

# United Nations Conference on Human Settlements (Habitat III)

2014



Ministry of Public Works and Housing

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## List of Abbreviations

Abbreviation	Full Name
ARIJ	The Applied Research Institute-Jerusalem
CBO	Community Based Organization
DRRM	Disaster Risk Reduction and Management
EQA	Environmental Quality Authority
GDP	Gross Domestic Product
ICA	Israel Civil Authority
IOA	Israeli Occupation Authority
IPCC	Intergovernmental Panel on Climate Change
LGU	Local Governing Unit
MoLG	Ministry of Local Government
MoPAD	Ministry of Administrative Development and Planning
MoPWH	Ministry of Public Works and Housing
NGO	Non-Governmental Organizations
NSP	National Spatial Plan
OCHA	Office for the Coordination of Humanitarian Affairs
PAPP	Program of Assistant to the Palestinian People
PCBS	Palestinian Central Bureau of Statistics
PLA	Palestinian Land Authority
PLC	Palestinian Legislative Council
PNA	Palestinian National Authority
SDIP	Strategic Development and Investment Plan
UN	United Nations
UNDP	United Nations Development Programme
UNRWA	United Nations Relief and Works Agency
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene

## I. INTRODUCTION

The Occupied State of Palestine (“Palestine”), as it stands today, consists of two physically separated land masses, namely the West Bank and Gaza Strip, with a total area of 5,661 km<sup>2</sup> and 362 km<sup>2</sup>, respectively. The West Bank is surrounded by Israel to the west, north, south; and the Jordan River to the east. It is divided into eleven governorates: Jenin, Tubas, Tulkarm, Nablus, Qalqiliya, Salfit, Ramallah and Al-Bireh, Jericho, Jerusalem (East Jerusalem), Bethlehem, and Hebron. The Gaza Strip is a coastal zone at the eastern extreme of the Mediterranean Sea on the edge of the Sinai Desert. It is surrounded by Israel to the east and north, Egypt to the south and the Mediterranean to the west. It is composed of five governorates: North Gaza, Gaza, Deir al Balah, Khan Yunis, and Rafah. Palestine has made great strides, particularly over the last five years, to develop the framework for a viable, independent, sovereign state in the West Bank, Gaza Strip, and East Jerusalem<sup>1</sup>. This process was bolstered by the recognition of Palestine as an observer non-member state by the UN General Assembly in November, 2012. Well before its recognition as a state by the UN, the Oslo Accords of 1994-1995<sup>2</sup> created the Palestinian National Authority (PNA) and transferred some power and authority to the new Palestinian government. Since then, The PNA has pursued multiple avenues in the international arena to participate in international bodies and conferences and support the development and well-being of its citizens. Of particular importance to mention, the PNA participation in the United Nations Conferences on Human Settlements, Habitat I and Habitat II and submission of a national report for each conference as an observer organization. For Habitat III, Palestine will submit its first national report as an observer state.

The PNA has developed and pursued policies regarding nearly every aspect of the UN Habitat Agenda. Among various related programs and initiatives, the PNA began working with UN-Habitat on a number of housing and urban development programs since 2003. However, it must be noted that implementation of nearly all of the strategies and policies developed has been drastically curtailed by the continuation of the Israeli occupation. This is further exacerbated by internal challenges endemic to the Palestinian governmental entities, but the primary source of restriction on development, political, social, and economic has been the lack of control over the means of implementation by the Palestinian National Authority because of Israeli occupation.

The Israeli occupation impacts not only Palestinian daily life but also the ability of the PNA to develop and implement long-term plans and strategies to address the goals of “adequate shelter for all” and “sustainable human settlements in an Urbanizing World” as articulated in the Habitat II Agenda. These impacts can be grouped into three general categories: 1) physical restrictions and impediments to Palestinian growth, including the construction of illegal Israeli settlements and the Apartheid, Separation and Annexation Wall in the West Bank and East Jerusalem and their related roadblocks and checkpoints, and the total blockade of the Gaza Strip ports and borders; 2) Lack of control over area C 3) legal and administrative-level restrictions, including the construction permit regime in East Jerusalem and Area C, and the restrictions on tax collection on Palestinian imports; and 4) intentional destruction of existing infrastructure, including the policy of home demolitions in East Jerusalem and the West Bank and the devastating military attacks on the Gaza Strip which have destroyed both housing and civilian infrastructure. Thus, while the National Report for UN-Habitat III of Palestine addresses the indicators common to all countries in a rapidly

<sup>1</sup> The Jerusalem governorate itself is divided for the purposes of data collection into two areas: J1 and J2. The PCBS defines the areas thus: J1 includes that part of Jerusalem which was annexed forcefully by Israel following its occupation of the West Bank in 1967. Residents of these communities hold special Jerusalem IDs, which gives them residence status in Israel but no citizenship. J2 includes all parts of the Jerusalem Governorate except that part of Jerusalem which was forcefully annexed by Israel following its occupation of the West Bank in 1967. This part includes the following localities: Rafat, In this report, “East Jerusalem” generally refers to J1. East Jerusalem is included in the West Bank statistics unless otherwise indicated.

<sup>2</sup> Made up of Oslo I (“Declaration of Principles”) and Oslo II (“The Interim Agreement on the West Bank and Gaza Strip”), the Oslo Accords were an interim agreement to begin to transfer authority over parts of the West Bank and Gaza Strip to the Palestinian Authority, pending final status negotiations.

urbanizing world, it also includes a variety of other factors and challenges addressed that are unique to the experience of an occupied state that still does not have sovereignty.

Between 1967 and 1994, Palestine was under direct Israeli military administrative control. Civil services were provided on the municipal level by Palestinian municipal councils, committees made up of family clan representatives, and/or popular committees. However, development and planning, including economic development, infrastructure and environmental protection, on a regional or national level was entirely controlled by the Israeli Occupation. This led to significant neglect and underdevelopment in many areas, which the current PNA is continuing to have to compensate for in addition to addressing new challenges.

After Oslo, a new complex legal and planning scheme was created -one for the West Bank and another for the Gaza Strip-while leaving the issue of authority over East Jerusalem for future negotiations, effectively leaving it under de facto Israeli authority through its illegal annexation in 1967. The Gaza Strip, with a small number of Israeli settlements and military bases, was physically cut off from the West Bank, but was largely under Palestinian administrative and planning control. The Oslo Accords included a provision requiring a safe passage route from Gaza to the West Bank to enable free movement between the two, but Israel never allowed it to be implemented. In 2005 the settlements and military bases were evacuated, but Israel maintained a "buffer zone" around the edges of the Gaza Strip which had increased in size to 62.6 km<sup>2</sup> prior to the assault on Gaza which began in July, 2014. That included 36% of Gaza's cultivatable land and 85% of its maritime area.<sup>3</sup> In 2007, Israel unilaterally and illegally implemented a siege on Gaza, restricting imports and exports and the use of Gaza's maritime area. The "access-restricted area" has dramatically increased in recent months to over 43% of the Gaza Strip being declared "access-restricted" by the Israeli military during the current Israeli assault. Thus while the PNA has theoretically had total civil authority over the Gaza Strip since 2005 it has no effective control over its borders, economic development, and infrastructural development. This is never more pronounced than when Israel mounts a military offensive against the Gaza Strip, as it has done three times in the last six years, destroying billions of dollars' worth of housing settlements and infrastructure.

The West Bank, under the Oslo Accords, was divided in 3 zones: Area A, B, and C.<sup>4</sup> Area A, which is made up of the Palestinian city centers (excluding Hebron) is under Palestinian civil and security control. Area B, which is made up of the Palestinian built-up areas outside Area A, is under Palestinian civilian control and joint Israeli and Palestinian security control, though Israel has exclusive right to enter Areas B to conduct "security operations" as it wished. Area C, which makes up 61% of the West Bank, is under Israeli civil and security control. These area assignments were meant to be temporary, with land being phased into total Palestinian control by the end of the five-year interim period as designated by the Oslo Accords, which was set to end with final status negotiations in 1999. Instead, it has been the foundation for Palestinian planning for the last 20 years, with no significant change to the PNA's authority since their signing in 1994 and 1995. Because of the lack of final status negotiations, East Jerusalem has remained under de facto total Israeli legal and administrative control through its illegal annexation in 1967. This means PNA institutions have no authority over East Jerusalem and are forbidden from operating within its municipal boundaries. This has also affected our ability to gather data on East Jerusalem on certain indicators. Except when indicated, East Jerusalem is therefore not included in national indicators such as GDP, connectivity rates, or governance and legislative impacts. It is, when possible, addressed separately in each section.

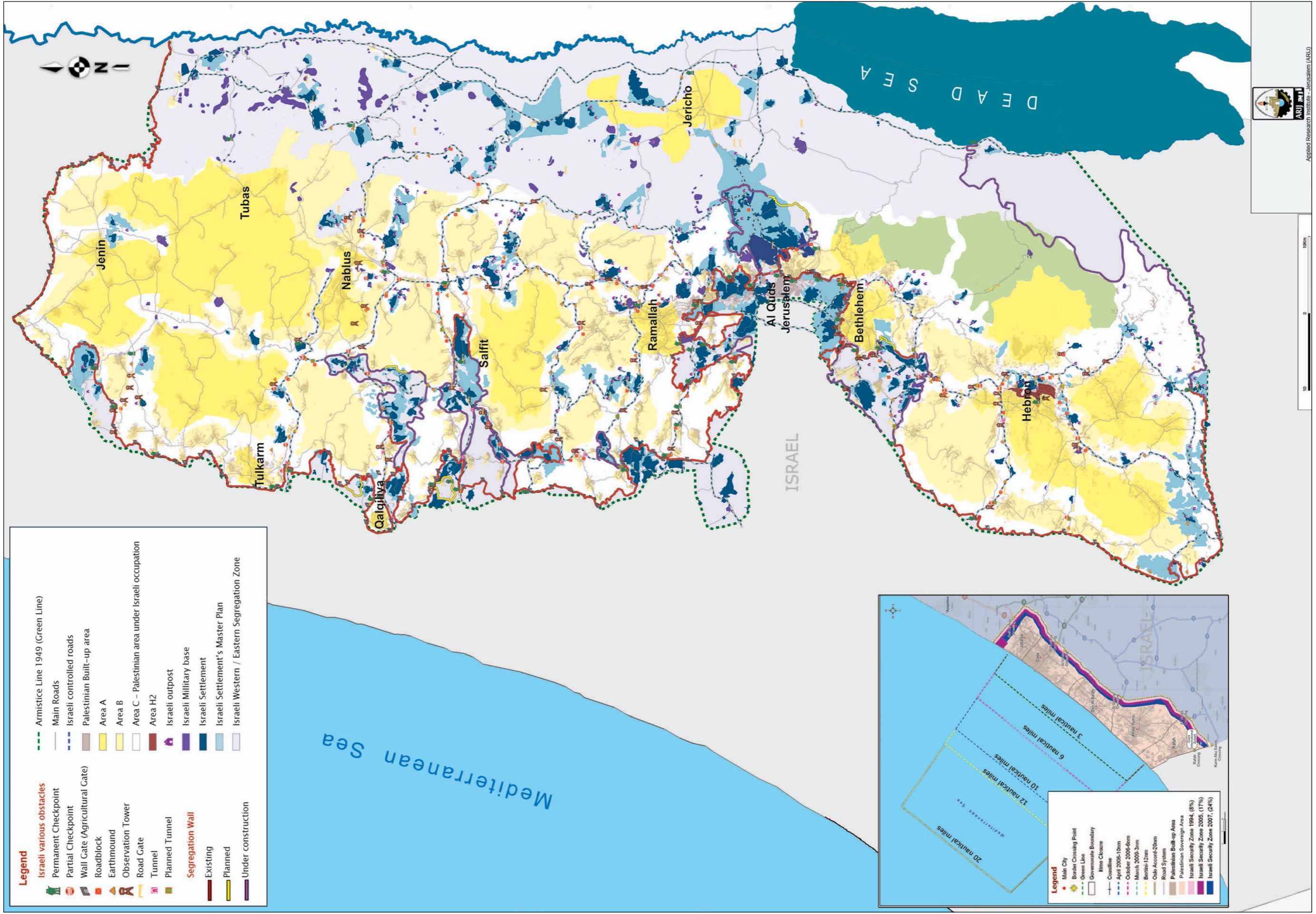
<sup>3</sup> Al Mezan Center for Human Rights Report, *Fact Sheet: Access-Restricted Areas ("Buffer Zone") in the Gaza Strip, 2012*

<sup>4</sup> The A,B,C regime was not implemented in Hebron, the largest city in the West Bank (excluding East Jerusalem, which is treated separately). This was due to the presence of a small number of Israeli settlers in the center of Hebron city itself, which Israel refused to evacuate. Thus, Hebron was divided into H1, which is under PNA authority, and H2, which is under Israeli military authority.

Despite these significant obstacles, in 2009 the Palestinian National Authority undertook an ambitious plan to create and implement the necessary policies, plans, and strategies that would provide the framework for a sovereign Palestinian state over the whole of the West Bank and Gaza with East Jerusalem as its capital. An Ad Hoc Liaison Committee was created to assess the progress of these plans, which took place between 2009 and 2011 and, after an initial assessment, additional plans culminating in Palestine's application for recognition as a non-member state in the United Nations 2012. While addressing the ongoing and pernicious activities of the IOA in undermining and restricting Palestinian development, this report also seeks to identify the achievements, challenges, and future priorities of the PNA in their continued work to develop a vibrant and successful sovereign Palestinian state.

Palestine faces the unique future challenge of integrating physical spaces that have been forcibly separated. The Israeli occupation has kept the West Bank, Gaza Strip, and East Jerusalem physically and socially separated, increasingly so since the signing of the Oslo Accords in the mid-1990s. Thus a future sovereign Palestinian state, in addition to addressing uneven urbanization within each locality, will also have to plan for the integration of the different regions which have experienced vastly different forms of urbanization. The Israeli occupation has led to atypical growth and development, even when compared to surrounding countries. Therefore some of the indicators suggested by UN-Habitat, common to other urbanizing and developing countries are not directly relevant to, or adequately expressive of, the realities here. When necessary, we have altered the indicators (for example, discussing not only water-system connectivity but also rights and access to water resources or otherwise suggested alternative measurements to give a full picture of the achievements, challenges and future priorities for Palestine. Nevertheless, there are demonstrable improvements that can and should be made by all stakeholders that will better prepare Palestine for post-independence sovereignty. In preparing future priorities, stakeholders addressed two alternative scenarios: 1) a sovereign, independent, viable state of Palestine, and 2) a condition in which the Israeli occupation is ongoing, and the governmental structures and civil society of the occupied state adapt strategies to address the needs of their citizens even under occupation.

Map 1: The Geopolitical Status of the Occupied State of Palestine.



## II. URBAN AGENDA SECTORS

### 1. Urban Demographic

#### 1.1 Current Status

According to the Palestine Central Bureau of Statistics (PCBS), as of the mid of 2013, the total Palestinian population in West Bank and Gaza was approximately 4.42 million people. The population of the West Bank was approximately 2.71 million, including approximately 251,043 in East Jerusalem, while the population of the Gaza Strip was 1.70 million. There are 1.34 million women in the West Bank and 837,254 (0.85 million) women in the Gaza Strip<sup>5</sup>. As of mid-2014 the estimated population was 73.9% urban<sup>6</sup>, 16.7% rural and 9.4% residents of refugee camps (Figure 1, Figure 2 and Figure 3).

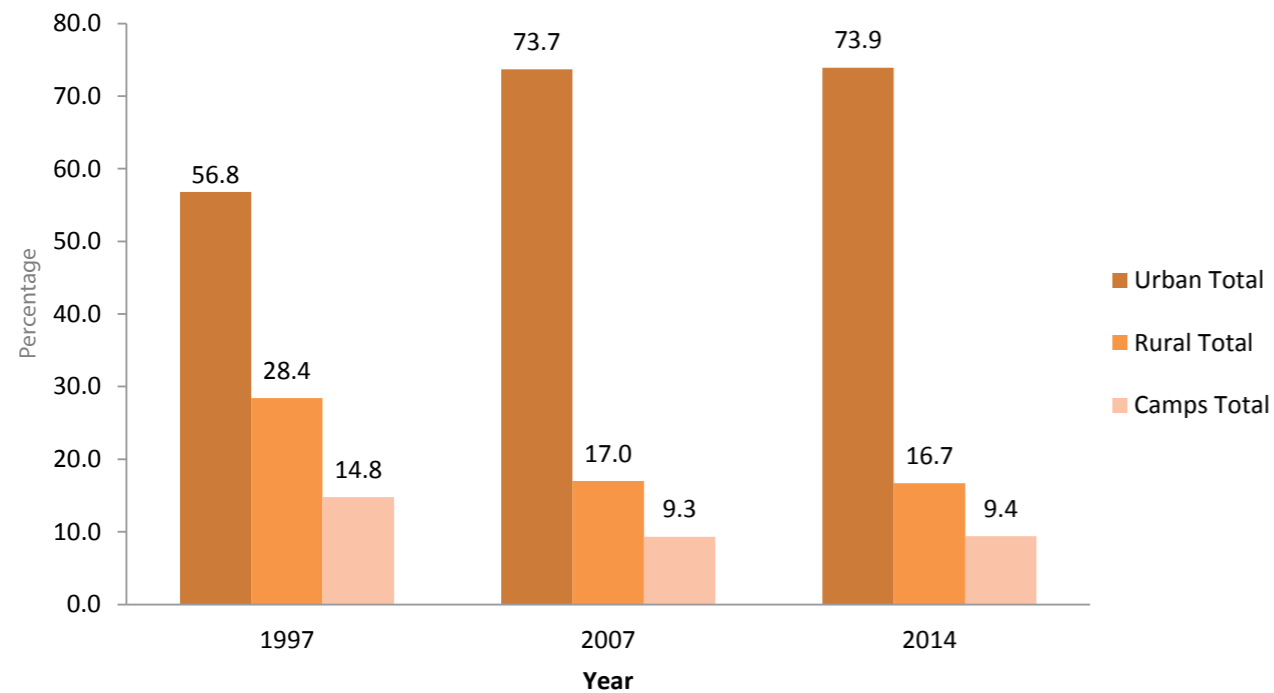


Figure 1: Percent of Palestinian Population by Locality Type in Palestine

<sup>5</sup> PCBS, Report on Palestine at the End of 2013

<sup>6</sup> The Palestinian Central Bureau of Statistics (PCBS) defines "urban" as: 1) any locality with a population over 10,000, 2) any governorate center, regardless of size, or 3) any locality with a population between 4,000-9,999 persons who have at least four of the following facilities: (a) access to public electricity network, (b) access to a public water network, (c) a post office, (d) a health center with a full-time physician, and (e) a secondary school.

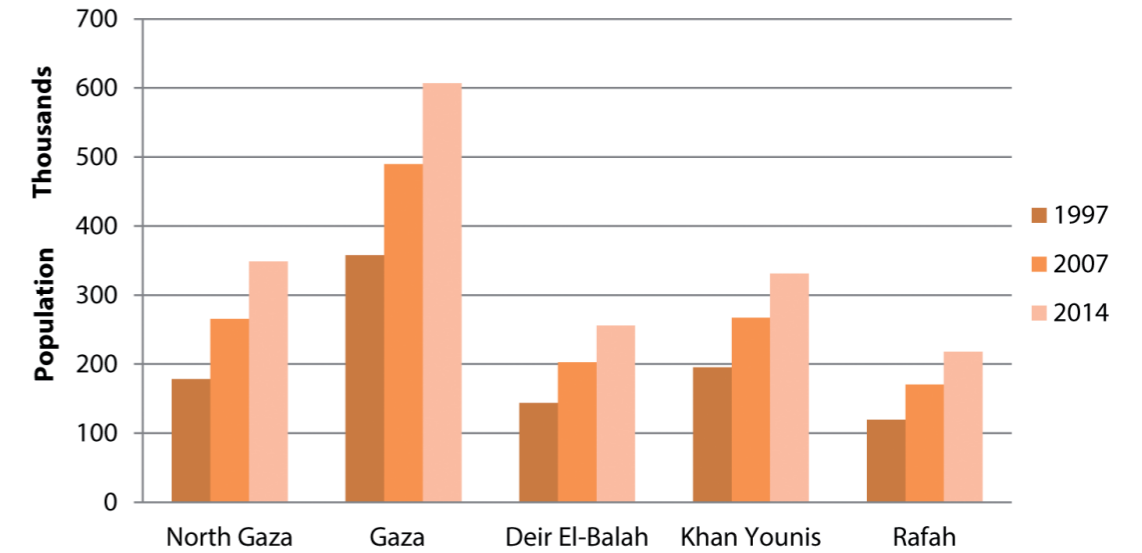


Figure 2: Palestinian Population by Governorate in the Gaza Strip (1997, 2007, 2014)

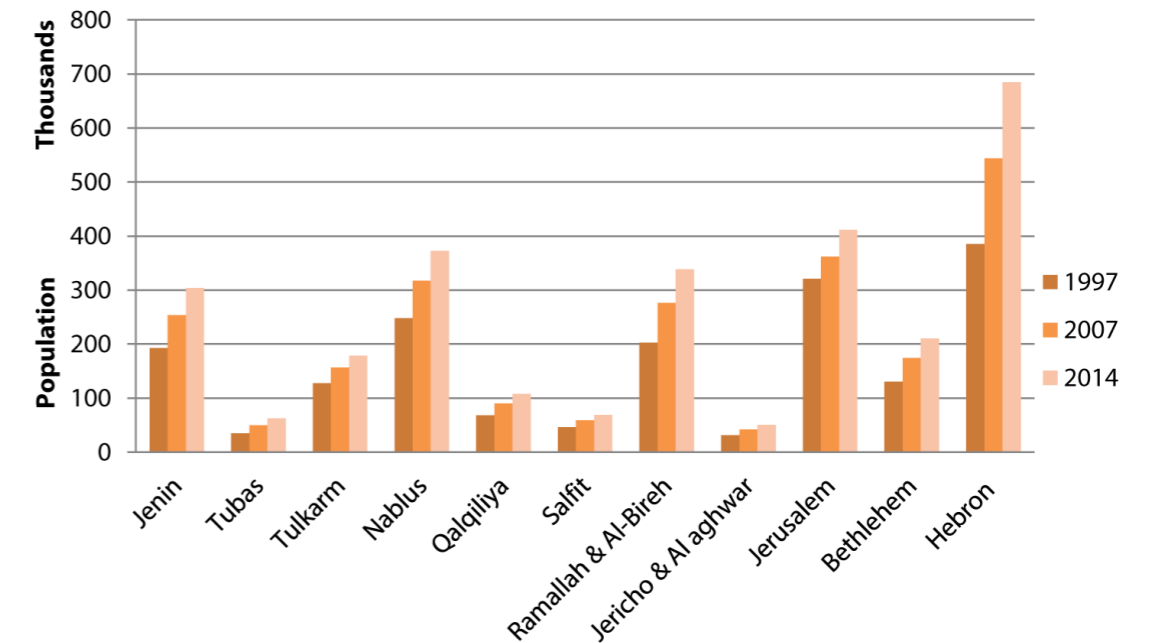


Figure 3: Palestinian Population by Governorate in the West Bank (1997, 2007, 2014<sup>7</sup>)

The National Spatial Planning office estimates that by 2025, the Palestinian population will reach 6,060,000 and by 2050 will reach 11,320,000 people, based solely on natural growth. In addition, the Palestinian Authority is planning for an influx of refugees who were expelled or fled from what became the state of Israel in 1948 to return to a Palestinian state, if they choose to give up their individual rights to return to their communities of origin in what is now Israel. With that returnee population, estimates are that by 2025 the Palestinian population will be 7,589,000 and by 2050, 14,035,000<sup>8</sup>.

<sup>7</sup> 2014 data by governorate is a projection by PCBS.

<sup>8</sup> National Spatial Plan Fact Sheet, 2012.

### 1.1.1 Population Density and Urbanization

Palestine is one of the most densely populated countries in the world, even compared to neighboring countries. Statistics on Palestine's overall density compared to other countries are also somewhat misleading, because the density of the Gaza Strip is nearly ten times the density of the West Bank, making the Gaza Strip one of the densest places on earth with 4822, people per km<sup>2</sup>, while the West Bank has 468 persons per km<sup>2</sup> as of mid-2014. Still, even the average density of the West Bank and Gaza Strip is higher than that of Jordan, Egypt, Israel or Lebanon (Figure 4).<sup>9</sup>

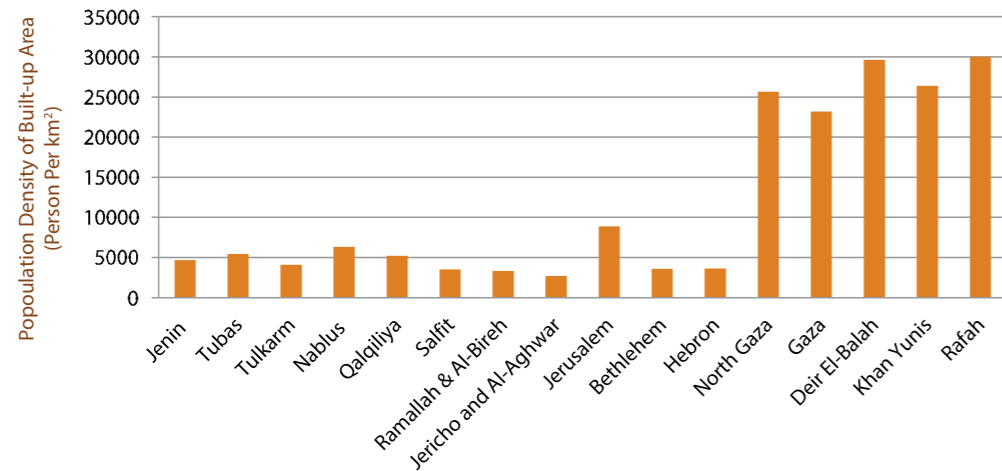


Figure 4: Palestinian Population Density of Built-up Area (Person Per km<sup>2</sup>), 2007

This density is representative of a rapid urbanization of the country. In 1997, the first year the Palestinian Authority did a comprehensive census with a variety of indicators via the Palestinian Central Bureau of Statistics, the data showed that the urban population of Palestine was 56.6% of the population, with the rural population making up 28.7%. However, in the next census 10 years later, in 2007, the data showed that the urban population increased to 73.7% of the total population, with the rural population making up only 17% (the remaining population were residents of refugee camps). (Figure 5).

#### A Case Study: Jenin Governorate

The Jenin Governorate went from a population that was 39% urban and 56% rural, with 5% in the camps in 1997, to a complete inverse with 58.9% urban and 37.1% rural in 2007. This is largely due to a migration of people, with a few conversions of rural communities to urban communities due to their size. In 2007 rural communities still made up 83.7% of all communities in the Jenin Governorate, while in 1997 they made up 92.7% of the total localities (Figure 5). Thus with a less than 10% drop in number of rural localities, the population of those rural localities dropped over 20%. The drop in the number of rural localities is due to a combination of at least 6 communities converting from rural to urban according to the PCBS because of the population size, and the combining of multiple small communities into one municipal locality. It is impossible to determine from the data collected by PCBS how much of the increase in urban population is due to actual internal migration and how much is due to the change in the classification of the communities, but one can assume from the relatively small number of communities reclassified as urban in 2007 that at least some of the urbanization is due to actual migration. This is supported by anecdotal evidence.

<sup>9</sup> Ministry of Public Works and Housing, UN-Habitat, Palestine Housing Sector Profile, Nov. 2013

Migration is largely due to the effects of the Israeli occupation. Palestinians culturally have an attachment to their land and community and are not largely mobile.<sup>10</sup> The period of 1997-2007 saw dramatic changes in the rural environment throughout the West Bank, which are reflected in the example of the Jenin Governorate above. During this 10 year period, Israeli settlements nearly doubled in size and the construction on the Apartheid, Separation and Annexation Wall was begun, annexing thousands of dunums of land. Access to agricultural land became even more restricted, and the Wall in particular exacerbated an already difficult situation for remote rural communities by creating a physical obstacle to accessing social services largely provided in bigger population centers. This led to migration both in search of jobs and economic opportunities but also to maintain access to schools, healthcare, and other resources.

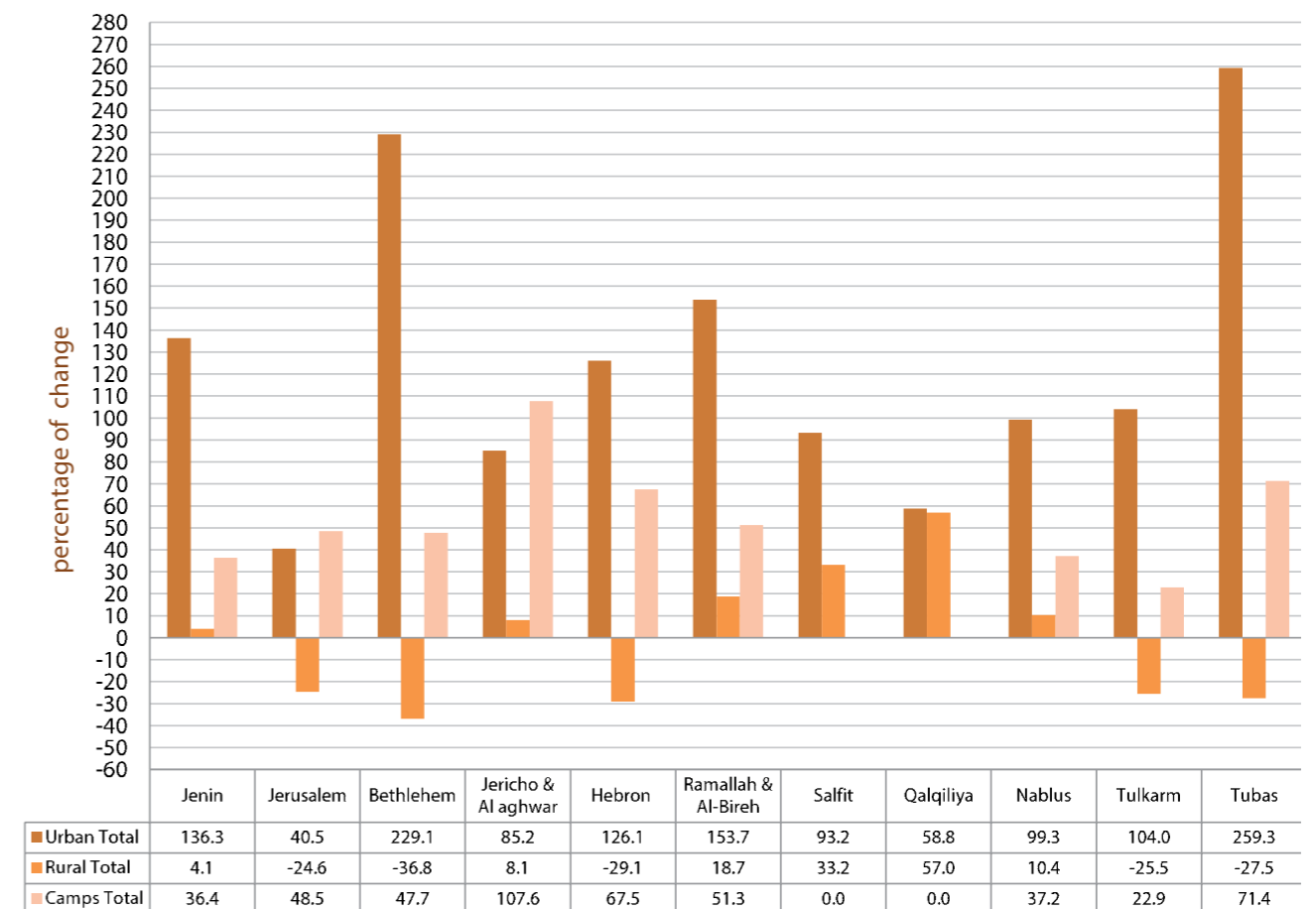


Figure 5: Percent of Change in Palestinian Population by Locality Type West Bank (1997, 2014)

In the West Bank, population density varies widely between Area A and Area B in several districts. In the Bethlehem Governorate, for example, population density in Area A is 1,758 persons/km<sup>2</sup>. However, the density in Area B is only 412 persons/km<sup>2</sup>. This change was even more drastic in the districts that were traditionally largely rural. Low density levels are due to a wide variety of factors, including patterns of land ownership and services provided, which could be addressed with a national development strategy. In Hebron, with an urban population making up 85.4% of the district's total population, including large agriculturally-dependent communities which are much less dense than the true urban centers. Thus while Area A in Hebron has 1,454 persons/km<sup>2</sup>, Area B has a density of only 622 persons/km<sup>2</sup>. (Figure 6). This is significant for future planning, which is discussed more fully in the future priorities section below.

<sup>10</sup> Ministry of Public Works and Housing, UN-Habitat, Palestine Housing Sector Profile, Nov. 2013

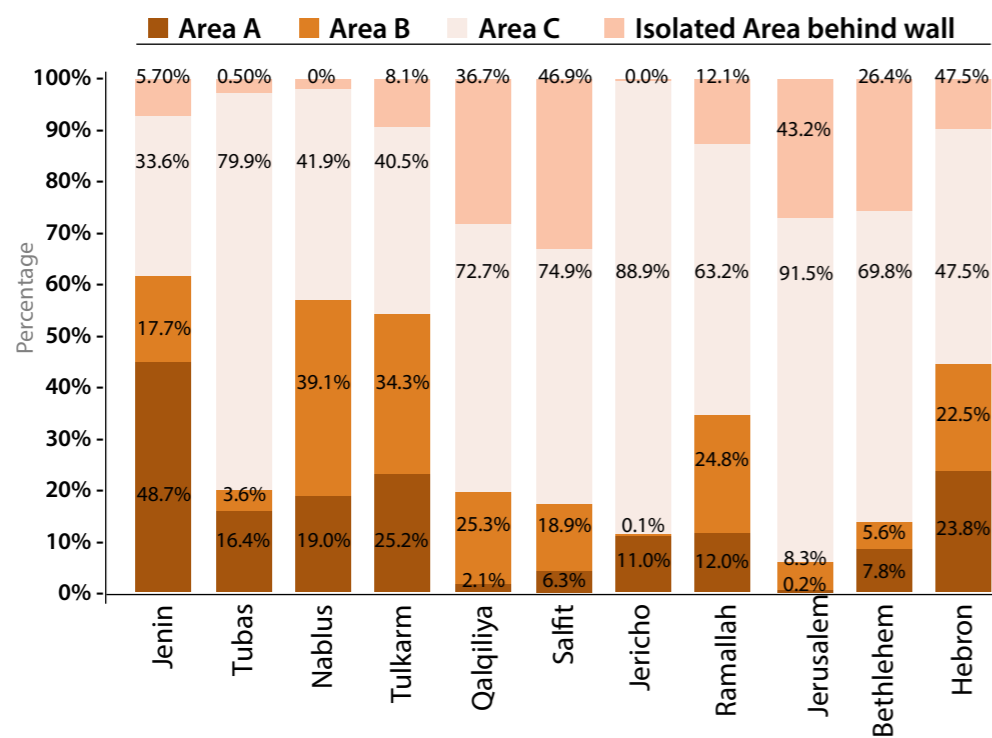


Figure 6: Population distribution over Areas A, B, and C, 2013

### Gaza

In the Gaza Strip, there is even clearer evidence of a migration to urban centers, particularly from the refugee camps. In Deir Al Balah Governorate, home to 4 refugee camps which did not change from 1997-2007, the urban population increased from 31% of the total population in 1997 to 62.8% of the population in 2007, with the camp population going from 66% of the population in 1997 to 36.3% in 2007 (Figure 7). The rural population did not have significant changes in this district.<sup>11</sup> This is clearly an indication of migration from the camps, which are severely restricted in expanding their total km<sup>2</sup>, to the nearby urban areas, or an incorporation of sections of the camps into the nearby cities, straining an already precarious economy and infrastructure. An analysis of the data provided indicates that urbanization in the Gaza Strip overall is almost exclusively due to internal migration to urban centers.

The change in the number of rural versus urban localities in the Gaza Strip indicates that some rural communities were either incorporated into an already-existing urban locality or were totally depopulated. Take, for example, the North Gaza Governorate. In 1997 it had 3 urban localities and 3 rural localities. In 2007 the urban localities didn't change but the rural localities dropped from three to one.<sup>12</sup> This indicates that 2 rural communities ceased to exist as separate communities, either by incorporation or by depopulation. Depopulation is a possibility, since during the same period Israel began expanding the "buffer zone" around the edges of the Gaza Strip, especially in the Northern Gaza Strip. Several communities have ended up partially or completely in the "buffer zone", exposing them to extreme deprivation and even death as Israel deems it a closed military zone and often shoot at those who enter it.<sup>13</sup>

<sup>11</sup> PCBS Statistics Database, accessed August, 2014.

<sup>12</sup> Ibid.

<sup>13</sup> Al Mezan Center for Human Rights Report, Fact Sheet: Access-Restricted Areas ("Buffer Zone") in the Gaza Strip, 2012.

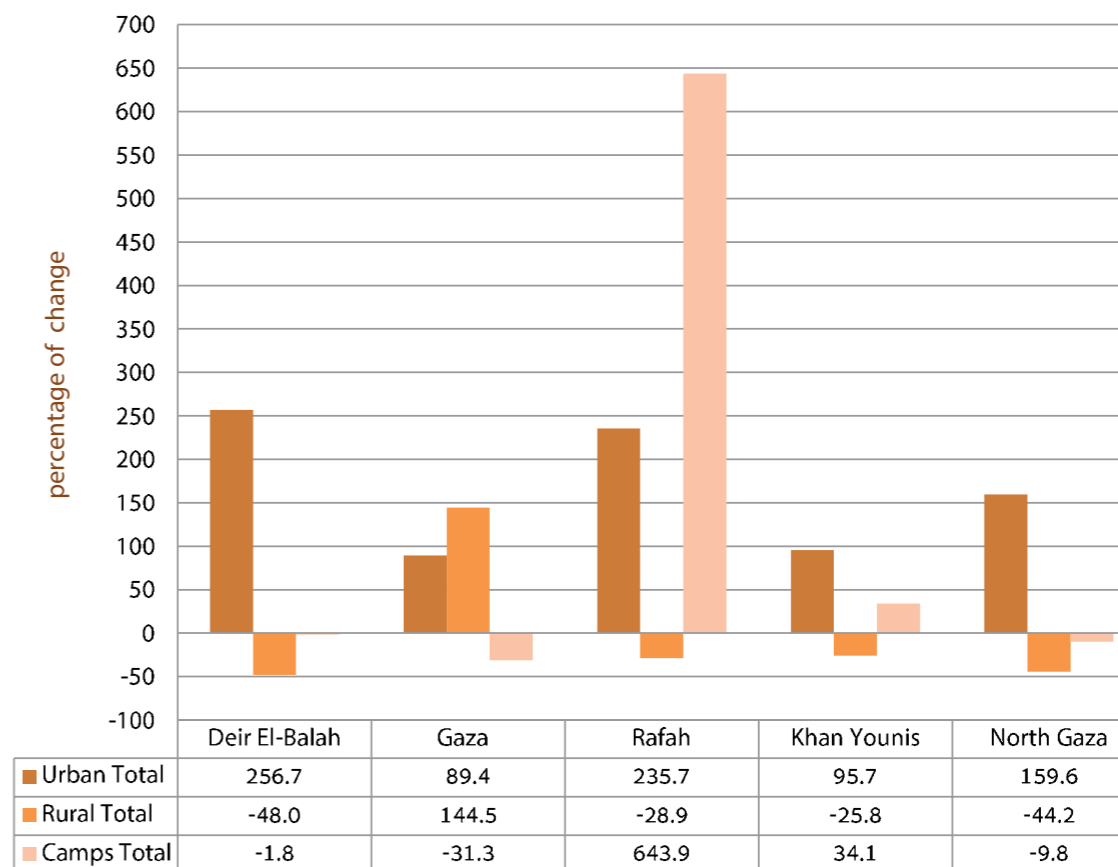


Figure 7: % of Change in Palestinian Population by locality type Gaza Strip (1997, 2014)

### East Jerusalem

East Jerusalem has been under an ongoing process of "judaization" in which the Israeli national and municipal governments are attempting to control the demographics of the entire Jerusalem area to restrict the percentage of the Palestinian population since it illegally annexed East Jerusalem in 1967. That annexation has meant that since 1967, the Palestinian residents of East Jerusalem have been utterly neglected in both social services and planning and development. Israel has insisted on maintaining itself as the only governing body in East Jerusalem, preventing the PNA from having any role in governance or planning inside the Jerusalem municipal area. Simultaneously, the Israeli municipal government has severely limited services provided to Palestinian areas, including the building and maintenance of infrastructure, schools and health centers. In addition, obtaining building permits for Palestinian residents of East Jerusalem is made severely expensive and difficult with lengthy and complex procedures. Hence, the process rarely results in obtaining a permit, forcing thousands of residents to build unpermitted structures and become under the risk of demolition. Finally, the Apartheid, Separation and Annexation Wall was built directly through some East Jerusalem neighborhoods, cutting off residents from their economic, social, and education center. All of this has made East Jerusalem increasingly cost-prohibitive and intolerable for a growing number of people, and residents have been forced to move to areas outside the city center which are still part of East Jerusalem (required if they want to maintain their Jerusalem IDs). Thus, neighborhoods like Kufr Aqab have seen a rapid increase in population, leading to some East Jerusalem neighborhoods to take on the characteristics of urban slums.<sup>14</sup>

<sup>14</sup> ARIJ, Locality Profiles and Needs Assessment for Jerusalem Governorate, 2014.



### 1.1.2 Youth and Women

Palestine is an overall young society. Palestinians at childhood age ( 0-14 years ) comprise approximately 39.7% of the total population in mid- 2014 with an even higher percentage in the Gaza Strip. Youth aged 15-24 makes up 23.6% of the population. Recent demographic trends indicate that, in the future, youth will constitute an ever increasing proportion of Palestinian society (Figure 8). This is due to the high fertility rate and decline in child mortality. The dependency ratio is considered high in Palestine reaching up to 74.8 since children and youth constitute almost half of the Palestinian population in the year 2013. Only 2.9% of the total population is above 65 years old.<sup>15</sup>

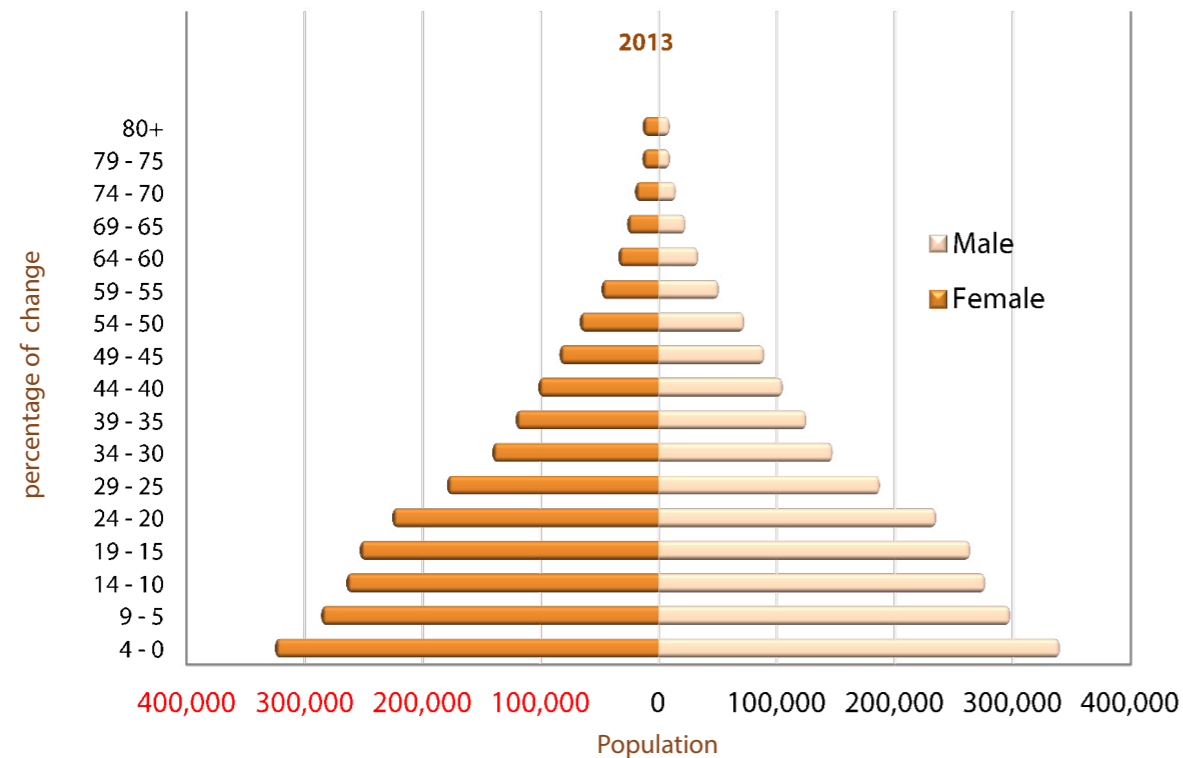


Figure 8: Population Distribution by Age and Gender (PCBS)

The inclusion of women in all levels of development is an ongoing priority, though they are still not represented by numbers reflective of their actual percentage of the overall population. Women are currently 32% of the employees in the government sector but the participation rate in the labor force of females is only 20.1%.<sup>16</sup> Still, women have been included in many areas of planning and development, including the creation of the master plans for various localities. The PNA has also affirmed its committed to women's equality by becoming a signatory to CEDAW. Women's participation will be more thoroughly discussed in each relevant section below.

### 1.2 Achievements

**Connection between urban and rural areas:** while largely impeded by Israeli occupation restrictions which prohibit development in Area C, Palestinian leaders have been finding ways to provide access for their communities. Because of the Israeli-imposed restrictions on Palestinian national authority over Area C,

<sup>15</sup> PCBS Report, On the Eve of the International Population Day, July 11, 2014.

<sup>16</sup> Ibid.

individual \local authorities, especially those in rural communities, have had to take on this infrastructural development themselves, which is limited to local accessibility networks and basic services that are not allowed by the Israeli occupation to expand or adequately develop.

In some cases, the local authorities have been forced to coordinate directly with the Israeli Civil Administration to obtain permits to build the infrastructure needed to connect rural areas with urban ones, which are almost always constructed through Area C, where the PNA has no jurisdiction. The PNA, largely through the MoLG, provides support to these local authorities, in planning, including the development of master plans and other development plans discussed more fully in Section 2.

**Youth:** In the last five years there has been a particular focus on increasing youth participation in local civic and governmental activities. To that end, youth committees have been established in several municipalities, though out of a total of 510 LGU's the number of municipalities with youth committees is very small. Additionally, a commitment to increasing early education for youth has led to a growth in available pre-schools and kindergartens. Finally, literacy rates and enrollment in education continue to be the highest in the Middle East and a priority for families across Palestine, with 93% of boys and 95% of girls enrolled in school in 2013.<sup>17</sup>

**Women:** There has also been increased recognition of the need to include women and gender issues in all sectors of state development. The National Development Plan of 2014-2016 has specific indicators for improving women's participation in development and planning and governance as a whole. To this end, the PNA has developed a quota system for a minimum number of women in governmental bodies. Additionally, the committees created to develop Master Plans for the various municipalities prioritized the inclusion of women in those plans. This is reinforced by the creation of the Ministry of Women's Affairs in the national government, to implement policies to increase women's participation and to institutionalize and integrate gender issues throughout the government and to ensure that women's needs are addressed in the national planning and budgeting. Additionally, the Ministry is tasked with monitoring and assessing the implementation of the programs and policies that aim to enhance the women's status in society.

**Elderly:** Traditionally, the elderly have been cared for by extended family and thus there have been few programs directed specifically for the elderly. However, with a growing percentage of the population above

the age of 60, due to longer survival rates, the Ministry of Social Affairs has embarked on a number of programs to address the needs of the elderly, including providing medical services and cash assistance programs, though only in the West Bank and not available everywhere. The vast majority of services for the elderly have been provided by private civic and religious institutions.

### 1.3 Challenges

**Population Density and Urbanization:** Palestine has experienced atypical urbanization. Largely due to restrictions on movement and development and growth of major urban centers imposed by the IOA (Please see Section II), rural communities in Palestine have been "urbanized" while still maintaining much of their rural character. According to the PCBS definition of "urban" (see footnote 5) nearly 74% of the Palestinian population live in urban areas. However, this is not necessarily representative of a migration of the population from rural areas to urban centers, but includes the re-classification of rural communities as "urban"

<sup>17</sup> PNA, State of Palestine National Development Plan 2014-2016: State Building to Sovereignty, 2014.

based on an increasing population size. These “urban” communities do not share many of the characteristics of true urban centers: they have a weak labor economy with most small businesses owned and operated by extended families; they have relatively low economic growth because their economies are still largely subsistence-based; and many still have large percentages of their population reliant on agriculture as their primary source of income.<sup>18</sup> By defining these mid-sized, agriculturally-based communities “urban” their development has the potential to be neglected because while they may be defined as “urban” they are still lacking in many essential services, which in the end is further straining city centers because of migration from these small “urban” communities.

Nearly all of the connections between urban centers and linkages between rural and urban areas go through Area C. The infrastructure required to connect these urban areas to urban centers with a full range of civil and social services, would necessarily be located in Area C, over which the Palestinian Authority has no control. This has increased the fragmentation of Palestine, even internally in the West Bank, and the PNA has little authority to effectively change that due to their restrictions in operating in Area C. Thus small “urban” communities, as well as rural areas, continue to grow yet the infrastructure needed to connect them to urban centers is poorly maintained and outside the management of Palestinian officials.

Another unique aspect of Palestinian urban demographics which poses serious challenges to urban development management is the presence of long-term refugee camps housing forcibly-landless residents who were displaced from their homes in what is now Israel and prohibited from returning or receiving compensation for lost property. They are therefore a largely impoverished population without access to their rightful basis of economic stability: land. The refugee camps are urban in nature but they are not integrated in municipal and regional planning and development. Since most of the refugee camps are located adjacent to city centers for historical reasons, they have come to act as the cities’ slums. However, because the camps are administered by the United Nations (through the United Nations Refugee Works Agency), the government has taken little authority over them while their residents still rely on and affect the local economy of the nearby urban center. While there is coordination between the PNA and UNRWA regarding the administration of services for the camps, largely through local committees, the process is inefficient and varies depending on locality, particularly between the West Bank and Gaza camps. Systematizing this relationship would help the PNA provide for the refugees and contemplate their possible integration into a future sovereign Palestine if they so choose to be integrated.

The urbanization of refugee camps in the Gaza Strip, and extremely high population density there (*Gaza Strip is the 5th densest place on earth*<sup>19</sup>), compounded by Israeli military bombardments, has created a humanitarian crisis which has affected all demographic groups in Gaza. The intentional de-development of Gaza has not only prevented future planning and long-term development, but has strained the resources of everyone involved. Refugees make up over 70% of the Gazan population. The unresolved status and rights of the refugees is a challenge for all of Palestine but is felt most acutely in Gaza.

Ultimately, the challenges facing Palestine regarding urban demographics are due to the uncertainty of the future demographic make-up of the population, as well as the physical fragmentation of the population into the West Bank, Gaza, and East Jerusalem. Future planning is dramatically affected by the lack of a final status agreement with Israel, particularly concerning refugees and Jerusalem. Palestinian refugees have individual legal rights under international law, enshrined in UN resolution 194 to return to their original homes in what is now the state of Israel and to receive compensation for their property losses. Since the

<sup>18</sup> PNA, State of Palestine National Development Plan 2014-2016: State Building to Sovereignty, 2014.

<sup>19</sup> Ministry of Public Works and Housing with UN-Habitat, Palestine Housing Sector Profile, 2013.

creation of the refugee issue in 1948, Israel has refused to let any of the refugees return, violating international law and creating an artificial strain on neighboring economies and development, including Palestine. However, Palestine recognizes that after an end to the Israeli occupation, some of these refugees may choose to be integrated into Palestine, including some from neighboring countries. The potential of an influx of forcibly landless refugees into Palestine is a challenge for urban planning and for land management, and the perpetual uncertainty makes current planning significantly more challenging.

**Youth:** For youth, the primary challenge continues to be extremely high unemployment rates, particularly for the recently-graduated. The absolute unemployment rate for youth in 2013 was 43% of youth aged 20-24, while the unemployment rate of those participating in the labor force was 23.7%, with 19.1% in the West Bank and 32.5% in Gaza. While the PNA recognizes that the youth unemployment rate is high and has included some general priorities for improving job growth, there are no specific plans targeting youth unemployment.

**Women:** While attempts have been made to include gender in all aspects of planning and development, it is still largely dealt with as a separate issue not integrated into development and planning. Thus while there are “women status” issue included in national development planning, still, more efforts are needed to engage women in all levels of urban development, decision making in particular.<sup>20</sup>

#### 1.4 Future Priorities

The Palestinian National Authority must address the rapid urbanization of traditionally rural areas. Its current urbanization policies have been aimed at the large metropolitan centers in the West Bank, namely Ramallah and Bethlehem. However, much of the strain on those rapidly growing cities is due to a lack of development in the smaller urban centers, mostly located in Area B. In Ramallah district, where much of the large-scale development has been centered, and where prices for land is highest in the West Bank (not counting East Jerusalem) development of Area B, particularly in the areas of transportation and economic growth, would relieve some of the pressure on the metropolitan areas by encouraging migration from rural areas to these smaller urban centers and by reducing the need for people in these smaller urban communities to move to the city centers. Investment in communities in Area B is largely overlooked; both by the Palestinian National Authority and the international donor community, but it should be an integral part of a comprehensive national planning and development strategy, particularly because in-fill is still a significant possibility for development.

In the interim period while Israel maintains significant control over vacant and undeveloped land in Palestine, including the spaces between rural and urban communities, the priority for the Palestinian National Authority is to continue to develop integrative planning policies that include access to Area C. They must also address the administrative gap between UNRWA and the PNA in camps and address the high poverty rates amongst the refugee population. Finally, there’s a need for further integration of the regional and national governing structures, as well as the reality of an integrated economic system in which the refugee population participates.

The Urban Planning Forum, held in Nablus in 2012, also included several priorities for future urban planning such as specifically targeting and strengthening the role and participation of women in professional institutions involved in planning and with those bodies setting development policy and strategies

<sup>20</sup> PNA, State of Palestine National Development Plan 2014-2016: State Building to Sovereignty

so that women's needs can be integrated fully into the planning process. Additionally, increasing youth participation in planning and allow them to have meaningful roles in decision-making and representation.<sup>21</sup>

Palestine will also urgently need to address access of the people of Gaza to the rest of Palestine, with or without a final status agreement with Israel. The forced fragmentation of the country has not only created problems for urban planning, but has contributed to the humanitarian crisis in Gaza, where residents have been experiencing a policy of forced de-development by the IOA. In the same vein, access to Jerusalem for the residents of both the West Bank and Gaza should be a national priority, as well as asserting Palestinian governmental authority over East Jerusalem. Historically, Jerusalem was the center of economic, cultural, social and religious life in Palestine. Access to it would both benefit Palestinian citizens from outside Jerusalem as well as revitalize the faltering Palestinian economy in Jerusalem, which has been subjected to both fierce restrictions on development and intentional neglect in service provision by the Israeli authorities who illegally annexed it in 1967. The integration of the state is of primary importance in order to adequately plan national urban development.

## 2. Land and Urban Planning

### 2.1 Current Status

#### 2.1.1 Land Management

In 2012, the first Palestinian Urban Forum was held in the city of Nablus. This conference brought together various sectors of Palestinian civil society to begin to address issue particular to urban development in Palestine. This Forum addressed a wide range of issues from spatial planning and regulatory schemes to supporting "green" technology and non-traditional building. They also identified a number of priorities which are included throughout this report. The PNA has also taken significant steps to integrate the disparate issues related to urbanization and to create national policies to begin to address the challenges identified. In 2013, representatives of several different ministries began a process of urban planning. While in its infancy, this process has brought together various stakeholders and has begun the discussion around systematic urban management and managing future urbanization and growth. Urbanization has happened without regulation thus far (typical of developing nations and countries in the region) and so the government has focused on future planning to integrate current urban communities in national planning.

Land management and urban planning in Palestine is largely influenced by the policies and administrative laws from previous rulers of the area. Most of the current regulations were inherited from the Ottoman and British empires, as well as the Jordanian and Egyptian administrations and finally usurped by Israeli occupation, which has selectively enforced previous laws to their own advantage as well as issuing "emergency orders" for the past 47 years. It is therefore a somewhat incoherent system of laws governing everything from land classification and registration to construction regulations and private ownership.

Land under the Ottoman Empire was classified into five categories:

1. Cultivated land, termed "Miri", in which the State had the ultimate ownership but was used by private individuals in a lease system.
2. Uncultivated land, termed "Mewat", was not used and comprised of the areas around localities. This later reverted to become "miri" or state land

3. Land in public use such as roads or common pastures, termed "Metruka".
4. Land dedicated to the Islamic religions charitable trust, termed "Waqf".
5. Privately owned land, termed "Mulk."<sup>22</sup>

Mulk lands (privately owned lands) were largely registered according to a deed system called a "Tabo". After the Israeli occupation, it declared that any state land under the above categorization was Israeli state land and open to Israeli settlement development. As of 2013, state land covered 2,394,073 dunums of land throughout Palestine. Of that, 2,145,169 dunums are located in Area C and thus under Israeli control.

This is the current system of land classification that informs land planning and development. Because of a general lack of access to state lands by the PNA, registration and land management has been focused on privately-owned land, though planning and long-term development necessarily incorporates state land in Palestine that should be under PNA authority.

There is currently a significant problem with land registration in the West Bank. In the West Bank, only 40% of privately-owned land is registered with the Land Authority, with a tabo or official certificate of title. This is largely due to a practice and culture during the Jordanian period of not registering land. It is compounded by a cumbersome and expensive process of registration under the Palestinian Authority.

#### 2.1.2 Spatial Planning

As explained above, Planning for the Palestinian State is not only limited by the existence of Israeli laws restricting planning practices in various areas (namely Area C), but also by the physical barriers to implement planning, such as massive bypass roads, water and in many other water, and electrical infrastructure built to support the Israeli settlements that are restricted in use for Palestinians, and in many cases may directly halt and negatively interfere with sustainable planning of the Palestinian state.

Apartheid, Separation and Annexation Wall has also wreaked havoc in communities throughout the West Bank, dividing towns from one another or dividing towns in half and towns from major infrastructure, especially major highways. The effect of the Annexation Wall is most acutely felt in the Jerusalem Governorate, where it isolates 151.6 km<sup>2</sup> outside the Barrier, totaling 44% of the Jerusalem Governorate. In total, 568.76 km<sup>2</sup>, 9.5% of the total West Bank, will be isolated by the Annexation Wall.<sup>23</sup> Moreover, the separation is coupled with requiring Palestinians with West Bank IDs to obtain a permit in order to cross into Jerusalem.

It is critical to acknowledge that there are two concurrent and contradicting infrastructures in the West Bank: that of the Palestinians and that of the approximately 580,801 Israeli settlers in 148 settlements in the West Bank, in addition to and 261 other sites, such as individual homes occupied, illegal outposts, and military sites, as of 2013.<sup>24</sup>

<sup>21</sup> Committee, Final Recommendations of the First Palestinian Urban Forum, 27-29 March, 2012.

<sup>22</sup> Abdelhamid, Ali. Developing and Planning in the Occupied Palestinian Territories: Impact on Urban Form.2006.

<sup>23</sup> PNA Ministry of State, The Wall of Annexation and Expansion...Facts and Numbers, Information Center Concerning Israeli Colonization and Annexation Wall Affairs, PNA Ministry of State, 2012.

<sup>24</sup> Ibid.

Table 1: Palestinian Built up Area versus the Israeli Settlements in the West Bank, 2013

Palestinian Governorate Name	Palestinian Built-up Area «km <sup>2</sup> »	'Israeli Settlements Master Plan Area km <sup>2</sup>
Jenin	27.872	22.766
* Tubas	5.170	12.532
* Nablus	25.438	25.709
Tulkarm	19.101	5.150
* Qalqiliya	8.466	25.390
* Salfit	8.719	37.959
* Ariha (Jericho)	7.990	77.305
* Ramallah	47.850	61.233
* (Jerusalem)	35.646	118.720
* Bethlehem	25.370	40.697
Al Khalil (Hebron)	83.224	58.802
<b>Total</b>	<b>282.503</b>	<b>486.262</b>

### 2.1.3 Transportation

Mobility restrictions imposed by Israel have become the prevailing reality in the West Bank, serving as an omnipresent reminder of the comprehensive web of control that the government of Israel maintains over Palestine. (Please see Map 1 - pg 8). In addition to the restrictions on movement between the Gaza Strip and the West Bank and Jerusalem, and the construction of the Annexation Barrier, there are strict internal mobility restrictions inside the West Bank, preventing the free movement of Palestinians within Palestine. This is not simply a security-centered border policy designed to restrict Palestinian access to Israeli territory. Rather, it is a comprehensive and multifaceted regime of closure, reaching deep into Palestinian territory in the West Bank and suffocating the social, cultural and economic life of Palestinians. Known as "internal closure," these mobility restrictions assume many forms, ranging from earth-mounds, trenches, and restricted-access roads, to fixed and partial checkpoints, flying checkpoints, and agricultural gates. According to the UN Office for the Coordination of Humanitarian Affairs (OCHA) there were 542 physical obstacles obstructing the free-flow of goods and people within the West Bank by the end of June 2012.<sup>25</sup>

These restrictions on transportation have made Palestinian transportation planning extraordinarily difficult. Transportation itself is provided solely by the private sphere, with large transportation projects, particularly those between urban centers, nearly impossible.

### 2.1.4 Local Development Planning

The Ministry of Local Government (MoLG) supports Local Governing Units (LGUs) in developing plans to meet the needs of the local communities. LGUs vary widely in their human capacity regarding development, which is largely based on the size and history of the locality, with large urban centers generally having more sophisticated and developed systems of governance and planning. However, the MoLG continues to try to address the needs of all LGUs, with particular attention to the smaller LGUs to increase their capacity and update their managing and operational systems through a variety of programs.

<sup>25</sup> UN OCHA, West Bank Movement and Access Update: Special Report, September 2012.

### East Jerusalem

East Jerusalem land registration and planning is subject to Israeli regulations, implemented largely by the Jerusalem municipal government which governs both East Jerusalem and West Jerusalem as one entity. Thus, East Jerusalem is subject to an intentional policy of restriction aimed at keeping the Palestinian population in Jerusalem in the minority, largely by making physical expansion difficult and keeping infrastructure in disrepair. Only 13% of the land in East Jerusalem is zoned for Palestinian development, which has driven up the prices of land exponentially since the 1980s.<sup>26</sup> Additionally, 22% of East Jerusalem is designated as 'green' zones or for public infrastructure, where private development is prohibited.<sup>27</sup> These designations are made by the Israeli government, without consultation with Palestinians. Building in any of East Jerusalem requires a permit from the Israeli government, which is expensive and difficult to obtain. This leads to unpermitted construction, which puts buildings at risk for demolition (*the issue of home demolitions is addressed more fully in Section 6*).

### 2.2 Achievements

**Land Management:** In 2002, the Palestinian Land Authority (PLA) was formed by the PNA as the official body responsible for surveying, registration, land valuation and state land administration in Palestine. Land registration has been a significant priority for the PNA in recent years, specifically in the West Bank where only approximately 40% of privately-owned land is registered. Registration processes have been made simpler and associated fees have been reduced to increase incentive to register. Additionally, from 2005-2008 a Land Administration Project, supported by the World Bank, was launched in the West Bank to strengthen land management capacity within the PNA. A follow-up was launched in early 2012, with a particular focus on completing land registration in selected areas, formalizing the land registration process, and providing the basis for revenue collection.<sup>28</sup>

**Spatial Planning:** Various agencies and academic institutions, as well as the Ministry of Planning, have been contemplating the integration of urban planning in a national development in earnest since at least 2002.<sup>29</sup> In 2010, as part of the larger PNA initiative to develop nation-building plans and strategies, the office of National Spatial Planning, was created with the support of the UNDP and UN Habitat. The office is managed by a complex set of committees made up of governmental ministries and a board of advisors. The plan itself, which was aimed to be completed by 2013, includes two stages: 1) the creation of a National Protection Plan and 2) 5 studies from a spatial perspective on quarries, urban/regional integration, social services, transportation and economic development which would then be translated into a comprehensive National Spatial Plan. A demographic survey was also done, and five scenarios were developed with various population sizes, depending on the status of a final agreement with Israel, to project planning needs. The National Protection Plan was completed in 2014 and designated areas of restricted development and other protective elements. The second stage, which is aimed to culminate in a comprehensive spatial plan that includes data from the studies and priority areas for development, has not begun.

The Ministry of Local Government also completed a master plan for Gaza Strip in 2006 after the withdrawal of the Israel from the strip. It also undertook the creation of 96 Master plans for communities located in Area C. Master Plans must be created and submitted to the Israeli Civil Authority (ICA) for approval as a first step

<sup>26</sup> International Peace and Cooperation Center Report, 2013.

<sup>27</sup> MoPWH with UN-Habitat, Housing Sector Profile, 2013.

<sup>28</sup> MoPWH with UN-Habitat, Housing Sector Profile, 2013.

<sup>29</sup> Dr. Ali Sha'at, Planning in Palestine: The Challenges, 2002.

towards legal building in Area C. Palestine only recently acquired the human capacity to undertake the creation of these Master Plans, and thus this was only begun in earnest recently. 14 needs-assessments were also completed in communities based in Area C.

**Transportation:** In 2006, a Transportation Sectoral Study was prepared for the MoLG. The study identified major traffic and transportation issues in the Ramallah-Al-Bireh-Beitunia Metropolitan Area. This led to the creation of the Joint Cooperation Unit, which was a result of the strategic planning undergone as part of the City Development Strategies. A proposal for an integrated Traffic and Transportation Plan was developed, in conjunction with other integrated infrastructural plans, as a pilot project for metropolitan areas.

**Local Development Planning:** In addition to the National Spatial Plan, the Ministry of Local Government (MoLG) also began a series of development planning programs with Local Governing Units (LGUs). One such program was the creation of Strategic Development and Investment Plans (SDIP) for 135 individual municipalities, representing 78% of the total Palestinian population. These SDIPs are comprised of 5 year plans, beginning in 2009, that encompass issues such as spatial planning, infrastructure improvement, services provision, and economic development.

**The Key objectives of the SDIPs are:**

- 1) Promote decentralization in Palestine,
- 2) Improve governance and decision-making processes at the local level,
- 3) Improve responsiveness to emerging community needs,
- 4) Promote rational local economic and social development, and
- 5) Set the basis of an integrated development approach that ensures integrated development among different governing levels<sup>30</sup>.

The MoLG began by developing a policy note and manual for LGUs for developing their SDIPs, and then facilitated the process of creating the SDIPs, with the support of USAID. This process included community involvement at multiple levels and the MoLG emphasized the inclusion of women and women's priorities in the SDIP development.

## 2.3 Challenges

**Land Management:** While the Palestinian Land Authority was created in 2002, it was not until 2005 that a comprehensive registration process was developed, and was not fully developed until 2012. Meanwhile approximately 25% of civil court cases involve disputes over land title. While the Gaza Strip has a much higher rate of registration, due to their administration by Egypt from 1948-1967, it is the lack of registration in the West Bank, where there is the space for future development and planning, that is crucial. The Land Authority has attempted to increase land registrations, both by refining the registration process and by educating the population of the benefits of land registration. Still, the registration is woefully low, and will require long time to complete the registration of the remaining 60% of privately owned land under the same ongoing process. This is further compounded by the fact that the PLA only has the ability to register land in Areas A and B. Privately-owned land in Area C, which is largely agricultural and undeveloped and may provide the best location for planned development and expansion, is still not registered or administered by the Palestinian Authority in any way. This will prove to be a significant challenge for the future of

the Palestinian state, especially in the period after sovereign statehood, when there will be significant need for land for expansion and development and no clear process for determining the actual owner of the land. The lack of authority to register land in Area C also contributes to the lack of financial base for the PNA, as it could be a potential source of income through the associated registration fees and correctly-assessed property taxes.

**Spatial Planning:** Spatial planning and land management is largely inhibited by intentional practices of the Israeli government to fragment Palestine spatial, both by major regions (West Bank, Gaza Strip, and Jerusalem) and also within those regions, particularly the West Bank and Jerusalem, with the settlements and their related infrastructure and the Annexation Barrier.

There is also a need for completed national spatial plan. The NSP office has been underfunded in recent years, which has resulted in a 3 year period in which the second stage of the plan has not been initiated. In addition, there is a need to increase human capacity for planning and land assessment so that Palestine can rely on its own assessments for future planning. There is also a significant gap in integrating local planning with regional and national planning. This is not limited to spatial planning, but also affects service provision and transportation infrastructure. It is also important to note that the national Protection Plan only covers the West Bank, and does not address the pressing needs of the Gaza Strip.

**Transportation:** Mobility restrictions imposed by Israel have become the prevailing reality in the West Bank, serving as an omnipresent reminder of the comprehensive web of control that the IOA maintains over occupied Palestine.<sup>31</sup>

Internal circulation networks within Palestinian cities and villages present a key challenge for urban development. The limited share of land allocated for roads creates vehicular circulation problems, and does not leave room for pedestrian movement. This is coupled with limited investment in roads construction, heavy dependence on private cars transportation and lack of efficient public transportation systems.

**Local Development Planning:** While there have been significant achievements in the development of plans, strategies, and policies for land and urban planning, including in almost all of the indicated areas in the UN Habitat Agenda, implementation is sorely lacking. SDIPs, while written, have not been evaluated for implementation or progress towards implementation. The Master Plans for Area C, while complete and submitted to the Israeli Civil Authority (ICA), have not been acted upon, even the few that have been approved. Though the MoLG decided that no response from the ICA within 18 months of submission would mean they would go ahead with implementation, several have passed that deadline without further action.

Finally, as in many sectors, a lack of sufficient funding has been raised as a major barrier to long-term planning. This is compounded by an overall problem of needing to prioritize funding for the dealing of crises, largely created by Israel, rather than long-term sustainable planning and development. This problem is cross-sectoral, and has been contributed to by a focus on operational funding rather than development funding driven both by donor interests and PNA priorities.

<sup>30</sup> PNA Ministry of Local Government, Policy Note: Strategic Development and Investment Planning for Palestinian Cities and Towns, 2009.

<sup>31</sup> UN OCHA, West Bank Movement and Access Update: Special Report, September 2012.

## 2.4 Future Priorities

A primary future priority is the full registration of land in all of Palestine. In the interim period, completion of the registration of privately-owned lands in Area A and B in the West Bank must be completed, with necessary reforms to the process to increase its efficiency. Likewise, prioritizing the completing of the National Spatial Plan, included allocated sufficient resources to complete it, must be integrated as a priority for the national government. Additionally, urban and spatial planning training must be expanded in the local universities to create the base for trained local experts who will be able to accurately evaluate the implementation of these policies. The First Palestinian Urban Forum of 2012 also suggested as future priorities the need to prepare master plans for roads, to plan for unconventional solutions for roads and transport issues, and to start planning for roads and transportation, without awaiting the completion of financing.

Additionally, carrying capacity and resource scarcity assessments must be integrated into future urban planning, as Palestine's carrying capacity is already strained and, with projections of future population growth, will require more efficient, innovative sustainable development in order to remain within the means of the resources available. Specifically, priority should be placed on adequately addressing the nexus between housing, transportation and energy in planning, with an eye towards sustainable development, to truly meet the needs of Palestinians in the near future and in subsequent generations.

Political priorities include effectively advocating the international community to allow Palestinian sovereignty over its resources and all of its land, including Israel settlements land, immediately.

## 3. Environment and Urbanization

### 3.1 Current Status

#### 3.1.1 Environment and Climate Change

The status of the environment in Palestine has received much less attention in the larger conversation about the Israeli occupation than other political issues. This is despite the fact that the status of the environment as a fundamental role in the ability of a Palestinian state to be viable, since it provides the physical context in which society exists and it determines the extent to which society is sustainable.

The Israeli occupation has fragmented the continuity of the natural landscape, human capital accumulation, and physical infrastructure, and has severely limited the ability of the PNA to implement a comprehensive and effective national strategy for sustainable development. Environmental problems, such as land degradation, deterioration of biodiversity, depletion of water resources, deterioration of water quality, air pollution, etc. have dramatically accelerated during the ongoing Israeli occupation since 1967.

Restrictions on the available resources, poor management and unsustainable practices have resulted in the radical transformation of the Palestinian environment, degradation of its natural ecosystem, and depletion of its resources. It is obvious that the Israeli Occupying Authorities have focused on exploiting the Palestinian natural resources to ensure a high standard of living for settlers, at the expense of the indigenous Palestinian population. They have utilized Palestinian water resources far and beyond any equitable allocation system and in contravention of international law. Israel controls almost all Palestinian water resources and is exploiting around 90% of the available water, leaving only 10% to Palestinians subject to Israeli control in terms of granting permits and licenses before allowing its use by Pal-

estinians.<sup>32</sup> Moreover, since 1967, Palestinians have been denied their right to access and utilize their share of water as a riparian of the Jordan River System (Please see Section 6 for more information on water access in Palestine).

Palestine, as part of the Eastern Mediterranean, is subject to many serious changes in annual rainfall, mean temperature, extreme weather events and sea level rise as stated in the fourth assessment report by the IPCC. The PNA, through the Environmental Quality Authority, took the lead in developing the "National Climate Change Adaptation Strategy" in 2010 with support from the UNDP/PAPP. Stakeholders representing all societal groups were actively involved in the preparation of this national strategy. A National Committee for Climate Change is currently active and working towards highlighting the impact of climate change on different sectors, aiming at developing the National Action Plan for Adaptation. In addition, several working groups have been established on various issues related to the environment and natural resources.

#### 3.1.2 Pollution and Traffic Reduction

The geographical discontinuity of Palestinian-controlled lands created by Israeli segregation policies and the construction of the Apartheid, Separation and Annexation Wall, has hindered the implementation of several centralized projects related to waste management. Untreated sewage streams are flowing in wadis without any restriction. These pollution sources are causing visual distortion to the landscape and aesthetic value of the living and natural environment as well as causing health problems.

The current management practices for the wastewater sector in Palestine are mostly limited to the collection of wastewater by sewage networks and/or cesspits, and final discharge into the sea (in the Gaza Strip) or open areas (in the West Bank). Sewage networks in the West Bank are rarely supported by wastewater treatment facilities. Only 6.33% of the wastewater generated in the West Bank is treated in centralized and collective wastewater treatment plants, the remaining is discharged untreated into the environment. This is not only wastewater produced by Palestinians, but also wastewater produced in the Israeli settlements, which has been dumped intentionally into Palestinian agricultural lands as yet another method of forced displacement, which also contributes to the degradation of the environment. In the Gaza Strip there are a group of centralized wastewater treatment plants, namely: Beit Lahiya WWTP, Gaza and Rafah. Khan Younis currently utilizes a temporary basin to achieve partial treatment. However, the wastewater infrastructure, particularly in the Gaza Strip, has suffered from severe damage by Israeli occupation forces and is often largely inoperable.

The population growth and the evolution of lifestyle have resulted in an increase in the amount of the solid waste being generated. Fortunately, comprehensive, integrated strategies for solid waste management has been recently developed and is currently being implemented in an attempt to decrease the adverse effects which result from mismanagement of this waste. However, Israeli occupation forces and the political situation still represent a real obstacle against the development of a solid waste management system in Palestine. The Israeli blockade, checkpoints, curfews, and the construction of the Apartheid, Separation and Annexation Wall (and other restrictions), have repeatedly prevented access to dumping sites and/or the municipal-level collection of solid waste. These actions have not only restricted the provision of services, but have also resulted in the deterioration of health and hygiene conditions.<sup>33</sup>

<sup>32</sup> Palestine Water Authority Report, 2011.

<sup>33</sup> ARIJ, Status of the Environment in the Occupied Palestinian Territory, 2011.

### 3.2 Achievements

**Environment and Climate Change:** A major achievement of the PNA was the development of a Palestinian Climate Change Adaptation Strategy 2010, to identify short-term and long-term strategies for addressing climate change in Palestine. The Program began with an overview of the issues facing climate change, and suggested several adaptations to be implemented, grouped in “no regret” and “low regret” options. In addition, several working groups on various issues which include governmental entities, CBO’s and NGO’s meet regularly to identify and address environmental issues and needs. The creation of the Environment and Energy Group reflected national capacity building regarding climate change adaptation, involving:

1. Enhancing capacity of Palestine to design and implement policies to integrate adaptation into domestic plans, budgetary and fiscal policies, investments and practices,
2. Helping the country identify and prioritize and implement short-term “no regrets” adaptation responses,
3. Helping countries mobilize additional sources of funding for implementing adaptation responses, and
4. Developing a national Climate Change Adaptation Strategy.<sup>34</sup>

In addition, in 2010, the Environmental Quality Authority, like other Palestinian ministries and institutions, responded positively to the call of the Council of Ministers and the Ministry of Planning and Development (MoPAD) and started developing an environmental sectoral strategy. EQA prepared four priorities and strategic goals under which eighteen sectoral strategies and five cross-sectoral strategies were set as a crucial factor for the preparation of the overall national plan for the years 2011-2013. The four strategic objectives according to the 2011-2013 sectoral strategy were:

1. The Palestinian environment is less polluted
2. The natural environment and the cultural heritage are maintained and managed in a sustainable way
3. The requirements for the climate change adaptation, desertification combating, and environmental disasters are implemented
4. The sector of environment is governed in an integrated way and coincided with the international procedures and requirements

Those strategic objectives were translated into policies and interventions in which the issues of climate change and disasters were elaborated throughout 2011-2013.

**Risk Reduction:** Risk reduction analyses and response plans have been developed, mostly by relevant universities and other academic establishments. They have primarily focused on the capacity-building of the civil defense programs, including firefighting and emergency response. In practice, these facilities have been primarily used to respond to Israeli aggressions. For example, the Civil Defense in Gaza has been a critical part of providing life-saving interventions in Gaza during the current Israeli assault. Because of the ongoing Israeli aggressions both in Gaza and the West Bank, expanding the capacity and strategic planning of the civil defense has largely been overcome by constant need to respond to ongoing crises created by Israel.

**Pollution and Traffic Reduction:** Pilot programs to address traffic congestion have been designed for the Ramallah-Betuniya-Al Bireh metropolitan area as part of the larger pilot plan to integrate planning in those

areas. Traffic congestion has also been addressed in larger cities, particularly Hebron, by bringing in outside consultants to assist in traffic pattern studies and designs. Lack of adequate funding has made most of these programs remain on paper only, and adequately addressing traffic on a larger scale is nearly impossible due to the restrictions on development and planning in areas between city centers addressed above.

### 3.3 Challenges

**Environment and Climate Change:** Implementation of climate related strategies, plans and interventions in the West Bank and Gaza Strip is still lacking and far below needs and expectations. While plans and studies have been conducted complete with short-term and long-term recommendations, these have rarely been implemented. The 2007 siege imposed by Israel, and the geographical split from the West Bank-based Palestinian Authority, has severely limited the ability to fully study these issues and implement changes in the Gaza Strip. Lack of authority and control over East Jerusalem has produced the same result. Other weaknesses and challenges have also been identified.

- 1) Lack of mainstreaming environment and climate change in the national development planning.
- 2) Lack of a legal / institutional framework to address climate change related issues including but not limited to adaptation and low carbon sustainable development.
- 3) Limitations in using high technologies and devices used to monitor climate change issues.
- 4) Lack of consolidation of data (where it exists) and dispersion in different institutes and governmental entities, making it not easily obtainable
- 5) A low level of awareness of aspects of the environment generally, and specifically climate change.
- 6) Lack of sufficient financial support and/or access to climate related multilateral and bilateral funds to tackle the widespread issues related to climate change and environmental crises
- 7) Lack of control over natural resources including, land, mineral resources, and water.
- 8) Continued Israeli appropriation of natural resources
- 9) The Annexation Barrier and its effects on the environment and natural resources.

**Risk Reduction:** There is overall underdevelopment of policies for disaster preparedness, mitigation and emergency response still plagues the country. For example, a massive storm in the winter of 2013-2014 which brought heavy rains to areas including the Gaza Strip and snow to areas of the West Bank had a disastrous effect on the infrastructure in Gaza (including a nearly complete collapse of the sewage system) and devastation for the agricultural economy in the West Bank, disrupting a major part of the National economy, with a limited framework for addressing and compensating for the disaster. There is also a lack of coordination between central and local level authorities in disaster management activities.

Of course, much of the “risk” the population of Palestine is facing is man-made and wholly preventable by the international community. The absolute devastation created in the Gaza Strip by Israel’s deliberate targeting of infrastructure, which especially affects environmental factors by destroying the ability to deal with waste disposal and proper and expedient addressing of dead bodies is made nearly impossible by Israel and is not something Palestine can meaningfully prepare for.<sup>35</sup> Palestine cannot create a risk reduction plan to deal with war crimes.

<sup>34</sup> ARIJ, Executive Summary: Status of the Environment in the Occupied Palestinian Territory: A Human Rights-based Approach, 2011.

<sup>35</sup> See, for example, Palestine Center for Human Rights report from July 27, 2014 [http://www.pchrgaza.org/portal/en/index.php?option=com\\_content&view=article&id=10542:on-the-20th-day-of-the-israeli-offensive-during-declared-humanitarian-truce-medical-and-defense-crews-have-access-to-areas-invaded-by-israeli-forces-israeli-forces-cause-extensive-damage-to-these-areas-dozens-of-corpses-of-palestinian-recovered2-fami&catid=145:in-focus](http://www.pchrgaza.org/portal/en/index.php?option=com_content&view=article&id=10542:on-the-20th-day-of-the-israeli-offensive-during-declared-humanitarian-truce-medical-and-defense-crews-have-access-to-areas-invaded-by-israeli-forces-israeli-forces-cause-extensive-damage-to-these-areas-dozens-of-corpses-of-palestinian-recovered2-fami&catid=145:in-focus)

**Pollution and Traffic Reduction:** There is a lack of control of major sources of pollution, which is often due to Israeli dumping of waste (particularly electronic waste and hazardous waste) on Palestinian land and the presence of Israeli factories inside Palestine (either in area C or inside the settlements) that are not subject to Palestinian regulation and are often unregulated in practice by Israeli environmental regulatory authorities. More over the settlements are considered as a major obstacle and challenge against environmental management and sustainable development in Palestine (confiscation of land, cutting and uprooting trees, excavation of the vegetation cover, isolating the natural habitats of the wildlife, degrading the fauna and flora).

Also there is a lack of resources to update infrastructure and develop new infrastructure which leads to horrific environmental crises such as the failing sewage system in the Gaza strip which has led to raw sewage being dumped into the Mediterranean Sea due to lack of fuel and materials to do repairs, which are caused by the Israeli-imposed siege, as well as consistent damage to the infrastructure every few years by Israeli military onslaughts which damage existing infrastructure, forcing the government to assign limited resources to address the crises rather than developing proactive responses and increasing developmental capacity. Finally, there is a need for development of a jointly-run public-private transportation system which would be significant in reducing air pollution as well as increasing governmental regulation of traffic pollution and congestion.

### 3.4 Future Priorities

A primary priority raised was to fully integrate and mainstream environment and climate change into national planning towards a sustainable development.. Currently, much of the work on the environmental issues is delegated to a separate process, but it has implications for all aspects of the political agenda including resource allocation and exploitation, sustainable development in housing and other infrastructural development, economic regulations, etc. This would be accomplished most expeditiously if the Environmental Quality Authority was actually given a mandate and authority, potentially by having it included in the government cabinet, where it is currently not included. This goes hand in hand with the need for an environmental monitoring and management system which is nationally maintained and regulated.

It is crucial to translate the national climate change adaptation strategy into a detailed action program. In addition a formulation of a national climate change platform is considered important in which: Climate Change Plans, Policies, Strategies and Action plans are well developed and agreed at the national level.

Equally important is to prioritize the implementation of the plans that have already been developed. These plans have been created with extreme diligence by multiple stakeholders. While planning is a continuous process, resources should be diverted to immediate implementation of the most crucial adaptations. Some of the adaptations described more fully in the Palestine Adaptation Programme of Action can be implemented with relatively little up-front cost, but are lacking the legal framework and political will to fully implement them.

There is also a need to encourage “green” building and promote the creation and protection of green spaces for Palestinian cities, both for recreation and for cultural and environmental protection.

In the end, the condition of the environment in Palestine is largely dependent on the actions of the occupation. Without control over resources, sources of pollution or degradation, Palestine is limited in its ability to respond effectively changes in the environment. When this is compounded by a significant diversion

of resources to dealing with crises that are created by Israel, it becomes nearly impossible to adequately implement long-term policies for sustainable development.

## 4. Urban Governance and Legislation

### 4.1 Current Status

According to the Palestinian National Authority Basic Law, legislation should be promulgated by the Palestinian Legislative Council while other executive bodies are responsible for creating regulations for their respective jurisdictions. The Basic law for Palestine is based on the laws promulgated by the government in 1997. However, urban governance legislation and relevant practices were not consistent between the West bank and Gaza, due to the historical political affiliation of Gaza with Egypt, and the West Bank with Jordan. This was more emphasized by the fact that the Palestinian Legislative Council has not been convened since 2007<sup>36</sup>, after elections that were considered fair and impartial by the international community brought a minority party into power leading to an administrative split between the Gaza Strip and the West Bank that came to an end in 2014 by the establishment of a new unity government. Accordingly, no significant change in urban legislations took place aside from few emergency Presidential decrees that have been issued to regulate urban development practices in the West Bank. Even before 2007, very few draft laws were passed by the Legislative Council since the original set of laws in 1997.

#### 4.1.1 Urban Development and Local Governance Legislation

Regulatory and legislative frameworks in construction and development remain complex, outdated and in some ways contradictory.<sup>37</sup> As indicated by the Housing Sector Strategic Plan 2011-2013, this is mainly due to laws that were inherited from previous legal regimes, such as the Ottoman or British Empires, that have not been sufficiently updated, in addition to some military orders that were issued by the Israeli occupation. According to this Strategic Plan, several pieces of legislation, including the Law on the Ownership of Flats and a regulation on Tall Buildings have been promulgated, but require to be complemented with a comprehensive revision of the current overall urban planning regulatory framework.

There were few laws enacted in 2005 and 2006 that amended the process by which the Local Authority Councils were elected and the creation of the Joint Council for Services, Planning and Development, respectively. Several draft regulations and laws were suggested by the Ministry of Local Government for improving municipal finance systems and local planning and zoning, but have not been finalized or implemented.

#### 4.1.2 Safety and Security

Security forces have contributed significant resources to addressing the issue of drug use prevention and treatment. Drug use is most significantly a problem in Jerusalem and the surrounding areas. The Palestinian Authority is developing plans and strategies to combat drug use, including educational programs as well as police action.

<sup>36</sup> PNA, State of Palestine National Development Plan, 2014-2016: State Building to Sovereignty, 2014.  
<sup>37</sup> MoPWH with UN-Habitat, Housing Sector Profile, 2013.



### 4.1.3 Social Inclusion and Equity

The Palestinian society in general is relatively a homogeneous society with strong social ties and a culture of equity towards minorities. It also enjoys a strong social support system to the underprivileged and vulnerable segments of the society. For gender consideration issues, the PNA has paid particular attention to the inclusion of women in all levels of government and development planning. There is a Ministry of Women's Affairs which has its own set of sector priorities. In addition to this, many of the other ministries have Gender Units that are specifically tasked with including women's issues within that sector.

### 4.2 Achievements

The swearing in of a new unity government in June 2014 creates great possibilities, including to the convening of the Palestinian Legislative Council and a reactivation of the legislative process for the state of Palestine. However, because of Israel's brutal and criminal assault on the Gaza Strip in July, 2014 it has not had the chance to be implemented fully.

**Urban Development and Local Governance:** In 2011, the Council of Ministers issued the Council of Ministers' Decision No. 6 on Buildings and Regulation of Local Authorities which included new regulations, which amended the Building and Zoning bylaw that was based on the Jordanian law of 1966. This regulation has updated the licensing regulations, land registration and fees in the West Bank, However, due to the Israeli occupation, this law does not apply to Area C and East Jerusalem, and remains applicable in Areas A and B of the West Bank, and Gaza only. The new decision reduced the fees for housing projects constructed by housing cooperatives as incentives to encouraged their formation, which should lead to lower housing costs for low-income residents.

Recently, beginning in 2013, a new focus on decentralization has been introduced to stakeholders and meetings convened by the Ministry of Local Government, as well as the commission of an evaluation of the current status of decentralization of local governance in Palestine.<sup>38</sup>

**Safety and Security:** Before 1996, there were no security forces in Palestine. Security issues were dealt with through the civil administration of the occupying authority. Since then, many successes regarding the development and training of the security forces in Palestine were achieved.

**Social Inclusion and Equity:** There has also been increased attention to the level of public participation in local governance. The Ministry of Local Government developed and distributed manuals, and provided trainings for LGUs on increasing public participation in their planning and other affairs. A policy paper entitled "Promoting and Institutionalizing Public Participation in Local Government Units' Affairs" was drafted by the MoLG and used as a basis for the manuals created. The MoLG also produced a policy paper on how to improve oversight of LGU's by the MoLG. NGOs have also produced reports on best practices for including a human rights-based approach to planning and development.<sup>39</sup>

Due to the quota system implemented by the PNA, the percentage of women's participation in the PLC rose from 5% in 1996. In 2006, the last national elections, women made up 12.9% of the elected Palestinian Legislative Council (PLC). In the 2004-2005 local elections, women made up 18% of the elected positions

of the LGUs. This rose to 20.6% of the local elections that were held in the West Bank in 2012 up from 2% in 1996.<sup>40</sup> Female judges also increased, from 6% of the positions to 12% in 2012.

Additionally, the Ministry of Women's Affairs and the General Union of Palestinian Women along with other women's institutions issued a Declaration of Women's Rights in 2008 to affirm the rights of women in Palestinian society. The Ministry of Women's Affairs has also created TAWASOL resource centers throughout Palestine, which work to create networks between NGO's, community-based organizations and governmental units to promote women's equality and empowerment.

The Ministry of Women's Affairs and their partners from other national organizations as well as civil society have developed several plans to address violence against women, including a national plan 2011-2019 which aims to enhance the rights of women under the law and to improve the institutional tools to support abused women in order to build a society based on justice and equality for all without discrimination.

### 4.3 Challenges

The fact that the law-promulgating body for the state of Palestine has not convened in over seven years is a serious challenge both for updating legislation needed across the sectors, and for the overall health of the state's governance and legislative sectors.

**Urban Development and Local Governance:** Regulations for opening a business are still out of date and there are gaps between regulations and legislation which makes opening a new business a complex and confusing process.<sup>41</sup> Future challenges will include the need to reconcile different regulations promulgated in the Gaza Strip and those in the West Bank in order to create one national legislative and regulatory scheme for future development.

In part because of the lack of an overhaul of the current legislation, there are serious gaps in legislation, particularly relating to the authority of LGUs and the MoLG. As development strategies are developed on the local level, there have been conflicting and sometimes overlapping responsibilities between the LGUs and the PNA, usually through the MoLG, creating inhibitions on implementation of programs because a lack of formal authority by the necessary party.<sup>42</sup>

Finally, LGUs are continuing to face financial shortfalls and smaller communities in particular are not able to fund basic needs for development and maintenance. While they are empowered to collect construction fees, rent, slaughterhouse fees, parking fees, etc. the Ministry of Finance is responsible for collecting the largest fee base: property taxes. For smaller communities with fewer tax bases (very few town collect parking fees, for example), the tax base is inadequate. This is in part due to the centralization of funds collected at the municipal level in the Ministry of Finance which then redistributes a portion of the collected finances to the LGUs. This process is fraught and so often irregular.

**Safety and Security:** There is a lack of systematic data collection on some crime issues (specifically drug use) and a need for more comprehensive studies on how extensive the problem is.

<sup>38</sup> GIZ, Decentralization in Palestine: Reality and Prospects Discussion Paper, GIZ, 2013.  
<sup>39</sup> See, for example, ARIJ, Socio-Economic and Food Security Atlas in the Occupied Palestinian Territory, 2010.

<sup>40</sup> Ibid, pg 69.  
<sup>41</sup> MoPWH with UN-Habitat, Housing Sector Profile, 2013.  
<sup>42</sup> Individual interviews with members of the National Committee, Conducted July, 2014.

**Social Inclusion and Equity:** Women are still in the minority in terms of participation in local governance and development and efforts must continue to be made to include them equally at all levels of governance and development planning.

#### 4.4 Future Priorities

A primary future priority is to reconvene the Palestinian Legislative Council to address the needs of updating and promulgating new legislation to formalize the rapid changes happening across the sectors in Palestine. This must be accompanied by free and fair elections that are transparent on the national level.

For the Local Governance Sector, priority must be placed on defining and institutionalizing the roles of the MoLG and the LGUs and refining the relationship between them to maximize the effectiveness of the LGUs and begin the process of decentralization. Attention and resources must also be placed on developing the democratic processes of LGUs, including meaningful and transparent public participation in development plans and governance.

Updating the planning and development-related regulations and laws is also a priority, including closing any gaps between jurisdiction and any remaining contradictory policies. In addition, enforcement mechanisms for these regulations, as well as regulations for local governance, is of utmost importance for the coming years. Detailed, effective plans have been developed on a wide range of issues from accountability to increasing public participation, but thus far there are no mechanisms for assessing the implementation and enforcement of these programs.

### 5. Urban Economy

#### 5.1 Current Status

##### 5.1.1 Economic Development

Economic development plans and assessment of the economy only occurs at the national level in Palestine. Thus, while there are national economic development plans and regular assessments of the health of the national economy, it is not evaluated on a local or regional level, so differentiating between the urban and rural economies is difficult. The economy on both the national and local level is largely supported by international donor aid. Palestine is heavily reliant on donor aid and is not self-sufficient, largely due to the significant restrictions on resource exploitation, trade, and development placed on Palestine by the Israeli occupation. Still, real growth as measured by the GDP in the last three years has risen (Table 2), but still have fallen far below projections and current projections suggest that it will continue to slow to a rate of 1% growth in the year 2016. This is compounded by a running deficit for several years which, at the end of 2013, was 12.2% of the GDP.<sup>43</sup>

Table 2: Economic Indicators

	GDP per capita (\$)			Unemployment (%)		
	1997	2007	2013	1997	2007	2014
<b>Palestinian Territory*</b>	1441.5	1483	1691	20.3	21.5	26.2
<b>West Bank*</b>	1553.4	1809.3	2035.6	17.3	17.7	18.2
<b>Gaza Strip</b>	1254.2	992.3	1114.4	26.8	29.7	40.8

\*Excluding those parts of Jerusalem, which were annexed by Israel in 1967.

<sup>43</sup> PNA, State of Palestine National Development Plan, 2014-2016: State Building to Sovereignty, 2014.

#### 5.1.2 Municipal Finance

The financial revenue system is entirely nationalized by law, with local revenue, such as property taxes, collected by the Ministry of Finance and then 90% get redistributed to local governments. This has limited the ability of LGUs to reform or alter their revenue structures or improve their local finances independently. The national government has suffered a prolonged financial crisis since 2010, largely due to cuts in international donor aid, which has further impacted economic growth. It must be noted that the economy of the West Bank has been largely separated from the economy of the Gaza Strip. The economies of the Gaza Strip and the West Bank thus must be treated independently, with the goal of creating one political and economic entity in the future. It is important to note that East Jerusalem, which historically was the economic hub of the West Bank, is not included in most of the economic development and assessment programs, due to lack of authority by the Palestinian government. It is also economically as well as physically separated from the rest of Palestine, though a potential source of significant revenue for the Palestinian state in the future. Also, the economy and economic growth of Gaza has been decimated as a result of a horrific siege for the last seven years.

#### 5.1.3 Housing Finance

Housing is almost exclusively paid for from owner's individual and family's resources, either in installments or direct payments. Only 8% of households report that they financed their homes through bank loans. Of those 8%, a vast majority of them are located in the middle and northern West Bank, with small portion in the Gaza Strip. Formal loans were not used at all in the Southern West Bank. A formal mortgage system is slowly being introduced by commercial banks, though it is still largely underdeveloped. Generally speaking, real estate bank loans increased since the issuing of a decree by the Palestinian Monetary Authority in 2009 to increase bank deposits from 25% to 38%.

#### 5.1.4 Job Creation

Job creation between 2008 and 2013 was primarily in the construction and services industries, particularly in low-end, unskilled labor. Tourism generally, which impacts the transportation, hotel and restaurants, and services sectors increased in the same period compared to the preceding years, but this was largely due to the low baseline in the period during the second intifada when tourism levels were well below average.<sup>44</sup>

In the first quarter of 2014, 73.8% of males in the West Bank and 68.5% of Males in the Gaza Strip participated in the labor market, while only 19.8% of females in the West Bank and 20.5% of females in the Gaza Strip participated in the labor market in the same time period. Of those participants in the labor market, 36.5% of females were unemployed and 23.3% males were unemployed<sup>45</sup> (Table 2). Unemployment figures indicate a lack of opportunities for high-skilled, educated workers. In 2013, unemployment was highest among individuals with 13+ years of schooling and lowest among uneducated workers. Job creation in 2008-2013 was highest in the construction and services sectors while the agricultural sector, including fishing, has had very small job creation rates, though it has historically been a large labor base.<sup>46</sup>

<sup>44</sup> Portland Trust, Palestinian Economic Bulletin Issue 92, May, 2014.

<sup>45</sup> PCBS, On the Eve of the International Population Day, 2014.

<sup>46</sup> Portland Trust, Palestinian Economic Bulletin Issue 92, May, 2014.

## 5.2 Achievements

**Economic Development:** Total revenue collected by the Palestinian Authority increased in the period of 2010-2012, but a lower rate than projected. This included an increase in tax revenues, clearance revenues, and non-tax revenues (*such as fees and other charges*). The GDP continued to grow throughout the period of 2010-2013, but at a much lower rate than projected.<sup>47</sup> (Table 2)

**Municipal Finance:** A Municipal Development and Lending Fund (MDLF) was created by the Ministry of Local Government to facilitate donations from the international aid community to LGUs. There is some disagreement as to how functional this program is, and LGUs continue to also engage directly with donors to fund development projects but the creation of the fund continues to demonstrate the national government's commitment to development on the local level.

**Housing Finance:** The dominant mode of housing finance is largely informal, in that they are through contracts and private transactions. Estimates are that over 80% of all housing financial transactions are cash-based and unreported.<sup>48</sup> Finally, another form of housing financing that has continued to be supported, largely through the Housing Cooperative Union, are housing cooperatives in which members pool their money to purchase land and build multi-family homes more cheaply than they otherwise would be able to do so independently. Until 2012, there were 183 registered housing cooperatives in Palestine, all in the West Bank. 57% of these cooperatives are located in the Ramallah district.<sup>49</sup> Since 1991 The Palestinian Housing Council (PHC) has made excellent advances in helping provide homes, employment prospects and bringing new hope to many Palestinian families. PHC has succeeded in contributing approximately \$210 million in direct investments through various programs in the housing sector. 1,178 apartments in the Gaza Strip have been built, 408 house units in the West Bank cities, 1325 houses in rural areas and 1,956 apartments in Jerusalem. Moreover, 1200 shelters have been rehabilitated 343 houses of them in Jerusalem including 70 houses and compounds in the old city in addition to 442 reconstructed housing units in Gaza. PHC has provided more than 2 million working days for Palestinians. In 2007, PHC was awarded UN-HABITAT Scroll of Honour Award and won the Dubai International Award for Best Practices Transfers 2008.

**Job Creation:** In the NDP of 2014-2016, 6% of the budget is assigned to labor force development policy, including skills development. An additional budget allocation will be dedicated to developing the tourism sector, which has the potential for both low-skill and high-skill employment. Importantly, 43% of the total development expenditures is budgeted for developing the agricultural sector.<sup>50</sup>

## 5.3 Challenges

**Economic Development:** Economic development on a national level itself is largely restricted by intentional policies of the Israeli occupation and the agreements made under the Oslo Accords process which tie the Palestinian economy to the Israeli economy unequally, while at the same time giving Israel overall control over most of Palestine's exploitable resources and potential areas for growth. The GNP of Palestine today is still lower than it was prior to the signing of the Oslo Accords.<sup>51</sup> This is largely due to economic strangulation of the Palestinian territories which was increased in the immediate aftermath of the signing of the Oslo Accords, and accompanied by the fact that elements of the agreement, particularly the transfer

of control over Area C to the PNA, were never implemented. Palestine's economy as it is, is largely dependent on Israel, which receives 89% of Palestine's exports and is the source of 69% of their imports, making Palestine's economy even more susceptible to changes in the political climate.

Analysis of urban economic development was hampered by a lack of economic planning and assessment on a regional and local level. There is no clear integration of local economic development into a national strategy. The governorates with the greatest economic power, such as the Hebron District with a large manufacturing sector and Ramallah with a large construction and service sector, develop essentially independently of each other and independent of a national strategy. This has led to uneven economic development on a national scale.

The World Bank estimated that development and resource exploitation in Area C alone in the West Bank would account for 84% of potential Palestinian GDP. Without control over the natural resources, economic development will continue to be severely stunted. Lack of access to Area C also directly affects investment in development. Access to building in Area C would increase international investment, allowing for the growth of major cities into the surrounding areas and reducing the artificially inflated prices of land caused by the scarcity which would be ameliorated by access to Area C.<sup>52</sup>

In addition to direct and indirect benefits from resource extraction in Area C, economic development is almost non-existent in the Gaza Strip. The devastating effects of the siege, which has prevented trade, commercial fishing, and local construction, are compounded by the intentional de-development of the Gaza Strip by Israeli forces. Limited development resources have been exclusively used for rebuilding housing and basic infrastructure that Israel has destroyed in the Gaza Strip in successive military attacks, and thus development and growth is almost nonexistent, as nearly all resources entering Gaza have been needed simply for reconstruction, which is still under funded. According to a preliminary assessment, the value of damages resulted by the current assault alone are estimated to reach up to \$1,727,027,316 USD for the different sectors.

Development is further restricted by outdated legislation regulating business creation and construction. Many of the laws are adopted from the Jordanian system, and have not been sufficiently updated. While several laws have been drafted, none have been approved due to the political deadlock discussed above.

Finally, the agricultural sector has been decimated by the construction of the Annexation Barrier and the settlements, which have separated agricultural communities from their land and prevented natural growth in those sectors. 32 Palestinian communities are located behind the barrier (between the barrier and the Green Line) and are totally isolated from the rest of the West Bank and the economic centers and 150 communities with agricultural land behind the barrier, forcing farmers to seek permits from the Israeli military to access their land and severely restricting access, as 52 of the 72 agricultural gates to access the land are only open during the olive harvest season (October-December).<sup>53</sup>

## 5.4 Future Priorities

First, the siege on the Gaza Strip and the destruction of its infrastructure must end and an international protection plan be put in place, if needed, to ensure that Israel does not continue to de-develop the area.

<sup>47</sup> World Bank, Fiscal Challenges and Long Term Economic Costs: Economic Monitoring Report to the Ad Hoc Liaison Committee, 2013.

<sup>48</sup> MoPWH with UN-Habitat, Housing Sector Profile, 2013.

<sup>49</sup> MoPWH with UN-Habitat, Palestine Housing Sector Profile, 2013.

<sup>50</sup> Portland Trust, Palestinian Economic Bulletin Issue 92, May, 2014.

<sup>51</sup> Oxfam, 20 Facts: 20 Years Since the Oslo Accords, 2014.

<sup>52</sup> World Bank, West Bank and Gaza: Area C and the Future of the Palestinian Economy, 2013.

<sup>53</sup> UN OCHA, The Humanitarian Impact of the Barrier, 2013.

Access to Gaza's seaport, fishing economy, and international borders must be gained to improve international trade and increase Palestinian self-sufficiency.

Another primary priority for all sectors of Palestine is access to Area C for development and economic growth. This includes access to international borders in Jordan Valley as well as the resources underground. This should also include the transfer of the settlements and their related infrastructure, intact, to Palestinian control so that all of the resources available to the state can be utilized with full sovereignty. This also includes prioritizing the registration of privately-owned land in Area C by the Palestinian Land Authority so that land transfers and international investment can be regulated by the proper authorities.

Municipal governments should have more ready access to their own tax bases and individual municipal funds created for local economic development. In this regards, it is important to push for a decision about the transfer of authority of municipal taxes collection that are being collected on the central level .

Job creation must also become a priority, with an aim at employing the young and recently-graduated in the knowledge-based sectors. Additionally, tourism, historically a major source of income in Palestine, must be developed. An essential element to that development is control over East Jerusalem and unfettered transportation between Jerusalem and Bethlehem, which would require the immediate dismantling of the Annexation Barrier built by Israel.

Finally, national economic development plans should take into account regional diversity and economic needs and incorporate municipal economic plans into regional and national policies. Municipalities with large economic bases should be incorporated in regional and national planning, with a focus on diversifying and expanding local production. Investment in infrastructure must be aligned with regional and national spatial plans and goals.

## 6. Housing and Basic Services

### 6.1 Current Status

#### 6.1.1 Access to Adequate Housing

According to the PCBS 2007 census there were a total of 701,937 physical housing units in Palestine in the year the census was carried out<sup>54</sup>. This total includes thousands of units that are not used for habitation purposes. When only housing units are counted that are actually inhabited, then the total housing stock in Palestine comes to 685,833 units. From a direct comparison between the existing housing stock and the total number of households (based on the PCBS census of 2007) reveals a functional housing surplus of 56,580 housing units. However, this does not shed light on housing in different housing market segments, where affordability analysis reveals a clear miss match between demands and supply in terms of cost and location. In addition, it doesn't reflect the realities and particulars of the Palestinian context.

#### UN-HABITAT defines adequate housing as:

"adequate shelter means more than a roof over one's head. It also means adequate privacy; adequate space; physical accessibility; adequate security; security of tenure; structural stability and durability; adequate lighting, heating and ventilation; adequate basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and adequate and accessible location with regard to work and basic facilities: all of which should be available at an affordable cost." (UN-HABITAT, 2001).

On one hand, housing adequacy in Palestine has been severely threatened by the Israeli occupation since 1967, who is trying to expropriate land in the West Bank and Gaza by constructing settlements and settler bypass roads, isolating Palestinian residential areas, and inhibiting geographical contiguity between them. Between 1967 and 2009, Israel demolished almost 23,100 Palestinian residential units, allegedly for resisting the occupation or because they had been built without the required construction licenses. From the outbreak of the second Intifada (Uprising) in 2000 towards May 2009, the Israeli occupation destroyed approximately 13,400 Palestinian residential units in the West Bank and Gaza, leaving 170,000 Palestinians homeless. Towards 2008, the Israeli forces partially damaged more than 90,000 houses throughout the Palestinian territory. After the assault of the Israeli occupation on Gaza strip (beginning July, 2014), the Israeli occupation destroyed totally more than 20,000 dwellings, and more than 60,000 dwellings partially destroyed leaving more than 350,000 Palestinians without shelter. Moreover and as explained previously, the Israeli authorities refuse to grant Palestinians construction licenses in Area C and East Jerusalem for unjustifiable reasons, including preservation of green zones and location in close proximity to settler bypass roads, settlements and the Green Line.

On the other hand, although the existence of slums with severe living conditions is limited in Palestine, different forms of informal housing are present which present harsh living conditions for the communities who live under such circumstances. Perhaps the most significant form of such irregular housing is the unresolved state of the Palestinian refugee camps. Over time, these camps became permanent, overcrowded, poorly-serviced neighborhoods, with unclear tenure status. Construction and development in most of the camps is governed by the UNRWA and thus the PNA has limited jurisdiction. They are built on land leased by UNRWA from surrounding communities with restrictions on their expansion. This has resulted in, putting a large segment of Palestinians, estimated by 757,000, 3% of which are living under poverty line, forming 35% of the total registered refugees, and living in 27 camps throughout West Bank and Gaza, in a never lasting temporarily living status with limited potentials for living conditions improvement.

Generally speaking, the latest housing need estimates from 2010 by the Ministry of Public Works and Housing (MoPWH) based on 2007 PCBS, can be summarized by in the following table. These estimates exclude the impacts of the latest Israeli assaults on Gaza.

<sup>54</sup> PCBS Housing Department, based on census data, 2007.

Table 3: Housing Needs End of 2010

Indicator	Number (units)
Total needed residential units in Palestinian territories until 2010	132,759
Deficit in residential units until 2010 in Palestinian territories	57,303
Deficit in residential units until 2010 in West Bank	24,048
Deficit in residential units until 2010 in Gaza	33,255
Residential units needed for replacement and reserve in Palestinian territories	75,456
Residential units needed for replacement and reserve in West Bank	50,437
Residential units needed for replacement and reserve in Gaza	25,019
Total housing need until 2019	293,995
Number of produced residential units with building permits	5,700
Annual demand in residential units in the next ten years	29,400

Traditionally, Palestine has a high rate of owner-occupied housing with 80.3%<sup>55</sup> of housing owner-occupied. A majority of households in both urban and rural communities build their own homes. However, rentals have increased, with just over 10% of households renting throughout Palestine. This coincides with an increase in large-scale housing developments, primarily centered on the Ramallah-Bethlehem area where over 20% of the households are renting. However, It should be noted that house ownership is significant to Arab Communities, which mostly prefer to possess a house despite the associated economic and social pressures that they have to deal with. Small, upscale planned communities have also been built in the Ramallah area, namely Rawabi and Ar-Reehan, but they are cost-prohibitive for the majority of Palestinians. There is also a general preference to live in separate houses. The 2007 PCBS census shows that 51% of households in the Palestinian territory live in detached houses and 47.2% in flats. Those living in detached houses in the West Bank outweigh those in the Gaza Strip – 51.8% and 49.2% respectively. 45.8% of the West Bank Households and 50% of the Gaza households live in flats.

### Housing Conditions in East Jerusalem

Between 2001 and 2012, 1,151 homes were demolished by the Israeli occupation in the Jerusalem Governorate, with a further 5,490 under threat of demolition.<sup>56</sup> This is in addition to at least 15,000 and as many as 20,000 homes that were built either entirely or in part without a permit (the permit takes several years and may be refused and each building meter cost the household more than 66 \$) and thus may become subject to demolition in the future. Recently, forced evictions from homes in areas of East Jerusalem to allow Jewish building have been used as well with over 200 Palestinians evicted.<sup>57</sup>

Residents of East Jerusalem are also subject to revocation of their residency rights by the Israeli government. Jerusalem ID holders must demonstrate that Jerusalem remains their center of life in order to keep the right of residency in East Jerusalem. This can be revoked at any time with little legal recourse. Over 11,000 residents of East Jerusalem have had their residency rights revoked between 1996 and 2009, peaking in 2008 with 4,577 residency rights revoked.<sup>58</sup>

<sup>55</sup> PCBS, On the Eve of International Population Day July 11, 2014

<sup>56</sup> ARUJ, Locality Profiles and Needs Assessment in the Jerusalem Governorate, 2014.

<sup>57</sup> UN OCHA, East Jerusalem: Key Humanitarian Concerns Update, December, 2012.

<sup>58</sup> <http://reliefweb.int/report/occupied-palestinian-territory/revocation-residency-east-jerusalem-updated-18-aug-2013>

## 6.2 Achievements

### Access to Adequate Housing

The Ministry of Public Works and Housing (MoPWH) has worked towards providing housing to target groups through housing projects and programs that benefit low income families. The MoPWH allocated governmental land at nominal prices for more than 5,800 households and Implemented 16 housing projects in the Gaza Strip, accommodating over 4,000 households. The Ministry has also implemented four other housing projects in the West Bank.

Since 1991 The Palestinian Housing Council (PHC) has exceptional endeavor's in helping provide homes,. PHC has succeeded in contributing approximately \$210 million in direct investments through various programs in the housing sector. 1,178 apartments in the Gaza Strip have been built, 408 house units in the West Bank cities, 1325 houses in rural areas and 1,956 apartments in Jerusalem. Moreover, 1200 shelters have been rehabilitated 343 houses of them in Jerusalem including 70 houses and compounds in the old city in addition to 442 reconstructed housing units in Gaza. In 2007, PHC was awarded UN-HABITAT Scroll of Honor Award and won the Dubai International Award for Best Practices Transfers 2008.

The Ministry also contributes to developing laws and regulations, which help develop the housing sector and serve citizens. It also encourages the relevant PNA bodies, the private sector and banks to contribute to constructing houses. In this context, the Palestinian Housing Council and various banks have offered housing facilities and loans to public and private sector employees.

To support their resilience , the PNA has also provided housing support to Palestinian families who live in East Jerusalem through loans and assistance to cover construction works. Also to preserve the Arab status of East Jerusalem heritage neighborhoods, the PNA has restored buildings and encouraged respective owners to reside or lease them.

In 2013, the Ministry of Public Works and Housing, in cooperation with UN-Habitat, produced an in-depth, comprehensive Housing Sector Profile and a Draft National Housing Policy of Palestine in November, 2013. The foundation of the housing policy and sector profile is a human settlements-based approach which includes focus on creating environmentally sustainable well served and serviced neighborhoods with basic services such as transportation, infrastructure, social services. In addition, an effective demand study is being finalized to support the initiation of some of the housing policy recommendations.

On other fronts, over the past few years, several initiatives have been made to address housing problems. Many investors and lending agencies have encouraged the PNA to reduce deficit and invigorate the housing sector. Corroborated by an invaluable expertise in housing production, the private sector has also played a significant, effective and ambitious role in the housing sector, where innumerable local investors and cooperative societies have scored major successes not only in housing production, but also in mobilizing financial resources and developing planning capacities in the area of housing saving and lending.

Throughout the last ten years, Palestine has continued to improve connectivity to water, electrical and sewage systems. PCBS reports that as of mid-2014, 96.4% of Palestinian households were connected to the public water network (Figure 9), and 99% of households were connected to an electricity network (Figure 10), with only small communities in Area C without connectivity. Over 50% of households were connected to waste water disposal systems (Figure 11), with cesspits being the most common form in the West Bank.

It is important to note that for all of these statistics, Palestinians living inside Israel-annexed East Jerusalem are not counted.

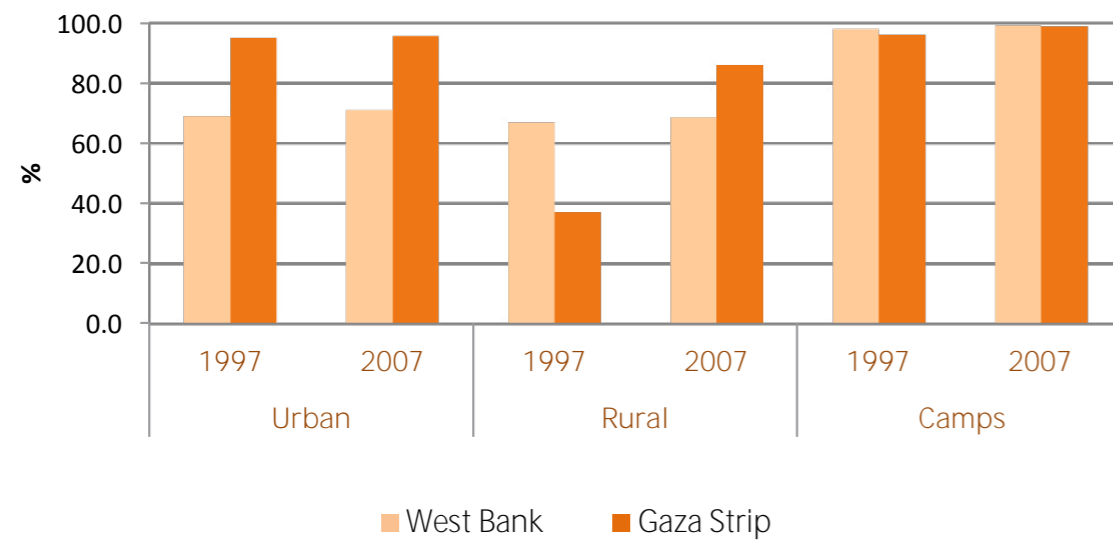


Figure 9: Percentage of Population connection to Water network

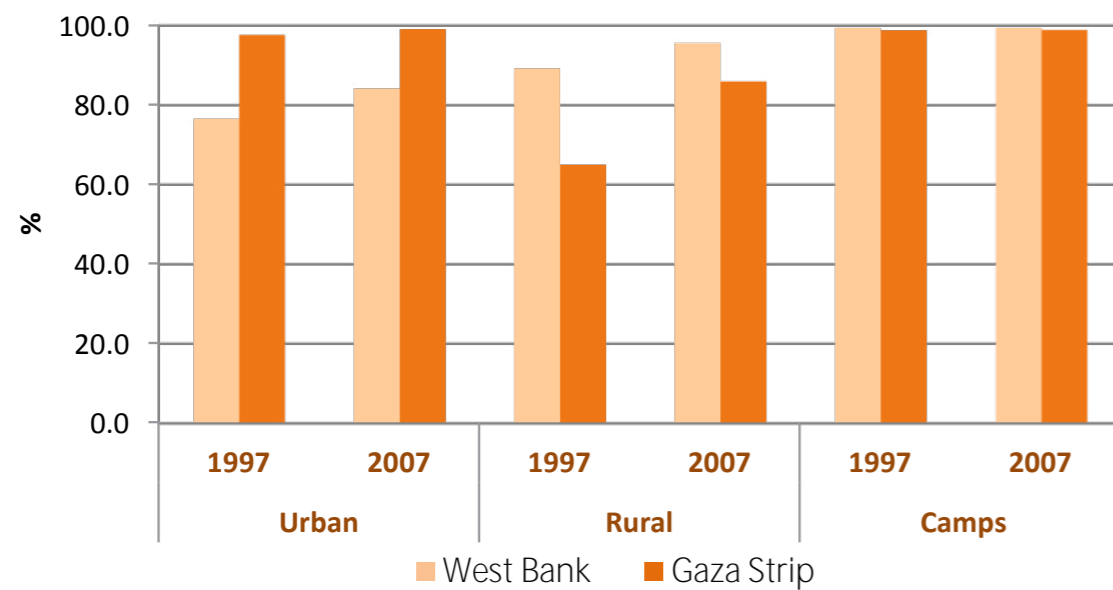


Figure 10: Percentage of population with access to domestic energy

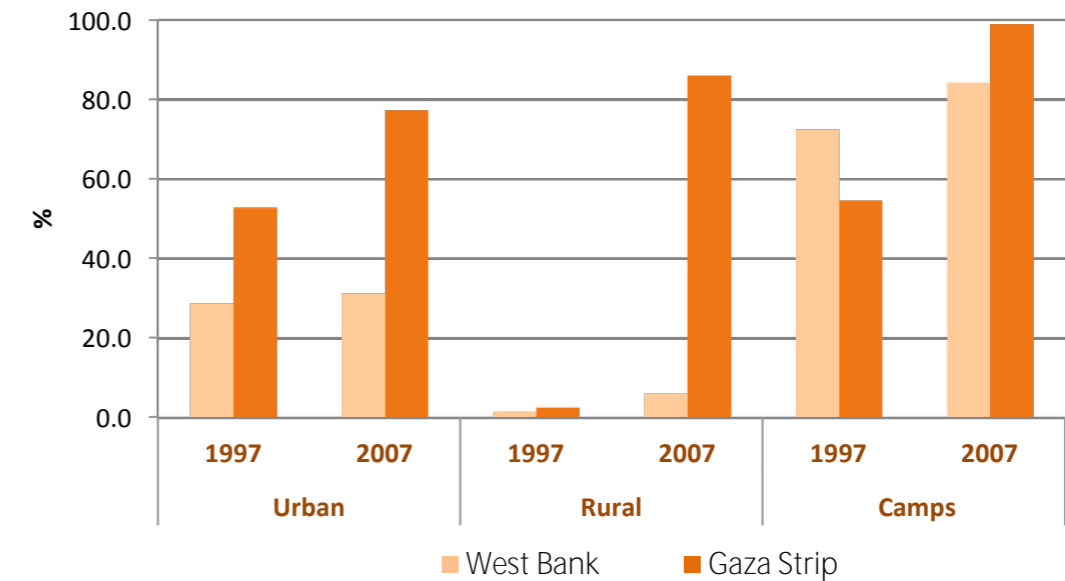


Figure 11: Percentage of population with access to adequate sanitation

Today, approximately 85 % and 100% of the households receive solid waste collection service in the West Bank and Gaza Strip respectively (Table 4). Although the solid waste service is available, the collection frequency in some communities is considered inadequate such that waste piles or litters could be formed. Solid waste collection services are mainly (74%) the responsibility of the local authorities (municipality, village council and or joint council); however, in some localities private contractors or other entities are responsible for the collection process.

Table 4: Number of Localities with Access to Regular Solid Waste Collection

	1998	2005	2008	2010	2013
<b>West Bank</b>	320	402	405	445	449
Jenin	43	63	68	71	71
Tubas	6	8	8	11	12
Tulkarm	25	32	32	32	32
Nablus	49	51	56	60	61
Qalqiliya	23	30	31	31	31
Salfit	16	16	17	18	18
Ramallah & Al-Bireh	56	68	68	73	73
Jericho & Al aghwar	11	10	10	11	11
Jerusalem	24	29	31	41	41
Bethlehem	31	35	38	40	40
Hebron	36	60	46	57	59
<b>Gaza Strip</b>	34	30	33	33	33
North Gaza	5	5	5	5	5
Gaza	3	5	5	5	5
Deir El-Balah	8	8	11	11	11
Khan Younis	13	8	8	8	8
Rafah	5	4	4	4	4

Gaza also has a high rate of connectivity to electrical, water and sewage systems, with nearly 100% connectivity to the electric system and over 90% connectivity to the water system. These numbers, however, can be deceiving, as discussed further below.

The 2013 Draft Housing Policy is an important step in addressing housing issues in Palestine. It includes prioritizing areas with particular housing shortages and suggestions for creating a public housing program. It also includes concrete suggestions for updating legislation related to housing to improve housing accessibility to all sectors of society.

### The Gaza Strip

The PNA has been more directly involved in the construction of housing in the Gaza Strip, including marshaling international aid programs to rebuild after the latest Israeli military incursions. The MoPWH has been working with various donor states for short-term emergency recovery and long-term planning. The MoPWH with no doubt play an extensive role in rebuilding after the latest Israeli assault.

### 6.3 Challenges

**Access to Adequate Housing:** The housing sector faces a set of challenges, which are not identical to those in other countries. On the political level, Lack of tenure security and continuous threats of shelter demolition imposed over 500 Palestinian communities living in Area C and the fringes of Area A and B by the Israeli Occupation continues to be a major concern. It is estimated that almost 300,000 Palestinians living in these communities are witnessing continuous threats of eviction, home demolition, replacement, various forms of development restrictions and shelter inadequacy. This also applies in East Jerusalem, where Jerusalem Municipality planning regime, are still hindering Palestinian easy access to formal shelter construction and development land. This is resulting in the transformation of a large number of Palestinian Neighborhoods into informal areas with substandard services, overcrowding and informal construction faced by demolition threats by the Israeli Occupation.

Furthermore, the Israeli occupying authorities refuse to repair ravaged infrastructure in Area C, nor do they allow the PNA to do so. Palestinian citizens are being forced to leave their land, migrate from their villages to cities and abandon the agricultural activity. As a result, residents of the Palestinian countryside migrated to cities, especially Ramallah and El Bireh – the administrative, political and economic hub of the PNA – generating a pressure on public service delivery and infrastructure and raising land prices and housing demand in these areas.

As described above, housing in Refugee Camps is also largely inadequate. Considering the restrictions on physical expansion horizontally and the gap in authority over the services provision between the Palestinian authority (including municipal governments) and UNRWA which is responsible for the overall welfare of the refugees, represent a clear challenge.

In the West Bank, water provided to many communities is ultimately controlled by the Israeli military and nearby settlements. The Palestinian communities often face limited water, particularly during the summer months. Israel currently exploits 90% of the water resources for exclusive Israeli use, including for use in Is-

raeli illegal settlements, and allocates only 10% for Palestinian use. As a result, Palestinian water consumption in the West Bank is limited to an average to just 73 liters per capita per day, below the minimum of 100 liters per capita per day recommended by the World Health Organization, and far below the average of 280 liters per capita per day in Israel.<sup>59</sup>

In Gaza, while connectivity levels to water and electricity are high, real access to safe drinking water and reliable electricity are not represented by the connectivity rates. In the Gaza Strip, for example, nearly 100% of the population is connected to a water system that does not have safe drinking water. Likewise, there is a high level of connectivity to the electrical grid, but with fuel restrictions and limits on improving the infrastructure, electricity has been provided at times for only 8 hours a day. This access drops to near zero in times of Israeli military attacks, in which the electrical, water, and sewage systems are all targeted by Israeli forces.<sup>60</sup> In Gaza, massive over-pumping of water has led to increased saline intrusion as seawater from the adjacent Mediterranean enters and contaminates the aquifer, while the infiltration of raw sewage from sewage collection ponds on the surface further adds to the aquifer's rapid deterioration. At its present rate of deterioration, the United Nations estimates that the underlying portion of the coastal aquifer on which the Gaza Strip relies for all its water needs will be unusable by 2016, and irreversibly damaged by 2020.<sup>61</sup>

Gaza residents are also totally cut-off from adequate health-care facilities due to the siege, which has limited medical supplies into the strip as well as prevented hospitals from upgrading their equipment, leaving 1.8 million people without access to adequate healthcare except in the rare occasions where healthcare can be sought elsewhere.

On the internal level, the PNA, despite the recently completed housing policy, still lacks a clear housing sector plan. All existing housing projects are in need of inclusive urban planning schemes pertaining to each area. Some cities suffer from urban sprawl at the expense of agricultural land and green areas. Other cities suffer from multi-story, vertical construction, which lacks a respective legal status as well as necessary services. Construction projects are not subject to an effective development control. Lacking a commitment to expedient security and safety conditions, contractors are enticed to construct buildings in violation of the law.

The discrepant legal framework, which governs housing and construction in Gaza and West Bank, is another predicament, resulting in a debilitated regulation and control of urban expansion. A set of items of legislation, including the Law on the Ownership of Flats and Condominiums and the Regulation on High Buildings, have been promulgated, but not yet enforced. Additionally, operative construction regulations and laws are not consistent with the status quo. Due to limited construction activity in Areas A and B and prohibited urban expansion in Area C, land available for construction purposes is scarce and expensive.

Due to the financial deficit, the PNA budget does not include line items for investment in the housing sector, resulting in the production of a low number of housing projects and houses. Semi-public housing bodies are not in place, restricting housing production to profit and non-profit, donor-funded private sector corporations. In addition, mechanisms of housing finance are still not adequately developed. Interest rates associated with bank loans are high. Financial arrangements lack clear guidance frameworks that would provide facilities to the private sector to ensure effective participation in the housing sector. Bankers justify their conservative attitude towards granting facilities by the unstable political and economic conditions.

<sup>59</sup> Palestinian Water Authority Report, 2011.

<sup>60</sup> WASH Cluster, Situation Report, State of Palestine, WASH Cluster, July 29, 2014.

<sup>61</sup> Palestinian Water Authority Report, 2011.

The Weak performance of the Judicial Authority in the settlement of real estate and housing disputes has also negatively affected the performance of the housing sector.

Other internal problems originate from the fact that the housing sector's growth is not linked to a comprehensive regional planning process. Lacking clear mechanisms of the detailed zoning of land and preparing it for adequate construction perpetuates irregular building activity. In addition, an absent of inclusive scheme of land use as well as clear plans of land use on the local level has helped residential expansion in an unregulated manner and distorted the Palestinian architectural, heritage and cultural identity. In light of absent detailed schemes of cities and residential quarters, construction violations have been recurrent because of the weak technical and financial capacities of most local government units.

Last but not least, affordability is also a great concern to residents, particularly of the middle and low income families of the West Bank. According to the Housing Profile, while there is a net surplus of high end housing, with a rough estimate of about 30,000 luxury apartments, while at least as many are needed by the middle- and low-income sector.<sup>62</sup> With an estimated monthly income as shown in (Table 5) and a \$60,000 USD, as the price of the lower end of what the private housing market in Palestine currently provides, affordability remains a key concern as shown in (Figure 12). Moreover, the private sector's speculation of real estate and unstable prices of residential units have raised the housing cost as per the broadest segment of the Palestinian society, including persons with limited or low income.

This is exacerbated by the high price of building materials due to taxes and fees imposed at the borders, the high cost of producing building materials due to the cost of electricity, and long transportation times due to Israeli checkpoints.

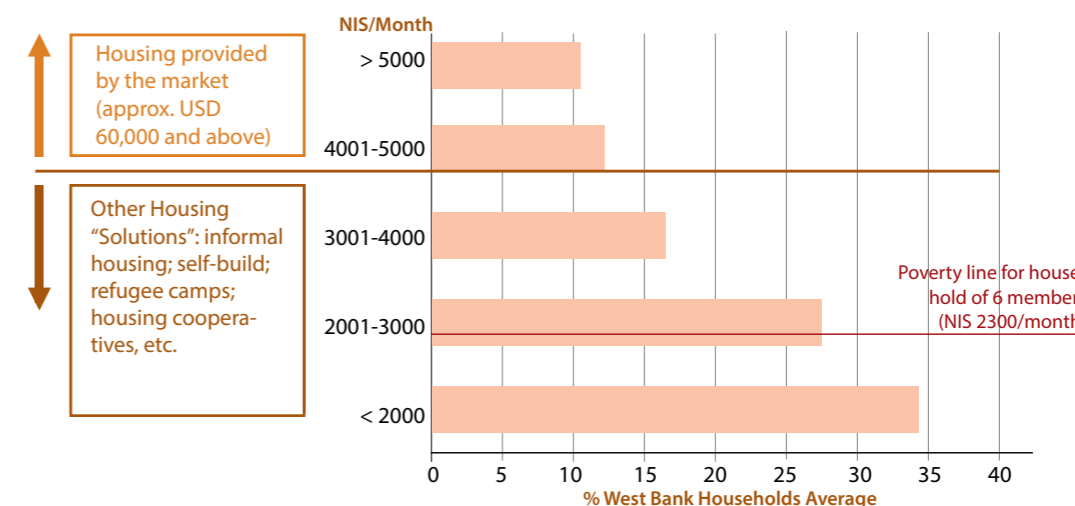
In East Jerusalem, the intentional attempts by the Israeli municipal government to restrict the demographic growth of Palestinians by withholding housing permits, is forcing housing costs to skyrocket and leave housing in East Jerusalem largely unaffordable for a growing percentage of the population.

Table 5: Income Distribution in the West Bank

Monthly household income (NIS)	West Bank Total	West Bank South	West Bank Middle	West Bank North	Maximum affordable housing (USD)
<1,500	18%	18%	9%	23%	<26,700
1,500-1,999	17%	16%	19%	17%	26,700
2,000-2,499	14%	16%	9%	15%	33,000
2,500-2,999	13%	14%	19%	11%	40,000
3,000-3,499	11%	11%	12%	10%	47,000
3,500-3,999	5%	7%	4%	5%	53,000
4,000-4,499	4%	6%	6%	3%	60,000
4,500-4,999	4%	3%	6%	4%	67,000
>5,000	13%	12%	17%	13%	>67,000

Source: Al-markaz (Affordable Housing Market Assessment in the West Bank, produced for AMAL), 2010.

Note: Affordability in this Table is calculated based on housing at four times the annual household income



Data from Al-Markaz (Affordable Housing Market Assessment in the West Bank, produced for AMAL), 2010.

Figure 12: Income Distribution and Housing Affordability in the West Bank

#### 6.4 Future Priorities

Adequate housing can be improved by implementing several of the policies laid out by the MoPWH in the Palestine Draft National Housing Policy, prepared with the support of UN-Habitat in 2013. The first policy objective is to enable adequate, healthy and affordable housing for all citizens. This includes launching an affordable housing program to serve households with medium and low income, including special vulnerable groups; support the reconstruction of housing in the Gaza Strip and upgrading and construction in East Jerusalem. This would also entail conducting a thorough review of the legal and regulatory framework of the housing sector, consistent with a sustainable human settlements approach and exploring the potential for alternative sources for housing.

A second policy objective is to promote a new sustainable growth model for human settlements in Palestine. This will be achieved by developing effective spatial plans which include infrastructure provision and cooperation with the construction industry to introduce new technologies, including materials for affordable green building and greater energy efficiency.

Another objective is to improve the efficiency of the housing finance market, including introduce reforms to laws and policies related to finance and establishing a government-supported housing fund to assist low-income households to access affordable housing.

Another policy objective is to promote and develop the local construction sector and introduce new building typologies which would include establishing a National Research Center for the study, development and promotion of local construction materials and new building technologies and reforming building and construction laws and regulations to improve housing affordability, housing quality, and sustainable human settlements.

The MoPWH seeks to improve the institutional capacity of Palestinian housing sector bodies by improving the technical capacities of central and local governmental institutions and support the establishment and development of private sector agents and professional associations in the housing market.

<sup>62</sup> MoPWH with UN-Habitat, Palestine Housing Sector Profile, 2013.



Ultimately, true adequate and affordable housing will only come to Palestine when Palestinians have sovereignty over the service provision, planning, and regulations of land tenure in all of Palestine. Thus an end to the occupation, with return and compensation for refugees, the removal of the settlements, sovereignty over East Jerusalem, and a total rebuilding of the Gaza Strip and ending of the siege are the priorities for providing true housing security for Palestine.

### III. MAIN INDICATORS

Indicator	West Bank			Gaza Strip			Total Occupied Palestine		
	1997	2007	2013	1997	2007	2013	1997	2007	2013
% population in Refugee Camps	5.7	5.4	N/A	31.1	15.8	N/A	14.7	9.3	9.4
% urban access to adequate Housing	Due to ongoing issues of security of tenure and regular access to electricity, water, and transportation without arbitrary interference by the Israeli military, true adequate housing as defined by UN-Habitat is non-existent in occupied Palestine.								
% urban access to safe drinking water	69.1	71.0	N/A	95.1	95.6	N/A	82.1	83.3	96.4
% urban access to Domestic Energy	76.6	84.2	N/A	97.6	99.1	N/A	87.1	91.6	99
%urban access to Adequate Sanitation	28.8	31.3	N/A	52.8	77.4	N/A	40.8	54.4	50
% localities with solid waste disposal	48	77	86	81	100	100	50	78.6	87
% of towns that have SDIPs									24.9%
GDP per capita(\$)	1553.4	1809.3	2035.6	1254.2	992.3	1114.4	1441.5	1483	1691

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