 6 – World Bank Keywords

Observations

Overall, the 19 reports accounted for 739 pages, with a median report length of 31 pages. The reports tend to focus on the Palestinian economy, and the ‘security’ situation. Meanwhile, the Bank conspicuously does its best to avoid ‘political’ topics. The factors may explain why
the Bank makes just 215 references to matters relating to business and property, as compared to just 21 references to other types of law (i.e. rule of law, humanitarian law, international law, etc...) that have an important implication for the Israeli occupation and rule over the Palestinians. These factors may help to explain why the Bank almost never references rights; when it does, one-third of references are business-related.

Despite its attempts to steer clear of politics, the Bank does reference settlements, the occupation, security and terrorism as obstacles to development and the peacebuilding process. It often recognises that Palestinians live under occupation and that Israeli settlements undermine the state building process, and that this is not something that is acknowledged by all Western donors. In refusing to acknowledge the colonial dimensions of the 'conflict', they describe it as being rooted in religious and nationalist foundations. This is reflected in the fact that the 18 lengthy reports that the Bank submitted to the AHLC between 2009 and 2017 mentioned the words ‘colonialism’ ‘colonisation’ and ‘colonial’ on only one occasion, and even this was a citation from the name of a report by MAS.236 It is also instructive to note that this reference to colonialism, which is made via the title of a citation, is the only one that appears in any of the 80 donor reports surveyed in this study.

Although the World Bank does mention the words ‘settler’ or ‘settlements’, entire reports pass without reference to either word, and the reader can therefore remain oblivious to the fact that colonisation and settlements are defining features of Israel's activities in the OPT.237 Colonisation and settlements also undermine the Two-State Solution, the Oslo Peace Process and every facet of Palestinian daily life. Yet, the word ‘settler’ only appears 16 times in just 4 out of 18 reports: 4 times in May 2009, 4 times in September 2009, 3 times in September 2010 and 5 times in September 2012. The word ‘settlement’ appears more often at 66 times, but is only dispersed across half the total reports, appearing 14 times in May 2009, 6 times in September 2009, 1 time in June 2010, 13 times in September 2010, 5 times in March 2012, 22 times in September 2012, 2 times in June 2014 and 2 times in September 2017. ‘Settlements’ are also mentioned 1 time in April 2011, when they are acknowledged as an


important employer of Palestinians. In a 239-page assessment of its work in the OPT covering the decade 2001-2009, the Bank only mentions ‘settlers’ 3 times and ‘settlements’ 2 times. Further, there is a trend that over time the Bank acknowledges the presence of settlers and settlements less-and-less, despite the fact that their presence grew exponentially during this period, disrupting life and taking over land in the OPT.

The World Bank’s unwillingness to use these words may be attributable to a desire to avoid contentious political issues that upset Israel. The Bank has said they do this in order to appear neutral and apolitical, and because they want instead to focus on positive dialogue and avoid ‘deconstructive recriminations’ about past Israeli actions. Accordingly the Bank is reluctant to refer to ‘occupied territory’, even though this is the internationally accepted description of Israeli rule there, as per UN Security Council Resolutions 298 (1971), 446 (1979) and UN General Assembly resolution 32/5 (1977 October 28).

In the World Bank’s 18 reports to the AHLC 2009 to 2017, the word ‘occupation’ is only mentioned 19 times and ‘occupied’ is used 35 times. Clear references to ‘occupation’ are made 7 times in 2 reports: 5 times in 2011 September and 2 times in 2012 September. The word ‘occupied’ is mentioned clearly 11 times in 3 reports: 2 times in 2011 April, 3 times in 2012 March and 6 times in 2012 September. While ‘occupation’ is mentioned 6 times in 2009 September, 4 references are made to a PA plan Palestine: Ending the Occupation, Establishing the State and the other 2 references mention the occupation in footnotes. In other reports the mentions are more secondary and equivocal, as evidenced in a 2009 June report by UNRWA, entitled Prolonged Crisis in the Occupied Palestinian Territory: Socio-economic Developments in 2007, a 2009 September citation of the PA plan Palestine: Ending the Occupation, Establishing the State, and a 2010 September reference to the ‘Office for the Coordination of Humanitarian Affairs, Occupied Palestinian Territory’ (UN OCHA oPt). Meanwhile, references to the occupation completely disappear after 2012, even though the occupation very much exists and defines every aspect of Palestinian existence.


Astonishingly, in the 239-page evaluation of its work in the OPT 2001-9, the Bank only uses ‘occupation’ twice, when it refers to the PA plan *Palestine: Ending the Occupation, Establishing the State*. In the same report, the word ‘occupied’ is mentioned 16 times, but of these only 3 are clear references to the phenomenon, with the other 13 references being secondary citations.

So, the words ‘occupied’ or ‘occupation’ are internationally recognised, but they were rarely mentioned over the span of these 19 important reports. Of those rare mentions, the majority are citations, and it is noticeable that none occur later than 2012. Further, though the Oslo development model is premised on the establishment of a *democratic* Palestinian state, and the World Bank is the lead donor helping build Palestinian institutions and a liberal democratic Palestinian state, ‘democracy’ and ‘democratic’ are never mentioned in those reports, with the exception of a 2010 June report to the AHLC that refers to the governance of NGOs.\(^{241}\)

Meanwhile, though the Bank does make fairly frequent use of the word ‘security’, and is willing to discuss Palestinian security from violence in 17 keyword instances across the reports, the Bank is much more likely to be vague about the ‘who’ of security, as is the case in 53 instances. Meanwhile, the Bank is nearly twice as likely to reference Israeli security concerns, with 41 usages comparing to the 17 instances that reference Palestinian security concerns. The Bank also mentions security for non-Palestinians and non-Israelis in 6 references.

Finally, though the Bank avoids words like ‘advocacy’, it does mention aid effectiveness on 34 occasions and refers to ‘accountability’ 101 times. It also references to Jerusalem as Palestinian territory 86 times and invokes justice on 37 occasions.\(^{242}\)

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**Key Takeaways**

The reports can at times seem highly repetitive. There are though tangible differences in reporting styles that may indicate different approaches adopted by different World Bank teams that cover the area, with each contextualising some aspects of the political realities of occupation in the OPT more, and sometimes less, clearly than others. Other than differences in experiences and normative values between teams, political context may also be a factor.

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\(^{241}\) The World Bank, ‘West Bank and Gaza Update’.

\(^{242}\) If Western donors refer to Palestinian territory in Jerusalem, it is understood that they are referring to East Jerusalem.
For instance, A3 notes that during the 1990s political sensitivities meant the World Bank had to be careful about the type of contextual terminology they used. This led to a sanitising of the language it used to describe the political context, which was a phenomenon frequently observed among donors in the OPT. This changed during the Second intifada when the use of terminology became more robust. One official I spoke with noted though that this has been going in reverse in recent years, back to the approach of the 1990s, and this is indicative of the omission in terms noted above.

Overall, the broad similarities between reports over so many years suggests an inflexible policy devotion to the original 1993 development plan, and continuity within Israel’s 50+ year occupation of the OPT. While both remain essentially unchanged, setting aside adjustments in intensity, the Palestinians are increasingly squeezed between the donors and Israel. This development is evidenced in the reports and is regarded with tangible frustration by the Bank when it states:

The lack of progress towards peace creates an unsustainable economic situation. Donor support has significantly declined, and a financing gap persists despite the PA’s fiscal performance improved in 2017. The Palestinian internal polity remains divided with uncertainty about reconciliation.

Yet, the response to these factors remains formulaic and consciously avoids direct condemnation of a very harsh military occupation, or of the absence of fair rule-of-law for the Palestinians. The Bank clarifies:

A sustainable growth path for the Palestinian economy depends on a domestic private sector that can compete in regional and global markets and increase its export of goods and services. Thus, the World Bank Group’s assistance strategy for 2018-21 is focused on creating a conducive environment for private investment in the productive sectors of the economy.

The sanitising process sees soft terms like ‘conducive environment’ take the place of strong analytical terms, such as oppression, settlements, military rule and occupation. It must again


244 The World Bank In West Bank and Gaza, ‘Overview’.

245 The World Bank In West Bank and Gaza.
be stated that strong analysis of a conflict situation is vital to not doing more harm by inadvertantly providing development funding in ways that could prolong or deepen a conflict, such as by subsidising the costs of ongoing conflict.

A concerning example of decontextualization that results from a sanitisation of the facts appeared in a blog posted on the World Bank’s ‘West Bank and Gaza’ website (2017 Oct 27), when the Bank saw fit to provide policy guidance to by referring to Israeli water management techniques.

Blogs

SCOTT MICHAEL MOORE | OCT 27, 2017
Israel: How meeting water challenges spurred a dynamic export industry

CECILE FRUMAN | OCT 23, 2017
Empowering Women Through Tourism

246 Anderson, Do No Harm; Anderson, “Do No Harm”: The Impact of International Assistance to the Occupied Palestinian Territory.; OECD, ‘Do No Harm - International Support for Statebuilding’.
The blog, entitled ‘Israel: How meeting water challenges spurred a dynamic export industry’, notes:

Water has become a US$2 billion industry for Israel, consisting of at least 300 companies and over 100 start-ups. Growth has been rapid: the sector has seen an increase in exports of almost 200% in just three years.\textsuperscript{247} It proceeds to state that:

Israel’s water technology sector isn’t solely the product of state-led investment. It’s also sustained by the country’s progressive approach to water pricing, which aims to promote water conservation while also ensuring that investments in water supply and delivery are sustainable, with operation and maintenance expenses financed by tariffs paid by water users.\textsuperscript{248}

And:

Perhaps even more important than these favourable economics, however, is the institutional support that the Israeli government provides for entrepreneurs and researchers in the water sector.\textsuperscript{249}

Lest the benefits of this example be lost on an OPT audience, and similar client countries, it then observes:

The Israeli example shows that it’s possible to turn severe water scarcity into an economic opportunity with the right investments in technology, financing, policy, and institutions. For World Bank client countries that are severely affected by water scarcity, the case of Israel suggests that investing in a combination of sound policy incentives and technology can create substantial rewards, not only in the water sector, but more broadly for innovation-led economic growth as well.\textsuperscript{250}

\begin{flushleft}
\end{flushleft}

\begin{flushleft}
\textsuperscript{248} Moore.
\end{flushleft}

\begin{flushleft}
\textsuperscript{249} Moore.
\end{flushleft}

\begin{flushleft}
\textsuperscript{250} Moore.
\end{flushleft}
This is particularly alarming policy guidance once it is recognised that Israel’s appropriation of Palestinian water resources is causing a man-made water crisis for Palestinians.251

At around the same time as the blogpost was published, the Israeli NGO B’Tselem stated:

In 1967, Israel seized control of all water resources in the newly occupied territories. Israel retains exclusive control over all the water resources between the Jordan River and the Mediterranean Sea, except for a small section of the coastal aquifer in the Gaza Strip. Israel uses the water as it sees fit, ignoring the needs of Palestinians in the West Bank and in the Gaza Strip, subjecting them to a mostly man-made water shortage. Neither area is supplied enough water. In Gaza, even the water that is supplied is substandard and not potable.252

It added: Under the Interim Agreement (Oslo II) signed in 1995, Israel retained control of all water resources. The agreement – still in effect although it was supposed to be only an interim five-year arrangement – stipulated that 80% of water in the West Bank pumped from the mountain aquifer – a joint Israeli-Palestinian resource – would be allotted to Israeli use and the remaining 20% for Palestinian use. It further established that Israelis would receive an unlimited water supply, while the supply to Palestinians would be limited to the fixed, predetermined quantity of approximately 118 million cubic meters from existing drillings and another 70 to 80 million cubic meters from new drillings. Another stipulation was that Israel would sell the Palestinians an additional 31 million cubic meters a year.

Due to various technical difficulties, the unexpected failure of new drillings in the eastern basin of the mountain aquifer – the area where Palestinian drilling had been granted – and obstacles placed by Israel – such as lengthy delays and refraining from handling approval to projects – Palestinians currently extract smaller quantities than specified in the agreement. The Palestinian population of the West Bank, which has nearly doubled since 1995, currently receives only 75% of the amount of water agreed upon, while Israelis continue to enjoy an unlimited water supply. As a result, the Palestinian Authority (PA) must purchase from Mekorot (Israel’s national water company) more than double the amount of water specified in the agreement.


According to Palestinian Water Authority figures, in 2015 the PA purchased an additional 63.8 million cubic meters from Mekorot for use in the West Bank.

The water from Mekorot reaches the Palestinian communities in the West Bank via hook-ups to regional Mekorot reservoirs – located within settlements – that are connected it to local reservoirs. Due to the poor state of the pipelines linking Palestinian communities in the West Bank and of the water grids within Palestinian cities and villages, about one-third of all water supplied to the PA is lost to leakage. Israel refuses to approve PA proposals to repair the pipeline infrastructure which, obviously, runs through Area C.253

Jan Selby has pointed out that the sanitisation of facts by participants in the Peace Process sees oppressive occupation practices, ‘discursively repackaged and represented as instances of Israeli-Palestinian “cooperation” when they took place’.254 Iniquitous policies and asymmetrical power relationships are thus repackaged with liberal terminology like ‘cooperation’, while the actual control and management of resources like water remains much the same. Thus, after Oslo was signed in 1993 the Israeli Mekorot water company retained ownership over the West Bank’s water infrastructure, as it had since 1982, supplying rapidly growing Israeli settlements while relying on the newly ‘liberated’ Palestinians to act as middle-men to enforce Israel’s discriminatory water distribution and collect bills.255 In this way, these companies turn an export profit by reselling to Palestinians their own water resources at unfair rates. It is therefore bizarre to see a blog implying that the Palestinians might learn from the Israeli example of water management, when these water management techniques are premised on their oppression. What Moore fails to point out is that Israel’s ‘innovation-led’ water industry is actually subsidised by the much poorer, occupied Palestinians being forced – with no alternative source – to buy back their own water via colonial settlement infrastructure. This implies a very weak understanding of the dynamics of the Israeli-Palestine conflict on the part of some of the World Bank area team at that time, and here it must again be reiterated that strong analysis is intrinsic to not doing further harm through development funding in a conflict situation.

253 ‘Water Crisis’.
254 Selby, ‘Dressing up Domination As’, 123.
255 Selby, 128.
Meanwhile, water supplies are at a point of crisis in Gaza, when Israel, as the occupying power, should be ensuring adequate access to water. Schmale has observed:

An estimated 1.2 million Gaza residents have no access to running water. For those who do, up to 97 percent of the water they receive is too polluted with salt and sewage to drink. The salt comes from seawater, which penetrates Gaza’s only aquifer when the water table drops too low. Palestinians in Gaza consume on average fewer litres per person per day than the World Health Organization recommends, and less than a quarter of the average per capita consumption in Israel.

Further Research

The World Bank has produced a great deal of documentation over the course of the past 25 years with the intention of guiding major bilateral donations to the Palestinians. In order to provide a broader analysis, it would be well worth looking at all the AHLC reports for the entire Oslo period and at the non-AHLC reports, too. This would take a lot of time, but these reports tell a very important part of the story of the occupation and provide insight into the failure of the Oslo model.

It is also worth bearing in mind that a disconnect can exist between what personnel know about the conflict, and what is recorded in institutional reporting. For instance, one Official I spoke with said that donors were funding a status quo that incentivises Israel to maintain its current policies of occupation in place. That official also noted that during the First Intifada Israel was responsible for the administration of the Palestinians, but that during the Second Intifada the PA was in charge and that allowed Israel to say there was no occupation while withholding services. In this context, some elements of Israeli government and society earn a financial gain off of the OPT, a lot of money in some cases, while making the costs of the administration of the OPT much less expensive for Israel overall. However, he/she said this does not offset other costs in Israel, such as in in lives lost, in maintaining the status quo.

Further Reading


List of World Bank Reports Analysed

   - The Independent Evaluation Group (IEG) is a unit within the World Bank. The Bank describes it as ‘an independent, three-part unit within the World Bank Group. IEG-World Bank is charged with evaluating the activities of the IBRD (The World Bank) and IDA, IEG-IFC focuses on assessment of IFC’s work toward private sector development, and IEG-MIGA evaluates the contributions of MIGA guarantee projects and services. IEG reports directly to the Bank’s Board of Directors through the Director-General, Evaluation’. (p4)


5. The Underpinnings of the Future Palestinian State: Sustainable Growth and Institutions Economic, Monitoring Report to the Ad Hoc Liaison Committee, September 21, 2010, World Bank


15. Economic Monitoring Report to the Ad Hoc Liaison Committee, September 30, 2015, World Bank


17. Economic Monitoring Report to the Ad Hoc Liaison Committee, September 19, 2016, World Bank


The IMF cannot fund the Palestinians because the PA is not a member state. However, it is a key advisor guiding the donors on the AHLC. This provides the IMF with significant influence over the Palestinian state building process as an IFI working alongside its neoliberal sibling institution, the World Bank, on the AHLC. This includes direct influence over the development of institutions like the PMA.

As the IMF states on its website:

The office of the IMF Resident Representative for the West Bank and Gaza was established in July 1995, to help fulfil the IMF’s mandate to assist the Palestinian Authority as specified under the Oslo Accords. While the IMF cannot provide financial support to WBG (because it is not a member state), it has been providing policy advice in the macroeconomic, fiscal, and financial areas since 1994. The IMF has also been providing technical assistance to support capacity building in the areas of tax administration, public expenditure management, banking supervision and regulation, and macroeconomic statistics.  

The IMF also highlights the role it has played in designing the Palestinian state and economy after the Second Intifada:

More recently, IMF staff worked with the Palestinian Authority to develop the Palestinian Reform and Development Plan presented at the Paris Donors’ Conference in 2007 and its successor Palestinian National Development Plan, published in 2011. The IMF’s staff reports review progress in implementing these plans, with a focus on the macroeconomic and fiscal areas.  

It is worth noting that one of the interviewees (D6 from Canada) who worked alongside the donors said the Paris Conference paper that led to the PRDP was actually written by the World Bank with help from the IMF, but was then signed by the Palestinians to create the illusion that it was a locally-led process.

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259 IMF.
IMF Document Analysis

For the purposes of this study, all of the IMF's 16 reports to the AHLC from 2010 to 2017 were analysed. Altogether the reports comprised 587 pages with a median report length of 38.5 pages. The following are the results of the document analysis for the IMF:

<table>
<thead>
<tr>
<th>Term</th>
<th>Mentions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Accounta-(ble, bility)</td>
<td>30</td>
<td>Does not seem to mean accountability by stakeholders, but of the PA</td>
</tr>
<tr>
<td>Aid Effectiveness</td>
<td>6</td>
<td>In the case of the IMF, the use of this keyword does not always refer to aid effectiveness principles as outlined by the Paris Declaration and Accra Agenda for Action</td>
</tr>
<tr>
<td>Colon-(y, isation, ial, ies)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Settler</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Settlements</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Democra-(cy, tic)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Jerusalem (contextually as Palestinian land)</td>
<td>18</td>
<td>It is not clear if the IMF recognises East Jerusalem as Palestinian territory</td>
</tr>
<tr>
<td>Justice</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>1</td>
<td>This was a reference to the IMF’s perception that the OPT economy benefitted from the occupation prior to the Oslo Peace Process</td>
</tr>
<tr>
<td>Occupied</td>
<td>1</td>
<td>This was part of the title of an UNRWA report</td>
</tr>
<tr>
<td>Law (not business, finance, property)</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Law (business, finance, property)</td>
<td>207</td>
<td>19 uses to combat money laundering &amp; terrorism, 7 times in the context of pension reforms</td>
</tr>
<tr>
<td>Terror-(ism, ist)</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Security for Israel (including taking Israeli claims verbatim)</td>
<td>8</td>
<td></td>
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<tr>
<td>Security for Palestinians</td>
<td>2</td>
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<tr>
<td>Security not clear</td>
<td>74</td>
<td></td>
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<tr>
<td>Security for other states or actors</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Rights (human focused)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Rights (economic focused)</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>
Observations

As is the case with some donors, what often stands out, in pages of reporting conducted in the OPT over 8 years is not ‘what is stated’ but rather ‘what is not stated’. The IMF only once uses the term advocacy. As is the norm for Western donors, it never refers to colony, colonisation, colonial or colonies. Oddly, the IMF never refers to Israeli settlers, although it does mention settlements 31 times. One of these references is provided in the 2012 March 21 AHLC report, where the IMF describes Palestinians working in settlements and the percentage of tax that Israel is expected to transfer to the PA, as laid out by the 1994 Paris Protocol. Palestinians working in settlements are also referenced in a 2017 April 10 report to the AHLC in a section discussing the ‘discouraging labour market’. This 2017 report is notable, too, for a contextual shift in which, for the first time since 2010, the IMF clearly singles out Israeli settlement building as an obstacle to peace. It observed:

The peace process looks increasingly vulnerable. In January, the international community reaffirmed its support to the two-state solution at the Paris Conference, although the position of the new US administration is perceived as less clear. While a United Nations Security Council resolution condemned settlement activity, Israel stepped up settlement approvals in early 2017.

This report goes on to mention settlement activity 8 times, followed by 5 mentions in the 2017 August 31 report to the AHLC. The result is that these two 2017 reports account for nearly half of all the references to settlements over the 8-year span and 16 reports (totalling 587 pages) analysed in this research study.

As with the World Bank, the IMF does not appear to be directly interested in democratic state building in the OPT. It basically never notes that the OPT is occupied or under occupation, mentioning each fact just once in all of the reports (both are provided in the 2010 April 13 report to the AHLC). ‘Occupied was a reference to a July 2008 UNRWA report entitled

260 IMF, ‘Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee’ (Brussels, 21 March 2012), 29.


262 IMF, 1.
Prolonged Crisis in the Occupied Palestinian Territory: Socio Economic Developments in 2007. ‘Occupation’, meanwhile, was referenced in a footnote that referenced the IMF’s claim that the OPT’s economy had expanded before Oslo as a result of the occupation, the IMF stated:

To place recent developments in perspective, it is important to recall that the WBG, from the onset of occupation in 1967 until the early 1990s, enjoyed mostly free and unhindered trade with Israel. During that period the WBG’s exports of goods and services, which went mostly to Israel, expanded rapidly and by the 1980s represented over half of its GDP. This expansion reflected the much larger size of the Israeli economy (over twenty times as large), complementarities in resource endowments, as well as weak transport links with Egypt and Jordan, and the absence of a seaport or airport within the WBG. The increased restrictions on the movement of goods and people across the Israel/WBG borders since the mid-1990s, culminating in the blockade on Gaza and completion of the Separation Barrier, led to a decline in exports to less than 15 percent of GDP in recent years.263

Meanwhile, in referring to the context of the OPT’s development, the IMF demonstrates that it is concerned with terrorism almost to the same extent as with settlements, and generally the concept of security is a thematic priority throughout its reports. However, it is never clear in 74 mentions who specifically the security is for, and Palestinian security is referenced four times less than Israeli security (2 against 8). It is worth noting that of the 27 instances where (Palestinian) terrorism is mentioned, most occur between 2016 and 2017, with 22 such instances: 5 times in 2016 April 5, 8 times in 2016 August 26, 4 times in 2017 April 10 and 5 times in the 2017 August 31 report to the AHLC.

Generally, when the IMF refers to accountability this was not the aid effectiveness concept (the accountability of donors to aid stakeholders) but rather the accountability of the PA itself, such as the PA continuing to strengthen its public financial management system.264 An exception is provided in a 2015 May 18 report to the AHLC, where the IMF refers to the


accountability both of the PA and donors. Although the IMF refers to ‘aid effectiveness’ on six occasions, there is no direct reference to the Paris Declaration or the Accra Agenda for Action. For instance, in 2010 September 21 the IMF refers to aid as being ‘effective’ in the sense of it boosting the Palestinian economy. It observed:

The effectiveness of that aid has been reflected both in the strong economic recovery since then, as well as in the steady reduction in the recurrent deficit.

And in April 13, 2011, it wrote that:

The effectiveness of that aid has been reflected both in the strong economic recovery since 2008, as well as in the steady reduction in the recurrent deficit.

And these two examples may be generous, since they refer to ‘effectiveness of that aid’ and not ‘aid effectiveness’. However, in at least one report (2015 May 18) the IMF does refer, on two occasions, to aid effectiveness. This is within the context of a 4-page discussion (pages 30-33) about donor aid effectiveness and problems with aid dependency, in which the IMF blames both donors and the Palestinians for poor aid effectiveness. The institution also provides a discussion of how several other countries, including Ghana, Mozambique, Rwanda and Botswana, have reduced aid dependency. But the IMF failed to acknowledge incredible contextual differences, most notably the fact that the OPT is not recognised as a country (hence the PA cannot apply for IMF loans) and the reality of an ongoing colonial occupation. On the contrary, these four countries have now enjoyed decades of freedom from colonialism.

While the IMF does refer to East Jerusalem, it may again be generous here to assume that they are referring to it as Palestinian territory in its reports, and this impression is reinforced by the fact that the IMF refers to the ‘export’ of goods from the West Bank to East Jerusalem. It stated:


Similarly, the West Bank’s growth is bound to decline with the persistence of restrictions on movement and access, in particular those on exports to Israel and East Jerusalem, and on access by the private sector to about 60 percent of its territory (“Area C”).

The Separation Barrier continues to be tightened, with a particularly adverse impact on the traditionally strong trade links between the West Bank and East Jerusalem.

In the West Bank, lifting of remaining internal restrictions will be complemented by removal of obstacles on external trade, in particular on exports to Israel and East Jerusalem, as well as on access of private investors to “Area C”.

Since the word ‘export’ typically refers to sending goods or services to another country for sale, this raises questions as to what the IMF meant by exports from the West Bank to East Jerusalem. If East Jerusalem is not part of the West Bank, does the IMF consider it to be part of Israel, or separate entity altogether?

Overall, the use of law in relation to business, finance and property in the OPT was the leading point of concern in the IMF’s reports to the AHLC. The IMF refers to this 207 times in keywords searched in these reports. This includes 19 references to the combatting of money-laundering and the financing of terrorism. There were also 7 total references to pension law across the four reports in 2011 April 13, 2011 September 18, 2012 March 21 and 2012 September 23. This is part of IMF policy guidance advocating austerity measures such as pension ‘reforms’. Meanwhile, the following example from March 21, 2012 shows the power IFIs have over PA governance when extending guidance. The IMF stated:

The comprehensive public pension reform action plan was adopted in July 2010. In May 2011, the authorities reached agreement with the World Bank on legislative


amendments (including to the Public Pension law) to enable parametric changes to the pension system.\textsuperscript{272}

When referring on rarer occasions to other types of law, such as law and order, this was seen through the lens of controlling Palestinians to provide a secure business environment to drive forth the economic growth IFIs consider intrinsic to Palestinian state building and peace. The IMF stated:

\begin{quote}
Aid was essential in supporting the PA’s institution-building and development efforts, and the reestablishment of law and order in the West Bank, all of which were crucial for bolstering private sector confidence and expansion.\textsuperscript{273}
\end{quote}

In making extensive reference to law, the IMF never raises the concept of justice. Meanwhile, the concept of rights as a humanitarian concern basically does not exist in the IMF reports, and there is only one keyword mention. The single mention does not refer to Palestinian rights as a people, but rather minority rights in the OPT:

\begin{quote}
The new Companies law and Competition law (both expected in 2017), and planned Industrial Property Rights law aim to incentivize formalization of small businesses, protect minority rights, and attract foreign investments.\textsuperscript{274}
\end{quote}

When the IMF does refer to rights, it tends to focus on economic rights, such as the April 13 2010 AHLC report where the IMF discusses the education of borrowers with specific reference to their rights, in a PRDP period where credit in the form of loans is starting to become a common form of financing in Palestinian society.\textsuperscript{275} In March 21, 2012 this also includes a reference to strengthening lenders’ rights,\textsuperscript{276} and in September 18, 2015 it that includes a call to strengthen creditors’ rights and for ‘speeding up the procedures for collateral

\begin{flushright}
\textsuperscript{272} IMF, ‘Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee’, 21.
\textsuperscript{273} IMF, 22.
\textsuperscript{274} IMF, ‘West Bank and Gaza, Report to The Ad Hoc Liaison Committee’, 10 April 2017, 18.
\textsuperscript{276} IMF, ‘Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee’, 34.
\end{flushright}
enforcement’. Still, these economic rights are quite limited, and account for just 9 keyword instances across all the reports.

Key Takeaways

The IMF has a problem with context from weak analysis. During the period 2010 to 2017, it barely acknowledges the settlements or the occupation, and the impact both have on the Palestinians. The single exception is in 2017 when it finally and clearly notes how the settlements stand in the way of what Oslo is supposed to be accomplishing. This lack of attention to context, and a focus on fostering business and financial reforms in the OPT is however fully contradictory, since it is impossible to develop the OPT without actually paying full attention to the occupation, settlements and colonisation. This lack of a contextual understanding is a grave failure of ‘Do No Harm’ and FSP.

Further Research

Although it is not a traditional donor, the IMF had played a very important role in donor contributions and the development of the Palestinian state under occupation, since Oslo was signed in 1993. It is worth reviewing every IMF report on the OPT dating back to the 1993, and even earlier, to see if the same contextual issues arise. Further, the IMF has played an important role in policy guidance for Palestinian state building, possibly to the extent of writing plans for the PA, which had purportedly been written by the PA, laying out how PA institutions will look. It is worth investigating to what extent this possible usurpation of local leadership can be substantiated.

List of IMF Reports Analysed

1. Macroeconomic and Fiscal Framework for The West Bank and Gaza: Fifth Review of Progress, Staff Report for the Meeting of The Ad Hoc Liaison Committee, Madrid, April 13, 2010


4. Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee, New York, September 18, 2011

5. Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee, Brussels, March 21, 2012

6. Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of the Ad Hoc Liaison Committee, New York, September 23, 2012

7. Recent Experience and Prospects of the Economy of The West Bank and Gaza, Staff Report Prepared for the Meeting of The Ad Hoc Liaison Committee, Brussels, March 19, 2013

8. West Bank and Gaza, Staff Report Prepared for the September 2013 Meeting of the Ad Hoc Liaison Committee, September 11, 2013


10. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, September 12, 2014

11. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, May 18, 2015

12. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, September 18, 2015

13. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, April 5, 2016

14. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, August 26, 2016

15. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, April 10, 2017

16. West Bank and Gaza, Report to The Ad Hoc Liaison Committee, August 31, 2017
United States

The US is the self-appointed mediator of the Middle East Peace Process and co-sponsor of the AHLC. The US has since 1993 determined the political parameters of the Peace Process and how aid is disbursed, and it assumed an increasingly important role when Western donors came to dominate Palestinian aid spending after Oslo was signed.\(^{278}\) Since the establishment of limited Palestinian self-rule in the West Bank and Gaza Strip in the mid-1990s, the US government has committed more than $5 billion in bilateral economic and ‘non-lethal’ security assistance to the Palestinians.\(^{279}\) OECD figures show that a total of $7.049 billion was committed during the period from 1993 to 2016.\(^{280}\)

| US Foreign Aid to the West Bank & Gaza in $ million, 1993 – 2016, OECD Data |
|---|---|---|---|---|---|---|---|---|---|---|
| 19 | 64 | 0 | 27 | 70 | 75.4 | 84.88 | 60.11 | 84.29 | 138.1 | 194.1 | 273.86 |
| 180.56 | 205.53 | 212.26 | 490.6 | 844.31 | 714.61 | 617.54 | 282.15 | 958.67 | 544.19 | 256.71 | 651.37 |


Meanwhile, according to the PA Ministry of Finance, the US was the fourth biggest donor to the PA from 2012 to May 2016, having contributed $447 million. The US is also the single largest donor to UNRWA having given $USD 5.824 billion since its establishment in 1950. This makes the US one of the largest single donors to Palestinians.

Sources: U.S. State Department and USAID, adapted by CRS.

Table 9 – Overall US Bilateral Assistance to the Palestinians: 1990-2015 (from the CRS)

281 OECD QWIDS concatenated, 1993 to 2016 [Dataset], ‘Norway ODA Disbursements to the West Bank and Gaza’.


US aid policies have been fairly consistent since 1994. According to ForeignAssistance.gov this aid is predicated on the following:

The achievement of a negotiated two-state solution to the Israeli-Palestinian conflict remains a core U.S. national security objective. The U.S. government pursues this foreign policy objective by working with both parties to try to preserve the possibility for a negotiated settlement and by supporting Palestinian institution-building so that a future state will possess the capacity to govern, provide services, and ensure security and stability within its borders and with its neighbours.285

As such, the USA invests in the following:

To bolster this policy approach, the U.S. government's foreign assistance program supports the development of the West Bank and Gaza by improving security conditions on the ground while reinforcing Palestinian respect for the rule of law; promoting the development of a strong private sector-driven economy; assisting in the provision of quality health and education services; providing critical infrastructure programming to improve water, sanitation, and road networks; supporting humanitarian assistance needs; and supporting the development of Palestinian Authority (PA) institutional capacity to deliver quality services, and to operate transparently, effectively, and efficiently. Budget support to the PA will also help ensure its ongoing fiscal viability.286

USAID has stated that:

USAID is the principal U.S. government agency that administers the United States’ foreign assistance program in the West Bank and Gaza. The goal of our programs is the achievement of a just and lasting solution to the Israeli-Palestinian conflict, while addressing the aspirations of Palestinians for economic opportunity, effective governance, youth development, and humanitarian needs. USAID activities strengthen the accountability of public sector institutions; improve modern education and health approaches; target key infrastructure needs in water, wastewater treatment and sanitation, and road networks; build private sector-led development, investment, and


286 ‘West Bank and Gaza’.
employment growth; and expand the capacity to respond to critical humanitarian assistance needs in Gaza. These efforts help build a more democratic, stable, and secure region benefiting Palestinians, Israelis, and Americans.287

In a September 2015 report the Government Accountability Office (GAO) stated:

Assistance to the Palestinians is a key part of the United States’ commitment to a negotiated two-state solution to promote peace in the Middle East.288

A 2012 GAO report, when referring to an important Economic Support Fund (ESF) stated that:

According to the Department of State (State), ESF promotes the economic and political foreign policy interests of the United States by providing assistance to allies and countries in transition to democracy, supporting Middle East peace negotiations, and financing economic stabilization programs.289

Zanotti during one of his highly informative Congressional Research Service (CRS) reports, observed that:

Successive Administrations have requested aid for the Palestinians in apparent support of (1) promoting the prevention or mitigation of terrorism against Israel; (2) fostering stability, prosperity, and self-governance in the West Bank that may aid Israeli-Palestinian diplomatic prospects; and (3) meeting humanitarian needs. The long-term utility of U.S. aid in encouraging regional stability and Palestinian economic and political self-sufficiency might depend to some extent on progress toward a political solution that addresses Palestinian national aspirations and Israeli security demands.290


Zanotti also wrote that there has been a great deal of restrictions put on Palestinian funding, known as conditionality, for fear of aiding Palestinian terrorism. He observed:

Largely because of congressional concerns that U.S. funds might be diverted to Palestinian terrorist groups, aid to Palestinians is subject to a host of vetting and oversight requirements and legislative restrictions.291

Those requirements and restrictions relate back to the September 11th terrorist attacks, after which President Bush issued Executive Order (EO) 13224. This had the intention of:

blocking property and interests in property of individuals and entities that are designated as committing or posing a significant risk of committing terrorist acts. The Order prohibits all transactions and dealings in blocked property or interests in the U.S. or by U.S. persons. It also prohibits transactions with, and provision of support for, individuals or entities designated in or subject to the Order.292

EO 13224 is one of several statutes, regulations and Executive Orders pertaining to terrorism, which ‘include Sections 2339A and 2339B of Title 18 of the US Code, which prohibit the provision of material support or resources for terrorist acts or to designated foreign terrorist organizations’, and EO 12947 (1995 January 23) and EO 13099 (1998 August 20), ‘which prohibit transactions with terrorists who threaten to disrupt the Middle East Peace Process’.293 This includes several Palestinian organisations that have been designated as terrorist entities, including Hamas, the Popular Front for the Liberation of Palestine (PFLP), Palestinian Islamic Jihad (PIJ), and the Democratic Front for the Liberation of Palestine (DFLP).294

Further to this:

291 Zanotti, 8.


293 USAID - West Bank / Gaza, 1.

294 USAID - West Bank / Gaza, 1–2.
Section 559 of the FY 06 Foreign Operations Appropriations Act, which is entitled *West Bank and Gaza Program* is a statutory provision that is of particular relevance to USAID/WBG. Paragraphs (b) and (c) of Section 559 establish the following:

(b) VETTING - Prior to the obligation of funds appropriated by this Act under the heading "Economic Support Fund" for assistance for the West Bank and Gaza, the Secretary of State shall take all appropriate steps to ensure that such assistance is not provided to or through any individual, private or government entity, or educational institution that the Secretary knows or has reason to believe advocates, plans, sponsors, engages in, or has engaged in, terrorist activity. The Secretary of State shall, as appropriate, establish procedures specifying the steps to be taken in carrying out this subsection and shall terminate assistance to any individual, entity, or educational institution which he has determined to be involved in or advocating terrorist activity.

(c) PROHIBITION - None of the funds appropriated by this Act for assistance under the West Bank and Gaza program may be made available for the purpose of recognizing or otherwise honouring individuals who commit, or have committed, acts of terrorism.\(^{295}\)

A provision similar to paragraph (b) has appeared in each Foreign Operations Appropriations Act since FY 2003, with Paragraph (c) being added in FY 2005. Provisions similar to paragraphs (b) and (c) were included in the Palestinian Anti-Terrorism Act of 2006 (P.L. 109-446), extending the requirements through fiscal years 2007 and 2008.\(^{296}\)

This led to onerous vetting procedures that have been described as, ‘the culmination of an evolutionary process that began in July 2001, following consultations on Capitol Hill, and gathered momentum after the terrorist attacks of September 11, 2001’.\(^ {297}\) In addition to these vetting procedures, the US added three other formal anti-terrorism measures, which are: (1) anti-terrorism certification (ATC), (2) mandatory clauses reminding contractors and grantees of their legal duty to comply with applicable anti-terrorism laws and regulations, and a clause

\(^{295}\) USAID - West Bank / Gaza, 2.

\(^{296}\) USAID - West Bank / Gaza, 2.

\(^{297}\) USAID - West Bank / Gaza, 2.
implementing the restriction imposed by Section 559(c) of the FY 06 Appropriations Act, which stated that:

"None of the funds appropriated by this Act for assistance under the West Bank and Gaza program may be made available for the purpose of recognizing or otherwise honouring individuals who commit, or have committed, acts of terrorism." To implement this restriction, all contracts, subcontracts, grants, cooperative agreements, and subgrants must contain the clause set forth in Attachment F, "Restriction on Facility Names".298

Further, USAID noted that there are also more informal means that sought to offset the threat of support being extended to terrorist organisations. It stated:

First, in order to ensure compliance with E.O. 13224 and related requirements, U.S. contractors and grantees are expected to conduct their own review of proposed non-U.S. awardees. Second, before an award is made to a non-U.S. organization, staff of USAID (in the case of prime awards) or staff of the U.S. prime contractor or grantee (in the case of subawards) scrutinize various aspects of the organization’s operations as part of the standard due diligence and pre-award survey. Third, the personal knowledge of USAID staff is taken into account before an award is made or a subaward is approved. Finally, knowing that individuals and organizations will be subject to such scrutiny, organizations that are involved in terrorism are discouraged from applying for USAID-financed assistance in the first place.299

In addition, in March 2018 Congress enacted the Taylor Force Act (Title X of P.L. 115-141), which augmented existing legislative provisions to suspend US bilateral economic assistance to the PA unless, and until, Palestinian officials cease certain payments deemed under US law to support ‘acts of terrorism’.300

298 USAID - West Bank / Gaza, 9.

299 USAID - West Bank / Gaza, 2–3.

US officials ostensibly use a variety of different reports in developing policy on OPT aid. These include reports by the GAO, the CRS and reports by the IFIs, including the World Bank and the IMF. Counterterrorism law also exerts a significant influence over US policy.\footnote{Lisa Bhunglia, ‘Self-Introduction -- Aid to the Palestinians’, 28 March 2018.}

Because the IFIs have already been heavily analysed in this study, the following section focuses on 5 GAO reports that were published between 2010 and 2015. The discussion engages a total of 160 pages and there is a median 25 pages per report.

<table>
<thead>
<tr>
<th>Term</th>
<th>Mentions</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Advocacy</td>
<td>0</td>
<td></td>
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<tr>
<td>Accounta-(ble, bility)</td>
<td>4</td>
<td>Not donor accountability to the stakeholders</td>
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<tr>
<td>Aid Effectiveness</td>
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<tr>
<td>Colon-(y, isation, ial, ies)</td>
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<td>Settler</td>
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<tr>
<td>Settlements</td>
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<tr>
<td>Democra-(cy, tic)</td>
<td>21</td>
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</tr>
<tr>
<td>Jerusalem (contextually as Palestinian land)</td>
<td>25</td>
<td>Referring to the justice sector and ‘reforms’, not justice for Palestinians</td>
</tr>
<tr>
<td>Justice</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>1</td>
<td>As part of the name of a report</td>
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<tr>
<td>Occupied</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Law (not business, finance, property)</td>
<td>89</td>
<td>62 instances that usually refer to US law, often US anti-terrorism law. Another 8 instances are provided by the title of the International Narcotics Control and Law Enforcement (INCLE) programmes or the Bureau of International Narcotics and Law Enforcement Affairs (INL)</td>
</tr>
<tr>
<td>Law (business, finance, property)</td>
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<tr>
<td>Terror-(ism, ist)</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Security for Israel (including taking Israeli claims verbatim)</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>
Security for Palestinians  3 At least 2 of 3 instances were references to Palestinian food security
Security not clear  245 The emphasis seems to be on reducing terrorism and violence by Palestinians
Security for other states or actors  9 This includes US national security priorities
Rights (human focused)  10 This includes 4 instances referring to Israeli rights.
Rights (economic focused)  0

<table>
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<th>Table 10 – USA Keywords</th>
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Observations

There are several words that never appear in the GAO reports, specifically ‘advocacy’, ‘aid effectiveness’, variations of ‘colony’, and rights with an economic focus. Further, some words are used infrequently, including ‘occupation’ (1 use), ‘settler’ (1 use), ‘settlements’ (4 uses), ‘accountability’ (4 uses), ‘occupied’ (6 uses), ‘law’ (business, finance, property) (6 uses), ‘security for Israel’ (2 uses) and ‘security for Palestinians’ (3 uses).

The single GAO reference to the occupation was when the word was cited in a 2010 May 14 report inside the title of another report from then Prime Minister Fayyad’s 2009 August, entitled Program of the 13th Government: Ending the Occupation, Establishing the State. Meanwhile, every reference to settlers and settlements in the 5 reports occur in the 2010 May GAO report, which includes 4 of the 6 instances of ‘occupied’. The other 2 uses of occupied were provided by the May 14 2010 GAO report. Of the several references that are made to accountability, none envisage heightened US accountability to the Palestinians.

Democracy is mentioned 21 times (although with variations), while Jerusalem (East Jerusalem) is used 25 times, in ways that could give rise to the impression that it is Palestinian territory. However, the overwhelming keyword focus is on ‘justice’ (50 uses), ‘law’ (not business, finance, property) (84 uses), ‘terrorist/terrorism’ (165 uses), and general ‘security’ (245 uses).

GAO report references to law, and here it should be noticed these often entail references to US law, are largely provided by a 2010 May 14 GAO report, which accounts for 21 out of 22 instances.

For example:

The 2009 Omnibus Appropriations Act prohibits certain funds, including funds appropriated to the Economic Support Fund, from being used for the purpose of recognizing or otherwise honouring individuals who commit, or have committed, acts of terrorism. See Omnibus Appropriations Act, 2009, Pub. Law No. 111-8, 123 Stat. 881, Sec. 7039(c), March 11, 2009.\(^{303}\)

As with the above example, references to US law are often tied to concerns about and for suppressing Palestinian terrorism, and regular reference is made to Hamas:

Likewise, U.S. law also places restrictions on assistance to a Hamas-controlled Palestinian Authority unless the President certifies that certain steps have been met or for national security reasons. See 22 U.S.C. § 2378b.\(^{304}\)

Reasons given for suppressing terrorism and supporting the Palestinians with aid include national security reasons and also protection for Israel. A second GAO report from May 2010, entitled Palestinian Authority: U.S. Assistance Is Training and Equipping Security Forces, engages with security training. It stated:

The most recent provision placed restriction on funds being provided to Hamas, a Hamas-controlled entity, or any power-sharing government of which Hamas is a member, though assistance may be provided to such a power-sharing government if the President certifies that Hamas has taken certain steps such as publicly acknowledging the Jewish state of Israel’s right to exist, or for national security reasons. See Consolidated Appropriations Act, 2010, Public Law No. 111-117, December 16, 2009. Likewise, U.S. law also places restrictions on assistance to a Hamas-controlled Palestinian Authority unless the President certifies that certain steps have been met or for national security reasons. See 22 U.S.C. § 2378b.\(^{305}\)

\(^{303}\) Government Accountability Office, 2.

\(^{304}\) Government Accountability Office, 2.

\(^{305}\) Government Accountability Office, ‘Palestinian Authority: U.S. Assistance Is Training and Equipping Security Forces, but the Program Needs to Measure Progress and Faces Logistical
In this report, law is referenced on 33 occasions, with 9 allusions to US law, 13 to rule-of-law in the OPT and 4 to Palestinian law generally. On 7 occasions, reference is made to the title of International Narcotics Control and Law Enforcement (INCLE) programmes or the Bureau of International Narcotics and Law Enforcement Affairs (INL).

The single reference to law in a 2012 GAO report was made to US law (USAID officials said that since 2007, USAID has adjusted US assistance to Gaza to comply with US law. According to USAID, it has coordinated closely with the PA).  

In the GAO report for July 2013, there were 23 uses of ‘US law’, often US anti-terrorism law, which were made in the context of 28 total uses. The other 5 uses referred to Palestinian law from a business, finance or property perspective. In the 2015 September GAO report there were 3 uses of ‘US law’, 1 of ‘rule-of-law’ and 1 reference to INCLE.

So, the vast majority (70 out of 89) of GAO references to rule-of-law (not business, finance, property) were references to US law, or appeared as part of the title of INCLE programs or else INL. Most of the remaining 19 uses were references to rule-of-law in the OPT. For instance, it was observed that:

> The U.S. government’s foreign assistance program in the West Bank and Gaza is designed to improve security conditions on the ground while reinforcing Palestinian respect for the rule of law.

This focus on anti-terrorism initiatives and rule of law in the OPT is underlined by the 165 references to ‘terrorism’ in the GAO reports, an emphasis which is perhaps surprising given that most of the five GAO reports analysed in this study were focused on Palestinian aid. For instance, in referring to the US-sponsored ‘Roadmap for Peace’, GAO observed that the Roadmap obliged the PA to:

> Have its rebuilt and refocused security apparatus begin sustained, targeted, and effective operations aimed at confronting all those engaged in terror and dismantlement of terrorist capabilities and infrastructure. This includes commencing

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confiscation of illegal weapons and consolidation of security authority, free of association with terror and corruption.\textsuperscript{308}

The five GAO reports show an overwhelming US concern with terrorism (165 uses) and security (over 250 uses). Although a minority specifically reference security for Israel and/or US national security objectives, the vast majority are general references that seem to focus on reducing Palestinian terrorism and violence. To take one such example:

Although the fiscal year 2010 Jerusalem mission strategic plan identifies performance indicators for U.S. security assistance programs, the targets to measure progress towards achieving these indicators focus on program outputs rather than program outcomes. For example, the plan identified the performance indicator “building Palestinian security capabilities” to assess progress toward achieving State’s broader goal of reforming Palestinian security forces to improve law and order and reduce terrorism.\textsuperscript{309}

Of the rare 3 instances where security is referenced as security for Palestinians, the object of concern is food security and not Palestinian security from violence, despite the fact that Palestinians are confronted by the threat of violence on a daily basis. Meanwhile, on the rare (10) occasions when human rights are raised, 4 references are made to Israeli rights, including the following quote that reiterates the requirements placed on the PA by the 2003 Roadmap to Peace:

Issue[s] an unequivocal statement reiterating Israel’s right to exist in peace and security and calling for an immediate and unconditional ceasefire to end armed activity and all acts of violence against Israelis anywhere. All official Palestinian institutions [must] end incitement against Israel.\textsuperscript{310}

Two further instances in July 2013 fail to clarify if GAO was referring to Palestinian right. Refer to the following example:


\textsuperscript{309} Government Accountability Office, 35.

\textsuperscript{310} Government Accountability Office, 14.
OPIC’s [the Overseas Private Investment Corporation] Office of Investment Policy works to ensure that OPIC-supported projects are environmentally and socially sustainable; respect human rights, including workers’ rights; have no negative impact on the U.S. economy; and encourage positive host country development effects.\textsuperscript{311}

Key Takeaways

The five GAO reports are primarily concerned with terrorism and violence committed by Palestinians. These reports emphasise security and the reduction of Palestinian violence, although the different forms of violence perpetrated against Palestinians are not recognised. When considered in combination with Zanotti’s list of US priorities found in the CRS reports, it can be inferred that the more security-oriented accounts found on ForeignAssistance.gov better describe US aid policy toward the Palestinians than the statements on USAID’s website. In the case of ForeignAssistance.gov, the development and peacebuilding approach is noticeably preoccupied with security control over the Palestinians, while USAID instead seeks to render a more humanitarian and neutral developmental approach.

One impression is that the US appears to consider Palestinian violence to be the primary threat to Palestinian development. This, however, causes to overlook or give insufficient attention to the violent structural realities of military occupation and settlement construction (See Section III). In fact, the GAO reports show no interest in Palestinian security from violence, even though this is by far the greatest problem Palestinians face in their daily lives.

That is not to say that this oversight was universally evidenced on the US side. As noted, USAID does seem to have a more classically humanitarian and developmental view of Palestinian aid, which is not centred on security control over the Palestinians. This is particularly notable with regard to US assistance to UNRWA, the Palestinian refugee agency – the US has been one of the largest donors sustaining the agency in its human development and humanitarian mandate since 1950. In acknowledging this humanitarian concern, Interviewee C4 said in 2017 that there were a lot of other donors trying to maintain that the funding status quo, in spite of a movement in the Israeli Knesset to go after UNRWA. Israeli

PM Netanyahu has himself said to Nikki Haley, the US Ambassador to the UN that UNRWA should be dismantled.\(^{312}\)

These efforts appeared to have worked. In late Winter 2017/18, President Trump’s administration decided to cut the US contribution to UNRWA from $364 million to only $60 million, putting the 70-year-old agency and the people it serves into crisis.\(^{313}\) This was followed up by an announcement in late summer 2018 that the US would end all aid to UNRWA, on the basis that it was ‘irredeemably flawed’.\(^{314}\) Trump had previously complained that the US received ‘no appreciation or respect’ for the large sums of aid it provided, and had earlier in the year threatened to cut aid to the Palestinians, in punishment for the PA’s unwillingness to negotiate with Israel.\(^{315}\) The BBC reported:

The US and Israel also disagree with UNRWA on which Palestinians are refugees with a right to return to the homes they fled following the 1948 war. Nikki Haley, the US ambassador to the UN, said earlier this week that UNRWA exaggerated the number of Palestinian refugees, and needed to reform.\(^{316}\)

At around the same time the US announced that it would hold back $200 million in ESF funding from the PA, originally planned for programming in the West Bank and Gaza, in the expectation that these funds would be rediverted to address ‘high-priority projects elsewhere’.\(^{317}\)


\(^{315}\) ‘US Ends Aid to Palestinian Refugee Agency’.

\(^{316}\) ‘US Ends Aid to Palestinian Refugee Agency’.

This actually amounts to around $231.5 million in non-UNRWA cuts, and should be considered on top of the 2018 UNRWA cuts (almost $300 million), money deducted from peace programming ($10 million) and funds taken away from already under-resourced Palestinian hospitals in East Jerusalem. At the same time that these measures were in progress, the US released around $42 million in funding to the PA with the intention of further boosting Palestinian-Israeli security cooperation. This reinforces the impression created by US reporting that their focus is on asserting security control over Palestinians under Israeli occupation, rather than helping Palestinians to address the source of their humanitarian crisis; in addition, this support also signals a willingness to perpetuate occupation by making it easier for Israel to maintain control. It is also worth noting that, even at previous spending levels, the funding the US spent on Palestinians was ‘but a small sliver of what it gives to Israel’, the largest recipient of US aid since World War II.

During this period of time the US also announced that it would close the Palestinian representative office in Washington DC, stating that the Abbas-led PA, ‘has not taken steps to advance the start of direct and meaningful negotiations with Israel’. This announcement was made when Trump’s national security adviser, John Bolton, threatened the ICC with sanctions if it carried out investigations into the US and Israel. During a speech to The Federalist Society, he said that, ‘The United States will always stand with our friend and ally, Israel’. This followed on from a 2017 December announcement that the US would recognise Jerusalem as Israel’s capital, a decision which broke with years of precedent and general


323 ‘Trump Administration Announces Closure of Washington PLO Office’.
global opinion, ‘which sees the fate of Jerusalem as a matter for comprehensive “final status”
negotiations between Israelis and Palestinians’.  

One of the Trump Administration’s apparent reasons for the funding cuts has been to express
displeasure at the PLO for cutting-off of diplomatic contacts with the US after the recognition
of Jerusalem as Israel’s capital. Mahmoud Abbas, the PLO Chairman and PA President, along
with other PLO/PA officials, has insisted that aid cuts will not compel the PA/PLO to resume
those contacts.  

The use of financial pressure to try to force political concessions out of the Palestinians is
however consistent with US practice since 2011. During this period the Palestinians have
regularly faced reprisals for pursuing political stances and international initiatives the US
disapproves of. Examples include Palestinian initiatives to bolster international support for
Palestinian statehood, such as initiatives conducted through the UN and ICC. Those actions
had resulted in informal congressional holds that delayed the disbursement of US foreign aid,
which often exacerbated temporary Israeli refusals to transfer tax and customs revenues due
to the PA.  

Given the US approach to Palestinian development, and its use of hard power in withholding
Palestinian aid and closing the Palestinian office for representation, it is impossible to suggest
that the US is neutral in its approach or that it can function as ‘arbiter’ of Middle East peace.
It is equally impossible to uphold or otherwise sustain the proposition that the US respects the
neutrality intrinsic to not doing harm when intervening in a conflict situation. Evidence suggests
that the US is instead a partisan political actor working together with the occupying Israelis at
the expense of Palestinian interests.

325 Zanotti, ‘U.S. Foreign Aid to the Palestinians’, 2 November 2018 Summary.
326 Zanotti, ‘U.S. Foreign Aid to the Palestinians’, 16 December 2016, 10–11.
327 Zanotti, 7.
Further Research

The US requires a lot more research as the largest single-country bilateral donor to the Palestinians, the largest charitable and military donor to Israel, and the self-appointed arbiter of the MEPP who has dominated Oslo since the early 1990s. Understanding the failure of Oslo and contemporary Israeli-Palestinian relations first requires a clearer understanding of the US role in the region. This includes further research of GAO historical reports.

Since research into the US role is also greatly aided by research into the World Bank and IMF, understanding of the US will be further aided by more research into the two organisations’ historical reports and interviews with past members of the two IFIs. It is also worth reviewing all the CRS reports for these periods, as these secondary sources will contextualise the US perspective of Israel and Palestine.

It is also worth establishing a distinction between the GAO and USAID reports, as the latter seem to put more of an emphasis on development, thereby clearly contrasting with the former, which instead stresses security. So, it would be worthwhile to review the USAID historical webpages and other project-specific reports. In general, this approach could and should be applied during research into other US agencies, such as the State Department.

US Aid Project Reports

It would also be very worthwhile to review specific project reports to assess what took place within them, providing further context to US aid and aid policy. That includes, for instance, an investigation of the role and projects carried out by organisations like the US private development consulting firm Chemonics International, one of the US government’s top partners in aid spending. Tens-of-millions of dollars of US aid disbursed in the name of Palestinians have been committed to this US firm in the expectation it will implement Palestinian state building. According to GAO, USAID awarded Chemonics a contract for $20


million in September 2008 (this took the form of ESF funding to the Palestinians) in order to assist the PA in its efforts to strengthen the operational and management capability of key ministries and help public sector institutions to ‘govern more effectively’.330 In September 2008, USAID also awarded a contract to Chemonics to implement an $85 million flagship project, a 5-year initiative funded by USAID, which was purportedly designed in close collaboration with the Palestinian Ministry of Health.331 Further, USAID has awarded Chemonics $26,457,752 for an ‘Enhanced Palestinian Justice Program (EPJP)’ project, running from September 20, 2013 to September 19, 2018.332

These are very significant sums of money to commit to a private US firm, as opposed to Palestinian stakeholders, and this creates enormous questions about the true degree of local leadership over the development process. This may conceivably not be an issue, although it should be noted that this depends on how much of this funding is retained by Palestinians, in addition to the way/s that the firm interacts with Palestinian stakeholders in leading the programmes. The past history of the highly top-down, post-Oslo Palestinian development process does however suggest grounds for scepticism in both respects. In addition, it should also be noted that Chemonics has been beset by multiple scandals in other regions.

For instance, one headline reads, ‘Congress to question USAID over $9.5 billion health project “fiasco”’.333 The following news article states:

A U.S. congressional member intends to hold a hearing to raise concerns about the U.S. Agency for International Development’s largest-ever contract — a $9.5 billion program implemented by Chemonics International, which coordinates the procurement and delivery of lifesaving health products in more than 50 countries.

Rep. Chris Smith, a Republican from New Jersey, told Devex he is concerned that Chemonics is “mismanaging” the project — describing it as an “apparent fiasco” — and he said he wants to learn more about USAID’s selection of the contractor as its


331 Government Accountability Office, 11.


implementing partner for a project that supports the U.S. government's largest global health initiatives.\textsuperscript{334}

That followed an article, entitled ‘USAID chief “angry” about agency's largest health project’, which stated:

In response to a Devex report, U.S. Agency for International Development Administrator Mark Green said he is “angry” that USAID’s largest-ever contract, a health supply chain project that coordinates lifesaving commodities, is performing well below expectations — and that it has increased his resolve to review how the agency spends its money.\textsuperscript{335}

Meanwhile, a 2012 report observed that the USAID contractor Chemonics had been cited for numerous mistakes in Haiti.\textsuperscript{336} It stated:

Two years ago, auditors revealed the Washington, DC, consulting firm Chemonics International and a partner company were employing only one-third as many Haitians as their contract required to clear rubble left by the January 2010 earthquake from city streets as part of the US government-funded “Cash for Work” program.

Chemonics even directed some of those workers to remove rubble from private lots adjacent to its Port-au-Prince headquarters instead.

Undeterred by the mishaps, just three months later the US awarded Chemonics $53 million to implement 141 new Haiti projects. Now, an internal audit reveals some of these projects are lagging behind schedule and others have failed entirely because the company didn't engage local communities in the work.\textsuperscript{337}

\textsuperscript{334} Igoe.


\textsuperscript{337} Kushner.
Haiti, a region that receives so much foreign aid funding that it has been referred to as the ‘NGO Republic’, broadly resembles the OPT in that it has received a substantial amount of aid that has produced unimpressive results. A 2012 report states:

The United States Agency for International Development (USAID), which is in charge of allocating US aid in Haiti and around the world, responded to an audit last week of its Haiti contracts with Chemonics, the largest recipient of US aid contracts in the island nation and around the world. The audit, which concluded in February, examined 22 of the 141 projects totalling $6.8 million. Among its findings:

- Chemonics evaluated some of its projects based upon criteria that had absolutely nothing to do with the goals of those projects. In one case, Chemonics was charged with providing school supplies including chairs, desks and backpacks to two public schools, but it evaluated its work based on the number of children who returned to school. "The performance measure did not correlate to the activity," according to the audit. Similarly, a project that was supposed to create a plan to improve roads in a Haitian town was evaluated by the “Number of reconstructed national governing institutions and systems that receive [US Government] assistance to incorporate principles that support democracy and government legitimacy” — whatever that means.

- A Chemonics consultant who was supposed to help Haiti’s national mapping agency replace geographical data lost during the earthquake hadn't finished the job when her contract ended in February. “The activity did not meet its objectives because Chemonics did not communicate effectively with [Haiti’s mapping agency] or provide adequate support to the consultant,” according to the audit. “The Chemonics officials said they never asked agency staff members whether the consultant was meeting their needs and learned only at the activity’s end that [the agency] was not satisfied with her.” The head of the agency told auditors that the consultant's work was “insufficient and would have to be redone.”

- Chemonics failed to conduct an “environmental mitigation and monitoring plan” before beginning a project to plant hundreds of thousands of medicinal jatropha plants near the city of Saint Marc. “Potentially adverse environmental impacts can occur if proper

mitigation and monitoring procedures are not put into place before implementing an activity and monitoring it,” the audit warned.

- Chemonics was awarded “urban beautification” contracts to build benches and spruce up public spaces near the new $224 million Carocol industrial park outside Haiti’s northern city of Cap Haitien. But instead of hiring Haitians from the local communities, Chemonics brought in workers all the way from Port-au-Prince in the south of the country. “As a result, residents saw jobs in their neighbourhood being done by outsiders, and without an understanding of the activities, they did not see how anyone local benefited,” the audit stated. It concluded two of these beautification projects failed altogether because Chemonics did not involve local residents in the process.

- Chemonics failed to set timelines or estimated dates of completion for some work being done by subcontractors, causing some projects to run behind schedule. In September 2011, USAID awarded Chemonics a $1.9 million contract to build a temporary space for Haiti’s parliament, which lost its building in the earthquake. But no timelines were set for steps in the process – such as installing “utilities.”

In referring to Chemonics’ work in Afghanistan, the same news article noted:

A 2005 audit found the company’s $153 million program to improve agriculture in Afghanistan had missed an important objective that resulted in the “limited” success of the project. Nonetheless, one year later, USAID awarded Chemonics a new $102 million contract for similar work in Afghanistan. A later investigation found even that project was flawed, running so far behind schedule that Afghan farmers on 10,000 hectares of land were unable to plant their crops one summer.

That report on Haiti followed on from a previous report (by the same reporter from GlobalPost) that not a single dollar of the original $1.1 billion in humanitarian assistance USAID allocated to Haiti in fiscal year 2010 went directly to Haitian organizations or businesses. Analysis by the Center for Economic and Policy Research (CEPR) found that, ‘70 percent of the $450

339 Kushner, ‘USAID Contractor Chemonics Cited for Numerous Mistakes in Haiti’.

340 Kushner.

million awarded through reconstruction contracts has gone to Beltway companies like Chemonics, and only 1.3 percent has gone directly to Haitian companies.\(^{342}\)

Chemonics also has a discrimination problem, which is very concerning for any firm or organisation that works in development contexts. In 2016 October, it agreed to pay $482,243 in back wages, interest and benefits to 124 African-American applicants.\(^{343}\) The United States Department of Labor found Chemonics discriminated on the basis of race when hiring for entry-level positions. Of 124 African Americans who applied for jobs at Chemonics, none were hired.\(^{344}\)

The size of the US contracts to Chemonics in the OPT and its very poor track record elsewhere in the world would both appear to warrant extra scrutiny. It should also worth be noted that this company has been heavily engaged with the justice sector during a period when Palestinian democratic institutions, and most notably the justice sector, have visibly declined. This includes a PA crackdown against Palestinians’ right to speak out against either the occupation or the PA.\(^{345}\) There is now ample evidence that suggests that tens-of-millions of dollars in US justice sector spending has failed to produce either a democratic or fair state.\(^{346}\)

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\(^{342}\) Kushner, ‘USAID Contractor Chemonics Cited for Numerous Mistakes in Haiti’.


List of US Reports Analysed


Canada

Canada is a member of the influential AHLC and therefore helps to determine how aid is given to the Palestinians, and how the Palestinian state is built. It is also a close ally of Israel. As interviewees D1-5 affirmed that Canada is a steadfast ally of Israel with strong bilateral relationships that extend up to the official level. Meanwhile, Canada has since 2006 been one of the top donors investing in the Peace Process in the OPT – OECD figures confirm that in


2006-16 alone, it spent $0.538 billion on Palestinian aid, and a total of $0.608 billion during the period 1993-2016.\textsuperscript{348}

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<td>1.19</td>
<td>0.79</td>
<td>0.64</td>
<td>3.7</td>
<td>5.78</td>
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<td>0.38</td>
<td>0.52</td>
<td>8.94</td>
<td>8.8</td>
<td>22.41</td>
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<td>15.89</td>
<td>34.55</td>
<td>42.3</td>
<td>44.28</td>
<td>41.2</td>
<td>65.05</td>
<td>77.71</td>
<td>60.4</td>
<td>50.38</td>
<td>51.35</td>
<td>25.01</td>
<td>46.15</td>
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\textit{Table 11 – Canadian Aid to the OPT from 1993 to 2016, in $million in 2018 May values.}\textsuperscript{349}


\textsuperscript{349} OECD QWIDS concatenated, 1993 to 2016 [Dataset], 'Norway ODA Disbursements to the West Bank and Gaza'.
Interviewee D7 said the 1993 aid model continues to be used by Canada up to the current day, and accordingly its central focus is on supporting the two-state solution. Interviewees D1-5 added that Canada’s policies in the OPT have been fairly consistent over time. From around 2010, when the OPT during which became a focus area for the Harper government, Canada has concentrated on reform of the justice sector and economic development. A substantial amount of funding has also been transformed into humanitarian aid. In reflecting that Canada consults with its donor partners, interviewees D1-5 noted that USAID is focused on road building, while Canada complements the work of GIZ and UNCTAD; furthermore, they observed how Canada has been building Palestinian trade capacity in partnership with the United Nations Development Programme (UNDP). They said that Canada tries to focus on ‘low hanging’ fruit, are interested in micro-businesses and added a gender focus after Trudeau came to power in 2015. They added that Israel is interested in their justice and economic work, and so are their allies at the IMF, World Bank and AHLC. Interviewees D1-5 said the message they receive from Palestinians is that Canadian aid is well received, a perception echoed by their colleagues at USAID.

Image 1 – Regional Map from the GAC Aid Project Browser Website\(^{350}\)

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Statements

At an official policy level Canada, has long advocated for the Two-State Solution and ongoing peace negotiations. Thus, the government of Canada indicated in 2016 October, via its Representative Office of Canada to the Palestinian Authority, that:

Canada recognizes the Palestinian right to self-determination and supports the creation of a sovereign, independent, viable, democratic and territorially contiguous Palestinian state, as part of a comprehensive, just and lasting peace settlement.\textsuperscript{351}

This statement further clarified that:

Canada is committed to the goal of a comprehensive, just and lasting peace in the Middle East, which can only be achieved through a two state solution resulting from direct negotiations between the parties. Canada aims to uphold and promote the two state solution by helping to establish a law based, peaceful, and prosperous society that can ultimately become a state for the Palestinians, and a stable and secure neighbour for Israel.\textsuperscript{352}

And:

Canada’s international assistance in the West Bank and Gaza reinforces these goals and is aligned with Palestinian needs and Canadian priorities. Canada supports efforts to help advance the peace process, promote security and the rule of law, stimulate economic growth and deliver humanitarian assistance.\textsuperscript{353}

Meanwhile, Canada’s foreign affairs department, Global Affairs Canada (GAC), wrote that:


\textsuperscript{352} Government of Canada.

\textsuperscript{353} Government of Canada.
Canada recognizes the Palestinian right to self-determination and supports the creation of a sovereign, independent, viable, democratic and territorially contiguous Palestinian state, as part of a comprehensive, just and lasting peace settlement.\textsuperscript{354}

And:

Canada is committed to the goal of a comprehensive, just and lasting peace in the Middle East, including the creation of a Palestinian state living side by side in peace and security with Israel.\textsuperscript{355}

And:

Canada does not recognize permanent Israeli control over territories occupied in 1967 (the Golan Heights, the West Bank, East Jerusalem and the Gaza Strip). The Fourth Geneva Convention applies in the occupied territories and establishes Israel's obligations as an occupying power, in particular with respect to the humane treatment of the inhabitants of the occupied territories. As referred to in UN Security Council Resolutions 446 and 465, Israeli settlements in the occupied territories are a violation of the Fourth Geneva Convention. The settlements also constitute a serious obstacle to achieving a comprehensive, just and lasting peace.\textsuperscript{356}

It is also worth noting that GAC wrote about its relationship with UNRWA. It stated:

Global Affairs Canada and UNRWA intend to work together, along with other donors, to continue to ensure that UNRWA implements its policies related to neutrality. Neutrality is a UN commitment and one of the four humanitarian principles formally adopted by the UN General Assembly and endorsed by UNRWA. It is understood to mean that irrespective of one’s personal beliefs and opinions, “humanitarian actors

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\textsuperscript{355} Government of Canada.
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\textsuperscript{356} Government of Canada.
\end{flushleft}
must not take sides in hostilities or engage in controversies of a political, racial, religious or ideological nature". 357

And:

Neutrality is critically important to United Nations humanitarian agencies to gain and maintain the confidence of all and to operate independently, safely and effectively, especially in politically-charged or conflict situations. 358

Finally, the government of Canada, in reflecting on its aid to the Palestinians, wrote that:

This goal supports the creation of a viable, independent and democratic Palestinian state living side by side in peace and security with Israel. Canada believes that peace can only be achieved through a two-state solution negotiated directly between the parties. 359

And that:

International assistance in the West Bank and Gaza reinforces Canadian diplomatic efforts to support the establishment of a law-based, peaceful and prosperous society. Ultimately, this society can become a state for the Palestinians and a stable and secure neighbour for Israel. 360

Overall, Interviewee D7 thought Canada has struck a fair balance, even though it is criticised from every side. Meanwhile, Interviewee D1 said that Canada plays a role appropriate to its

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358 Government of Canada.


360 Government of Canada.
place in the conflict. Interviewee D2 said it has a very similar approach to that of the US, though they are not exactly the same. Interviewee D4 said that Canada plays a useful role in the Peace Process and has the resources at hand to be involved in a more substantial way. It is worth noting that while all the donors emphasised their close ties to the Palestinians, the Canadians were the only one to emphasise their close ties to Israel when discussing Palestinian development aid.

In contrast to the official rhetoric, a list compiled by the NGO ‘Canada Talks Israel Palestine’ described 27 ways in which Canada opposes Palestinian rights and statehood on the international stage, on behalf of Israel. These include Canada working to oppose any references to ‘foreign occupation’ in any resolution presented to the UN General Assembly (UNGA) Economic Committee, which Canada resists on the basis it is an attempt to ‘single out’ Israel, and Canada opposing and condemning resolutions adopted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to protect Palestinian cultural sites in East Jerusalem, which are threatened by Israeli actions. The list also includes Canada’s opposition to any criticisms of Israel on the UN Human Rights Council, including joining Israel to strongly criticize the appointment of Canadian law professor S. Michael Lynk as UN Special Rapporteur on Human Rights in the OPT. Canada also opposed the inclusion of a reference to illegal Israeli settlements in the declaration of the 16th Francophone summit, and any reference to ‘foreign occupation’ in the Global Counter Terrorism Strategy (GCTS). Canada even worked with others to eliminate ‘Palestine’ as a state party to the International Atomic Energy Agency (IAEA).361 This distinction between Canada’s public rhetoric and its actions is consistent with the author’s own past research on Canada, when I encountered a government of Canada crackdown on Canadian civil society organisations that provided Palestinians with development aid assistance. I noted how NGOs that empowered the Palestinians and defended their rights aroused particular concern, despite the fact that their organisational structure and programming was consistent with official Canadian policy.362


362 Wildeman, ‘Undermining the Democratic Process’. 

159
Compared to other donors analysed in this study, there is a real dearth of original, descriptive Canadian government reporting on, and policy analysis of, the OPT. This may be considered unusual among the liberal democracies analysed, especially so once comparison is made to the US and it is acknowledged that Canada is one of the largest donors to the Palestinian aid process. Yet this oversight or inadequacy is nonetheless consistent with the barren academic literature on the subject of Canada’s long-running and high-profile relationship with the Palestinians.

Interviewees D1-5 said that the IMF and World Bank are doing good work and have definite analytical influence on Canadian actions. The interviewees also noted that consultations and coordination between donor governments impact on their decision-making. So, perhaps more than any other donor, weaknesses within its own reporting mean that Canada needs to turn to IFI reporting and AHLC meetings for policy guidance. Of course, this does nonetheless depend on the extent to which genuine analysis underpins the political calculations that underpin Canadian policy decisions.

With this in mind, this study engaged two types of Canadian reports in searching for information on Canada’s foreign aid for the Palestinians. These reports were Statistical Report on Official Development Assistance which covered the fiscal years 1998-99 to 2015-16, and the Report to Parliament on Canada’s Official Development Assistance, which covered years 2010-11 to 2015-16.

These reports gave broad descriptions of Canada’s foreign assistance envelope. At the same time, Palestinian aid often comprised a significant part of Canada’s official aid. Thus, references to the West Bank and Gaza appear with frequency in the reports, as should be expected. Further, multiple Canadian officials reached did refer to a combination of the statistical reports along with a project browser for information about the aid Canada funds, as well as the Government of Canada website for policy positions.

Altogether the 25 reports have a total 1,065 pages with a median page length of 59.5. Unique to this case study, because of the type of report being analysed, an additional three keywords were included: Middle East, Palesti-(ne, nians) and West Bank and/or Gaza.
<table>
<thead>
<tr>
<th>Term</th>
<th>Mentions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy</td>
<td>1</td>
<td>Single instance referring in 2010-11 to funding for UN-OCHA</td>
</tr>
<tr>
<td>Accounta-(ble, bility)</td>
<td>2</td>
<td>In the 2011-12 report to Parliament there are single references on page 4 and page 25, regarding the GPSF fund, with comments that 'might' indirectly be referring to the OPT</td>
</tr>
<tr>
<td>Aid Effectiveness</td>
<td>30</td>
<td>Typically, when this term was used it referred to all Canadian aid, not the OPT specifically, with references to the 'Paris Declaration on Aid Effectiveness'. Still, since the reports might be referring to the OPT in these non-specific instances, these 30 uses are noted here</td>
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<tr>
<td>Colon-(y, isation, ial, ies)</td>
<td>0</td>
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<td>Settler</td>
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<td>Settlements</td>
<td>0</td>
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<tr>
<td>Democra-(cy, tic)</td>
<td>9</td>
<td>These include indirect references to the OPT</td>
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<tr>
<td>Jerusalem (contextually as Palestinian land)</td>
<td>5</td>
<td></td>
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<tr>
<td>Justice</td>
<td>6</td>
<td></td>
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<tr>
<td>Occupation</td>
<td>0</td>
<td></td>
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<tr>
<td>Occupied</td>
<td>0</td>
<td></td>
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<tr>
<td>Law (not business, finance, property)</td>
<td>8</td>
<td>These few instances include indirect references to the OPT</td>
</tr>
<tr>
<td>Law (business, finance, property)</td>
<td>0</td>
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<tr>
<td>Terror-(ism, ist)</td>
<td>2</td>
<td></td>
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<tr>
<td>Security for Israel (including taking Israeli claims verbatim)</td>
<td>1</td>
<td></td>
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<tr>
<td>Security for Palestinians</td>
<td>4</td>
<td>References to 'food security', but not security from violence</td>
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<tr>
<td>Security not clear</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Security for other states or actors</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Rights (human focused)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Rights (economic focused)</td>
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<tr>
<td>Middle East</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td>Palesti-(ne, nians)</td>
<td>50</td>
<td>Always as the names of organisations, with the exception of 7 instances in 2003-2004</td>
</tr>
<tr>
<td>West Bank and/or Gaza</td>
<td>100</td>
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Table 12 – Canadian Keywords

Observations

Even over the course of over 1,000 pages in 25 reports published over nearly 20 years, the information on Canadian aid to the Palestinians is limited. Yet, there is still noteworthy information, including keywords that are left out.

There are several terms that stand out in their absence. For instance, in all of those reports Canada only names the Palestinians as a people or possibly holding land in a single report, specifically the 2003-2004 Statistical Report published during the Paul Martin Liberal government’s ‘All of Government’ approach to Palestinian development. There the government specifically referred to ‘Palestinian Territories’ 6 times and ‘Palestinian O.T.’ 1 time. Otherwise, out of the 50 times that a derivation of ‘Palestine’ or ‘Palestinian’ was used, 43 of those instances were referring to the names of organisations such as the UN Relief and Works Agency for Palestinian Refugees (UNRWA), organisations like the Canadian Palestinian Educational Exchange or the European Union Police Mission for the Palestinian Territories, which the government granted to.

What is also interesting is that the Martin government era (2003-6) was known for a shift to a more pro-Israel stance in Canada’s diplomatic activity at the UN, ahead of the Harper government’s (2006-15) ardently pro-Israel approach to international affairs.363 That 2003-2004 Statistical Report also stands out as the one where the words ‘Palestine’ or ‘Palestinians’ are used the most at 10 mentions, with the next closest being 6 usages in the Report to Parliament on Canada’s ODA 2015-2016, published after the Trudeau Liberal government came to power, and 5 times in the Report to Parliament on Canada’s ODA 2012-2013 during Harper. Thus, 42% of all uses of the words ‘Palestine’ or ‘Palestinian’ appeared in just 3 reports on Canada’s overseas aid, leaving the other 29 appearances spread across the other 22 reports.

That meant the words ‘Palestine’ or ‘Palestinian’ would be used at most one or two times in the remaining 22 reports. However, it did not even appear in 4 of them: the 46-page Report to Parliament on Canada’s ODA 2008-2009; the 47-page Statistical Report on Official Development Assistance Fiscal Year 2010-11; the 47-page Statistical Report on Official Development Assistance Fiscal Year 2011-12; and the 49-page Statistical Report on Official

363 Wildeman, 26.
Development Assistance Fiscal Year 2014-15. Meanwhile, Canada’s own reporting shows spending on the OPT to be $CAD 68.49 million for 2008-9, $CAD 78.18 for 2010-11, $CAD 65.09 for 2011-12 and $CAD 1.19 million net ODA for the 2014-15 fiscal year. So, given such large spending, it may seem odd to have not seen the Palestinians mentioned by name as a distinct people.

This may be tied to a sanitisation of terminology. One of the tricks used by some donors to get around using the word ‘Palestine’ or to acknowledge Palestinians as a distinct national group in a distinct geographical area, is to instead refer to the West Bank and Gaza regions. Though West Bank and Gaza were used relatively infrequently across the reports with 100 total uses, this was still twice as many as Palestine and Palestinian, and the former two were used more consistently across the reports than the latter two, regardless of the government in power.

What also stands out is the use of the term ‘Palestinian O.T.’ in 2003-4, because that is the closest the Canadian Government ever comes to referring to there being an occupation of the Palestinians. In fact, in all the 25 reports on their foreign aid programming from 1998 to 2016 the Canadian government does not refer to there being settlements, settlers, colonies or an occupation, even though these are the most important characteristics describing the Palestinian condition and the cause of their problems that any aid package should be responding to.

Meanwhile, Canada never once acknowledges Jerusalem as being Palestinian territory, and that raises questions about which lands Canada is referring to when it mentions West Bank and Gaza. It is worth remembering that Canada was one of the first countries to try to recognise full Israeli sovereignty over Jerusalem as its capital, preceding the Trump administration’s move by nearly 40 years during the short-lived Joe Clark Conservative government in 1979.364 In 2018 the Andrew Scheer Conservative party has said that it will recognise Jerusalem as Israel’s capital if elected in 2019.365

Despite the tragic human rights situation endured by Palestinians, non-economic rights are only brought up 3 times in the 25 Canadian reports. One instance is in the statistical report on


ODA 2008-2009, where the report refers to ODA needing to be 'consistent with international human rights standards'. That might be interpreted to be relevant to the OPT. Then there are two direct uses of human rights in the OPT in the Report to Parliament on Canada’s ODA 2014-2015, which states:

Canada has supported the Public Prosecution Service of the Palestinian Authority since 2009 by providing equipment, technical assistance and legal training, and has established specialized units on gender equality and human rights at the Office of the Attorney General and Public Prosecution Service. Canada’s support has contributed to promoting a fair and effective criminal justice system that protects human rights.

Further, there is a noticeable lack of attention paid to democracy, even though the Oslo Process and two-state model, which Canada’s official policy is based on, are predicated on democratic state-building in the OPT. Overall, variations of ‘democracy’ are used just 9 times between 1998 and 2016, and even this may be a generous total. For instance, 2 of those 9 instances are from the Report to Parliament on Canada’s ODA 2010-2011, when the former development agency CIDA refers to its support for democracy in the Middle East without ever directly mentioning Palestine, or even the West Bank and Gaza. Meanwhile, multiple references to democracy are made within the non-ODA Global Peace and Security Program. There democracy appeared 1 time in the Statistical Report 2011-12, 2 times in the Report to Parliament 2011-2012 and 1 time in the Statistical Report 2012-13. Meanwhile, there were 2 strong implicit references to democracy on page 16 of the Report to Parliament 2012-2013, with 1 direct reference to democracy on page 35 in a reference to funding for the RCMP and EUPOL COPPS.

There is also a lack of attention offered by Canada to rights with an economic focus, at no references, even though the development model in support of the Oslo Peace Process is predicated heavily upon economics and Canada has a history of funding 'entrepreneurship' in the OPT. Further, even though accountability to the stakeholders is central to the aid effectiveness agenda agreed to by donors like Canada in the Paris Declaration (2005) and Accra Agenda for Action (2008), Canada never mentions aid effectiveness in any of the 25

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reports analysed, other than two instances on page 4 and page 25 of the 2011-12 report to Parliament where there are two references to the Global Peace and Security Fund (GPSF) that might possibly be interpreted as referring to the OPT.

Overall, with qualitative descriptions discussing its OPT funding fairly limited in Canada’s reports, the one stand-out keyword on the topic is security at 27 uses. Largely, the focus of security is not clear. There are 4 specific references to Palestinian security, but not from violence. Rather, they refer to food security. There is also a specific reference to Israeli security in the Report to Parliament 2012-2013. There the report specifically refers to Canada’s intention to enhance the Palestinian Authority’s ability to provide support for Israel’s security priorities. It states:

START [Stabilization and Reconstruction Task Force] also continued its support to the Middle East Peace Process by contributing close to $1 million to enhance institutional capacities of the Palestinian Authority, in order to establish a safe environment in the West Bank conducive to Israel’s security priorities.368

Key Takeaways

The Canadian reports on foreign aid to the Palestinians are often more interesting for what is not said, compared to what is said. In its official statements, listed above, Canada did refer to Palestinian self-determination, to support for a contiguous Palestinian sovereign territory for the Two-State Solution, to Israel’s obligations as the occupying power, to not recognising Israel’s control over the OPT (including East Jerusalem) and to opposing settlements as a violation of the Fourth Geneva Convention that obstruct peace. Yet, Canada’s reporting on its development aid to the Palestinians does not clearly reflect these online statements at all, for instance not referring to Israeli settlements, settlers, colonies, the occupation or the fact Palestinians are occupied. Further, the term or recognition of Palestine or Palestinians as a distinct national group with a territorial claim seems to have been purposely avoided in the reports, outside of an outlier fiscal year 2003-4. Meanwhile, Canada seems to avoid any declarations on the status of Jerusalem, there are next to no references to Palestinian rights and there are very few references to democracy.

This the question of the extent to which Canada respects the context of the occupation and human rights situation the Palestinians face, where rapidly growing settlements and Israeli military occupation are primary obstacles to the Oslo Peace Process and the main impediments to Palestinian well-being. Taken a step further, the style of Canada’s focus on security implies a lack of concern for protecting Palestinians from physical violence from conflict. One statement even suggested that Canadian aid to the PA had the aim of making the Palestinians conform to Israel’s security priorities, which of course entails occupation and settlement building. If such Palestinian conformity has indeed been an aim of Canada’s ODA, that would not only be a grave violation of the neutrality principle intrinsic to not doing harm through aid intervention in a conflict situation, and neutrality which Canada specifically references with regards to UNRWA’s mandate, but would seem to contradict Canada’s own official aims and likely cannot be considered development aid.

However, the author of this study will note from past research that such contradictions between Canadian actions and official policy typify the Canadian approach to Palestinian development. Canada often carries out development activities that either work around or facilitate the occupation, all while making public statements against the occupation and in favour of the Peace Process.369 Further, on the international stage Canada has long been one of Israel’s most partisan allies.370 As one interviewee from an IFI said about Canada in the OPT, ‘Canada is quite right-wing’.

Finally, in contrast to the other Canadian officials interviewed, Interviewee D6 said Canadian aid to the Palestinians is not successful, fell extremely short of aid effectiveness models and is related to Canada being 100% biased at the government level towards Israel. D6 said Canada is doing a lot of harm in the region by working on development projects in prosecutions and forensics, not the defence of Palestinians within the justice sector. Meanwhile, he/she said funding humanitarian aid for the Palestinians without raising concerns about Palestinian rights with Israel is a further concern. When Canadians do meet with Israelis, D6 said they never talk about the Palestinians. Consistent with the data above, in their interactions with the Israelis the Canadians do not appear to have much concern for Palestinian rights and security from violence. While D6’s statements are an outlier to the interviewees, they are consistent

369 Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012; Wildeman, ‘Undermining the Democratic Process’.

370 Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012; Wildeman, ‘Undermining the Democratic Process’. 
with the near couple-of-dozen aid project coordinators I interviewed in the past about Canadian aid and aid policy.\textsuperscript{371}

Further Research

This is a pretty comprehensive review of much of Canada’s public reports, as well as some of its official statements on Canadian development aid to the OPT Palestinians in the Oslo era. A next step would be to spend time analysing the details of the programmes it funds and to look further at its official policy statements, on and offline, for the year 1993 onwards. This could help provide a better concept of the extent to which Canada finds itself accountable to the Palestinian stakeholders, or how seriously it takes ‘aid effectiveness’ in the OPT. Even then, information on Canada’s aid projects listed on GAC’s ‘Project Browser’ website is limited in detail.\textsuperscript{372}

As an example, there is Canada’s flagship $CAD 54,215,807 Courthouses Construction Project with the multilateral UNDP/PAPP - United Nations Development Programme/Programme of Assistance to the Palestinian People (41114).\textsuperscript{373} Here there appears to be as much to learn by omission as effect.

There was no spending on the project in the 2011-12 fiscal year, in spite of a $CAD 10 million commitment.\textsuperscript{374}

\textsuperscript{371} Wildeman, “Either You’re with Us or Against Us” Illiberal Canadian Foreign Aid in the Occupied Palestinian Territories, 2001 – 2012’.

\textsuperscript{372} Canada, ‘Project Browser’.


\textsuperscript{374} Global Affairs Canada.
Then there was in 2012-13 a commitment for $CAD 15 million in spending, but just one limited disbursement on 2013 March 15 of $CAD 2,045,000, and a tiny negative disbursement on 2013 March 26 returning $CAD 5,600 to Canada.\(^{375}\) By this point only $CAD 2,039,400 had been disbursed, or around 8% of an original $CAD 25,000,000 committed.

The fiscal year 2013-14 has some odd and limited disbursements, with an original budget of $CAD 10 million beginning with two negative disbursements that returned funds to Canada on 2013 August 14 ($CAD 495,075) and 2013 September 24 ($CAD 2,632,970). By that point, two-and-a-half years into the project, a million dollars more had been returned to Canada than had been spent in the OPT.

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\(^{375}\) Global Affairs Canada.
These were though quickly followed by positive disbursements to the OPT on 2013 September 24 ($CAD 2,632,970) and 2014 March 26 ($CAD 2,632,970). So, within three years a total of $CAD 4,177,295 had been disbursed, accounting for 12% of an original commitment of $CAD 35,000,000.

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<tr>
<td>26-03-2014</td>
<td>Disbursement</td>
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Country Percentages by Sector

It is possible that some of this unspent funding was compensated by unplanned 2014-15 fiscal year spending. By this point $CAD 12,398,545 had been disbursed on commitments totalling $CAD 35,000,000, accounting for 35% of pledged project spending.

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376 Global Affairs Canada.

377 Global Affairs Canada.
Likewise, unplanned spending took place in 2015-16, bringing total disbursements up to $CAD 14,237,712 of $CAD 35,000,000 in commitments, or 41% of project spending.

After a fiscal break in 2016-17, the fiscal year 2017-18 stands out as an aberration as it appears to closely align with the original spending plan, with a commitment of $CAD 10,901,973 being met by $CAD 10,000,000 in disbursements. This brought total

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378 Global Affairs Canada.

379 Global Affairs Canada.
disbursements up to $CAD 24,237,712 of $CAD 45,000,000 in commitments, or 54% of pledged project spending.

Meanwhile, Interviewee D6 questions the results of the project. He/she pointed out that there is little variation between the original project description, from when the project was first initiated in 2011, and the stated ‘Results Achieved’ listed on 2018 April 12 states:

The project is helping to build the courthouse infrastructure that is necessary to improve the Palestinians’ access to justice. The construction of courthouse facilities in Hebron and Tulkarem and a courts complex in Ramallah is intended to provide the infrastructure for the delivery of timely and effective justice services in the West Bank. The project also promotes efficient use of these facilities through advancements in courthouse planning and design, facilities management and court administration. CIDA is working with the United Nations Development Programme, the Palestinian Economic Council for Development and Reconstruction, and the United Nations Office for Project Services in meeting project objectives.  

In fact, the ‘Results Achieved’ might even be using some of the wording from the original project plan, which is hinted at by the repeated use of the acronym CIDA, despite the agency having been wound down around 5 years earlier in 2013.

It is open to question if courthouses are a priority need for Palestinians living under occupation. It is also questionable that, were Palestinians to exercise local leadership over their aid, as extolled by aid effectiveness, they would choose to invest aid sums there, especially if the PA were democratic. As D6 noted, Palestinian civil society was upset that Canada focused on

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380 Global Affairs Canada.
putting people in jail, rather than defending them in the court of law; while interviewee H7 asked why there was a focus on security when there is very little non-Jewish-settler crime in Palestine, which the Palestinian authorities are not allowed to tackle in any case. Still, even if the courthouses were deemed necessary by the Palestinian stakeholders, the funding pattern has been extremely erratic. Paris and Accra devoted a lot of attention to the need for aid predictability in order to facilitate development. The Accra communiqué made it clear that, ‘greater predictability in the provision of aid flows is needed to enable developing countries to effectively plan and manage their development programmes over the short and medium term’. 381

Interviewee D6 also suggested that there is a lack of analysis behind decisions for large grants given out by the Canadians. For the fiscal years 2010-12, interviewee D6 said that a decision was taken at the very last minute of each fiscal year on very significant portions of Canada’s aid to the OPT. The three grants to the WFP are shown below. 382

| Export Development in the West Bank - Evaluation | $2,100,000.00 | UNCTAD - United Nations Conference on Trade and Development | Closed | 2011-03-30 |
| Food Aid - Gaza - UN Consolidated Appeal 2012 | $12,000,000.00 | WFP - World Food Programme | Closed | 2012-03-30 |
| Food Aid - West Bank - UN Consolidated Appeal 2011 | $6,000,000.00 | WFP - World Food Programme | Closed | 2011-03-30 |
| Food Aid - West Bank - UN Consolidated Appeal 2012 | $19,000,000.00 | WFP - World Food Programme | Closed | 2012-03-30 |

Interviewee D6 said that the Canadian officials needed to spend the funds by the end of the fiscal year, but were not sure how to do this and preferred to spend in safe multilateral appeals. Interviewee D6 said those decisions were often made at midnight of the fiscal year or the following morning, and were then back-dated to midnight of the fiscal year.

List of Canadian Reports Analysed


382 Canada, ‘Project Browser’.


Norway

In spite of its size, Norway has since the early 1990s been one of the most important actors in the OPT and the Peace Process. Norway acted as an intermediary sponsor, and was the location where behind-the-scenes negotiations were held between the PLO and Israel, leading to the signature of the 1993 Oslo Accords.\(^{383}\) Norway has also been the Chair of the AHLC since the donor committee’s inception on 1993 October 1. Further, Norway has been since 1995 one of the largest donors to the Palestinians, investing substantial sums into development in the OPT to build institutions and other programming, with the hope this would foster conditions to build peace with Israel.

Using the OECD QWIDS database, Norway is shown to have given $1.62 billion from 1993 to 2016.\(^{384}\)

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<td>107.49</td>
<td>117.54</td>
<td>78.17</td>
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*Table 13 – Norwegian Aid to the OPT from 1993 to 2016, in $million in 2018 May values.*\(^{385}\)

One European Official said the role of Norway in the OPT is deeply embedded in the consciousness of Norwegian politicians. In 1979, the-then chairman of the umbrella PLO, Yasser Arafat, had asked Norway to provide a secret back channel to negotiate with the Israelis. This was at a time when Israel was not yet willing to engage in direct talks with Arafat.


\(^{384}\) OECD QWIDS concatenated, 1993 to 2016 [Dataset], ‘Norway ODA Disbursements to the West Bank and Gaza’.

\(^{385}\) OECD QWIDS concatenated, 1993 to 2016 [Dataset].
and the PLO. That changed during the First Intifada (1987 - 1993) when Israel faced worldwide condemnation for its crackdown on Palestinian demonstrators and growing pressure from the international community to start peace talks with the Palestinians. This led Israel to activate the open link to the PLO through Norway.\footnote{386 Al Jazeera, ‘The Price of Oslo - PalestineRemix’, Al Jazeera, 2013, Palestine ReMix edition, https://interactive.aljazeera.com/aje/PalestineRemix/the-price-of-oslo.html.} This in turn led to the Oslo Accords, for which Norway gained a great deal of prestige and fame, building up an image of a country with moral integrity and appearing as a great conflict mediator. This also firmly placed Norway at the highest levels of the international peace scene, and Oslo became known as the world’s ‘capital of peace’.\footnote{387 Pace, ‘Norway’s Ambiguous Approach towards Israel and Palestine’, 68.}

Overall, interviewee E2 said Norway has been pretty consistent in its aid spending over the past 20 years. Between 2012 and 2015 around 50% of Norway’s aid was allocated to general budget support for the Palestinians and 21% to good governance. A significant amount (63%) of Norway’s aid was managed by multilateral organizations (mainly the World Bank) and a smaller percentage (22%) by Norwegian non-governmental organizations.\footnote{388 Tartir and Wildeman, ‘Mapping of Donor Funding to the Occupied Palestinian Territories 2012 - 2014/15 (English Report): Limited, Disorganized and Fragmented Aid Data Undermining Transparency, Accountability and Planning’, 132.} Interviewee E4 said that Norway has been supporting the Two-State Solution since 1993 with substantial budget support for the PA, in order to build institutions for it to be ready for independence. Interviewee E3 said Norway tried to fill gaps between donors, especially countries with bigger budgets. However, it is worth noting that Norway is itself actually one of the bigger donor countries.\footnote{389 Alaa Tartir and Jeremy Wildeman, ‘Mapping of Donor Funding to The Occupied Palestinian Territories 2012 – 2014/15: Limited, Disorganized and Fragmented Aid Data Undermining Transparency, Accountability and Planning.’, Research Study (Aid Watch Palestine, November 2017), https://alaatartir.com/2017/11/10/mapping-of-donor-funding-to-the-occupied-palestinian-territories-2012-2014-15/.}

Norway also leads the Temporary International Presence in Hebron (TIPH) and is responsible for the coordination of People-to-People projects that foster close contact between individual Israelis and Palestinians. Norway has also taken a very active role in the multilateral track of the Peace Process (i.e. its role on the AHLC), and is involved in the working group for refugees
and the water group. Interviewee E4 said that Norway also offers a lot of support for cultural work in the OPT. He/she said this is vital to preserve and support Palestinian heritage and maintain Palestinian identity. Interviewee E3 further reinforced a point made by other Norwegian interviewees that the focus of their work in Palestine is on institution building.

**Statements**

According to the Representative Office of Norway to the PA,

Palestine is the third-largest recipient of Norwegian development cooperation funding.

The financial contribution to the Palestinian Authority (PA), through budget support, aims to build the institutional foundation and ensure a sustainable economic basis for a future independent Palestinian state. Only a lasting peace agreement will realize the two-state solution and give the Palestinians full sovereignty and economic independence. Therefore, it is essential that the parties demonstrate their willingness to resolve the conflict and that a two-state solution is realized.

Norwegian objectives through development cooperation in Palestine includes state-building, democratic development and good governance, high quality service delivery, reconstruction of Gaza, peace and reconciliation processes, human rights including gender rights and equality. Norway prioritizes long-term development cooperation in the areas of education, health, energy and good governance through civil society, multilateral actors and governmental partners.

In addition, Norway provides humanitarian assistance to Palestine. The humanitarian organizations’ efforts focused particularly on areas where the PA are unable to meet the population's needs for basic services, respectively, in Gaza, East Jerusalem and in the so-called Area C (areas under Israeli control in the West Bank).³⁹¹


Meanwhile, the Representative Office also notes that,

In order to ensure welfare and security in Norway, as well as in other countries, we must strive to prevent, reduce and resolve conflicts. It is important to safeguard the international legal order and maintain binding international cooperation. Collective defence with our allies gives Norway security and freedom of action.392

Norway Document Analysis

The Norwegians are very much tied to the World Bank in seeking to further the development-for-peace model in the OPT. In addition to the World Bank managing significant Norwegian funds, and acting as Secretary to the AHLC that Norway chairs, the Representative Office of Norway to the Palestinian Authority is located alongside the IMF in the World Bank Building, which is located between Jerusalem and Ramallah.

For the purposes of this case review of Norway, this study took into consideration 3 reports from 2015 to 2017 with a median page length of 92 and sum total of 236 pages. This includes a 2013 Public Expenditure Review that was purportedly commissioned by the Palestinian Ministry of Education and Higher Education (MoEHE), but which seems to have been led by Western analysts, primarily from Norway.393

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<tr>
<th>Term</th>
<th>Mentions</th>
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<td>Advocacy</td>
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<tr>
<td>Accounta-(ble, bility)</td>
<td>77</td>
<td>Largely refers not to the accountability of donors to Palestinian stakeholders, but rather of the accountability expected of a democratic PA to its citizens</td>
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<td>Aid Effectiveness</td>
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<td>Settler</td>
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<td>Settlements</td>
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<td>Democra-(cy, tic)</td>
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Jerusalem (contextually as Palestinian land) 76
Justice 14
Occupation 116
Occupied 27
Law (not business, finance, property) 76
Law (business, finance, property) 0
Terror-(ism, ist) 1
Security for Israel (including taking Israeli claims verbatim) 3
Security for Palestinians 37
Security not clear 48
Security for other states or actors 0
Rights (human focused) 214
Rights (economic focused) 1

Table 14 – Norway Keywords

Observations

The reports reviewed revealed a lack of attention to advocacy, aid effectiveness, law (when concerned with business, finance, property), terrorism and rights (with an economic focus). As per all Western donors, colonialism is not conceptualised, in spite of it being a daily reality for Palestinians living under military occupation in the OPT. Likewise, the Norwegians basically do not reference the settlers and only mention settlements 15 times.

Yet the Norwegians appear in these reports to be very cognisant of the actual conditions in the OPT, referencing ‘occupation’ 116 times and ‘occupied’ 27 times in just the three reports. This is an astonishing level of awareness of the actual context of the OPT, especially when compared to other donor documentation contributed to this survey by Canada and the USA, as well as the IMF and even the World Bank. Further, the Norwegians appear very ready to recognise that Jerusalem is contested, making 76 references to it in the context of Palestinian rights in the city. Although aid effectiveness was rarely mentioned, there is an interesting use
of it in one report recognising how the international donor embargo on many types of projects in Hamas-governed Gaza contravenes the basic principles of aid effectiveness. It states:

By sidestepping Hamas when delivering humanitarian aid to Gaza, donors fail to observe the Paris principles for aid effectiveness that coordination should be Palestinian-led. Bypassing the local Hamas authorities also makes it impossible to assess compliance with the principles for aid effectiveness.\(^{394}\)

Although the Norwegians were ready to discuss accountability in 77 instances, these were largely arguments for greater PA accountability and transparency, and not of donors to the Palestinians. Quite apart from other donors analysed in this study, Norway does not deviate from its stated intent to foster the growth of liberal democracy in the OPT. It refers to democracy or democratic a remarkable 329 times in just the three reports. Norway also clearly links human rights to good democratic governance, and this is reflected in how they mention human-centric rights 214 times.

While the reports do pay heed to Israeli security (referenced in 3 instances), Norway shows a concern almost unique among donors for Palestinian security from violence, which is referenced 37 times. This is a near inversion of the World Bank reports, which were much more likely to mention Israeli security. Meanwhile, in the 48 instances where security was used in the Norwegian reports without clearly referencing one national group, Norway betrays an impression that this conceptualisation of security is not just security from Palestinian violence (as in American reporting) but also Palestinian security from violence. That also seems to be why terrorism is only mentioned once in the 3 reports surveyed, and in this instance it is a reference to an early classification that the US and Israel applied to the PLO.

1964: PLO established in East Jerusalem, as an umbrella or the different resistance groups. Fatah has led PLO since 1969. Considered a terrorist organization by US and Israel until 1991.\(^{395}\)

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\(^{395}\) Skjæveland and Bauck, ‘Assessment of Norwegian Support to Democratization and Strengthened Political Legitimacy in Palestine’, 107.
Even when Israeli security was mentioned, in one of these instances the Norwegians made sure to also reference Palestinian security, by providing an analytical description of what low levels of political legitimacy mean for an undemocratic PA unable to provide security from violence. A report stated:

The Palestinian political system has weak legitimacy due to low levels of performance legitimacy related to ending the occupation and providing security, low levels of democratic legitimacy, encompassing weak democratic processes for Palestinians in Palestine and almost non-existent for Palestinians living outside Palestine, and weak international legitimacy. Low levels of political legitimacy also relate to security coordination with Israel and perceptions of the Palestinian Authority (PA) supplanting Israel’s obligations under the Geneva Conventions, and the political split between Palestinian factions and their shortcoming of a unified strategy to end occupation.396

Key Takeaways

Norway is a key sponsor of Palestinian democratic state building and this is sincerely reflected in the documentation analysed in this study. Norway exemplifies a general trend in which European donors are much more sensitive to actual conditions in the OPT, as compared to the IFIs, Canada and the US. While the keyword ‘settlements’ does not appear as often as other keywords in the 3 reports analysed, the occasions when it is deployed clearly describe how they undermine the Oslo Process:

The continued expansion of settlements, the barrier and continued Israeli presence in the West Bank means that Palestinian statehood is dependent on Israeli action.397

Norway was also very clear in describing how Israeli settlement building and the occupation upsets Palestinian state building and daily life, while undermining the entire Peace Process: It states:

Israel is dividing up the territory through settler activity and the infrastructure that supports it, and it retains control over internal security, external borders, airspace, trade and macro-economic issues, livelihoods, health care and a range of other vital

396 Skjæveland and Bauck, 4.
397 Skjæveland and Bauck, 56.
issues. The territorial fragmentation of Palestine, with the West Bank being carved into small, disconnected enclaves, and with an almost total separation between West Bank, East-Jerusalem and Gaza, has severely weakened the central authority of the PA. In addition to the Israeli occupation and the closure regime, Palestine’s actual geographical split between the West Bank and Gaza also poses an extra challenge on Palestinians' authority over their own land, as they are dependent on access through Israel to connect the West Bank and Gaza.  

Those excerpts further reveal an understanding of the disproportionate power held by the Israelis over the Palestinians in their position as the occupying power, and thus the power Israel has over determining if peace can take hold.

The reports also reveal an effort to look critically at the performance legitimacy of the PA among Palestinians, and to at least take into consideration the problems that may arise from donors working primarily through a limited circle of Palestinian elites, rather than the population at large.

The legitimacy of PLO, PA and its institutions is, on a general level, assessed to have been, and to be strong among a small, influential ruling elite of elected and non-elected officials whose power, status and personal wealth depend on their position in the bureaucracy or executive. Their views on legitimacy have then probably also been influenced by their ability to access state resources that can be redistributed through clientelistic networks.

By contrast, the PA is assessed to have weak legitimacy among the population at large who benefit less from the political order. A fundamental problem may thus be that political and economic elites may have little interest in building more effective and legitimate state capacity, and indeed have personal interests in undermining it. However, even though some of the Palestinian elite might prefer status quo, we assess that the majority of the elite is genuinely interested in developing and liberating Palestine from occupation.

398 Skjæveland and Bauck, 21.

399 Skjæveland and Bauck, 24.
Further, even though the Norwegians primarily explore accountability within the context of PA democratic governance, and not of the donors to the stakeholders, this is not without merit for a donor like Norway that appears to be committed to fostering democratic governance:

Palestinian public administration and reporting systems are important for accountability as they facilitate power holders’ ability to take responsibility for their obligations as well as providing important information to the public, which makes it possible to keep the power holders accountable.\textsuperscript{400}

Unlike many other leading Western donors, the Norwegians are not only cognisant of how a lack of democracy adversely affects the legitimacy of the PA and Oslo Process, but of the relationship a state has with violence and how a monopoly over violence over a specified territory defines a state itself:

Recalling Max Weber’s definition of a state as an organization deploying a legitimate monopoly of violence over a defined territory, we should not forget that many of today’s Western liberal democratic states have come about by the use of violence and armed struggle.\textsuperscript{401}

That raises questions as to the extent a Palestinian state can really exist under Israeli military occupation. It also serves as a reminder that when measuring the Palestinian performance, Western liberal states should be cognisant of their own historical use of violence in building their own democracies.

Meanwhile, the Norwegians display an awareness in these reports of the financial dependence of the PA on outside governments, notably Israel, thereby limiting what the PA can do. Two observers note:

In the economic domain, PA does not control their most important source of revenue, which is the tax and customs clearance revenue collected by Israel on behalf of the Palestinian Authority. These revenues account for about 60 to 70 per cent of total Palestinian revenue.\textsuperscript{402}

\textsuperscript{400} Skjæveland and Bauck, 34.

\textsuperscript{401} Skjæveland and Bauck, 21.

\textsuperscript{402} Skjæveland and Bauck, 25.
The reports also note how the occupation and territorial fragmentation weaken the PA:

The Israeli occupation and the territorial fragmentation have severely weakened the central authority and capacity of the PA, which is decreasing PA’s ability to deliver security and social services to its citizens. This in turn is affecting peoples’ perceptions of PA’s performance legitimacy.  

This is all part of a genuine effort in the Norwegian reporting to try to consider the occupation from the perspective of the Palestinians. It is noted:

As long as the occupation continues, PA is by many Palestinians perceived as an administrator of the occupation. PA is seen as doing Israel’s job in managing the occupation, and as well paying for it with Palestinian tax revenues and foreign aid. Some interlocutors also continued the argument by pointing to Israeli obligations under international law as an occupying power, to pay for security and social services in the occupied territories. By establishing PA, PA is perceived as relieving Israel from huge expenses. This makes it “the cheapest occupation in history” and reduces Israeli incentives for ending or easing the occupation, as it is not seen as financially or politically costly enough. Following this argument, the sheer existence of PA is seen as slowing down and even preventing the end of the occupation. Some interlocutors therefore argued that PA should be abolished altogether to put pressure on Israel to pay for the occupation and increase incentives for ending it.

This degree of empathy and awareness stands out among the Western donor analysis of the Palestinians covered in this study. For this same reason, the Norwegians seem willing to consider violence to be a problem suffered by the Palestinians, as much as Israelis.

Meanwhile, the Norwegians were also willing to point out a concerning trend in which PA security forces use torture against Palestinians. This is important to note because donors have, since the Second Intifada, prioritised the training of Palestinian security forces, with considerable funding largesse being committed to this end. Likewise, the Norwegians in these reports noted that Palestinians criticise high spending by the PA on the security sector:

403 Skjæveland and Bauck, 48.
404 Skjæveland and Bauck, 18.
405 Skjæveland and Bauck, 49.
Interlocutors also criticized PA for the high public spending on security services. PA’s expenditure for security and public order was the single biggest expense for PA in 2014, both in terms of “wages and salaries”, “social contributions” and “use of goods and services”. 406

A desire by Palestinians to reduce spending on security forces at the PA contrasts markedly with calls by the IFIs who often instead focus on the need for ‘pension reform’, or reductions in existing financial commitments. Further, the Norwegian reporting highlights what impact these concerns have on Palestinians, being exacerbated in turn by wider perceptions of security coordination taking place between the PA and Israel. It observes:

In general, PA has low performance legitimacy. It is especially low regarding security, which also relates to the security coordination between PA and Israel. 407

Ultimately, a small number of Norwegian reports exhibit stronger analysis with richer contextual information, thereby considerably outstripping a larger number of combined reports produced by the North American-based donors.

Further Research

Norway is one of the most important donor-actors in the OPT and the Oslo Peace Process. It would very much be worth researching and carrying out further analysis of Norwegian documentation, going back to the early 1990s, to get a better sense of their perceptions and how these impact on their policy. That includes conducting historical research on Norwegian official websites, while bearing in mind that gaps can emerge between official statements online and analysis in a donor’s reporting, as was very apparent in the Canadian case study. Likewise, it would be worth carrying out further interviews with Norwegian officials to stitch together the story of Norway’s perceptions of, and historical involvement with, Israel, Palestine and the Oslo Process.

Finally, while the key takeaways may present Norway in a more flattering way than most other donors listed in this report, it could be argued that Norway may, in some ways, effectively be supporting the Israeli occupation of the OPT. Pace argues that in spite of what on the surface

406 Skjæveland and Bauck, 49.
407 Skjæveland and Bauck, 54.
may appear to be an ambiguous strategy of balancing relations between Israel and the OPT, Norway’s policies continue to enhance and deepen relations with the occupying power.\textsuperscript{408} Pace further observes that a damning 2012 report \textit{Dangerous Liaisons – Norwegian ties to the Israeli occupation},\textsuperscript{409} exposes Norwegian authorities (including municipalities) and companies (through financial investments and trade) to be complicit in activities that contribute to Israel’s violations of international law and human rights abuses in the OPT.\textsuperscript{410} It was further followed by a 2016 report \textit{Dangerous Liaisons II: Norwegian ties to the Israeli Occupation} that further elaborated Norwegian ties to the occupation.\textsuperscript{411}

List of Norwegian Reports Analysed

2. Assessment of Norwegian Support to Democratization and Strengthened Political Legitimacy in Palestine, NORAD, 2015 November

\textsuperscript{408} Pace, ‘Norway’s Ambiguous Approach towards Israel and Palestine’, 65.


\textsuperscript{410} Pace, ‘Norway's Ambiguous Approach towards Israel and Palestine’, 71.

European Union

The EU is the biggest Western donor to Palestinians,\textsuperscript{412} and has sought to build up the PA’s institutions for a future ‘democratic, independent and viable Palestinian State living side-by-side with Israel in peace and security’.\textsuperscript{413} EU aid, excluding the bilateral aid pledged by its member states, totalled €5,964 billion from 2000 to 2015.\textsuperscript{414} Some €4.457 billion has been provided after 2006, accounting for 75% of EU aid since 2000. Between 2000 and 2015, 43% of aid from EU institutions took the form of direct budget support to the PA, with 31% going to UNRWA and 10% to humanitarian aid.\textsuperscript{415} Meanwhile, according to EU data, 40% of overall funding to the PA was committed by the EU and European countries in the period 2012-14.\textsuperscript{416} From 2012 to 2016 EU aid to the Palestinians amounted to $1.978 billion according to OECD data.\textsuperscript{417}

Differences exist between the EU and US approaches to Oslo aid, particularly because the EU is not as close an ally of Israel as the US.\textsuperscript{418} The EU is much more likely than the US to reference international law when dealing with the Israeli-Palestinian conflict, and the EU tends to be much less involved than the US on security issues. While the US has negotiated its aid programme for the Palestinians through Israel, the EU has not; and while the EU has supported the PA with direct budgetary assistance, the US has only done so only in exceptional circumstances due to Congressional restrictions. As a result of EU support for the PA from 2008 to 2012 the average number of civil servants and pensioners whose salaries

\begin{footnotesize}
\begin{itemize}
\item[\textsuperscript{413}] EEAS, ‘Political and Economic Relations’.
\item[\textsuperscript{415}] Tartir and Wildeman, 131.
\item[\textsuperscript{416}] Tartir and Wildeman, 131.
\item[\textsuperscript{417}] OECD QWIDS concatenated, 2012 to 2016 [Dataset], ‘EU Institutions ODA Disbursements to the West Bank and Gaza’.
\item[\textsuperscript{418}] Le More, ‘Killing with Kindness’, 997.
\end{itemize}
\end{footnotesize}
were at least partly paid by the EU rose from 75,502 to 84,320, approximately half the PA’s 170,000 civil servants and pensioners (2014 figures).\footnote{Hackl, ‘Analysis’.
}

\begin{table}
\centering
\begin{tabular}{|l|l|l|l|l|}
\hline
\hline
EU Institutions Foreign Aid to the West Bank & 315.72 & 357.89 & 481.26 & 406.26 & 417.04 \\
Bank & & & & & \\
& Gaza in $ million, 2012 – 2016, & & & & \\
OECD Data & & & & & \\
\hline
\end{tabular}
\caption{EU Institutions Aid to the OPT from 2012 to 2016, in $million in 2018 May values.\footnote{OECD QWIDS concatenated, 2012 to 2016 [Dataset], ‘EU Institutions ODA Disbursements to the West Bank and Gaza’.}
}\end{table}

The EU is a complex entity that represents 28-member state governments, including the UK. These governments are in turn represented throughout the multiplex of 28 different Cabinets.\footnote{Publications Office of the European Union, ‘EU Whoiswho’, EU - Europa, EU Whoiswho, accessed 12 May 2018, http://whoiswho.europa.eu/.
} and the Cabinet for ‘International Cooperation and Development’, which is tied to the Directorate-General for International Cooperation and Development (DG DEVCO). The European Council (EC) meanwhile gives and sets the terms of mission mandates.

\begin{quote}
\fourfootnotes
\end{quote}
Statements

According to the 'The Office of the European Union Representative (West Bank and Gaza Strip, UNRWA)'

The European Union (EU) has a long-standing commitment to the vision of an independent and sovereign state of Palestine, living side by side with Israel in peace and security. The EU and the Palestinian Authority (PA) enjoy a strong partnership guided by the principles of mutual accountability, transparency and deep democracy that are essential to the establishment of a future democratic Palestinian state.423

Further, it states that:

The European Union (EU) works with the Palestinian Authority (PA) to build up the institutions of a future democratic, independent and viable Palestinian State living side-by-side with Israel in peace and security.

The EU is active in the Middle East Peace Process and is a member of the Middle East Quartet (with the United States, Russia and the United Nations), working towards a two-state solution based on the 2003 Roadmap for Peace. These efforts are regularly debated by the EU Council of Ministers.424

Finally, the same source observes:

The EU is the most important donor for the Palestinian people, and a reliable and predictable partner. It is present at all levels of Palestinian life, from supporting the establishment of the future Palestinian State and building new infrastructure across Palestine to supporting Palestinian civil society.425

A pretty useful breakdown of EU funding to the Palestinians is then offered by the Office, including technical and financial cooperation, trade, humanitarian assistance and joint programming. There it describes actions such as providing support for major reform and


424 EEAS.

425 EEAS.
development programmes in key ministries to help prepare the Palestinians for statehood, and working with Israel and other Southern Mediterranean partners to improve Palestinian access to international markets.\footnote{EEAS.} It mentions that:

> Despite the very specific situation of Palestine – an overcrowded, fragmented and highly politicised context – the Office of the European Union Representative (EUREP) and Member States (EU MS) have worked towards an EU Joint Programming (EU JP) in Palestine since 2011. An EU/MS Division of Labour and an EU JP Roadmap were developed in respectively 2011 and 2012, and have been regularly updated since then. In October 2013, two like-minded countries (Norway and Switzerland) joined the process and joint work.

EU JP has been understood by European development partners in Palestine in its two dimensions: aid effectiveness (how to improve the efficiency and effectiveness of the considerable EU/MS financial effort in Palestine) and political dimension (affirm and defend the shared vision of European actors in Palestine and ensure the convergence between the development work and the political objectives of the EU).\footnote{EEAS.}

It is also worth noting how it states that:

> While European's development partners recognise the geographical disparities and challenges related to them, Palestine is treated as “one” in the Strategy, as to ensure that the geographical fragmentation is not further reinforced.\footnote{EEAS.}

The EU channels its humanitarian aid through institutions such as UNRWA, the UN Office for the Coordination of Humanitarian Affairs (OCHA) and the European Commission’s humanitarian aid department (ECHO). ECHO works with many active partners in Palestine, including United Nations agencies, the Red Cross/Red Crescent movement and international non-governmental organisations. ECHO also finances humanitarian programmes that benefit Palestinian refugees living in Jordan, Lebanon and Syria.\footnote{EEAS.} As ECHO describes:

\footnote{EEAS.}
The 50 year-long crisis has caused a deteriorating humanitarian situation, with Palestinian communities in the West Bank suffering from a host of problems, including the restriction on movement of people and goods, home demolitions, land seizure, settler violence, and a denial of basic services. In Gaza, recurrent clashes, the blockade, three wars in the last ten years, and - to an extent - the intra-Palestinian divide have resulted in continual deterioration of the humanitarian situation, with damaged infrastructure, crippling unemployment, access restrictions, and crumbling healthcare and other critical services.\footnote{European Civil Protection and Humanitarian Aid Operations, ‘Palestine - European Civil Protection and Humanitarian Aid Operations - European Commission’, EU Government, European Civil Protection and Humanitarian Aid Operations, accessed 17 May 2018, \url{https://ec.europa.eu/echo/where/middle-east/palestine_en}.}

**EU Document Analysis**

EU Financial Assistance to Palestinians is equally complex because it is delivered through a variety of organisations and institutions to Palestinians inside and outside the OPT for humanitarian objectives, along with those that relate to development and international security.\footnote{Directorate General for Internal Policies, ‘EU Financial Assistance to the Occupied Palestinian Territory’ (Policy Department on Budgetary Affairs, European Union, 2010), 2, \url{http://www.europarl.europa.eu/meetdocs/2009_2014/documents/budg/dv/2010_fayyad_eu_financial_assistance_/2010_fayyad_eu_financial_assistance_en.pdf}.} As with everything EU, the decision-making structures for Palestinian aid are complex. In theory the Delegation in Palestine proposes something, which is then validated by DG Devco and the EEAS before going to the entire Commission and then the Member States for approval. At any stage a proposal can be changed.

Although reports presented at the AHLC are important and feed into discussions of Palestinian aid at the EU, there are so many reports and policy briefs that it is impossible to say which is the most important. As interviewee G2 said, the AHLC meetings are a useful exercise where the World Bank is an important source of information, but the Bank does not necessarily have a strong influence on the EU, because there are many sources the EU looks at. This reflected a broader consensus among EU interviewees that the Bank is not invaluable to their decision-making, in contrast to the Canadians and the United States.

In contrast to interviewee C4’s best intentions, some EU interviewees noted that since Trump was elected in 2016 both Israel and the US stopped referring to the Oslo Accords and the
Occupation – the interviewee noted that, in contrast, Trump’s election had not affected the EU’s approach to Israel and Palestine.

For the purposes of this subsection, there were 2 reports from 2011 to 2015 analysed with a median page length of 99.5 and 199 pages in total.

<table>
<thead>
<tr>
<th>Term</th>
<th>Mentions</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Advocacy</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Accounta-(ble, bility)</td>
<td>141</td>
<td></td>
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<tr>
<td>Aid Effectiveness</td>
<td>14</td>
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<td>Colon-(y, isation, ial, ies)</td>
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<tr>
<td>Settler</td>
<td>8</td>
<td></td>
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<tr>
<td>Settlements</td>
<td>57</td>
<td></td>
</tr>
<tr>
<td>Democra-(cy, tic)</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>Jerusalem (contextually as Palestinian land)</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Justice</td>
<td>43</td>
<td></td>
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<tr>
<td>Occupation</td>
<td>72</td>
<td></td>
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<tr>
<td>Occupied</td>
<td>163</td>
<td></td>
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<tr>
<td>Law (not business, finance, property)</td>
<td>115</td>
<td></td>
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<tr>
<td>Law (business, finance, property)</td>
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<tr>
<td>Terror-(ism, ist)</td>
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<td></td>
</tr>
<tr>
<td>Security for Israel (including taking Israeli claims verbatim)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Security for Palestinians</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Security not clear</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Security for other states or actors</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Rights (human focused)</td>
<td>400</td>
<td>These keyword instances include references to 'Housing-Land-Property (HLP) rights' and 2 references to women's rights being limited by Sharia law</td>
</tr>
<tr>
<td>Rights (economic focused)</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

Table 16 – EU Keywords
Observations

As with other donors, omissions and infrequently used words tell a story on their own. In the case of the EU, these words-less-used tended to be for concepts that are probably least relevant to the primary issues undermining Palestinian daily lives. These are Law (business, finance, property), with 1 keyword use, Terror-(ism, ist), with 2 mentions, Security for Israel with 7 mentions, and 0 mentions of Security for other states or actors. This bears in mind that ‘terrorism’ is typically used by Western states to describe Palestinian violence towards Israelis, but not Israeli violence towards Palestinians. Meanwhile, as per the norm of Western donors, the EU does not refer to the concept of colonialism in Palestine.

However, even without referring to colonialism the two reports clearly identify and problematise the key issue that undermines Palestinian daily life, which is a result of settler colonialism, specifically Israeli settlements in the OPT. Although the settlers themselves are only mentioned 8 times, settlements are referenced 57 times. Meanwhile, ‘the occupation’ is referred to 72 times and ‘occupied’ 163 times. The word ‘occupied’ is even used on every page of the major 2014 survey of the EU’s cooperation with the Palestinian people. Nor is the question of Jerusalem quietly forgotten, as Jerusalem (in the context of it being Palestinian land) has 106 mentions. There is no denial of the actual condition of the OPT in these reports.

Further, the reports recognise advocacy 40 times, accounta-(ble, bility) 141 times and aid effectiveness 14 times. Here the keyword ‘accountability’ is used not just to reference donor obligations to the Palestinian stakeholders, but is used in other important ways too. For instance, one usage of advocacy establishes that all political actors should respect human rights:

There is a general need to promote a human rights approach, based on International Law, to make Israel, PA and Hamas accountable with regards to politically-motivated human rights violations as a way to be more effective in the daily life of Palestinians.  

Meanwhile, the relatively few references made to aid effectiveness include explicit references to the Paris Declaration. Even if not mentioned often, it is also not forgotten.


The EU displays an outward concern for Palestinian rights and for human security in the region. ‘Justice’ is referenced 43 times, ‘Law’ (not business, finance, property) 115 times, ‘Security for Palestinians’ 44 times, and ‘Rights’ (with a human focus) a remarkable 400 times. There is an obvious and strong emphasis on law concerning the human condition, and also a focus on IHL and international law that is unique among the reports of the major donors surveyed. That is mirrored by a concern for security for Palestinians from violence that not all donors share, and that concern includes abuses by the Palestinian security forces that countries like the US, Britain and Canada have invested significant resources into training and equipping. The EU observes:

Yet within the span of PA control, various human rights violations, for example regarding freedom of expression and assembly, denote an overall diminution of democratic space. PA security incidents included repression of freedom of expression as witnessed in June 2012 and July 2013 in Ramallah. Press reports also document numerous human rights violations by Hamas.434

The ‘Review of the EIDHR’ is especially unique among the reports surveyed in this study, because it mentions Palestinian rights 299 times in just 55 pages. Although security is not specified for a specific national or ethnic group in 61 instances, the EU focus on human security suggests no specific bias in favour of any one group of people over another.

The EU reports also go into detail as to how Israeli security policies undermine the Palestinian economy and state building processes, which de jure are meant to sustain Oslo peacebuilding. They also betray a view that Palestinian violence is not necessarily the primary issue undermining peace in the region. For instance, there are just 2 references to terrorism, 1 of which was a reference to conditionality in USAID's programming,

Palestinian CSOs willing to receive USAID funding must sign an anti-terrorism statement. Human rights, as such, cannot be object of any project supported by USAID as it is considered a political issue; nevertheless, it has a special programme to promote Rule of Law within the PA.435


Nor do the EU reports in any way neglect the original goals of the OPT state building mission, referencing Democra-(cy, tic) 141 times. They also do not shy away from describing serious problems in the donor funded state building process in the OPT. For instance, the EU reports highlight the weakness of PA security forces and the impunity with which Israeli forces operate in Palestinian territories. One states:

PA security forces depend largely on Israeli security for most operations, while Israeli forces operate everywhere with impunity and without any Palestinian oversight. Palestinians in Areas B and C lack access to security and justice owing to Israeli movement restrictions and complex, opaque permit requirements.\textsuperscript{436}

This also establishes how artificial the OPT’s borders are, how little those borders are respected and to what extent PA sovereignty is absent under Israeli rule. The reports include honest appraisals of the weak and fragmented governance structure Palestinians live under. One report states:

Thus, the Palestinian context presents essentially four different authorities [Israel, UNRWA, the PA and Hamas] responsible for various governmental functions, each with particular territorial and functional mandates, but often overlapping in authority, function and geography with unclear boundaries.

Accountability mechanisms for all four of these authorities to the Palestinian people are very weak or non-existent. Neither Israel nor UNRWA is directly accountable to Palestinians. To some extent the PA is accountable to donors for budget formulation and execution and associated governance measures, to Israel for security, and to Fatah politically. But Fatah lost the last and only national election in 2006. In the absence of fresh elections and a functioning legislature since 2006, there are virtually no tools for democratic governance, transparency or accountability for Hamas or the PA in relation to the Palestinian people.\textsuperscript{437}


\textsuperscript{437} Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 33.
In referring to instances where the PA is in power, EU reporting points out just how weak the PA is and the extent to which it depends on both Israel and the donors for mere operational survival. It states:

In assessing the development effectiveness of EU Cooperation with Palestine and support for Palestinians, a pre-eminent consideration is the limited span of control and current legitimacy of the PA, the EU’s strategic choice as primary partner for the Cooperation. Even in Area A the PA lacks the most rudimentary attributes of a national government. It does not have a monopoly of force in Area A. Its legal and institutional capacity to mobilize and allocate resources and provide security, justice and basic services is uncertain at any one time, limited by geographic fragmentation, external financial support and relations with Israel. Its fiscal position is largely dependent on the reliability of donors and Israel’s transfer of border revenues it collects on behalf of the PA (about 65% of PA revenue in 2012). The PA’s ability to design and implement policies and programmes are much more circumscribed than other EU governmental partners, always contingent on political processes, donor dependency and restricted movement and resource access.438

Key Takeaways

What stands out in the EU reporting is a concern for the Palestinian state building project and Palestinian lives, as compared to donors like Canada and the US who look first at the Israel-Palestine context through the lens of Israeli security concerns. The EU reports were also willing to contextualise how Israeli security policies are among the primary factors contributing to OPT poverty and human rights abuses.

What is also interesting is that one of the reports was written by a team headed by Joseph Saba, a former World Bank Country Director for the World Bank’s West Bank and Gaza program, who served between 1997 and 2001; it is particularly instructive to note the incredible differences between what his team produced for the EU in 2014 and the reports the World Bank produces. This raises questions as to what extent institutional cultures help or hinder specific donors’ analyses. Whatever the reason, just 2 EU reports (199 pages) better reflect Palestinian needs and priorities than the 19 World Bank (729 pages) and 16 IMF reports (587 __________

reviewed in this study, in addition to all the combined Canadian and US reports. It raises questions such as if it is reasonable for the EU to foot the bill of failed development caused by Israeli occupation and security policies. It is noted that:

UNWRA provides food assistance to some 830,000 in Gaza. Prior to the “blockade” of Gaza by Israel, it provided assistance to about 100,000. It was deemed necessary to provide assistance to an additional 700,000 Gazans as a direct result of the Israeli blockade. This provides a stark illustration of the political reality in Palestine discussed in the EQs above. Israel takes an action, it causes hardship to the Palestinian population, and the EU and donors pay to take the necessary remedial action -- in this case cash and food. It can be argued that the Israeli action is necessary on “security” grounds but it is fair to ask whether it is reasonable for European taxpayers to foot the bill.439

In addition to highlighting the poor state of PA governance, the report also questions if the stark deficiencies of the PA security forces bring into question continued funding. If there is no peace, then this also raises the question of why funding should continue. This question is openly asked: if there is no peace agreement in the near future, how long will the EU continue to pay for an excessively large civil service and for survival of the PA? There is a need for serious civil service reform including a salary review (the private sector used to be paid more than the Government sector, but this is no longer the case). Currently 35% of the wage bill goes to the security forces, representing 39% of PA employees. Is this level necessary and affordable?440

Bluntly, the 2014 survey asks if the donors should pay for the cost of occupation:

The EU developed a food security strategy in 2003. It would be useful to revisit and update this strategy. The number of food-insecure jumped to 700,000 following Israel’s blockade of Gaza. The EU appropriately stepped in to ameliorate the situation but this


440 Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 111.
raises the question of EU and other donors paying for the cost of actions by Israel in relation to the cost of occupation.\textsuperscript{441}

What is interesting is the extent to which at least one report is willing to reflect on the failure of donors themselves. This is quite uncommon:

In a review of almost all the programming documents and the ROM [Result Oriented Monitoring] and also during discussions between EUREP [Office of the EU Representative or EU Delegation] and PA officials, the adverse consequences of Israeli occupation and security measures on development assistance projects were noted, especially those in infrastructure, water, private sector and trade. Even so, by 2013, after many years of noting the risks and consequences, it is surprising that the programming documents, other than highlighting the binding constraints, do not address risk and mitigation measures more systematically. After almost twenty years of operating within the same risk framework with no appreciable progress, the project financing documents have come over time to exhibit a stasis, with little to no shift towards restructuring, calibrating and monitoring project development objectives to reflect the realities on the ground, including the triangular relationship of the EU, the PA and Israel. Indeed, the documents often tend to read as if the PA is sovereign or has a span of control greater than it has in reality, and that the Israeli action is somehow external. But in the unique context of Palestine, involving occupation, the Israeli role is not external but central to development assistance success. This anomaly, illustrated in EQs [Evaluation Question] 6-9 below, highlights an inherent incoherence in the Cooperation strategy at programme level.\textsuperscript{442}

Meanwhile, the evaluation points out that even if EU terminology has been at times direct in problematising the issues, concrete action does not necessarily follow:

Notwithstanding ardent declaratory policies, massive financial support, dialogue and deployment of other instruments, EU Cooperation had little demonstrable impact on the main obstacles to achieving the Two-State solution. The Evaluation collected abundant evidence that the goals of the EU have been seriously hampered by “binding constraints,” the most significant being the Israeli restrictions in relation to occupation

\textsuperscript{441} Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 18.

\textsuperscript{442} Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 51.
and allocation of resources for settlements, but also including Palestinian political divisions and an absence of democratic process. While these binding constraints have been highlighted in EU statements, the evaluation findings indicate that the EU has been neither willing nor able to address these constraints squarely, with an effective political response. While Member States have reached consensus on the Council Conclusions’ declaratory policies, they refrained from taking further practical steps, avoiding confrontational or adversarial measures with Israel and to a lesser extent with the PA.\footnote{Development Researchers’ Network, European Centre for Development Policy Management, and Ecorys Research and Consulting, 8.}

Further Research

The EU is a very complex political entity. Much more research could focus on locating and analysing the copious amount of reporting, and also website material, the EU produces on Israel, the Palestinians and the MEPP. It would be interesting then to compare these materials to EU member states’ individual reporting, along with those produced by other international donors. It is also worth noting the valuable contribution made by the 2014 July report, \textit{Evaluation of the European Union’s Cooperation with the occupied Palestinian territory and support to the Palestinian people}.

List of EU Reports Analysed

- Evaluation of the European Union’s Cooperation with the occupied Palestinian territory and support to the Palestinian people, 2014 July, Volume 1
The UK has a complicated colonial history with the Israelis and the Palestinians. After conquering historical Palestine from the Ottomans in World War I, the UK was the Imperial metropole that fostered Jewish European colonisation of Arab Palestinian lands. The UK did this until abandoning those territories with the rapid decline of the British Empire after World War II, leading to a 1947 UN partition vote and the violent expulsion of much of the Palestinians in 1948 from the lands the state of Israel would first be established on.\textsuperscript{444} From that initial colonisation through to the Suez Crisis of 1956, and post-Imperial Britain’s decline to one among a number of junior partners in the United States’ global alliance system, the UK has remained an active and influential regional actor engaged with both the Israelis and the Palestinians.

That engagement includes operating both on its own and through the EU and other multilateral agencies. Within the EU, the DFID has played an important role that includes helping set up development monitoring mechanisms for the OPT. The UK is also one of the most significant donors to the Palestinians, particularly since the Second Intifada. Using the OECD QWIDS system, the UK is shown to have given $1.056 billion during the period from 1993 to 2016.\textsuperscript{445}

\begin{center}
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2005 & 23.52 & 35.09 & 22.45 & 68.18 & 94.88 & 97.63 & 121.11 & 67.96 & 108.63 & 137.24 & 78.58 & 30.67 \\
\hline
\end{tabular}
\end{center}


Table 17 – UK Aid to the OPT from 1993 to 2016, in $million in 2018 May values.\textsuperscript{446}

As described in a previous report co-authored by this researcher for Aid Watch Palestine, DFID provided approximately £155 million in direct financial assistance to the PA between 2011 and 2016.\textsuperscript{447} DFID also provided technical assistance to the PA, which was meant to improve financial management, increase revenues and promote a more efficient public administration. This technical assistance is provided through the Palestinian Governance Facility, amounting to £7.5 million from 2011-16. Between 2011 and 2016, DFID also provided almost £300 million to UNRWA, helping Palestinian refugees in the region to access essential services such as health and education.\textsuperscript{448}

**Statements**

According to the EU’s EEAS, the UK’s last years as a member of the EU have seen it assume a prominent role in the EU’s overall aid scheme for the OPT. The EEAS observes:

> Since the end of 2015, European development partners have been working on developing the first-ever European Joint Strategy, which is closely aligned to the new Palestinian National Policy Agenda (NPA) 2017-2022 and in line with the Sustainable Development Goals. This Strategy is locally-owned and is the result of extensive meetings and discussions amongst the European development partners, Palestinian ministries, civil society organisations, the business community, the United Nations (UN) family and many other key actors.

> The aim of the strategy is to maximise aid coordination and aid effectiveness amongst EU Development Partners and reinforce our ability to address through development funding our objectives.

\textsuperscript{446} OECD QWIDS concatenated, 1993 to 2016 [Dataset].

\textsuperscript{447} Tartir and Wildeman, ‘Mapping of Donor Funding to The Occupied Palestinian Territories 2012 – 2014/15: Limited, Disorganized and Fragmented Aid Data Undermining Transparency, Accountability and Planning.’, 185.

\textsuperscript{448} Tartir and Wildeman, 185.
The EU's interventions will focus on the following five Pillars:

- **Pillar 1**: Governance reform, fiscal consolidation and policy (Pillar led by the EU, the **United Kingdom** and Denmark)
- **Pillar 2**: Rule of law, citizen safety and human rights (Pillar led by the **United Kingdom** and the Netherlands)
- **Pillar 3**: Sustainable service delivery (Pillar led by Finland/Belgium, Italy and the EU)
- **Pillar 4**: Access to self-sufficient water and energy services (Pillar led by Germany and France)
- **Pillar 5**: Sustainable economic development (Pillar led by Spain and the EU)\(^{449}\)

Meanwhile, the purpose of UK aid in the OPT is described on the UK aid Development Tracker website. It states:

DFID’s programme in the Occupied Palestinian Territories (OPTs) is supporting the UK’s Middle East Peace Process (MEPP) policy by building Palestinian institutions and promoting economic growth, so that any future state will be stable, prosperous, well run and an effective partner for peace with Israel. The OPTs are one of the poorest parts of the region with a GDP per capita of $1,679 in 2012. After several years of high growth, averaging 8% between 2007 and 2011, the Palestinian economy has slowed. Lack of meaningful progress in the MEPP and continuing movement and access restrictions have dampened private sector investment. The situation in Gaza is particularly concerning with the economy shrinking by 17% in the 6 years to 2011. A quarter of Palestinians are currently unemployed and only 15% of women are in the labour force.\(^{450}\)

It lists the UK’s top priorities as,

\(^{449}\) EEAS, ‘West Bank and Gaza Strip, UNRWA and the EU’.

• helping the Palestinian Authority to build strong institutions and enable them to deliver essential services including policing, health and education
• promoting private sector growth to stimulate the economy and create jobs
• providing humanitarian assistance and support to the vulnerable.

Regarding the status of Palestinian territories, the UK government has stated:

The West Bank and Gaza were invaded by Israel in 1967, and are collectively known as the Occupied Palestinian Territories. Prior to the Israeli invasion, the West Bank was part of Jordan, whilst Gaza was part of Egypt. Both areas remained under full Israeli control until the mid-1990s, when the Palestinian Authority (PA) was created. The PA controls some areas of the OPTs, but other areas remain under Israeli control. Many in the international community, including the Foreign & Commonwealth Office, still regard the territories as “occupied” in their entirety because Israel retains control of their borders. Many Israeli citizens have moved into the OPTs, living in purpose-built Israeli settlements. The Fourth Geneva Convention prohibits this practice, though Israel argues that it is not applicable in the OPTs.

UK Document Analysis

For the purposes of this subsection on the UK, this study took into consideration 4 reports from 2011 to 2015 with a median page length of 9 and 32 pages in total. Of note, one document reviewed was a detailed press release for a report on human rights and democracy.

<table>
<thead>
<tr>
<th>Term</th>
<th>Mentions</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Accountability</td>
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<td>The UK reports largely did not seem to mean the accountability of the donors to the stakeholders, but of the PA to others</td>
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451 DFID.

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<tr>
<td>Justice</td>
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<td>Rights (human focused)</td>
<td>49</td>
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<tr>
<td>Rights (economic focused)</td>
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*Table 18 – UK Keywords*

**Observations**

In the documents analysed, the UK does not refer to advocacy, aid effectiveness, colonisation, law (business, finance, property), security for other states or actors, or rights with an economic focus. Meanwhile, democra-(cy, tic), security for Israel and security for Palestinians are only mentioned 1 time each. Terror-(ism, ist) was referred to 3 times.

Accounta-(ble, bility) was referred to 23 times. Here though the concern seems to relate more to the theoretical accountability of the PA to Palestinian citizens and the donors, and there is no mention of donor accountability to the PA. It is stated:

There is at least one reference to mutual accountability:

We will help the PA build on their own accountability to citizens through our future programme of assistance on public financial management, as well as our security and justice support (which includes support for a complaints mechanism and an inspectorate general). At a strategic level, our relationship with the PA will be governed through our MoU which includes specific commitments on transparency, as well as predictable support and mutual accountability.\footnote{DFID, ‘Operational Plan 2011-2015 DFID Palestinian Programme’ (UK government, July 2011), 12.}

It is worth bearing in mind here the significant role the UK seems to have played in developing PA institutions for governance, and this underlines the importance the UK attributes to this task.

The UK leaves no doubt that the OPT is under occupation. In the four documents analysed, the keyword ‘occupation’ was mentioned 7 times and the keyword ‘occupied’ 11 times. Though the UK does not take colonisation into account conceptually, it does refer to ‘settlers’ 12 times and ‘settlements’ 17 times. Further, the discussion of settlers includes violence inflicted on Palestinians. It is observed:

There was a rise in violent attacks and intimidation by extremists among the Israeli settler population against Palestinians and Israeli Arabs and their property in 2012. There was also an increase in the number of “price tag” attacks (a reaction by some extremist settlers to Israeli government policies that they see as being against their interests). These included violence towards Palestinian civilians, vandalism of the Latrun Monastery and an arson attack on a mosque. The UN also reported the destruction of 7,500 olive trees by Israeli settlers. The UK Government continues to
urge the Israeli authorities to investigate thoroughly all instances of violence by extremist settlers and to bring those guilty of such acts to trial.\textsuperscript{455}

And:

New West Bank settlement construction in 2013, and attacks by Jewish settlers on Palestinian individuals and property continued.\textsuperscript{456}

Meanwhile, the 2015 report \textit{Israel and the Occupied Palestinian Territories - Country of Concern} is highly critical of settlements, being among the most critical of any of the near-80 reports reviewed in this survey:

The UK remained deeply concerned about the Israeli policy of settlement-building in the West Bank. The UK considers settlements illegal under international law. We also believe that their construction presents an obstacle to peace, and takes us further away from a two-state solution.\textsuperscript{457}

Further, Jerusalem (in the context of Palestinian land) was mentioned a total of 43 times in just 32 pages of reporting.

There are many references to rights and refugees, which is unique among the donors and their reports in this study. In the four UK reports there were references to ‘justice’ 12 times, ‘law’ (not business, finance, property) 23 times and ‘rights with a human focus’ 49 times. This included a willingness to critique Israeli security abuses. For instance, the one time that Israeli security was raised in the reports, this was as a critique of Israeli policies:

We believe that these restrictions damage the economy and living standards of ordinary people in Gaza without achieving Israel’s security objectives.\textsuperscript{458}

\textsuperscript{455} Foreign and Commonwealth Office, ‘Human Rights and Democracy Report 2012 - Israel and the OPTs’, 3.


\textsuperscript{457} Foreign and Commonwealth Office, ‘Israel and the Occupied Palestinian Territories - Country of Concern’, 7.

The willingness to critique Israeli occupation policies included Israel's use of administrative detention, which is regularly used to hold Palestinians without a trial:

We have long expressed concern about Israel's excessive use of administrative detention. Under international law, administrative detention should be used only as a preventative, rather than a punitive, measure and only in cases where security concerns make it absolutely necessary.459

And:

According to international law, administrative detention should only be used when security concerns makes this absolutely necessary, and as a preventive rather than a punitive measure.460

The UK reports were also willing to be highly critical of Israeli breaches of human rights law, though, as is common among donors, this criticism was 'balanced' with a critique of Hamas:

We remained seriously concerned about the human rights situation in Israel and the OPTs in 2014. Our principal concerns related to the Israeli government's violation of international human rights and humanitarian law in the context of Israel's occupation of the OPTs. And we continued to have concerns about serious human rights abuses by Hamas.461

Meanwhile, security as a general concept was mentioned 37 times and was therefore one of the top keywords searched in these reports.

Key Takeaways

Though a small sample relative to some of the other major donor reports in this survey, there are still a few notable takeaways. One is the willingness of the UK, particularly compared to its English-speaking allies in this survey, to mention the occupation and problematise Israeli settlements in the OPT. This is particularly notable when compared to the UKs former colony

459 Foreign and Commonwealth Office, 4.

460 Foreign and Commonwealth Office, 'Israel and the Occupied Palestinian Territories - Country of Concern', 4.

461 Foreign and Commonwealth Office, 3.
Canada, which seems to do its utmost to avoid any mention of the actual context of occupation and colonisation in the OPT or abuses carried out by the Israeli occupier.

What also stands out is the UK’s willingness to show concern for Palestinian rights. Its concern for these rights suggests that even if the UK often used the term security without mentioning a specific group in the conflict, this was done not just with Israeli security concerns in mind, but also Palestinian security from violence. Still, there remains an underlying adherence to the antiquated notion from the 1990s that Palestinian violence is a major driver of the conflict that needs to be blunted, in order for peace to take hold. This is seen in a reference to an MOU between DFID and the PA,

> It also emphasises the importance of Palestinian adherence to a political programme that uphold principles of non-violence, seeks a negotiated two state solution and respects international law, relevant resolutions, previous agreements and obligations.\(^{462}\)

**Further Research**

This is just a modest sample of UK documents and the UK has long been one of the key historical actors in the Israeli and Palestinian conflict. A great deal of further research could and should be carried out into the UK’s actions as a donor to the Palestinians, a point further reiterated by the important role it has played since the Second Intifada in the development of the PA’s core governance and security functions. This can be done by seeking out and reviewing more reports, and analysis of the many government statements on the conflict and occupation, which can be conducted through website analysis. Further, the UK is home to a vibrant sector of charities and international organisations involved in Palestinian development who would themselves be worth analysing. As always, interviews with officials would be intrinsic to understanding everything written and not written down.

**List of UK Reports Analysed**

- Operational Plan 2011-2015 DFID Palestinian Programme, July 2011

- Press Release, Human Rights and Democracy Report 2012 – Israel and the OPTs, 15 April 2013
- Operational Plan 2011-2016 DFID Palestinian Programme, Updated December 2014
- Israel and the Occupied Palestinian Territories - Country of Concern, 12 March 2015
Sweden

The Swedish government has actively engaged Palestinian issues in the UN, EU, and other international institutions. Further, Sweden has long been an advocate of Palestinian self-determination, and was one of the first European countries to endorse this idea in the early 1970’s. Just as Norway stands out as a rare donor willing to talk to Hamas, Sweden is unique as a Western donor willing to recognise Palestine as a state. When it did this in 2014, it was the first western European member of the EU to do so (Iceland is not a member of the EU). And, like Norway, Sweden is a smaller country punching above its weight in funding Palestinian aid.

Using the OECD QWIDS system, Sweden is shown to have given $0.982 billion from 1993 to 2016.

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<td>61.02</td>
<td>67.16</td>
<td>54.61</td>
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</table>

Table 19 – Swedish Aid to the OPT from 1993 to 2016, in $million in 2018 May values.

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466 OECD QWIDS concatenated, 1993 to 2016 [Dataset].
That Swedish funding has been crucial to keeping the PA’s structure alive.\textsuperscript{467} A previous research survey by Aid Watch Palestine noted, with reference to EU sources, that the top 5 European bilateral donors to the PA and Palestinians between 2012 and 2014 were: Germany ($378.9 million), the United Kingdom ($314.6 million), France ($195.5 million), Sweden ($195.4 million) and Denmark ($98.5 million).\textsuperscript{468}

\textbf{Statements}

When describing their aid work in the OPT, the Swedish government development agency Sida (Swedish International Development Cooperation Agency) iterates that the underlying aim of their spending is to fund the Peace Process, based on the original two-state solution initiated by the 1993 Oslo Accord. It states:

\begin{quote}
The work of Sweden and the EU in Palestine is based on a two-state solution to be negotiated by the two parties. The starting point are the borders from 1967 but today the peace process is at a stalemate. Whenever there has been progress it has soon been followed by setbacks.\textsuperscript{469}
\end{quote}

And:

\begin{quote}
The objective of Sweden’s development cooperation in Palestine is for Palestine to become a stable democratic state with freedom of religion, respect for human rights and gender equality. Our focus areas are democracy and human rights, environment and climate, and private sector development. One precondition for the achievement of these goals is progress in the peace process and for Israel to ease its policy of occupation.\textsuperscript{470}
\end{quote}

\footnotesize
\textsuperscript{467} Badarin, ‘States Recognition in Foreign Policy: The Case of Sweden’s Recognition of Palestine’, 13.

\textsuperscript{468} Tartir and Wildeman, ‘Mapping of Donor Funding to The Occupied Palestinian Territories 2012 – 2014/15: Limited, Disorganized and Fragmented Aid Data Undermining Transparency, Accountability and Planning.’, 131.


\textsuperscript{470} Sida.
Sida is though cognisant of the failure of the Peace Process to date:

The conflict between Israel and Palestine has lasted for more than 60 years and today the positions are locked in the peace process. The Israeli occupation and the recurring Gaza wars have turned disaster into a normal state for many Palestinians and dependence on foreign aid is high.\footnote{Sida, ‘Developments in the West Bank and Gaza’.

And the failings of the aid process more generally:

Palestine has become increasingly dependent on development assistance in recent years. The blockade of Gaza and the isolation of West Bank areas are hampering the development of agriculture and trade, as well as efforts to provide access to water, and even making it difficult to provide development assistance. \footnote{Sida, ‘Our Work in the West Bank and Gaza’.

This includes a recognition of how the occupation and aid dependence are undermining the very state building process donors like Sweden are officially supporting:

The weak economy of the Palestinian Authority and the high dependence on foreign aid are factors that hamper state-building. In addition, the restrictions imposed by the Israeli occupation make development cooperation even more expensive and difficult. \footnote{Sida, ‘Developments in the West Bank and Gaza’.

Sida is also ready to highlight the human rights problems faced by Palestinians living in Area C, the most exposed area of the West Bank:

Destruction of Palestinian property and [the] violation of Palestinian rights in violation of international law are common. Thousands of Palestinians have left the areas and today only about 150,000 Palestinians remain in the most exposed of the occupied territories. \footnote{Sida.

Sweden stands out among the donors surveyed in this study for its level of discomfort with the status quo in the OPT, and its willingness to take what might – by the standards of Western donors – be considered ‘radical’ actions. This is best exemplified by the more recent

\footnote{Sida.}
Palestinian bid for statehood led by the Fatah-PA under Mahmoud Abbas. While some influential members of the AHLC chose to threaten and punish the Palestinians for forging ahead with a bid for statehood, Sweden was endorsing the Palestinian action and made it clear that it was committed to sustaining existing levels of Palestinian funding:

In January 2013, the center-right government directed Sida (the Swedish International Development Cooperation Agency) to formulate a framework for Swedish development activates in the OPT. In May, Sida proposed a five-year DS 2015–2019 (approximately USD 180 million, 1500 million Swedish Kronor) in the OPT. In October 2014, the same date the intent of recognition was declared, the red-green government approved the proposal and entrusted Sida to implement it.475

When recognising Palestine as a state in 2014 the Swedish government stated:

“The purpose of Sweden’s recognition is to contribute to a future in which Israel and Palestine can live side by side in peace and security. We want to contribute to creating more hope and belief in the future among young Palestinians and Israelis who might otherwise run the risk of believing that there is no alternative to the current situation,” says Minister for Foreign Affairs Margot Wallström (Social Democratic Party).476

And added:

“Sweden’s contribution aims among other things to make it easier for Palestinians to support themselves and to continue living where they are, to strengthen women’s empowerment and strengthen resilience to environmental and climate changes. This increased assistance means support to all moderate and non-violent forces in Palestine promoting democracy, human rights and gender equality,” says Minister for International Development Cooperation Isabella Lövin (Green Party).477


477 Regeringskansliet.
This starkly contrasts with countries like Canada and the United States who stridently opposed the Palestinian move with threats and cuts to funding.\footnote{Associated Press, ‘Palestinian Proposal to Raise Flag at UN Easily Passes; Canada Opposes’, 

As a result of pushback by Israel against the recognition, interviewee F1 noted that Sweden now seldom, or rarely, gets permission to go to Gaza. He/she said that permission is only occasionally provided, which is a significant complication because Gaza is in real need and Sweden has aid programming there. This recognition of the Palestinian state was though in sync with Sweden’s ongoing support for the Oslo Two-State Solution, and could be argued to be a logical ‘follow on’ from evaluations conducted by IMF and World Bank teams in the Spring of 2011 that observed the PA was institutionally well-placed for statehood.\footnote{The World Bank, ‘Building the Palestinian State’; IMF, ‘Macroeconomic and Fiscal Framework for The West Bank and Gaza: Seventh Review of Progress, Staff Report for the Meeting of The Ad Hoc Liaison Committee’.

\begin{tabular}{ |l|c|p{10cm}| }  
\hline  
\textbf{Term} & \textbf{Mentions} & \textbf{Notes} \\
\hline  
Advocacy & 74 & There is an emphasis on human rights advocacy in the 2015 reports \\
\hline  
Accounta-(ble, bility) & 81 & This includes dozens of instances in one 2015 report discussing the accountability of Israel for Palestinian rights violations, while another 2015 report includes a lengthy discussion of aid accountability to Palestinian stakeholders that makes dozens of references \\
\hline  
Aid Effectiveness & 32 & There is a clear concern with aid effectiveness in a 2015 report that stands out among all the donor reports assessed \\
\hline
\end{tabular}
Colon-(y, isation, ial, ies) 0
Settler 8
Settlements 33
Democra-(cy, tic) 8
Jerusalem (contextually as Palestinian land) 54
Justice 36 The focus is on justice in the sense of promoting rights
Occupation 53
Occupied 41
Law (not business, finance, property) 53
Law (business, finance, property) 0
Terror-(ism, ist) 9 On seven occasions, the reports reflect on the way that security measures used against Palestinians may actually increase terrorism; on one occasion, they discuss how the term has been misused by Israeli politicians; and on one occasion time they discuss how Israeli politicians use the term as a political tool to look tough when trying to win elections.
Security for Israel (including taking Israeli claims verbatim) 28 On seven occasions, the reports refer to Israeli security abuses against Palestinians
Security for Palestinians 18
Security not clear 7
Security for other states or actors 318
Rights (human focused) 511
Rights (economic focused) 1

Table 20 – Sweden Keywords

Observations

The Swedish reports stand out among the donors analysed in this study for the richness of the information they provide on the context of the OPT, which is spread across few pages. They provide arguably the strongest analysis of the reporting assessed in this survey, with Norway and the EU appearing as the closest competitors. Still, as per the rule for Western donors, a variation of the keyword ‘colonisation’ does not appear in the reports. This is also
the case for ‘law’ (business, finance, property), which makes no appearances. This reflected
the lack of an economic (relative to politics) dimension in the Swedish reports, with rights
(economic focus) only being mentioned on one occasion.

Advocacy was mentioned 74 times in the 5 Swedish reports reviewed, which was the highest
among all the donors surveyed. This is nearly twice as many times as the EU reports’ 40
instances, and here it should be noted that the EU reports had 16 pages more. Sweden and
the EU meanwhile accounted for 114 of the 119 uses of ‘advocacy’ in all of the 80 donor
reports reviewed, or 96% of total uses. Meanwhile, ‘accounta-(ble, bility)’ appeared 81 times
and ‘aid effectiveness 32 times’ in the Swedish reports. As with other donors, accountability
did at times refer to PA accountability, though this was refracted through the lens of the
expectation that the PA is there to serve the Palestinian people. This was stated within the
context of the democratic state-building Sweden is officially supporting in its aid work:

The focus is to be on strengthening the Authority’s capacity for accountability so that
citizens’ rights and needs can be met throughout Palestine.480

The Swedes even connect accountability and advocacy:

Sweden is a leading donor to civil society human rights organisations. This added
value is to be used to both support civil society and bridge the confidence gap between
the Palestinian Authority and the Palestinian people, particularly in areas where the
Palestinian Authority today has no access. Support to civil society organisations is to
focus on the democratic accountability of duty bearers, human rights and international
humanitarian law, as well as basic social services. Support may also be provided to
other advocates of democracy.481

The Swedes also highlight the mutual accountability aspect of aid effectiveness, which many
of the donors surveyed in this study do not appear to be committed to:

480 ‘Memorandum - Strategy for Sweden’s International Development Cooperation with Palestine

481 ‘Memorandum - Strategy for Sweden’s International Development Cooperation with Palestine
Mutual accountability - donors and partner governments should work in a transparent and mutually accountable way and be mutually accountable for development results.482

Uniquely among the Western donors in this study, the Swedish were willing in a 2015 report Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine to specifically discuss donor accountability to the Palestinian stakeholders, and the effective absence of it:

Because of the number of grants and non-harmonised requirements, the CSOs are extensively occupied with upwards accountability to the donors.483

And:

CSOs' energy and resources are consumed on upward accountability, rather than downwards accountability which is vital for building legitimacy.484

Meanwhile they describe a highly ineffective donor environment that is impeding the work of NGOs in the OPT due to a lack of donor harmonisation:

Donor conditions have not been harmonised and the CSOs have to manage large numbers of grants with different requirements, putting a heavy managerial and administrative burden on them for upwards accountability. This total funding puzzle is a main cause for inefficiency, which has not been addressed by the donor community.485

The Swedish report points out how this contributes further to the upward accountability (by Palestinian NGOs to the donors), undermining aid effectiveness:

482 Karlstedt et al., 'Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report', 23.

483 Karlstedt et al., 10.

484 Karlstedt et al., 35.

485 Karlstedt et al., 56.
The extensive numbers of separate grants, requiring separate reporting, make the CSOs heavily engaged in upwards accountability towards the donors at the expense of linking closer to their constituencies.\textsuperscript{486}

The same report further describes how this approach by donors to aid creates a competitive environment that contributes to fragmentation in the Palestinian aid sector, undermining much needed cooperation that will address Palestinian needs:

The highly competitive environment for funding has pushed the CSOs into increasingly fragmented and less predictable financing through a multitude of sources and created barriers for cooperation. The way funding is extended, in small pieces through numerous grants, is in stark contrast to the aid effectiveness principles.\textsuperscript{487}

In reflecting on the period up to 2015, the report found there was weak overall donor adherence to aid effectiveness principles in the OPT:

It finds limited application of the aid effectiveness principles in general, i.e. Weak ownership due to the asymmetrical relation between donors and local actors, being highly dependent on aid. Poor harmonisation is shown by erratic donor coordination, donor implemented projects as the preferred option for many bilateral and multi-lateral agencies and by different donor procedures remaining uncoordinated. The study furthermore analyses aid effectiveness in relation to the Fragile State Principles and finds that aid ineffectiveness takes extreme forms in Palestine. As the principles take the context as the starting point, major donors' positions on the occupation is at the core. Using the fragile state principles show how international politics and different agencies' agendas impede aid and development effectiveness in the Palestine/Israel context, which also affect modalities used for civil society support.\textsuperscript{488}

The Swedish were also an outlier among donors with their concern for support for advocacy work for Palestinian rights, including a concern with the way in which donor fragmentation impedes such advocacy work. Also unique among the reports reviewed was a focus (in dozens

\textsuperscript{486} Karlstedt et al., 55.

\textsuperscript{487} Karlstedt et al., 10.

\textsuperscript{488} Karlstedt et al., 57.
of instances in the 2015 report Learning From What Works: Strategic Analysis of the Achievements of the Israel-Palestine Human Rights Community' on holding governments, and the Israeli government in particular, accountable for Palestinian rights violations:

The possibility of holding Israelis accountable for crimes against Palestinians received a tremendous boost in January 2015 with Palestine’s accession to the International Criminal Court. Ideally the Court should both deter future crimes and promote greater domestic accountability for crimes that do occur.489

And, in another example:

Domestic and international efforts to promote accountability are two halves of a single whole. Ideally, the involvement of the ICC will encourage Israel to ensure greater domestic accountability.490

This Swedish report also advocates core funding as a way to improve the effectiveness of Palestinian CSOs, and specifically ones that advocate for Palestinian rights in the face of Israeli rights violations. This is highly unique for a Western donor report:

Both the Palestinian and Israeli CSOs stressed the importance of core funding for doing the continuous, regular and long term human rights work on the ground, like the daily documentation of violations or the long term work on court cases, which are less likely to attract project funding, but are extremely important components of their work. Some nature of human rights work is also less attractive for donors, such as IDF impunity and international advocacy. Both Gaza and Israeli organisations emphasised the importance of having means to be able to continue the work on the ground between projects in order to pre- serve the continuity for the beneficiaries.491

Among the Swedish reports reviewed, there was no equivocation as to the status of the OPT, with ‘settlers’ mentioned 8 times, ‘settlements’ 33 times, ‘occupation’ 53 times, ‘occupied 41’ times and ‘Jerusalem’ (in the context of its eastern part being Palestinian) 54 times. The 2015


Learning from What Works was particularly critical of the occupation and the failure of the international community to respond to it:

Despite its many achievements, the human rights community has so far been powerless to influence the broader trends of entrenched occupation, settlement expansion and more bloody military operations.\textsuperscript{492}

The report meanwhile debunk\textsuperscript{s} the idea of there being any form of ‘enlightened’ occupation, and therefore contrast with the analysis adopted at times by donors like the IFIs:

The information and analysis generated by human rights organizations have shaped the public conversation, both in Israel and internationally. One example of this is the shift away from a discourse of an “enlightened occupation;” as a result of the information regarding human rights violations, few argue any more that Israel’s control of the OPT has not harmed Palestinians.\textsuperscript{493}

This was also seen as a victory for human rights organisations. The Swedish meanwhile appear willing to back human rights advocacy work because it is valuable:

Despite the immense challenges of human rights advocacy in the Israel-Palestine context, this research demonstrates that the local human rights community has had a clear impact. The human rights community is the primary source of information for a range of influential audiences, and a major force in shaping the public conversation. On the individual level, organizations have provided concrete aid and assistance to hundreds of thousands of people. The work of human rights organizations influences diplomatic and political processes, and has contributed to concrete policy changes that improve human rights.\textsuperscript{494}

Even though all indications are of the Swedes supporting democratic state-building in the OPT, the keyword variation of ‘democra-(cy, -atic)’ was relatively neglected at 8 mentions. ‘Justice’ was though mentioned 36 times, ‘law’ (not business, finance, property) 53 times and ‘rights’ (human focus) a remarkable 511 times. When justice was used, this was within the context of Palestinian rights and not an opaque ‘security’ discussion. This is because the

\textsuperscript{492} Montell, 5.

\textsuperscript{493} Montell, 16.

\textsuperscript{494} Montell, 7.
Swedes appear to be genuinely concerned about Palestinian human rights. This concern was only shared by three other donors, the EU (at 400 instances), Norway (at 214) and the UK (at 49). By contrast, the World Bank and USA appear disinterested (with 18 and 9 usages), along with the IMF and Canada (1 and 3 times respectively). Here it should also be acknowledged that the World Bank, IMF, USA and Canada account for the largest number of reports reviewed in this study.

This all translated into a Swedish willingness to criticise the legal inequalities Palestinians face living under Israeli military rule in the OPT:

The dual and highly discriminatory legal system in the West Bank in which Palestinians are subject to military law and tried for offenses in military courts, whereas settlers, theoretically subject to the same law, enjoy the rights and privileges of Israeli citizens in all aspects of their life.\textsuperscript{495}

Sweden notes, too, the direct role of the Israeli government in using the military to support settlement building:

However, in practice the military is not sovereign in the occupied territories, but rather an organ of the Israeli state, subordinate to the Defense Ministry. On the issue of settlements, the military is merely the security detail for a policy set entirely by the government. Given the prolonged and entrenched nature of the occupation, the civilian leadership influences all aspects of military policy.\textsuperscript{496}

‘Terror-(ism, ist)’ was mentioned only 9 times, ‘security for Israel’ 28 times, ‘security for Palestinians’ 18 times, unclear ‘security’ 7 times, and ‘security for other states or actors’ 318 times. Swedish reporting does however appear to have a different conception of these terms and the Israeli state’s relationship to them. For instance, the discussion surrounding terrorism is a thoughtful one and not just a reflex accusation against the Palestinians. Of the 9 times in which it was mentioned, 7 occasions discussed how Israeli security measures against the Palestinians may actually increase the likelihood of terrorism; one occasion referred to the misuse of the term by Israeli far-right politicians – for example, ‘Foreign Minister Avigdor Lieberman set the tone in the inflammatory language regarding human rights groups, calling

\textsuperscript{495} Montell, 14.  
\textsuperscript{496} Montell, 24.
them “accomplices to terrorism”, 497 and 1 time noted how Israeli politicians use the keyword when needing ‘to look tough’. 498 Further, a lot of the discussion surrounding Israeli security includes critical questions of the concept, referring 7 times to cases of Israeli security abuses of Palestinians that include torture, interrogation, use as human shields, collective punishment, security for settlements and house demolitions. 499

Key Takeaways

At first Sweden was not going to be included in this survey, but was added during field research both because Norwegian interviewees liked to contrast their approach with Sweden’s and because Sweden appeared to be more of an outlier in its approach among Western donors. Indeed, this was found upon inspection to be the case, as the Swedish reports yield contextually richer information per page than most other donors and the Swedes have policies more contextually appropriate than was usual among the donors surveyed. However, the starker contrast to Sweden among these donors is not its Scandinavian neighbour Norway, but rather Canada, another middle power heavily involved in the conflict. Sweden stands apart from Canada because of its recognition of Palestinian statehood, its recognition of Israel’s human rights abuses, its recognition of Israel’s undermining of peace, its concern for Palestinian rights and security from violence, and its use of contextually appropriate information.

Based on the historical record, it would be impossible to think of any agency linked even at arm’s length to the Canadian government producing an equivalent to Sida’s 2015 report *Learning from what Works*, which spells out Israeli human rights abuses and makes a clear case for international advocacy with a view to changing Israeli policies and improving living standards for the Palestinians:

> In almost all cases both domestic advocacy and international advocacy were instrumental to policy change. In no case has international advocacy alone succeeded in changing Israeli policy. Israeli advocacy components, such as a petition to the High

497 Montell, 43.

498 Montell, 44.

Court of Justice, provide the actual mechanism of change. The opposite is also true: without an international advocacy component, domestic advocacy has rarely succeeded.\textsuperscript{500}

Likewise, it is difficult to find Canadian reports accessible in the public domain that are analytically rich enough to, in theory, feed into their decision-making process on OPT aid policy; furthermore, it is even more difficult to uncover Canadian reflection on what they are funding. Whereas the Canadian reporting is characterised by weak analysis, the Swedes have published reports exhibiting real self-reflection on what they are doing as donor-actors, and this is important to put in the public record in order for stakeholders to be able to access and fully appreciate what is taking place. In fact, among all the reports reviewed in this study, the Swedish ones stand out as among the most reflective reports on the role of the international community in protecting Palestinian rights, while openly questioning whether they, as donors, may be contributing to the occupation rather than challenging it:

There are real dilemmas in developing effective human rights strategies to tackle occupation. As the case of the “illegal outposts” makes clear (see page 16), whether a particular advocacy strategy contributes to undermining or entrenching occupation is not always clear. In addressing these dilemmas, it is helpful to distinguish between the human rights community’s role in documentation and framing of the discourse as opposed to our advocacy to achieve specific policy change.\textsuperscript{501}

This strand of thought includes a thoughtful discussion of how to approach human rights advocacy work in Israel and Palestine:

The human rights community has not succeeded in promoting policy changes regarding the structural issues at the heart of the occupation. However, one of the central achievements of the human rights movement is in framing the public conversation, setting the tone, and providing both the information and the analysis regarding the reality in the Occupied Territories. In this area, the human rights community can and must draw the link between the specific violations and the broader

\textsuperscript{500} Montell, 44.

\textsuperscript{501} Montell, 48.
structures that enable these violations to continue, first and foremost the occupation itself.  

This is an important discussion that needs to be engaged, specifically the role of donors in this conflict situation, bearing in mind the Do No Harm principle that recognises how donors become actors in a conflict and can contribute to making conditions worse. It is with this in mind that the Swedes coincidentally echo this researcher’s broader study, by specifically connecting the fragile state principles to aid effectiveness:

Combining the fragile state principles with the aid effectiveness principles would be relevant in the context of Palestine.  

Other than human rights, the Swedes were not afraid to point out the failure of donor aid in its mandate to foster development and peacebuilding in the OPT. This included pointing out the upward accountability of Palestinian CSOs to donors and the lack of downwards accountability of these same donors, regardless of rhetoric. *Effectiveness of Core Funding to CSOs* is almost the only report truly critical of the donor aid environment:

The highly competitive environment for funding in Palestine and Israel has pushed the CSOs into increasingly fragmented financing through a multitude of sources. Funding is basically available due to the large international presence and most organisations are therefore surviving, but the way it is extended, in small pieces through numerous grants, is in stark contrast to the aid effectiveness principles and is a major challenge for the CSOs. It places high demands on their management and administrative capacity, internal systems, oversight mechanisms and fundraising abilities. Continuous and regular human rights work needs to be packaged and re-packaged as projects and made attractive for donor funding with shifting priorities and political agendas in responses to calls for proposals. This piecemeal way of financing leads to duplication of work and competition instead of greater collaborations, joint actions and willingness to use each other’s research reports. The total funding situation of each

502 Montell, 48.

503 Karlstedt et al., ‘Effectiveness of Core Funding to CSOs in the Field of Human Rights and International Humanitarian Law in Occupied Palestine - Final Report’, 29.
CSO with a multitude of grants per year to manage is a main problem in terms of aid effectiveness.\textsuperscript{504}

They further note:

Harmonisation of donor requirements does not feature in most of the funding available. Some core donors are aligning to the CSOs to make their support more effective, while others do not. Project funding is not aligned at all, and each agreement has specific requirements and necessitates individual treatment and full separation in the administration. Main concerns for all human rights CSOs are trends of declining core funding, donors shifting from core funding to project funding and increasingly detailed and prescriptive core funding reporting requirements. These tendencies correspond to global trends of core funding, which are becoming more restrictive and similar to project funding. The situation is far from what Northern government donors committed themselves to in effective delivery of aid as defined in the series of high-level meetings on aid effectiveness in Paris, Accra and Busan. The Fragile State Principles using context as the starting point exposes reasons for why the inefficient and fragmented funding situation for civil society still remains and shows how international politics hamper aid effectiveness. They provide useful guidance to minimise unintentional harm in civil society support and can complement the aid and development principles in dialogue and coordination processes.\textsuperscript{505}

Here it is worth repeating interviewee F1’s observation that core funding is crucial because it establishes security and allows you to develop the internal life of an organisation.

**Further Research**

It is worth researching and then analysing more Swedish reports to develop a better sense of how the Swedish government perceives and intervenes in the OPT. From the experience of this survey, the Swedish reports also provide a good deal of analytical information that is worthwhile to review as a way of contextualising conditions in the OPT, which is something that Sweden appears more committed to than other Western donors. Still, even in areas where Sweden appears to be more progressive (or just rationally objective) than other Western

\textsuperscript{504} Karlstedt et al., 73–74.

\textsuperscript{505} Karlstedt et al., 74.
donors, it may not attain the highest standard for comparison and there may be underlying flaws. For instance, Dr Badarin cautions:

Maybe it is worth noting that the underlying judgment is that the perpetrator of terror deeds is always Palestinian, while Israeli actions are [at most] presented as triggers. And here there is a qualitative difference that points to a racial underlayer: the terrorist/savage/uncivilised is an Arab whereas the Israelis, the civilised, do not carry out such [terror] deeds.506

Further, it is important to remember that there can be differences between statements on a country’s website and its reports, and this is sometimes shown in the case of Sweden, with the language on its website sometimes appearing more euphemistic than its reports in describing Israel’s role in the OPT. For example, in referring to the Israeli blockade on Gaza and the isolation of West Bank areas, Sida describes such actions as ‘hampering’ economic development.507 Hampering, defined as to ‘hinder or impede the movement or progress of’, quite clearly does not do full justice to the full range of means by which Israeli policies render normal economic activities impossible. Likewise, the use of the term ‘ease’ (e.g. asking ‘Israel to ease its policy of occupation’),508 implies that occupation can somehow be adjusted to become more ‘humane’ or ‘bearable’, a proposition that has unfortunate echoes of the notion of ‘enlightened occupation’. From the perspective of Palestinians, it would be more appropriate for Israel to end its occupation. As with other donors in this survey it would be very much worth conducting historical research on the Swedish official websites, with specific emphasis on the Palestinians and Sweden’s aid policy. This will add more data about the donor while testing this initial observation that there may be a discontinuity between the websites and reports.

Finally, as with Norway the key takeaways for Sweden present an image more flattering than other donors listed in this study. Still, Badarin notes that despite the prevalence of human rights and other liberal ideals in Swedish reporting, the Swedish maintain a business-as-usual approach to the Oslo Peace Process and Palestinian development aid. This is in spite of the evident failure by the international community to make these ideals take hold, as reported


507 Sida, ‘Our Work in the West Bank and Gaza’.

508 Sida.
Swedish and other international organisations (e.g., HRW). Eriksson describes how this is exhibited in a repetition of the same old hackneyed phrases, such as ‘seizing the opportunity before it is too late’, which are invariably voiced in the absence of innovative engagement, including responding to the reporting and learning from what might work.

Badarin concludes that the Swedes are captivated by the contextually inconsistent liberal peacebuilding formulae that defines Oslo. Considering the deep failure of Oslo to date, and Sweden’s efforts to reinforce a process that has repeatedly failed, it is worth conducting further critical research on Sweden’s approach. If Oslo is indeed doing harm, then Sweden might, in spite of all its best intentions, be contributing further to the harm of Palestinians by trying to keep the process alive.

List of Swedish Reports Analysed

- Portfolio Overview - Sida’s Support to United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) Programmes 2012, Sida 2012
- Portfolio Overview - Sida’s support to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) 2013, Sida 2014
- Effectiveness of core funding to CSOs in the field of human rights and international humanitarian law in occupied Palestine - Final Report, Sida 2015 June

509 Badarin, ‘Can You Look over a Section? Sweden and Aid Effectiveness’.
510 Eriksson, ‘Swedish Recognition of Palestine’, 44.
511 Badarin, ‘States Recognition in Foreign Policy: The Case of Sweden’s Recognition of Palestine’.
Germany

The legacy of the Holocaust and historical antisemitism in Europe loom large in Germany’s relationship with Israel and, as a result, with the Palestinians. In addition to being one of the most important political and financial actors inside the EU, Germany is also one of the biggest bilateral donors to the Palestinians. The OECD QWIDS database shows that Germany gave $1.485 billion from 1994 to 2016.512

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<td>26.4</td>
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<td>37.88</td>
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<td>75.21</td>
<td>77.38</td>
<td>98.67</td>
<td>104.58</td>
<td>124.06</td>
<td>136.74</td>
<td>117.38</td>
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Table 21 – German Aid to the OPT from 1994 to 2016, in $million in 2018 May values.513

Documentation and Decisions

German aid to the Palestinians has a more complex, decentralised structure than more highly centralised donors, such as the US and Canada. As interviewee H1 confirmed, there are multiple avenues for German funding into the OPT, including German agencies like: GiZ and BMZ, the political foundations associated with the German political parties (i.e. the Rosa Luxemburg Stiftung, the Heinrich Böll Stiftung, the Konrad Adenauer Stiftung and the Friedrich Ebert Stiftung), EU multilateral aid and German bilateral aid. The KfW financial organisation also plays an important role in German aid distribution.514


513 OECD QWIDS concatenated, 1994 to 2016 [Dataset].

514 See the acronyms section at the start of this report for a full name description of these agencies.
Similar to the Canadians, a lot of the English-language German aid reporting was fairly general and poor on details. It usually consisted only of brief sections covering Palestinian aid, being embedded within broader reports on German overseas aid. In fact, of thirteen reports reviewed for this study, only one had content on Palestinian aid worth analysing; even then, the information could be best described as limited. There the keyword ‘settlers’ appears 1 time, ‘settlements’ 1 time, variations on ‘democracy’ 4 times, ‘Jerusalem’ (in the context of Palestinian land) 2 times, ‘occupied’ 1 time, ‘security’ (but as social security) for Palestinians 1 time, ‘security’ (not clear as for whom) 3 times, and ‘human-centric rights’ 1 time, with each of these references occurring across 20 pages of reporting.515

As with Canada, it could be worth reviewing a much larger amount of documentation to get a sense of what exactly is being communicated, and what is not. With Germany, it is probably worth reviewing the German language documentation of each of its aid agencies too, to see if they prove to be richer resources of information. In particular with Germany, but as with Canada, a review of the reports for specific projects and of websites might also bring forth additional Palestinian aid information.

In an email sent on 2017August 12, interviewee H8 from the BMZ (the German Ministry of Economic Cooperation and Development) said that they tend to take different documentation into account in their decision-making, including:

- Materials handed over by the predecessor in their role
- Diplomatic Cables / Reports
- IMF / World Bank strategic documents regarding macroeconomic situation
- Shorter Research / Position Papers by Thinktanks like the Stiftung Wissenschaft und Politik (SWP)

Interviewee H8 said that they usually decide on funding through ‘consultations with Palestinian partners, our economic team at the Representative Office in Ramallah and our implementing agencies’. Interviewee H7 meanwhile said that most German aid money goes through GiZ. He/she said that GiZ is an enormous organisation that is ‘very busy like DFID’ building logical frameworks. Interviewee H7 said that GiZ is also very hierarchical and very neoliberal without even realising it. Interviewee H3 from the KfW meanwhile stated that their own analytical work

as a financial institution is, like the World Bank, apolitical and well-received. He/she added that they are neutral, and that they are there to serve the Palestinian people.

**Politics of Aid and the Middle East Peace Process**

The German relationship with Israel is built on what the German government considers to be Germany’s historic responsibility towards the Jewish people, which arose from the abuses and atrocities perpetrated by Nazi Germany in the 1930s and 1940s. By extension the German government feels it has a responsibility towards the well-being of Israel as the home of the Jewish people. In practice, this special relationship has translated into a German commitment to Israel’s security, which interviewee H7 said included the delivery of German submarines capable of using nuclear weapons. This occurred despite of Germany condemning nuclear weapons and maintaining it is opposed to their proliferation. These submarines also represent German government subsidies worth hundreds of millions of Euros to Israel.

Interviewee H1 confirmed that there is strong cooperation between Germany and Israel in military affairs, and that Germany has an interest in Israeli technology. Interviewee H7 went further to say that there are strong EU ties to Israeli security overall. He/she viewed Germany as something of a client state of Israel relying on Israeli spies and policing in the Middle East region.

Interviewee H2 said Germany’s history with Israel is still the driving interest for German involvement in the conflict. However, he/she added that this includes bearing a sense of responsibility for the current situation in Palestine. Interviewee H7 meanwhile said that the Germans feel responsible to the Jewish people and the rule-of-law.

The politics of Israel and Palestine are though changing in Germany, and a disconnect is emerging between German public opinion and the historical and contemporary policy stances of the German government towards Israel. As Busse writes, in contrast to the German government, only one-third of the German population acknowledged a special responsibility


517 Busse, 78.
of Germany towards Israel in 2012, while 60% felt that a responsibility of this kind no longer existed. Further, as of April 2017 only 21% of Germans believed that Germany should show restraint in condemning Israel’s settlement policy, and in both 2012 and 2017 a majority of about 65% favoured German recognition of Palestine as a state.\textsuperscript{518}

That said, interviewee H5 said that Germany has not been a global player since WWII and operates with a limited foreign policy. He/she said that European partners keep looking to Berlin for leadership, and this is forcing Germany to adopt a more active foreign policy. Despite this, H5 does not believe that Germany has the capacity to develop a new policy for Israel and Palestine. Meanwhile, interviewee H7 said that while Israel might have once been a client of the West in the region, that stage was closing rapidly the dependencies are becoming more and more mutual.

Given the sheer importance of Germany in the story of Israel and Palestine, its role as a major EU and (reluctant) global power, and the large amount of funding and many German organisations active in Palestine, the country’s aid engagement deserves a great deal of research. As indicated by the sampling of this survey, this is also part of more general research that needs to be undertaken into the overall donor approach and its impact on the OPT’s development and regional peacebuilding.

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\textsuperscript{518} Busse, 83–84.
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