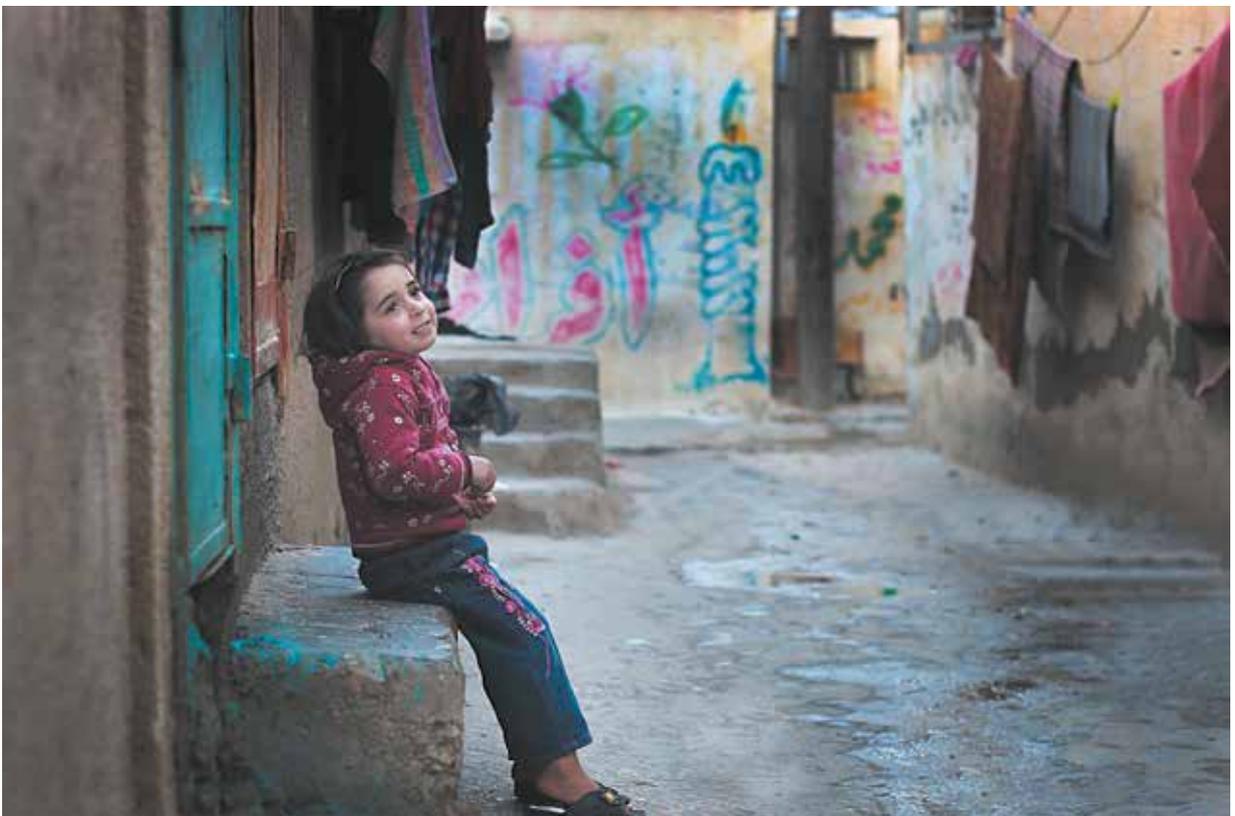




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Swiss Cooperation Strategy for the **Occupied Palestinian territory (oPt)** 2015–2018



Introduction

The Cooperation Strategy for the occupied Palestinian territory (oPt) 2015-2018 is an operational framework that sets out strategic priorities for the Swiss Agency for Development and Cooperation (SDC) and the Human Security Division (HSD) of the Federal Department of Foreign Affairs (FDFA).

In line with Switzerland's commitment to a just and lasting peace between Israelis and Palestinians based on a negotiated two-state solution, this strategy aims at contributing to the establishment of an independent, viable, contiguous and democratic Palestinian state. SDC and HSD engagements towards this goal focus on the promotion of and respect for international human rights law and international humanitarian law, on strengthening local governance and effective service delivery, and on supporting economic development, in particular in the agricultural sector. It also complements the Swiss support to the United Nations Relief and Works Agency (UNRWA), which provides basic services to Palestine Refugees and promotes the respect of their rights in the region.

The present strategy was developed in close coordination with Swiss representations on the ground and FDFA in Bern, and through a consultative process with key partners and stakeholders in the oPt. It takes account of the political and socioeconomic trends and the developmental and humanitarian

challenges arising therefrom, and builds on the lessons learned from the previous Cooperation Strategy (2010-2014). Because of the continued deterioration of the situation, the strategy focuses on vulnerable and marginalised areas and seeks to enhance resilience of vulnerable communities. Gender equality, human rights based approach and conflict sensitive programme management are transversal themes of the strategy.

In the spirit of a comprehensive approach and with a view to maximising the results expected from the Swiss engagement, the Strategy combines the working tools of both SDC and HSD. Peace promotion activities in the oPt and Israel that complement but are not covered by the present strategy are also carried out by HSD.

The strategy is structured in three main parts: the first part reflects on contextual developments since the previous Cooperation Strategy and programmatic implications for Switzerland; the second part outlines the objectives of the Swiss engagement as per each domain of intervention; the last part describes implementation and monitoring modalities.

The Cooperation Strategy for the oPt 2015–2018 was approved in July 2015.

Swiss Agency for Development and Cooperation



Manuel Sager
Director General

Directorate of Political Affairs



Yves Rossier
State Secretary



1. Context analysis

1.1 Political developments

Two decades after the Declaration of Principles of 1993 and the subsequent agreements, a negotiated solution to the Israeli-Palestinian conflict still remains a distant prospect, preventing the creation of an independent and viable Palestinian state. The ongoing Israeli occupation and the limited powers of the Palestinian Authority (PA) has led to increased fragility in the occupied Palestinian territory (oPt) and prevented the possibility of sustainable development. The internal Palestinian division¹ has exacerbated the situation, in particular as regards unity, economic development, the rule of law and good governance.

Today, the 4.4 million Palestinians² living in the Gaza Strip and the West Bank including East Jerusalem are facing a situation of growing unemployment, poverty, and food insecurity. Half of the population is below the age of 18 and is directly affected by the lack of prospects created by the economic restrictions, political deadlocks, discriminatory policies and continued violations of international human rights law and international humanitarian law.

Following years of gradual degradation, 2014 saw a sharp deterioration in the humanitarian, political social and economic situation in the oPt. According to the United Nations³, 2014 was the worst year in terms of fatalities and injuries since 1967. The collapse of US-sponsored peace talks in April 2014 opened a new period of uncertainty and violence: in the summer of 2014, a multitude of violent events caused an escalation of violence between Israel and Palestinian factions in Gaza and led to an Israeli military operation that lasted for 51 days during which 2251 Palestinians were killed, most of them civilians including children and women, as well as 73 Israelis⁴, including six civilians. The levels of destruction in Gaza are unprecedented in terms of human and material losses. The reconstruction process is very slow, increasing frustration and the risk of radicalization among the population.

The current reconciliation process has not succeeded in overcoming Palestinian divisions which continue to directly affect the situation in the oPt, especially in Gaza.

This precarious situation is unsustainable, yet there are no signs that the Israeli blockade will be lifted or that the Palestinian Government of National Consensus (GNC) will be able to govern in the Gaza Strip.

In the West Bank including in East Jerusalem, the situation has also worsened in recent years with recurrent clashes and attacks claiming victims on both sides, as well as an increase in demolitions and eviction orders, search and arrest operations, land confiscation, expansion of settlements, and increasing tensions over the holy sites in East Jerusalem.

Women and children are suffering most from the economic slowdown, the radicalisation of society and the aftermath of the recent escalations. The mental health of entire sections of the population is at risk, affecting primarily but not only children.



1 In June 2007, 18 months after Hamas' victory in the national elections and following a violent conflict with Fatah, Hamas took over the Gaza strip, leading to two separate entities governing the West Bank and Gaza.

2 45% of the Palestinian population living in the oPt are refugees registered by UNRWA

3 UN OCHA: Fragmented Lives, Humanitarian Overview. In 2014, 2,314 Palestinians and 83 Israelis lost their lives owing to conflict-related violence.

4 Report of the independent commission of inquiry established pursuant to Human Rights Council resolution S-21/1, June 2015



1.2 Governance and respect for international human rights law and international humanitarian law

The Israeli occupation, including the blockade of Gaza, combined with the ongoing intra-Palestinian division, has led to the continuing erosion of respect for international humanitarian law and international human rights law, as well as a perpetuation of the crisis in the Palestinian governance system. No elections have taken place at the national level since 2006 and the territory remains highly fragmented: while a Government of National Consensus has been created in 2014, Gaza and the West Bank are still de facto controlled by two different administrations, while Israel is keeping a full control over Area C⁵, and East Jerusalem has been unilaterally annexed by Israel, in violation of international law⁶.

In the West Bank including East Jerusalem, Israel has been building settlements since the beginning of the occupation in 1967 and a separation barrier since 2002. Both are deemed illegal under interna-

tional law⁷, while simultaneously limiting Palestinians' rights to freedom of movement, right to enjoy natural resources (water and land), right to an adequate standard of living, including housing, and right to liberty and security. Israel has kept full control of Area C, which includes the most fertile lands of the West Bank and most of its natural resources. The Palestinian population living there, in particular the vulnerable Bedouin communities, are under increasing threat of forcible transfer. Levels of tension and violence between Palestinians and Israelis have increased over recent years throughout the West Bank, including in East Jerusalem.

The Gaza Strip is considered as occupied under international humanitarian law by the international community. The blockade imposed by Israel prevents any sustainable development, and increases aid dependency.

Palestinian duty-bearers still fall short of fulfilling their human rights and International Humanitarian Law obligations. Accession to numerous international human rights and international humanitarian law treaties in 2014 and 2015 presents the Palestinian government with the opportunity to further strengthen its capacities and fulfil its obligations to respect and promote human rights in accordance with international standards.



5 The Oslo Accords created three temporary administrative divisions in the West Bank and Gaza Strip until a final status accord can be established. Area 'A' covers 18% of the West Bank and is under the full control of the Palestinian Authority. Area 'B' covers 20% of the West Bank and is under Palestinian civilian control and, formally, joint Palestinian-Israeli security control. Area 'C', 62% of the West Bank, is under full Israeli control, except for the provision of services to Palestinian civilians.

6 Switzerland considers the territories controlled or annexed by Israel and located beyond the 1967 borders to be occupied as defined under international humanitarian law.

7 The building of the separation barrier, inasmuch as it deviates from the "Green Line", contravenes international law ("Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory", Advisory Opinion of the International Court of Justice, 9 July 2004).

1.3 Economic trends

Economic development in the oPt is unsustainable and poverty is increasing. The major factors of this poor economic performance are political uncertainty and restrictions on the movement of goods and people.

In the West Bank, the lack of access for Palestinians to large swathes of their territory is a major impediment to economic development. In 2013 the World Bank estimated the losses for the Palestinian economy due to Israeli restrictions on Area C at USD 3.4 billion (i.e. 35% of the GDP). The economic situation in East Jerusalem is also dire and affects the most vulnerable: 82% of Palestinian children live there below the poverty line⁸.

In Gaza, the blockade and repeated rounds of hostilities are preventing any sustainable development. Gaza's economic performance over the last 20 years has been roughly 250% worse than in any relevant competitors including the West Bank. Real per capital income is 31% lower in Gaza than it was 20 years ago and the difference between real per capital income with West Bank increased from 14% to 141%.⁹



Prospects for 2015 and beyond are bleak unless a drastic change in the current paradigm takes place. With 80% of food imported, mainly from Israel, food supply in the oPt is also very insecure. Over the last few years, the socioeconomic situation has continued to deteriorate, in particular in East Jerusalem, Area C, and Gaza, where 80% of the population depends on international aid.

The budget of the PA is highly dependent on international aid and the payment of clearance revenue (tax collection), the latter being repeatedly withheld by the Israeli authorities. The government has made some progress with fiscal reform and reducing expenses, yet the salary payroll of the PA and the share of the budget for security is still oversized. The banking system remains robust, but would be at risk if the financial crisis in the PA worsens.



⁸ Poverty and Social Gaps Indicators, 2012, Annual Report, National Insurance Institute (Israel)

⁹ Economic Monitoring Report to the Ad Hoc Liaison Committee, World Bank, May 2015

2. Review of the 2010–2014 Cooperation Strategy

While the political and humanitarian context has deteriorated over the past five years and despite the relatively small size of its programme, Switzerland has managed to play a significant role in the development, humanitarian and political sectors. Switzerland's comparative advantage lies *inter alia* in its neutrality, its policy of contact with all parties, commitment to the promotion of international law, its presence in the Gaza Strip, and its approach in integrating humanitarian aid, development aid and peace promotion. All of these elements have allowed Switzerland to promote respect for international law, local governance, and economic development with credibility, both in Gaza and in the West Bank.

The 2010-2014 Cooperation Strategy was implemented by the Swiss Agency for Development and Cooperation (SDC) in coordination with relevant stakeholders within the Federal Department of Foreign Affairs (FDFA).

2.1 Key achievements

Domain 1: Rule of law and protection

International human rights law and international humanitarian law

Notwithstanding the general decline in respect for international law between 2010 and 2014, the Swiss engagement produced some noteworthy achievements. In particular, the advocacy and protection capacities of key local and international partners were strengthened, leading to increased quality of evidence-based research and more robust coordination. Policy dialogue on the rule of law and protection was promoted among partners and donor agencies, contributing to policy changes on sensitive aid issues. Switzerland's partners also actively contributed to bringing human rights to the centre of Palestinian state- and institution-building, for example in the Palestinian National Development Plan.

Basic services

SDC has been able to play a significant role in improving the provision of essential services through UNRWA as well as other UN agencies, for example by supporting UNRWA's reform process at the regional level. Since 2013, SDC has started working in the local governance sector, engaging effectively with decentralised Palestinian authorities and encouraging the improvement of basic services delivery at the municipal level.



Domain 2: Economic development

Private sector development

SDC has worked to enhance the competitiveness of agricultural value chains with a high market and employment potential. SDC progressively adopted a systemic approach with the aim of providing access to economic markets for vulnerable farmers. This has led to an increase in quality production and income opportunities for farmers in the olive sector, to strengthening the capacities of cooperatives and unions, and to the development of a national strategy for the olive and olive oil sector.



Vocational skills development

SDC's support for selected technical vocational education and training (TVET) institutions has enabled the development of quality vocational education curricula and contributed to enhancing the skills of trainers. SDC has focused on systematic and labour market-oriented interventions, contributing to minimising the gap between the demand supply sides. In addition, SDC support for the implementation of the national TVET strategy has facilitated linkages between the West Bank and Gaza.



3. Strategic orientation 2015–2018



3.1 Objectives

The overall goal of the present cooperation strategy is to enhance the prospects for a negotiated two-state solution to the Israeli-Palestinian conflict and to contribute to creating a democratic and viable Palestinian state based on the 1967 borders. The strategy focuses on protection and resilience, and seeks to reduce the negative effects of the occupation and the internal Palestinian division. It further aims to enhance the basis for democratic and pro-poor development. Three domains of intervention have been defined.

The current strategy is implemented jointly by SDC and the Human Security Division (HSD).

Domain 1: Rule of law and protection

The objective of this domain is to: *“Contribute to the promotion of and respect for international law, in particular international human rights law and international humanitarian law, in view of ensuring protection of the Palestinian population’s rights in the oPt by all duty bearers.”*

As an important actor in the field of human rights and advocacy, Switzerland aims to strengthen the rights of Palestinians in the oPt in order to create the conditions for a viable and sustainable two-state solution. On the one hand, the impacts of the occupation on the population need to be rolled back while at the same time the rule of law should be practised by Palestinian duty bearers throughout the oPt¹⁰.

The activities in this domain will be implemented by SDC and HSD in close coordination with other offices within FDFA. Main partners will include Palestinian and Israeli civil societies, international organisations and international NGOs.



¹⁰ HSD also carries out activities to promote the protection of minorities in Israel.

Domain 2: Effective service delivery through local governance

The objective of this domain is to: *“Strengthen local and national institutions in providing public services in a transparent, inclusive and accountable manner.”*

Switzerland will support local authorities and civil society organisations in marginalised areas to improve the provision of quality services and strengthen social accountability. The following three lines of activities will be implemented: 1) Enhance the capacities of selected local authorities to provide quality public services to vulnerable communities without discrimination; 2) Strengthen the ability of selected vulnerable communities to actively participate in local decision-making and to hold their authorities accountable; 3) enable municipalities and grassroots organisations to participate in the relief and recovery efforts in Gaza, while ensuring effective participation of all citizens.

Cultural activities will be supported as a means to increase public debate on democracy and governance and to encourage youth participation.

This domain is implemented by SDC.



Domain 3: Agro-economic development

The objective of this domain is to: *“Focus on improving small-scale agribusiness holders’ performance and resilience and contribute to a more conducive economic environment.”*

Switzerland will support economic development that creates sustainable employment and income opportunities for small-scale agribusiness holders. While most donors concentrate on macro-economic reforms, Switzerland will focus its intervention on market-oriented initiatives targeting the poor and the disadvantaged. This approach should strengthen resilience and protection from displacement for marginalised communities in the most vulnerable areas of the West Bank and Gaza.

In practice, Switzerland’s objectives are: 1) improve access to quality agricultural services in selected value chains (supply side); 2) improve the productivity and competitiveness of small-scale agribusinesses (market side); 3) promote Palestinian policies and regulations that benefit small producers, and support advocacy and coordination work that challenge economic constraints and impediments. Unions and cooperatives have an important role to play in this domain. Consequently, strengthening their capacities and governance structures will be an integral part of the programme.

This domain is implemented by SDC.





3.2 Transversal themes

Governance and human rights based approach: The principles of **accountability, participation, empowerment and inclusion**¹¹ are at the centre of the cooperation strategy. Strengthened accountability of local and national duty-bearers is a priority concern within domains 1 and 2, while improved transparency and dialogue between the authorities and the population is encouraged in all domains. The participation of women, youth, internally displaced persons, and vulnerable communities in decision-making is enhanced through the strengthening of civil-society organisations and support for consultation processes. The Swiss engagement endeavours to empower local actors (public, semi-public or private institutions) to increasingly assume their role as credible partners of the government and the donor community. Special attention will be given to vulnerable communities and groups to ensure their inclusion in development and reconstruction processes and to enhance their ability to express their needs and stand up for their rights. The promotion of and respect for international human rights law and international humanitarian law will be ensured throughout the programme.

Gender: Respect for women's rights is promoted throughout the programme, in particular as regards inclusion in dialogue with the local authorities, decision-making processes, agriculture value chains and the promotion of women's rights. Sex-disaggregated baselines and data will be applied in the monitoring instruments.



3.3 UNRWA

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) serves five million Palestinian refugees in Jordan, Lebanon, Syria, the West Bank and Gaza, providing basic services in the fields of education, health care, relief, camp infrastructure improvement and microfinance. UNRWA is one of Switzerland's key partners in the Middle East, due to its UN mandate, its regional outreach and its stabilising influence as promoter of peace.

Switzerland has financially supported UNRWA since its establishment and the two enjoy a long-standing, trust-based partnership. In 2005, Switzerland became a member of UNRWA's Advisory Commission, and will hold its chairmanship in 2016-2017. Furthermore, Switzerland assumes a leading role in the policy dialogue with regard to the reform and organisational development process of the agency. In addition to its contribution to the General Fund, Switzerland funds projects, reforms, secondments and emergency appeals.

Given its regional scope, Swiss support for UNRWA is not directly part of this strategy but supplements it. The institutional relationship with UNRWA is managed through the SDC office in Jerusalem, in close coordination with the other SDC offices in the region and head office in Bern.



¹¹ The following groups have been identified as targeted vulnerable groups for this Cooperation Strategy: forcibly displaced persons, victims of human rights violations and conflict-related violence, persons denied access to the right to health, poor farmers excluded from accessing the market or under threat of losing their productive assets, Palestine Refugees at risk of exclusion, people living in marginalised areas (especially in Gaza and in area C).

4. Implementation modalities / Management

4.1 Operational principles

Switzerland applies the OECD *Principles for Good International Engagement in Fragile States and Situations*. Its engagement in the oPt is based on a thorough analysis of the context and the needs arising from it. Switzerland is committed to **conflict-sensitive programme management**, adheres to the *do no harm* principle, and avoids interventions that generate aid dependency. Rather, the Swiss engagement aims at building **resilience**¹² and encouraging Palestinian actors to assume their responsibilities to the fullest extent possible. In its **state-building** approach in the oPt, Switzerland focusses on strengthening the relationships between national institutions and civil society. Furthermore, Switzerland will continue to promote the integrity, unity and viability of the Palestinian territory by enhancing linkages between Gaza and the West Bank.

4.2 Risk management

Due to the volatile political and security context, Switzerland pays particular attention to the risks its programme in the oPt is exposed to. Switzerland continuously monitors the context and operates with planning scenarios. Adaptations or changes to the programme will be carried out in the case of major changes in the context.



The cooperation strategy is aligned with the Palestinian National Development Plan 2014-2016. Synergies and cooperation with other donors and aid actors are sought wherever possible. Overall, Switzerland will contribute equally to projects in the West Bank and in the Gaza Strip.

¹² Resilience: The ability of a system, locality or household to resist, absorb, accommodate and recover from the effects of hazards and shocks in a timely and efficient manner through inter alia the preservation and restoration of its essential basic structures and functions. Adapted from UNISDR definition. Source: Resilience Guidelines for the oPt (2014)

5. Human and financial resources



The SDC cooperation office, consisting of one office in East Jerusalem and a sub-office in Gaza, is responsible for the operational management, implementation and monitoring of the cooperation strategy. A human security advisor is based at the Swiss representative office in Ramallah and jointly manages the relevant operations in domain 1. Close coordination between SDC, HSD and the Swiss representations in Ramallah and Tel Aviv is maintained to ensure the coherence of the Swiss intervention in the region. Head office in Bern provides the necessary support, guidance, and strategic decisions.

5.1 Financial resources

The indicative SDC bilateral budget over four years amounts to CHF 64 million, in addition to CHF 20 million for funding to organizations such as the ICRC, WFP and OCHA. One quarter of the HSD annual budget for the oPt and Israel (CHF 0.5 million) is allocated to activities within the purview of the cooperation strategy. In addition to the above amounts, Switzerland will provide in average CHF 21 million per year to UNRWA for its operations at the regional level (53% of this amount will serve to fund operations in the West Bank and Gaza).

About 50% of the overall budget will benefit directly or indirectly the population living in Gaza.

A detailed table with projected financial resources can be found in Annex A.

6. Monitoring and evaluation



Assessments of the context and security situation are conducted on a regular basis. The programme is evaluated on the basis of national/local indicators and international standards. The Swiss contribution to the state-building agenda will be regularly assessed. Partners and key stakeholders are involved in assessing progress in the implementation of the strategy during the preparation of the Annual Report. A review of the cooperation strategy will be conducted in 2017.

Annex A

Financial planning

Year	2015	2016	2017	2018	Total 2015–2018 per domain	Grand Total 2015–2018 per funding line		
Funding/Dispatch ¹						DA	HA	HSD
Rule of Law and Protection	5.3	5.3	5.3	5.3	21.2	11.2	8	2
Local Governance	3.9	3.9	3.9	4	15.7	13.7	2	
Agro-Economic Development	3.9	3.9	3.9	4	15.7	13.7	2	
Other / not allocated	0.9	0.9	0.9	0.7	3.4	1.4	2	
Swiss Cooperation Office	2.5	2.5	2.5	2.5	10	8	2	
Total	16.5	16.5	16.5	16.5	66	48	16	2
Humanitarian Multi-Bi funds (for ICRC, WFP, OCHA)	5	5	5	5			20	
Grand total	21.5	21.5	21.5	21.5		86		

Notes:

Allocations of the humanitarian aid budget per domain and Multi-Bi figures are only indicative; decision will be taken gradually based on needs and available resources.

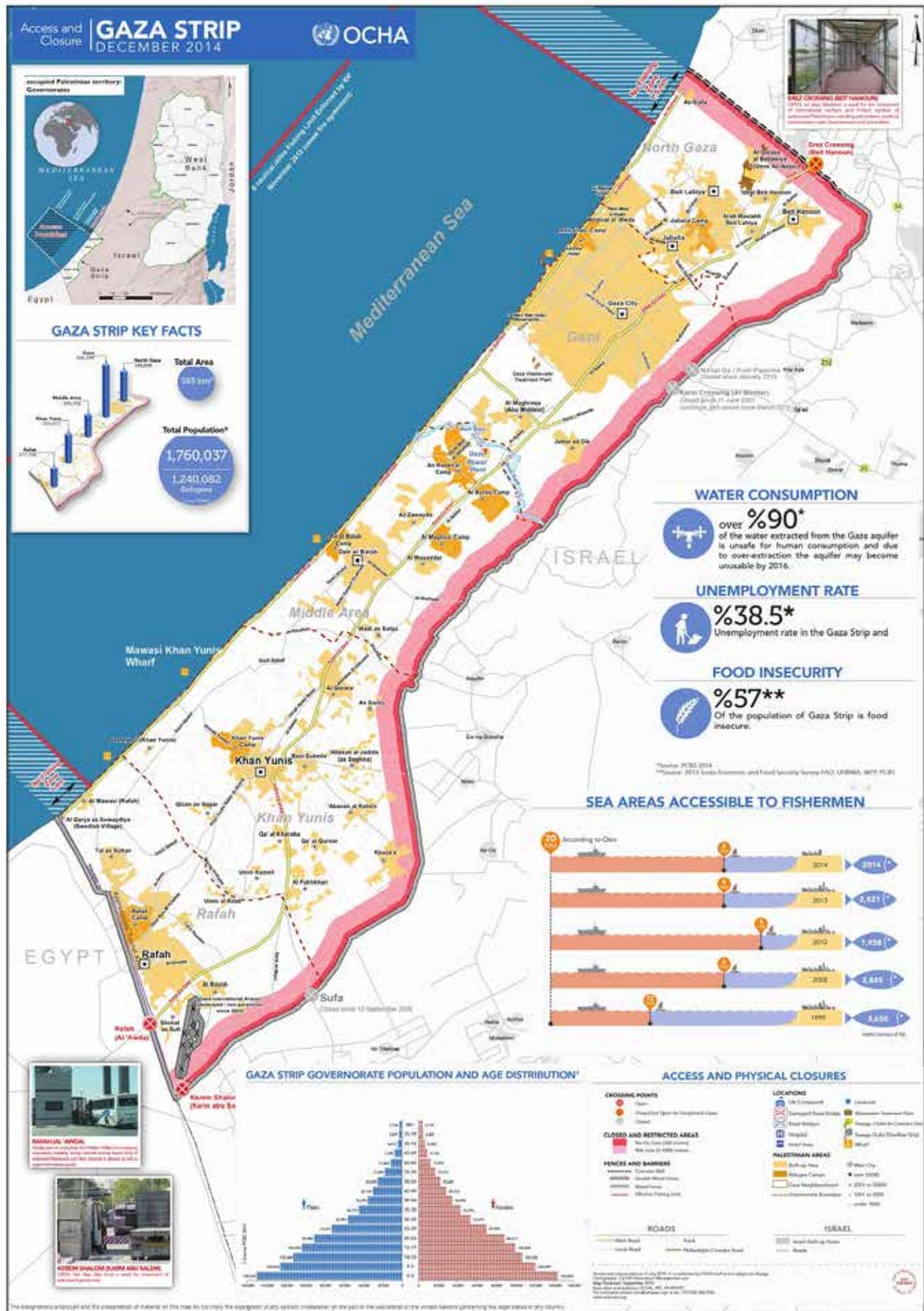
In addition to the figures above, Switzerland plans to invest 21 million per year for UNRWA in the region (oPt, Jordan, Syria and Lebanon). 53% of this total amount is allocated to the oPt.¹³

¹³ DA: Development Aid funding

HA: Humanitarian Aid funding

HSD: Human Security Division funding. HSD also carries out activities outside the scope of the present strategy that are not included in this budget.

Map Gaza Strip



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