



## **Development policy action programme for the Palestinian territories**

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In response to the Hamas terrorist attacks on Israel, the escalation of the Middle East conflict they have triggered and the ongoing Israeli military operation in the Gaza Strip development cooperation with the Palestinian territories and the MENA region needs to be adjusted.

Germany is engaged in development activities in the Palestinian territories with a view to:

1) improving the living conditions and creating comprehensive development opportunities for the people on the ground and 2) contributing to the establishment of a future Palestinian state with effective institutions in line with a negotiated two-state solution. The German government sees its engagement in the Palestinian territories both as an expression of its special historical responsibility vis-à-vis Israel and as a critical contribution to a peaceful solution in the Middle East and hence to stability in the entire MENA region.

Bilateral development cooperation is currently being implemented in particular in the West Bank and in East Jerusalem. Ongoing activities in the Gaza Strip that go beyond meeting people's most urgent basic needs cannot be implemented at present. This goes, in particular, for projects under bilateral development cooperation and projects run by private organisations. The specific work done under the development projects is continuously being adapted in response to the developments in the Palestinian territories, current needs, and the available scope for action.

Reconstruction of the Gaza Strip will be a central task for the future. The BMZ coordinates closely with the entire German government, the Palestinian side, Israel, the Arab partners and other development partners, such as the US, the EU and its



member countries so as to facilitate a life in safety and dignity for the people in the Gaza Strip as soon as the situation permits.

In response to the impact of the current escalation of the Middle East conflict, development cooperation with the Palestinian territories is currently centred around four focus areas:

1. **Rebuilding Futures: Creating Employment for Resilient Communities in the Palestinian Territories**

Employment promotion has been a focus area of the BMZ's work in the Palestinian territories for many years. Since 7 October last year, unemployment has almost tripled in the West Bank, reaching 40 per cent. This is worsening an already tense economic situation. One factor in this is the far-reaching restrictions on the flow of persons and goods, which Israel enacted after the dreadful terrorist attacks by Hamas. In addition, Israel revoked 171,000 work permits for Palestinians from the West Bank in Israel. That is why the BMZ will initiate an initiative for employment and stability in the Palestinian territories. This is intended to create some 25,000 new job opportunities. One pillar is the establishment of a labour-intensive construction programme for social infrastructure. An additional pillar is the creation of jobs for women and young people, in particular in agriculture and the IT sector. The BMZ will be drawing on a broad set of instruments. The plan is to create both short-term cash-for-work jobs and support micro, small and medium-sized enterprises in order to ensure longer-term employment. The BMZ is thus making a significant contribution together with other donors to stabilise the economy in the West Bank and in East Jerusalem.

2. **Effective government structures at the local level**

The municipalities take on the main work of delivering basic public services to the Palestinian population, for instance waste disposal or road maintenance. Mayors and municipal councils at the local level came to power through local



elections in the West Bank, most recently in March 2022, giving them democratic legitimation. With a view to strengthening administrative reforms at the local level, the BMZ is investing new funds in the Municipal Development and Lending Fund (MDLF), a fund that is also being supported by other donors, such as the World Bank, Denmark and France, for example. The legally independent fund, which is under the control of the Palestinian Authority, finances investment in municipal infrastructure. Care is being taken to ensure that the investments provide incentives for reforms that create transparent and efficient municipal administrations. Strengthening local authorities goes hand in hand with reform efforts undertaken by the Palestinian Authority (PA) at the national level. This includes anti-corruption measures, the reform of the judicial system and of the public sector.

### 3. **Building bridges through dialogue with civil society**

The BMZ is promoting social cohesion, peaceful conflict management and dialogue-oriented civil peacebuilding in the Palestinian territories and in the region. Engaging in an in-depth dialogue with civil society partners is important to the BMZ to better understand positions and rebuild trust that has been lost between Germany and the region wherever that is possible. Promoting and empowering civil society is an important pillar of Germany's development cooperation with the Palestinian territories and the entire region. At the same time, Germany's cooperation with civil society partners in the Palestinian territories continues to be tied to clear criteria: antisemitism, incitement to hate, violence and boycotts against Israel all exclude such partners from receiving support from the BMZ.

### 4. **Stabilising the region**

Our clear commitment to important development cooperation partnerships in the region, for instance with Jordan, which plays an important mediator role in the region, and also with Lebanon, which is a central host country for



refugees, is a contribution to stabilising a volatile situation in the region. The BMZ is supporting both countries in their efforts to stabilise a damaged economy, provide services for a large number of refugees, from Syria for instance, and create opportunities by providing basic education, vocational training and support for the local economy. In addition, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is a key actor providing support to a total of 5.9 million registered UNRWA refugees in the entire region, 2.3 million of which are living in Jordan and some 490,000 in Lebanon. The BMZ is supporting UNRWA in its efforts to provide services for Palestinian refugees, manage health facilities and schools in refugee camps and provide important services such as drinking water and waste disposal.