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**Ministry for Foreign Affairs**

## Strategy for Sweden's development cooperation with Palestine 2020–2024

### 1. Direction

The objective of Sweden's international development cooperation is to create conditions to improve the lives of people living in poverty and oppression. Development cooperation will be based on the principles of aid and development effectiveness, the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement.

The strategy applies in 2020–2024 and provides a total of SEK 1.5 billion, of which SEK 1.46 billion is intended for the Swedish International Development Cooperation Agency (Sida) and SEK 40 million for the Folke Bernadotte Academy.

The strategy governs the use of funds under appropriation item 17 'Middle East and North Africa' in the appropriation directions for Sida for each budget year, and funds under appropriation item 4 'Development Cooperation' in the appropriation directions for the Folke Bernadotte Academy for each budget year.

Sida's activities will contribute to the following objectives:

#### **Human rights, democracy, the rule of law and gender equality**

- Improved conditions for individuals and civil society to participate in and influence political processes, and greater respect for human rights

- Strengthened democratic public institutions, including reduced corruption and increased accountability
- Greater gender equality, including increased access to and respect for sexual and reproductive health and rights

### **Environment and climate**

- Better sustainable livelihood opportunities and sustainable use of natural resources
- Enhanced capacity of public authorities and civil society to contribute to environmental improvement and increased resilience to climate change

### **Inclusive economic development**

- Improved conditions for small- and medium-sized enterprises (SMEs) to contribute to economic development and productive employment and decent work, especially for women and young people

The activities of the Folke Bernadotte Academy will contribute to the following objective:

### **Inclusive peace**

- Enhanced conditions primarily for key Palestinian actors, with a particular focus on women and young people, to contribute to inclusive peacebuilding processes

## **2. Country context**

Development cooperation is part of Sweden's overall engagement, whose aims are the end of Israel's occupation and a peaceful, sustainable two-state solution based on international law. Sweden is part of the EU's common approach to the Middle East peace process. Sweden unequivocally condemns terrorism. It is important to recognise the legitimate security needs of both Israel and Palestine. The occupation, which has been ongoing since 1967, is the largest obstacle to development in Palestine. Palestine does not currently have control over the greater part of its territory. A political

solution to the conflict is needed for development cooperation to achieve long-term sustainable outcomes. In addition to meeting Palestine's development needs, development cooperation also contributes to both preserving and creating conditions for the achievement of sustainable peace over time. Political developments in the conflict in recent years have undermined the prospects of a peace agreement. The Israeli Government's pledges to annex parts of the West Bank have reinforced this impression. How this issue evolves may affect the environment in which development cooperation is conducted. Gaza is de facto controlled by Hamas, listed by the EU as a terrorist organisation. Swedish aid does not go to Hamas. The internal Palestinian division also affects the impact of development cooperation. The illegal settlements and the separation barrier on occupied land restrict freedom of movement and other rights, which also adversely affects opportunities for economic development. Poverty is severe and widespread throughout Palestine, although levels differ significantly between areas. The humanitarian situation is serious and more than two million people are estimated to be in need of humanitarian support, the vast majority in Gaza. A large proportion of vulnerable groups are also found in refugee camps.

The continued Israeli occupation has violated international law, including humanitarian law. Combined with a stalled peace process and the declining legitimacy of the Palestinian Authority, this has created a democratic deficit. Parliamentary elections have not been held since 2006. In different ways and to varying extents, Israel, Palestine and the de facto authorities fail to respect human rights.

Due to the occupation and other factors, Palestinian authorities have difficulty meeting the needs of the population with regard to, for example, the provision of public services. There is a lack of both political freedom and public confidence in state institutions. Palestinian authorities often suffer from capacity shortages. Civil society organisations and others have limited opportunity to demand accountability. Along with widespread corruption, this is a problem for democracy and for progress towards a functioning rule-of-law state. Violations of the freedoms of expression, information and the press occur. The Palestinian Government's reform programme includes legal, social and economic reforms. In Gaza, human rights are seriously violated, partly as a result of the authorities' lack of respect for democratic norms and the rule of law, the right to life and physical integrity, and the

prohibition on torture. Women's and girls' enjoyment of human rights and civil society space in Gaza is restricted.

Palestinian society's social norms, values and politics restrict women's access to power, resources and knowledge, and have often resulted in discriminatory legislation. Women and girls are subjected to the occupying power's acts of violence, house demolition, prevention of family reunifications and restrictions on freedom of movement.

Climate change is expected to severely impact infrastructure, public services and livelihoods, including for women and girls, in Palestine. The occupation restricts Palestinians' use of natural resources. Water resources are very unequally distributed between Israelis and Palestinians; they are also overexploited, resulting in reduced access to water and groundwater pollution. People living in poverty are hardest hit by this. Palestine also faces challenges regarding chemicals and waste management.

Palestine's economy is marked by the constraints and challenges of more than 50 years of occupation. Growth is mainly consumption-driven and dependent on inflows of aid. The private sector operates under difficult conditions, but the level of education is relatively high. Entrepreneurship, digital transformation and innovation are becoming increasingly important. Unemployment, not least among young people, is in many ways a serious development problem. The fact that the informal economy is large poses a challenge.

### **3. Activities**

Sida and the FBA will carry out, monitor and report on activities in accordance with the Government's guidelines for Swedish development cooperation and humanitarian assistance strategies (UD2017/21053/IU).

Development cooperation contributes to sustainable development based on the 2030 Agenda, the financing for development commitments in the Addis Ababa Action Agenda and the Paris Agreement. The activities' contribution will be particularly relevant to the following sustainable development goals (SDGs) of the 2030 Agenda: no poverty (SDG 1), gender equality (SDG 5), decent work and economic growth (SDG 8), climate action (SDG 13), and peaceful and inclusive societies (SDG 16). Strategy reports to the Government will also include references to how activities contribute to the implementation of the 2030 Agenda in relation to the strategy's priorities.

Swedish development cooperation as a whole will contribute to poverty reduction in the country, better conditions for democratic development and respect for human rights. Activities will aim to contribute to the achievement of a democratic, independent, contiguous and viable Palestine living side by side with Israel in peace and security, based on 1967 borders, with Jerusalem as the capital of the two states. Activities will also aim to ensure that the rights and needs of Palestinians are met so that they can live in all parts of Palestine regardless of the institutional framework.

Sida will consistently strive to strengthen conditions to ensure responsibility and accountability. Reaching even the most vulnerable parts of the Palestinian population is a priority. Particular attention will be directed at Area C, East Jerusalem, Gaza and Hebron. Activities will contribute to strengthened resilience, social viability and trust between the State and the population. They may also include action to support the resumption of the peace process. Sida will contribute to strengthening the conditions for, and the holding of, democratic, free and fair Palestinian elections, including in East Jerusalem. Strengthening civil society is a priority. This may include support to change agents and cultural life to better enable them to benefit from information, express views and self-organise. An independent judiciary is an important part of efforts to reduce the risk of corruption. Women's participation in building a democratic society is considered key. Support to young people's representation and opportunities to participate also need to be strengthened. It will remain possible to provide support to Israeli civil society organisations. Development cooperation should contribute to an increased focus on the sexual and reproductive health and rights perspective and protection of the rights of LGBTI individuals, and enable initiatives in mental health.

Development cooperation should help strengthen Palestine's capacity to meet environmental and climate commitments. This may involve prevention and management of environmental risks and waste, increased resilience to climate change, sustainable management of ecosystems, conservation of biodiversity, sustainable use of natural resources, increased production of and access to renewable energy, and energy efficiency. Support to improve the capacity, skills and effectiveness of the responsible Palestinian authorities in this area is key.

Small- and medium-sized enterprises are important for sustainable economic development, productive employment and decent work. Activities should take opportunities for sustainable livelihoods into account. Increased economic cooperation, including trade, within Palestine and with the countries in the region contributes to private sector development. Women are a particularly important target group and their economic empowerment should be strengthened. Activities directed at young women and men are also fundamental. Increased access to financing and simplified business start-up procedures should be considered within the context of support. Workers' rights, trade union rights and social dialogue should be taken into account where relevant.

The Folke Bernadotte Academy will focus its activities on capacity development in gender equality, dialogue, leadership and negotiation. The purpose is to promote participation and influence in relevant peace talks and processes for a wide range of key actors, both organisations and individuals. Particular focus will be given to women and young people.

Implementing authorities are responsible for ensuring an integrated approach to all Swedish support to the country. The linkages between humanitarian assistance, long-term development cooperation and peacebuilding will be harnessed. Synergies will be sought between the different strategy areas and with activities within the framework of other relevant Swedish strategies for development cooperation and humanitarian assistance. This applies in particular to humanitarian assistance, where relevant, and to activities at regional level.

Development cooperation will be adapted to prevailing circumstances, and will be flexible and effective. Sida will have the preparedness to respond to small-scale initiatives of a strategic nature, including initiatives aimed at following developments regarding settlement expansion.

Coordinated Swedish action and dialogue across expenditure areas and agency boundaries are vital. When implementing the strategy, Sida will work to ensure that Sweden's resource base contributes to building broader and more self-sustaining relationships between the countries. Increased use of the guarantee instrument should be explored. Budget support will not be given to the Palestinian authorities during the strategy period.

Sweden will promote coherent and effective development and aid coordination in the country, not least through active participation in EU Joint Programming and in consultation with relevant UN agencies. The EU's common approach to the Middle East peace process will be taken into account.