

Strategy for Sweden's international
development cooperation with

Palestine

2015 – 2019



REGERINGSKANSLIET

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of Sweden**

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1. Expected results

This results strategy governs the use of funds under appropriation item 17 'Middle East and North Africa' in the appropriation directions for the Swedish International Development Cooperation Agency (Sida) for each budget year. The strategy is to apply for the period 2015–2019 and amounts to approximately SEK 1.5 billion.

Activities within the framework of this strategy 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. The strategy also aims 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.

Activities within the strategy are expected to result in the following:

Strengthened democracy, improved gender equality and greater respect for human rights

- Strengthened, more transparent and democratically governed public Palestinian institutions
- Greater freedom of expression, including free and independent media
- More effective accountability mechanisms, including a more viable and pluralistic civil society
- Increased political influence and greater enjoyment of human rights for women and children
- Improved conditions for the provision of basic health services

Improved environment and greater resilience to environmental change, climate impacts and disasters

- Increased access to clean water and sanitation
- Safer waste management
- Strengthened capacity of local public institutions and civil society actors to prevent and manage disasters, environmental risks and climate change

Strengthened private sector development

- Increased number of small business start-ups
- Increased number of woman running and involved in businesses
- Increased knowledge and better service capacity at trade organisations and financial institutions
- Improved conditions for local economic development

2. Country context

The greatest obstacle to development in Palestine is the Israeli occupation, which has been ongoing since 1967. The range of reforms implemented by the Palestinian Authority has led to the assessment by the international community that it is capable of assuming the responsibilities that lie with a government of a state.¹ However, the possibility of the Palestinian Authority fully meeting the obligations and responsibilities of a functioning state, including democratic governance and human rights, will remain severely limited as long as the occupation continues. Development cooperation cannot remove this obstacle.

Israel's restrictions have contributed to the fragmentation of the Palestinian territory and hampered state-building and sustainable, investment-driven economic development. This applies in particular to restrictions

on freedom of movement to areas where the Palestinian Authority has not had access to exercise its authority, namely East Jerusalem, Area C, which comprises more than 60 per cent of the West Bank, and Gaza. Development cooperation, including humanitarian assistance, has also been obstructed. The illegal settlements and the separation barrier on occupied land have limited the freedom of movement and diminished opportunities for Palestinians to use their land.

The situation of women has deteriorated over the last 20 years. The level of violence in Palestinian society has increased, including men's violence against women and children. Women's economic participation, as well as their ability to influence political processes, is lower than in other countries in the region.

The aid-driven growth of recent years has given way to recession. In Gaza, Israeli restrictions have led to economic and social isolation with serious humanitarian consequences for the civilian population, particularly with regard to water, sanitation and electricity. The war in Gaza in summer 2014 exacerbated an already serious humanitarian situation and created a humanitarian crisis causing more damage than previous wars in Gaza, including to vital infrastructure.

The absence of intra-Palestinian reconciliation between Hamas and Fatah has also been an obstacle to development. The Palestinian Authority has long been prevented from acting in Gaza, no general elections have been held in Palestine since 2006, parliament has not been able to convene and laws have been passed by presidential decree.

Eased Israeli restrictions, real progress in the peace negotiations, continued political reforms, deeper intra-Palestinian reconciliation, increased external trade and aid could combine to break the downward trend and lead to investment-driven economic development.

¹Report to and minutes from the Ad Hoc Liaison Committee, September 2012.

Due to long-term overuse of natural resources, including by Israeli settlements in the West Bank, Palestine is experiencing major negative environmental impacts. To reverse the negative health and environmental trends over both the short and long term, improvements in natural resource governance are necessary. The water shortages experienced by the Palestinians, primarily caused by the occupation, are exacerbated by population growth, pollution of aquifers and the marine environment, as well as by depletion of the limited agricultural and grazing areas. Palestine is also affected by emergencies of various kinds and serious climate change impacts such as extreme weather events, rising sea levels and changes in annual rainfall and average temperatures.

3. Activities

The National Development Plan of the Palestinian Authority, including the reconstruction plan for Gaza, specifies the humanitarian needs in Gaza as well as early recovery needs and the vision for state-building, and involves all areas of this strategy.

Sweden's credibility as a development actor is high in Palestine due to its long-standing engagement, the permanent presence of the Consulate-General in Jerusalem and recognition of the State of Palestine. This potential should be used to support Palestinian state-building.

Activities are to be flexible and adaptable to political developments. Sweden can combine long-term support with strategic, small-scale and time-limited contributions. This added value can be used to contribute to all of the strategy's expected results. Contributions to promote peace and reconciliation should be seen as important to all three areas. All contributions should be designed using a conflict-sensitive approach. Where relevant and possible, synergies with humanitarian support should be sought.

Gender equality is to be a key starting point of activities. Women's rights, status, political influence and economic participation are to be given priority, in line with Security Council resolution 1325 and subsequent resolutions.

By helping to strengthen the rule of law, men's violence against women and children can be reduced over time. By promoting the human rights of women and children and the economic empowerment of women, better conditions are created for women and girls to achieve their full potential.

Women and children with disabilities are particularly vulnerable and should have greater access to social services, including health services and psychological support, and other rehabilitation measures.

Activities are to be conducted throughout Palestine – not least in East Jerusalem, Area C and Gaza – to prevent imbalances and further Palestinian division. This involves increased risk-taking. Considerable weight should therefore be given to identifying, assessing and managing risks. Risks should be spread through the selection of contributions, geographic areas and partners.

Sweden's key partner should be the State of Palestine's executive body, i.e. the National Palestinian Authority. The added value of multilateral organisations, civil society organisations and other actors for democracy should be used.

To contribute to increased aid effectiveness, Sweden is to promote a coherent and effective EU development cooperation policy, particularly through active participation in EU development coordination and joint programming.

Area 1: Strengthened democracy, improved gender equality and greater respect for human rights

Sweden has extensive experience of supporting democracy and human rights in Palestine. This added value should be used in the support to the Palestinian Authority. The focus is to be on strengthening the Authority's capacity for accountability so that citizens' rights and needs can be met throughout Palestine.

Reforms carried out by the Palestinian Authority have led to enhanced capacity and to the assessment by the international community that the Palestinian state-building project is ready to meet the obligations that can be imposed on a state. The shortcomings that nevertheless remain, undermining confidence in and the legitimacy of the Palestinian Authority, will be reduced through Swedish support to capacity building. The key challenges are corruption, lack of respect for and protection of civil and political rights, limited opportunities for public participation and influence, and insufficient capacity to combat corruption. Preservation of Palestinian cultural heritage is central to state-building and the Palestinian identity.

The following areas are to be included in the support to public institutions: strengthening of the rule of law, capacity to provide basic social services (particularly health services, including psychosocial support) and opportunities for Palestinians to influence political decisions.

Freedom of expression needs strengthening through less government control, less censorship and improved public access to information.

Sweden is a leading donor to civil society human rights organisations. This added value is to be used to both support civil society and bridge the confidence gap between the Palestinian Authority and the Palestinian people, particularly in areas where the Palestinian Authority today has no access. Support to civil society organisations is to focus on the democratic accountability of duty bearers, human rights and international humanitarian law, as well as basic social services. Support may also be provided to other advocates of democracy.

Area 2: Improved environment and greater resilience to environmental change, climate impacts and disasters

Sweden has extensive and in-depth experience and special expertise in climate change and the environment, and in disaster preparedness.

Donor density in the climate and environment areas is low and Sweden is therefore to increase its engagement in these areas. The capacity of Palestinian society to manage crises and disasters, particularly those linked to climate change and environmental impacts, is to be strengthened.

Activities promoting sustainable use of natural resources (including increased use of renewable energy), infrastructure development, water purification, sanitation and waste management may be considered, as well as the upgrading of local infrastructure that contributes to results in this area, and reconstruction of damaged infrastructure. Infrastructure contributions at local level may be complemented by support that contributes to the development of more effective and transparent local governance with the aim of meeting the rights and needs of the Palestinian people. Regional aspects are to be taken into account. Despite the risk of demolition and confiscation of infrastructure, activities may be carried out in Area C, East Jerusalem and Gaza.

Area 3: Strengthened private sector development

The starting point for achieving results in this area is that the current economic model in Palestine is unsustainable. Growth is largely aid-driven. For Palestine to reduce its aid dependency and build a stable economic foundation in the long term, the private sector needs to grow and fiscal revenue from a viable and investment-driven private sector with free trade flows needs to increase throughout Palestine.

Sweden has been and continues to be a forerunner in supporting small businesses and women entrepreneurs in Area C on the West Bank, where few other donors are active. This support is to be given continued priority aimed at improving the livelihood of marginalised groups at local level. Activities that contribute to an enabling legal framework for the private sector, including enhanced trade capacity and reduced trade restrictions, may be considered. Loans and guarantees are to be considered, despite the financial risk.

4. Follow-up

The forms of follow-up are indicated in the Government's guidelines for results strategies within Sweden's international aid. In light of the unstable political situation, a mid-term review of the strategy is to be conducted.

