

# Memorandum submitted by Palestinian grassroots Anti-Apartheid Wall Campaign – Stop the Wall

## Our approach and expertise:

1. Stop the Wall is a coalition of 13 Palestinian non governmental organizations and over 50 popular committees that mobilize and coordinate efforts against the Wall on local, national and international levels. Research plays an important role in our mobilizing and advocacy efforts. We are in a unique position to be able to combine field experience with desk studies.
2. Since 2005 our research focus includes economic aspects of the Wall project. We have carried out extensive research on the World Bank proposals for economic development in the West Bank, which is to date the only comprehensive critique of the basic assumptions for development in the West Bank.<sup>1</sup> We offer updated research to international donor organizations and diplomatic missions via briefings, presentations and submissions.
3. Our research is published by a number of internationally recognized NGOs including Bretton Woods Project, Transnational Institute, Corporate Europe Observatory and Focus on the Global South. Our economic analysis on Palestine has been granted the Project Censored Award as one of the ten most important stories not to have been reported on in mainstream media.
4. Our advice on international funding strategies is based on the ICJ decision of 2004 on the illegality of the Wall, which obliges state parties to the IV Geneva Convention “not to render any aid or assistance to the construction of the Wall or the regime created by it.”<sup>2</sup> We advocate for an approach to aid and development that is rooted in the needs and demands of the people.

## Summary

### Political developments since June 2007

5. There are no signs of the existence of a Middle East Peace process on the ground. Occupation policies continue and have escalated after the Annapolis conference.
6. The will of the Palestinian people expressed in democratic and fair elections has been completely undone to create a Western backed government. This has been critically influenced by EU governments and their aid and development policies.
7. The creation of TIM and the continued withholding of aid even after the Palestinian Unity Government (PUG) was installed destabilized first the elected government and then the PUG.
8. After the Annapolis conference, Palestinian civil society has seen a large increase in repression by the PNA.

### Economic developments in the OPT

9. Palestinian sovereignty over borders, lands and movement is a prerequisite for meaningful development. There can be no development under occupation: at best, poverty levels in the oPt will not increase. Framing the solution to the question of Palestine in terms of economic development is fundamentally unhelpful. The occupation has to end.
10. The AMA agreement is simply a yardstick to measure how far Israel is making the existing system of the Wall, settlements and closure economically sustainable. The AMA is not currently being implemented. However, even full implementation of the AMA under the current circumstances would not challenge the occupation or work in the interest of long term Palestinian development.
11. Israel is effectively dictating the terms of development to suit its strategic interests.
12. The Paris donor conference was instrumental in financing the Palestinian Reform and Development Plan (PRDP) and the complementary Quartet Quick Impact Projects (QIP). The main proposals risk pre-empting the final status agreements and coercing Palestinians into accepting Israeli occupation, in particular:

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<sup>1</sup> *Do-it-Yourself Apartheid in Palestine - Israel, the World Bank, and the "Sustainable Development*, Palestinian grassroots Anti-Apartheid Wall Campaign, <http://stopthewall.org/activistresources/983.shtml> )

<sup>2</sup> International Court of Justice, *Legal Consequences Of The Construction Of A Wall In The Occupied Palestinian Territory*, *Advisory Opinion Of 9 July 2004*, <http://www.icj-cij.org/docket/files/131/1671.pdf>

- a. Industrial zones that risk legalizing Israeli violations of international law and contribute to the sustainability of the Wall and its associated regime, infringing the prescriptions of the ICJ advisory opinion;
- b. An agro-industrial zone, which includes 'Israeli migrant businesses' (Israeli companies working illegally within the West Bank). Rather than allowing farmers to develop their own businesses, they will be labourers in large-scale agro-industry.
- c. Tourism in and around Bethlehem which will bring more than four times as much profits to Israeli than Palestinian economy.
- d. The PRDP includes a fiscal reform on net lending that risks having serious negative impacts on Palestinian access to basic utilities.

### **Recommendations:**

13. The UK's funding strategy has to be radically reviewed. The foremost responsibility of the UK is the implementation of international law and human rights in Palestine, including the ICJ decision. The UK must ensure that development proposals:
  - a. are legal under international law and do not pre-empt the outcome of final status.
  - b. reflect the needs of the people to remain steadfast on their lands.
  - c. contribute more effectively to the Palestinian than Israeli economy.
14. Funding projects should include small scale projects that facilitate Palestinians' need to continue life on their lands and projects that challenge the occupation and assert the Palestinian's right to their lands.
15. The UK must use its influence to pressurize Israel to comply with international law and to end the occupation of Palestinian land. The suspension of the EU-Israel Free Trade Agreement is the most obvious tool.
16. Companies working or contributing to the occupation and the colonization of the West Bank and Jerusalem have to be banned from international investments and cooperation to stop Israel from profiting from the occupation and international aid.
17. UK must stop supporting the active destruction of Palestinian democratic institutions and start engaging with democratically elected representatives.

## **Full Text**

### **Background:**

18. Coordinated and large scale donors investment in the oPt began with the Oslo agreements. The World Bank had initially been approached by the organizers of the 1992 Madrid conference to prepare a study of "economic prospects and development challenges".<sup>3</sup> This culminated in the report of September 1993, "*Developing the Occupied Territories: An Investment in Peace*". The Bank was praised for this report by global players for being "technically competent and politically neutral"<sup>4</sup> as it did not challenge in its analysis any of the facts on the ground created by Israel. The paradigm of development discourse in the West Bank and Gaza had been developed, completely neglecting the crucial precursors for genuine development such as dismantling of the settlements, the end of the Occupation and the right of the refugees' return.
19. In order to make the Oslo Accords sustainable and bring about a period of "calm" amongst Palestinians, the World Bank was charged with the responsibility of coordinating economic policies in the WBGs and directing the flows of donor pledges. At the October 1993 "Conference to Support Middle East Peace", this amounted to \$2.4 billion over the ensuing five years to "develop and build-up

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<sup>3</sup> World Bank (2002), *West Bank & Gaza: An Evaluation of Bank Assistance*, [http://Inweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/DB1BC6952F401E0785256B8A0067B726/\\$file/west\\_bank\\_and\\_gaza.pdf](http://Inweb18.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/DB1BC6952F401E0785256B8A0067B726/$file/west_bank_and_gaza.pdf), Washington, p. 7

<sup>4</sup> Ibid. p. 7

the Palestinian economy”.<sup>5</sup> Additional pledges increased the sum to \$3.4 billion from 38 countries and several international organisations.<sup>6</sup>

20. While donor contributions increase, the Palestinian economy is systematically de-developed by Israeli occupation policies. The donor community has been dragged into a spiral of increasing contributions in order to facilitate basic services which under international law should be provided by the occupying power, and which allow the Palestinian people to survive while their basic rights are infringed.
21. In this context, donor contributions have achieved no net improvement for Palestinians. One would have thought that this would cause donors to reevaluate their approach. In fact the reverse seems to be the case: at Paris donor conference the PNA received pledges for 7.7 billion dollars for only three years, apparently with no increased commitment to pressure for full implementation of international law and restoration of fundamental Palestinian rights.

### **Political developments in the oPTs since June 2007:**

22. The political developments since June 2007 as far as the occupation policies in West Bank are concerned are marked by constant military attacks and raids, settlement expansion and ongoing attempts to expel entire communities from their lands. Gaza has experienced complete siege and repeated mass killings at the hands of the Israeli army. There has been no change in this policy after the Annapolis conference. On the contrary settlement expansion has actually accelerated, particularly in Jerusalem; in Gaza some 120 people were killed by Israeli attacks in just five days.
23. The Palestinian internal political developments in WBGS since June 2007 are mainly characterized by the assertion of control by Hamas in the Gaza Strip that lead to the dismissal of the Palestinian Unity Government and its replacement in the West Bank and within Western diplomatic circles with a caretaker government led by Salam Fayyad. The results are
  - a. temporary political division between the West Bank and the Gaza Strip
  - b. a weak government in the West Bank whose prime minister and ministers have no democratic mandate
  - c. legislative processes, budgetary decisions and political negotiations in hands of a leadership without democratic accountability and no popular mandate
  - d. a disproportionate increase of influence on Palestinian decision making by the donors community. It is notable that the draft of the Palestinian Reform and Development Plan (PRDP) has been circulated and widely discussed among international donors and NGOs before its presentation at the donors conference in Paris while Palestinian public and civil society has not been allowed debate on the document that reflects most strategic economic decision for the coming years.
24. In the last nine months the will of the Palestinian people expressed in democratic and fair elections has been completely undone. These Palestinian internal developments have been critically influenced by Western governments including the UK. Withholding of donor funding played a crucial role in this.
25. US influence on the developments in Gaza was recently exposed by David Rose in his article “The Gaza Bombshell: Politics & Power” published in Vanity Fair April 2008.<sup>7</sup> Considering previous leaks in Arab media in April last year,<sup>8</sup> it is likely that other Western governments were at least partially aware of the US plans to orchestrate a coup in Gaza. The continued withholding of international aid even after the Palestinian Unity Government was installed has had the effect of destabilizing that government and seems to have been linked to these US plans. The withholding of aid arguably can be considered an act of collective punishment.
26. The Quartet’s demands on the PNA – non-violence, compliance with previous agreements and recognition of Israel – served as a reason for withholding funding to the PNA and refusing diplomatic ties with its officials. Similar demands have never been made of Israel and the EU and UK maintain a

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<sup>5</sup> Khadr, A.M. (1999), *Donor Assistance* in “Development Under Adversity: the Palestinian Economy in transition”, (ed.) Ishac Diwan and Radwan A. Shahan, Palestine Economic Policy Research Institute (MAS) and the World Bank, Washington, p. 149

<sup>6</sup> Ibid. p. 149

<sup>7</sup> [www.vanityfair.com/politics/features/2008/04/gaza200804](http://www.vanityfair.com/politics/features/2008/04/gaza200804)

<sup>8</sup> *Document details 'US' plan to sink Hamas*, Mark Perry and Paul Woodward, <http://www.jerusalemite.org/articles/english/2007/May/20.htm>

high level diplomatic relations and preferential and free trade agreements despite its escalation of abuse against Palestinians and non-compliance with basic tenets of international law. The Quartet is effectively demanding that the occupied make concessions to the occupier.

27. It is particularly curious that the donor community has demanded that the PNA pledge non-violence, while at the same time the international community has provided the PNA and pro-western PNA officials with military training and weapons. The implication seems to be that violence is permissible if used for internal repression by the PA against Palestinians but not for resistance to the occupying power, which is sanctioned by international law.
28. Palestinian civil society has seen a large increase in repression by the PNA, particularly after the Annapolis conference. On November 27, 200 demonstrators were detained and 30 injured in Ramallah when PA forces attempted to prevent demonstrations demanding that the PA fully uphold Palestinian national rights at the Annapolis conference. In Hebron one person was killed. The demonstration in Ramallah was organized jointly by the coordinating committee of all Palestinian political parties and a range of civil society organizations. On January 10, between 15 and 25 people were arrested and many more injured after Palestinian Authority forces attacked a demonstration organized by the same large alliance of Palestinian forces in protest of the US President Bush's presence in Ramallah. Other demonstrators were attacked in Bethlehem.

#### The role of the UK and the EU:

29. The TIM and subsequent restarting of direct aid to the caretaker government were essential for the overthrow of the democratically elected Palestinian government and the dismantling of Palestinian democratic institutions.
30. The aid embargo was maintained until May, just weeks before the unity government broke down. The process towards the resumption of direct aid is telling. On May 14, the US sent a letter to the EU, which presumed to authorize the European Union to channel funds to Palestinians through the PLO account now controlled by Fayyad.<sup>9</sup> Weeks later, Salam Fayyad was nominated prime minister of the unelected caretaker government and diplomatic relations and the process of fundraising and direct funding were fully resumed.
31. The UK has actively contributed to the militarization of the relationship between the PNA and its people. The UK has contributed to policing training and weapons for the PNA police forces. The UK has further provided a Policing Adviser to the US Security Coordinator's Team – working on policing aspects of the Team's Security Sector Transformation plan. The results of this policing training have been experienced by Palestinian civil society in united and peaceful demonstrations. DfID's "work to enhance the capacity of civil society organisations to [...] monitor and evaluate government performance" is at best incongruent with the UK's overall funding strategy for Palestine.
32. Finally, it should be noted that Palestinian civil society has an almost unparalleled history of struggle against colonialism, occupation and other forms of repression and over 100 years has not been subdued. It is difficult to imagine that Palestinian society will accept the destruction of democracy in the long term.

#### Progress in the Middle East Peace Process since Annapolis:

33. Since December 2007, Israel has killed 318 people, injured 858 and arrested 1330.<sup>10</sup> Between December and January the Occupation carried out 2239 military raids and attacks.<sup>11</sup> Some 50 new demolition orders have been distributed in the West Bank, 18 of them alone to the small village of Khirbet at Tawil (Nablus district). 49 homes and dozens of animal pens and agricultural sheds as well as wells and water infrastructure have been destroyed. The most severe attacks have been waged on the Bedouin communities in Arab Jahalin (Jerusalem district) and al Hadidiya (Jordan Valley).
34. In February more than 2000 dunums of land were confiscated in South Hebron. In Beit Hanina (Jerusalem), lands of the university have been destroyed to build a new settler road. One hundred dunums of land have been confiscated to build a fence along the Qalqiliya – Nablus road.
35. Between January and February, occupation authorities have announced 30,000 housing units in and around Jerusalem. The process of construction of a new settler ring road has been started. On 15<sup>th</sup> of

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<sup>9</sup> <http://www.alertnet.org/thenews/newsdesk/L28330737.htm>

<sup>10</sup> Data taken from Palestinian Monitoring Group and Palestinian Center for Human Rights.

<sup>11</sup> Data from Palestinian Monitoring Group.

January occupation authorities started to add sixty settlement units in the settlement of Ma'ale Zetim in East Jerusalem, during that period occupation authorities announced a bid to build 440 units in Talpiyot. Israeli newspapers revealed that the occupation authorities municipality in Jerusalem plans to construct almost 10 000 new settlement units (distributed in: Ramot (500), Ramat Schlomo (500), Pisgat Ze'ev (1000), Nave Yacov (700), Talpiyot (500), Har Homa (2000), Gilo (500), Giv'at HaMatos (4000). On March 9, further plans for 750 housing units in Pisgat Ze'ev were announced.

36. The internal Palestinian situation has worsened. No dialogue between the political factions has been initiated though it becomes ever more evident that progress on this side is imperative. This is also due to thinly veiled Israeli and international pressure on Abu Mazen not to open dialogue with Hamas.<sup>12</sup>
37. There are no conditions or signs of the existence of a Middle East Peace process on the ground.

#### **Economic development in the OPT:**

38. Even under the World Bank's most optimistic forecast, given full implementation of the PRDP and AMA, the outlook is extremely poor: Palestinian poverty to remain at the same level, and continued dependence on international funding.<sup>13</sup>
39. There can be no development under occupation. Trade cannot flourish if Israel can close down checkpoints, terminals and roads at will. Agricultural productivity cannot increase while Israel continues to confiscate and raze farm lands, confiscates, pollutes and diverts water resources and tightly limits import of agricultural equipment and chemicals.
40. Whenever conflicts arise over profitability of economic arrangements, Israel imposes its unilateral solutions. To mention only one example, Bethlehem gas stations are since a month on strike as the occupation authorities have prohibited import of gas and fuel through Bethlehem terminal and rerouted it to Tarqumiya terminal (Hebron district) against all indicators that this is economically not profitable. This makes transport significantly more expensive and dangerous.
41. The terms of development are literally dictated by Israel. In particular:
  - a. Donors require authorization from the occupation authorities for any infrastructural projects implemented in area C, the majority of West Bank land and the large majority of lands that are not inhabited and which are open for infrastructural investments. Permission is granted or declined on the basis of Israel's strategic objectives. To take one example, the Japan International Cooperation Agency (JICA) in early 2007 discussed with Palestinian planning officials the construction of an airport north of Jericho as part of the 'Peace Corridor' project. The Israeli government vetoed the proposal, stating that it would threaten their control of the airspace. It is stated Israeli policy to retain control of the Jordan Valley as a 'security border'.
  - b. Severe limitations are placed on material allowed to be imported.
  - c. Israeli exerts control over supply of water, fuel and electricity.

#### Implementation of the Agreement on Movement and Access:

42. The AMA agreement sets out a list of measures the occupation authorities are required to implement in order to make the existing system of the Wall, settlements and closure sustainable. It does not challenge the occupation policies as such.

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<sup>12</sup> "These officials add that they know for a fact that US Secretary of State Condoleezza Rice plainly told Abbas that her efforts to soften the positions of Israeli Prime Minister Ehud Olmert would be gravely undermined should Abbas re-engage Hamas. Olmert for his part has publicly all but directly prohibited Abbas from resuming relations with Hamas if he wishes to continue regular meetings with the Israeli prime minister."

<http://weekly.ahram.org.eg/2007/857/eg1.htm>

<sup>13</sup> "The PA's macroeconomic framework assumes: (a) the successful advancement of reforms, including law and order; (b) sufficient donor funding; and (c) a gradual easing of movement and access restrictions subject to Israeli security concerns. It does not assume a resolution of the situation in Gaza. Therefore most of the growth would be in the West Bank, driven by Government investment and consumption, both of which are linked to aid. Successfully reaching the PRDP goals will lead to modest growth, averaging 5% per year, which— given current demographics and distribution of income— will barely affect poverty levels."

43. Palestinian sources concur with the World Bank that the AMA agreement is not implemented<sup>14</sup> and that this has a strong impact in terms of accelerated de-development of the West Bank and Gaza. However, it is simply an illusion that the AMA agreement could bring any significant change in terms of development, let alone the implementation of the basic internationally sanctioned rights of the Palestinian people. In fact, the World Bank assumption that successful implementation of the PRDP can only stop the further degradation of the economic situation already assumes implementation of the AMA agreement and the pledged flow of donor money.
44. There will be no tangible impact of the donors money as long as the political questions are not resolved. In order for Palestinian development to happen, the Palestinian people have to be able to have sovereignty over borders, their lands and their movement. In other words, the occupation has to end.

#### The Paris donor conference and development projects

45. The Paris donor conference was instrumental in financing the Palestinian Reform and Development Plan (PRDP) and the complementary Quartet Quick Impact Projects (QIP). Both proposals have reportedly received very high appreciation and no major criticism has been reported in the media. However, these proposals have inbuilt fallacies that make them at best incapable of stimulating development and at worst ensure that Palestinian economy enters into an even more debilitating dependency on the occupation.
46. Part of the developmental proposals promoted by the World Bank, the PRDP and the QIP is the creation of industrial zones. These industrial zones risk legitimizing, legalizing and cementing Israeli violations of international law within the West Bank. The QIP include, for example, the stipulation that "Israel, the PA and the project developer should develop a security protocol for the industrial site." This gives Israel security control over West Bank land. The projects would not only cement Israeli presence in the West Bank as an occupier but likely extend their control to so far only indirectly controlled area A, in case the site will be located there.
47. The ongoing discussion between Palestinians and Israelis in joint industrial projects over which set of labour rights is to be implemented in these areas within the West Bank and the fact that Israel has to approve these laws is a further indicator on how industrial parks are used by the occupation to extend its grasp over the West Bank.
48. In both proposed cases the industrial sites are located at the terminals created by the Wall and effectively contribute to the sustainability of the Wall and the regime it has created. They risk infringing the prescriptions of the ICJ advisory opinion.

#### **Error! Objects cannot be created from editing field codes.**

49. The map above, showing the possible site of the Jalame industrial estate, shows clearly the complete dependency on Israel for the entire project as well as its integration with the system created by the Wall. This is directly counter acting to Palestinian rights and quest for self-determination.
50. The experience of a similar project in the Eretz industrial park further puts doubt on the viability of such projects. Israel has continuously blocked access to and export from the park, even though there are "security protocols" in place.
51. A second proposal mentioned both in the PRDP and the QIP is an agro-industrial zone to be implemented by a triangle of PA, Israeli and Jordanian partners and financed mainly by the Japanese International Cooperation Agency (JICA). The preliminary studies done so far by JICA on this initiative are deeply flawed.
52. JICA's interim document includes proposals for supporting 'Israeli migrant businesses' – companies currently operating illegally on confiscated land in the Jordan Valley – as part of a package to create jobs for Palestinians. This pre-empts the final status agreements by normalising the Israeli occupation of the Jordan Valley: it is further an attempt to coerce Palestinians in the area into accepting the presence of the Israeli occupation through economic means.

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<sup>14</sup> "Increasing Need, Decreasing Access", UN OCHA,  
<http://www.ochaopt.org/documents/Commercial%20Crossings%20V5.pdf> ; "The Closure of the Gaza Strip: the Economic and Humanitarian Consequences", UN OCHA,  
[http://www.ochaopt.org/documents/Gaza\\_Special\\_Focus\\_December\\_2007.pdf](http://www.ochaopt.org/documents/Gaza_Special_Focus_December_2007.pdf)

53. The overwhelming majority of farmers in the Jordan Valley run small-scale farms, which are unable to develop due to lack of infrastructure, which is the result of forty years of occupation. Rather than allowing these farmers to develop their own businesses, JICA and QIP apparently envisage that they will work as labourers in large-scale agro-industry, which will presumably be owned either by Israeli companies (the 'migrant businesses') or by wealthy Palestinian elites. The project is clearly not being developed for the benefit of ordinary Palestinians.
54. Studies further state that "according to Israeli agricultural experts, current Israeli agricultural infrastructure and markets can enable an increase of agricultural exports by as much as 30% (equivalent to some US\$300 million) if an adequate and stable supply of Palestinian workers is assured."<sup>15</sup> While Palestinians are to offer the cheap labour for export crops, Israeli agriculture will gain sizable profits by still maintaining a monopoly of export via Haifa and providing inputs and services to the agro-business.
55. Finally, a third sector, the tourism industry in and around Bethlehem, is contemplated in the PRDP and the QIP. Part of the plan are what the Office of the Quartet Representative called "tourist friendly checkpoints"<sup>16</sup>. It is disturbing to Palestinians to know that the international community promotes checkpoints that are acceptable to international tourists, implicitly acknowledging that the ones designed for Palestinians are inhuman, instead of challenging the entire system.
56. Studies further highlight that "the Palestinian average income per tourist was around US\$200, only 15% of the Israeli income per tourist (PCBS and the Palestinian Ministry of Tourism, cited in International Alert report "Local Business Local Peace" 2006, p. 383)[... ] Christian tourists in Israel can generate an average direct income per tourist that is similar to the current Israeli average of US\$1,300 with an additional US\$300-500 per tourist that will be spent in the PA."<sup>17</sup> This raises the question whether it is at all justified for UK and international funding mechanisms to disburse money in a situation where a fully developed country, which is the occupant and responsible over the Palestinian economic de- development, is the main beneficiary.
57. Finally, the PRDP includes a fiscal reform that risks having serious negative impacts on Palestinian access to basic utilities. The World Bank states in its consideration of the PRDP that a reduction in net lending is a crucial part of the PA's fiscal reform. The measures to ensure full payment of utility bills is likely to include "deductions from the salaries of public sector staff, as well as requirements for a 'certificate of payment' of utility bills for anyone seeking municipal services."<sup>18</sup> In fact, the attempts to force these measures have already created large scale strikes and protests. In the West Bank, where already in 2006 18.5% of households have been living in deep poverty and 30.5% were poor<sup>19</sup>, the non payment of utility bills in most of the cases is due to the effective level of poverty of the households. While the proposals suggest that together with the reduction in net lending a social security system should be built up, no such efforts have been seen yet and the entire operation is likely to produce a largely reduced access to basic utilities for Palestinians who are thrown into poverty by occupation policies while it guarantees full payment to Israeli service providers. The costs of the occupation will thus be effectively removed from Israel and the donor community which has taken up the task to finance the PNA net lending and put on the backs of the occupied.

## **Conclusion and Recommendations:**

58. Framing the solution to the question of Palestine in terms of economic development is fundamentally unhelpful. In a written answer on 11 July 2007, Douglas Alexander asserted his opinion that "A thriving private sector in the West Bank and Gaza will be an indispensable element of a lasting peace. Private sector initiatives will play a critical role once restrictions are eased on the movement of

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<sup>15</sup> "The Untapped Potential – Palestinian-Israeli Economic Relations: Policy Options and Recommendations", by Paltrade and Peres Center for Peace, 2006;

<sup>16</sup> "Quick Impact Projects", Office of the Quartet Representative, 11/08/07. Document available from Stop the Wall.

<sup>17</sup> "The Untapped Potential – Palestinian-Israeli Economic Relations: Policy Options and Recommendations", by Paltrade and Peres Center for Peace, 2006

<sup>18</sup> *Investing in Palestinian Economic Reform and Development, Report for the Pledging Conference*, World Bank, Paris, December 17, 2007

<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/294264-1166525851073/ParisconferencepaperDec17.pdf>

<sup>19</sup> PCBS, Poverty in Palestine, August 2007.

goods and people. We call on all Palestinians to end violence, and on Israel to relax its controls on movement and access, including by implementing the 2005 Movement and Access agreement.”<sup>20</sup> The basic assumptions for UK’s funding strategy expressed in this statement have to be replaced with a realistic assessment of the reality of occupation in Palestine.

59. The foremost task and responsibility of the UK must be to support the implementation of international law and human rights, including the ICJ on the Wall. To this end, the UK must use diplomatic pressure and economic sanctions on Israel.
60. Funding strategies must be completely re-evaluated. Large and medium scale economic projects within the system of occupation are doomed to support its sustainability and counteract to the UK’s obligations under international law. Small scale projects have to aim at the creation of an “economy of steadfastness” based on the people’s need to continue to live on their land. Projects that effectively challenge the occupation and assert the Palestinian’s right to their lands have to be devised.

#### Recommendations:

61. The UK has participated in a concerted international effort to use economic pressure to change the leadership and policies of occupied Palestinians.
62. Economic pressure should be used to push for the implementation of international law and to support democracy and human rights, not to undermine democratically elected governments.
63. The UK must reevaluate its policies and use economic pressure to push Israel to comply with international law and end the occupation of Palestinian land. The suspension of the EU-Israel Free Trade Agreement is the most evident tool. Though Israel consistently violates the human rights clause of the treaty, it still enjoys preferential treatment and tax exemption.
64. Israel profits from the occupation and the donors money that comes to Palestine. This has to stop. Companies working or contributing to the occupation and the colonization of the West Bank and Jerusalem have to be banned from international investments and cooperation
65. The UK has to stop supporting the active destruction of Palestinian democratic institutions and has to start engaging with democratically elected representatives. In the same commitment to democracy, undemocratic policies of Israel, including systematic racist discrimination of Palestinians and the denial of the right to return of the refugees, have to be targeted.
66. Prior to disbursement of funding, the UK has to scrutinize all PRDP and QIP projects as to whether they:
  - a. are legal under international law, and do not pre-empt the outcome of final status talks by lending support to the Wall and its associated regime or to Israeli colonisation and presence in the West Bank.
  - b. Reflect the needs of the people to remain steadfast on their lands.
  - c. Contribute more effectively to Palestinian or Israeli economy.
  - d. help Palestinians challenge the facts on the ground created by the Israeli Occupation.

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<sup>20</sup> Question 148666 by Rosie Cooper, 11 July 2007,  
<http://www.publications.parliament.uk/pa/cm200607/cmhansrd/cm070711/text/70711w0005.htm>