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## STRATEGY OUTLINES

### Agenda item 5

***For consideration***

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## PROGRAMME STRATEGY OUTLINE— PALESTINIAN TERRITORY

### ABSTRACT

Food insecurity and poverty in the Palestinian Territory emanate for the most part from an unsettled political atmosphere, which is marked by significant turbulence and an increasing amount of uncertainty in the economic landscape. The climate of political uncertainty has had its toll on the development prospects, especially by way of discouraging private investment—the engine of growth in the economy—constraining trade and depressing employment opportunities for migrant labour. A non-expanding economic base and a relatively high rate of population growth have resulted in continually declining per capita living standards. Over 20 percent of the population are poor and food insecure. The Palestinian Authority's limited safety net to assist the poorest of the poor is hindered by resource problems. Considering the special circumstances affecting the lives of people, the United Nations General Assembly granted "as if Least Developed Country (LDC)" status to the Palestinian Territory, extending the same preferential treatment accorded to least developed countries (UN/GA resolution 43/178).

WFP's programme strategy proposed herein is for the three-year period 2001–2003. In accordance with decision 1999/EB.A/2 of the Executive Board, WFP focuses its development activities on five objectives. The key areas of assistance in this Strategy Outline address objectives 1, 2 and 3 (enable young children and expectant and nursing mothers to meet their special nutritional and nutrition-related health needs; enable poor households to invest in human capital through education and training; and make it possible for poor families to gain and preserve assets).

Elements of the strategy are: i) *Safety net provision for the poorest of the poor.* Food assistance provided to the "hardship cases" will help meet consumption needs and enable potential income earners to effectively use opportunities that are available to develop human capital through training and education. ii) *Support to community efforts aimed at human resource development of the poor and marginalized.* Food assistance will be provided through local NGOs to youth from low-income groups (often orphans, abandoned children and women) to help them achieve human capital development through training and education. iii) *Improvement food security in the poorest areas through labour-intensive land improvement for agriculture.* Food for work will help the poorest farmers in the poorest areas turn their currently unusable stone-covered land into productive assets. This activity will also provide employment to poor landless labourers. iv) *Collaborative support to tackle micronutrient deficiencies and enhance awareness on reproductive health and family planning.* WFP will work with the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the United Nations Population Fund (UNFPA) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) to enable women and children to meet their special needs for iron supplementation and provide to the beneficiaries of WFP projects nutrition and health education, and raise their awareness on reproductive health issues. v) *Assistance to gender mainstreaming and women's empowerment.* WFP will help the processes towards gender mainstreaming and women's empowerment, primarily by enabling poor households, especially the girls and women in them, to invest in human capital development through training and education.

## NOTE TO THE EXECUTIVE BOARD

**This document is submitted for consideration by the Executive Board.**

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documentation and Meetings Clerk (tel.: 066513-2641).



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## ACRONYMS USED IN THE DOCUMENT

CRS	Catholic Relief Services
IDA	International Development Assistance
GDP	Gross Domestic Product
GNP	Gross National Product
MSA	Ministry of Social Affairs
PLO	Palestine Liberation Organization
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund
UNWRA	United Nations Relief and Works Agency for Palestine Refugees in the Near East



## FOOD INSECURITY AND THE HUNGRY POOR

1. Food insecurity and poverty in the self-ruled Palestinian Territory—the Gaza Strip and the West Bank—emanate for the most part from an unsettled political atmosphere, which is marked by significant turbulence and an increasing amount of uncertainty in the economic landscape. However, several structural reasons also contribute to food insecurity and poverty. These include a high dependence on imports for basic foods—especially wheat, the major staple—a highly limited land area for agriculture, insufficient employment generation and income growth in the economy, and a relatively high rate of population growth.

### Political and Economic Background

2. The 1993 Oslo Accord and the subsequent agreements between the Palestine Liberation Organization (PLO) and the Government of Israel are landmark developments in the process towards Palestinian self-rule. A key outcome of these negotiated agreements is the establishment of the Palestinian Authority as the interim self-rule authority over parts of the Gaza Strip and the West Bank. However, implementation of many other important negotiated agreements has faced serious difficulties, obstacles and setbacks. The signing of the Wye River Memorandum in October 1998 brought back some hopes of resuming the peace process. This climate of political uncertainty has had its toll on the medium to long-term development prospects of the economy, especially by way of discouraging private investments in the Palestinian Territory and limiting external trade. It has also constrained the capacity of the Palestinian Authority to undertake more investments and expenditures on the development of social and economic infrastructure. For example, several major projects (construction of a harbour, establishment of industrial zones and free-trade zones), which are expected to generate new employment opportunities, are yet to materialize either because of the unsettled issues in the peace process or insufficient funding. There is a high degree of dependence on external assistance to carry out development programmes. However, a relatively high proportion of donor funds (over 25 percent, as estimated by the World Bank) earmarked for public investment shifted to public spending in response to economic disruptions caused by recurrent political crises.
3. The imposition of a rigorous system of permits and closures by the Israeli authorities has been in effect since 1993. This has restricted the movement of individuals, goods and factors of production between the Palestinian Territory and Israel, between the Gaza Strip and the West Bank, and between the Palestinian Territory and the outside world. The Palestinian Economic Policy Research Institute estimated the economic cost (opportunity cost) of the closure policy to be about US\$7 billion during the 1993–98 period. At the same time, the Palestinian population and labour force continue to grow at comparatively high rates, complicating further what must be done to restore social progress. The population is growing at an annual rate of about 3.8 percent. Fertility rates are approximately 5.8 in the West Bank and 7.7 in the Gaza Strip. Between 1990 and 1998, the population grew nearly 40 percent and now stands at 2.6 million, of whom 1.6 million live in the West Bank and the rest in the Gaza Strip. The population is expected to double in 15 to 18 years. By the end of 1999, the Palestinian labour force will likely have



exceeded, for the first time, 600,000 persons, one third of them resident in the Gaza Strip and the rest in the West Bank. During 1997, over 20 percent of the labour force were unemployed. When underemployment is taken into account, the rate of unemployment would be in the range of 25 to 35 percent.

4. The average annual growth rate in the real Gross National Product (GNP) during 1990–98 has been 2.5 percent, with an annual population growth of about 4 percent, resulting in a 14 percent decline of the real per capita income during that period. During the same period, Gross Domestic Product (GDP) grew at 3.6 percent. As GNP is equal to GDP plus the incomes of resident Palestinians earned abroad, GNP was more adversely affected by the imposition of the closures, permits and separation policy instituted in 1993. Between 1992 and 1998, real per capita GDP fell by 12 percent.
5. The nature of the political circumstances and the subsequent effects of these on the social and economic lives of the people have encouraged the treatment of the Palestinian Territory as a special case for development assistance. The United Nations General Assembly granted the Palestinian Territory “as if LDC” status, extending the same preferential treatment accorded to least developed countries (UN/GA resolution 43/178). The World Bank, by a special decision of its Executive Board, gives International Development Association (IDA) assistance to the Palestinian Territory, and UNDP accords special status to the Palestinian Territory in providing capital and technical assistance.

### **Food Insecurity and Poverty**

6. For the Palestinian people living in the Gaza Strip and the West Bank—two geographically separate areas—food security for the most part depends on the ability to purchase food, especially imported starch staples. The fact that over one fifth of the population (over 600,000 persons) may have a serious problem in getting an adequate amount of food is indicated by the available estimates of poverty. The National Commission for Poverty Alleviation defined a poverty line of US\$1.92 per person per day in relation to expenditures to meet basic requirements for food, clothing, shelter, health care, education and transport; 22.5 percent of the population was estimated to be under the poverty line in 1997. About one quarter of those, the target for WFP assistance, had less than half a dollar a day, even after monetary assistance from the Palestinian Authority. Poverty rates in Gaza Strip and the West Bank were 38.2 percent and 15.6 percent, respectively. However, the absolute number of poor households in the West Bank was almost equal to that in the Gaza Strip. In both areas, poverty in villages was higher than in the urban areas. The governorate of Jenin (23 percent) and Hebron (25 percent) were worst affected in the West Bank, while half of the population in South Gaza was in poverty.
7. Poverty among households headed by women was higher (30 percent) than among those headed by men (22 percent). As regards those who did not have access to elementary education, the rate of poverty was 32 percent, while for those who had completed elementary education it was 23 percent.
8. Research conducted by the non-governmental Palestinian Economic Policy Research Institute indicates that the incidence of poverty has been on the rise in recent years; between 1995 and 1997, poverty increased by nearly 6 percent in the West Bank and 11 percent in the Gaza Strip.



9. **Food supplies.** Almost all basic commodities such as wheat flour, sugar, rice, vegetable oil (other than olive oil), a substantial proportion of meat, poultry, milk and animal feed must be imported. The increasingly high dependence on imports for basic foods at the national level is indicated in Table 1. There has been no dependence on food aid to supplement imports in order to meet food requirements at the national level. However, relatively small quantities of food aid have come in as project food aid, mostly for UNRWA and WFP projects.

**TABLE 1: DOMESTIC PRODUCTION, CONSUMPTION AND IMPORTS OF FOOD (tons)**

Commodity	1996			1998		
	Production	Consumption	Imports	Production	Consumption	Imports
Wheat	30 000	373 000	343 000	33 000	400 000	367 000
Barley	20 000	273 000	253 000	21 000	272 000	251 000
Rice	n.a.	n.a.	n.a.	0	69 000	69 000
Beans ( <i>foul</i> )	700	21 600	20 900	800	23 200	22 400
Chickpeas	3 600	13 500	9 900	2 500	14 500	12 000
Lentils	1 700	13 500	11 800	1 600	14 500	12 900

10. In relation to storage capacity in the Palestinian Territory, there is a strong need to examine contingency planning. There could be a serious breakdown in the food supply system, if a prolonged implementation of comprehensive closures or other disturbances were to occur. Local storage facilities in the Gaza Strip and the West Bank are limited and can accommodate only about one week's reserve of commodities. Storage activities are conducted in the private sector; the Palestinian Authority has about 4,000 tons of storage capacity, under the Ministry of Social Affairs. WFP may be able to assist the Palestinian Authority by extending its preparedness and contingency planning experience in food security management.
11. **Agriculture.** Agriculture is dominated by the production of high-value crops—vegetables, fruit, citrus and olives. The paucity of arable land is the primary constraint to increasing agricultural production. Of the 6,000 square kilometres currently forming the Palestinian Territory, not more than 32 percent is under agricultural production, while a similar percentage is considered to be rangelands. The contribution of the agricultural sector to national income declined from about 36 percent during 1968–72 to 14 percent in 1997. During the same period, the labour force in agriculture declined from around 50 percent to 20 percent. These trends reflect both an increase in the relative importance of other economic sectors and an insufficient growth in the agricultural sector itself.
12. A study of the Palestinian economy conducted by the United Nations Conference on Trade and Development (UNCTAD) has emphasized the critical significance of the agricultural sector for both the short-term and long-term prospects of the reconstruction and development effort. Given the relatively large size of the sector and the fact that the rural population is still partially dependent upon it, a key part of the effort to alleviate unemployment is dependent on expanding agricultural activity. This is recognized in the



Palestinian Authority's agriculture development plan. A major activity identified in the plan is land clearing and preparation for agricultural activities, with the parallel objective of providing employment opportunities. Land identified for this activity is in areas where poverty is most pronounced and unemployment ranges from 20 to 25 percent (Jenin, Hebron, South Gaza). Land preparation entails the clearing of large stones from the hilly surfaces that are suitable for agriculture and land terracing, including highly labour-intensive construction of retaining walls. A pilot project completed with Japanese aid indicates that the labour component accounts for 55 percent of the total cost.

13. **Nutrition.** A nutritional problem which has been of serious concern for a long time is the high prevalence of anaemia among children and expectant mothers. According to data from UNRWA and UNICEF, anaemia affects 50 to 70 percent of expectant mothers and about 40 percent of children under 5. Iron deficiency is considered to be the primary cause. If untreated, anaemia may result in diminished energy or lower working capacity, increased susceptibility to infections, and a higher risk of morbidity and mortality associated with pregnancy and childbirth. Past interventions to address this problem through the provision of iron supplementation pills have not had the desired effects. According to UNRWA studies, The main problem has been the difficulty in assuring a regular intake of pills, which is crucial to achieving effective iron supplementation. Studies by UNRWA have revealed that beneficiaries have tended to dislike the taste of the iron tablets. In addition, iron tablets seemed to have aggravated nausea in expectant mothers. Conclusions of the studies indicate the advisability of using more generalized supplementation strategies such as fortification of wheat flour.

## Gender

14. Women have a relatively low rate of participation in the labour force (an average of 12.4 percent). In the West Bank, this is estimated at 15 percent, while in the Gaza Strip it is only 5.5 percent. It should be noted, however, that more than half of men and women aged 15 or over and classified as not participating in the labour force were reported to be homemakers. The total female fertility rate of 6.06 in the Palestinian Territory is one of the highest in the world. Within governorates, this rate ranges between 3.95 (Jerusalem) and 7.44 (Gaza). For those with higher than secondary education, the female fertility rate is much lower (4.52) than for those with lower than secondary education (6.32). Although both men and women seem to have high literacy rates, illiteracy among women over 25 is substantially higher than among men. As regards schooling, 21.3 percent of women did not enter school, compared with 7.5 percent among men. Since 37 percent of women marry before the age of 17, early marriage is considered a primary factor in the increased risk of complications in childbirth.

## The Target Population

15. In the socio-economic context of the Palestinian Territory, the target group most appropriate for WFP assistance would come from the population identified by the Ministry of Social Affairs (MSA) of the Palestinian Authority as the "hardship cases"—the "ultra poor". Even with MSA assistance provided to these "hardship cases", their per capita incomes are well below the dollar-a-day poverty threshold established by the World Bank. This group consists of widows, divorced women, the elderly, orphans, disabled persons, and those incapacitated by illness. In recent times, the numbers falling in this category have tended to increase mainly because the usual sources of support for some of





these households, such as extended families and the religious and community charity institutions, have been seriously affected by the declining economic situation. These sources of support have been affected by the significant decline since the Persian Gulf War in remittances by residents living abroad.

16. Besides food, these poor households are in dire need of assistance to improve their basic nutrition, health and sanitation practices, literacy and productive skills. These needs are of special relevance to women. This entails a developmental role for food aid, which can be operationalized through the large number of NGOs and religious groups which have been providing assistance for a number of years in the Palestinian Territory.
17. Poor small farmers in some of the poorest hilly areas cannot use small plots of land belonging to them because of stone cover. They need assistance to put this land to productive use. These are also areas where unemployment is high among the landless labourers. In the past, there have been some intermittent public works projects to absorb some of the unemployed. However, a commitment for a regular and broader safety net system is not considered feasible under current circumstances, given the other priority areas for investment and development during the present transitory period. The Palestinian Authority's development plan includes several agricultural land development projects, which will use available surplus labour in the area. The poor farmers and the landless unemployed labourers in such development projects could benefit from WFP food assistance.
18. The poor among the refugee population also need special assistance. The welfare of the refugee population is the exclusive responsibility of UNRWA, the interventions of which have also been increasingly limited by resource constraints.

## PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

### Overall Policies

19. Recent developmental and reconstruction efforts of the Palestinian Authority have been undertaken in an environment of high political tension, economic disruptions and uncertainties. Nonetheless, significant strides have been made in launching institution-building, rehabilitating infrastructure, and creating an environment conducive to both domestic and foreign investments. The Palestinian Development Plan, 1999-2003, aims at strengthening and expanding these processes towards economic and social development. The five-year development plan aims to achieve the following four goals:
  - Economic growth and employment generation;
  - Rural revival and development;
  - Improvement of social conditions and development of human resources;
  - Development of financial institutions and policies.
20. The focus on rural revival and development is especially important for food security. The agriculture sector has suffered from negligence in many basic economic and social services, which has resulted in a gap in the living standards of the population of the urban and rural areas. Many villages in the West Bank are impoverished. This gap has deepened





owing to water and land access problems, which have resulted in a weakened agricultural sector, and unemployment and disguised unemployment in the rural areas. The Palestinian Authority's policy is to provide incentives to farmers, including assistance to maximize the use of available land, for example by supporting land clearing and rehabilitation work, training and education and extension services to make use of advanced technology. It also encourages the establishment of agricultural and food processing industries in those areas.

21. A strong focus on human resource development is seen as necessary to achieve the goals of rapid economic growth and productive employment. Policies will be in place to respond to the basic needs of the citizens, ensure their participation in the development process, improve the quality of social services, raise the standards of living, and reduce poverty rates. Emphasis will be placed on providing adequate educational and health facilities in rural and other areas with limited access to such facilities.
22. **Gender orientation.** Specific projects to enhance women's empowerment and gender mainstreaming are included within the human resource and social development sector. The focus of projects related to women's empowerment includes health (including reproductive health), construction of community and activity buildings, training and support to the Gender Planning Development Directorate in the Ministry of Planning and International Cooperation. The total allocation for such projects is approximately US\$14 million. The Palestinian Authority has also initiated a programme to establish directorates within its ministerial structure to work on women's empowerment issues.
23. Resources required for implementing the Palestinian Development Plan, 1999–2003, total approximately US\$4.6 billion. Expected donor funding has been estimated on the basis of historical trends. Disbursement of capital investment from donors to the Gaza Strip and the West Bank has been steadily increasing since 1993, from about US\$400 million to US\$510 million a year. Close to 50 donors, including the European Union, international financial institutions and United Nations agencies, disbursed over US\$2.5 billion during 1994–98. The Plan assumes that donor funding (actual disbursements) will average approximately US\$510 million a year. The total number of United Nations projects earmarked in the Plan is 171, with a value of US\$286 million.

### Food Security Policies

24. Priorities have dictated that in the current formative period of self-rule the focus on food security should be dominated by concerns for assuring basic food supplies to meet market demand during non-turbulent times and a preparedness to respond to emergency situations. At this stage, food security policies do not directly address issues of access to food, except in the case of the poorest of the poor, who have no source of income—the indigent and the destitute. The access issue is addressed indirectly by providing investments and an environment for increased economic growth and productive employment. Direct interventions that help the poor, such as food price subsidies, food coupons or regular employment guarantee schemes, are not strong candidates for consideration in the food security policy arena. For example, food price subsidies would not be in line with the policy of ensuring a free market system. A food coupon system requires the setting up of a comprehensive institutional structure for targeting and distribution, which is not considered a priority for the Palestinian Authority's expenditures in the present economic context. Implementing employment guarantee schemes for the poor on a regular basis also entails diverting expenditure priorities;



nevertheless, the Palestinian Authority's strategy to respond to increased rural unemployment and underemployment does include a limited number of employment-generation projects to prepare hitherto unused land for agriculture.

25. As discussed earlier, the Palestinian Authority has a scheme to assist the poorest of the poor—assistance to hardship cases carried out by MSA. The total number receiving benefits at present amount to 19,200 households (74,608 people) in the Gaza Strip and 9,816 (46,845 people) in the West Bank. In addition, about 10,000 families received food assistance through a bilateral donation, on an “as and when available” basis. MSA provides minimal cash and food assistance (supported by WFP) to the hardship families. Cash assistance helps to “top up” a family's total income (excluding the value of in-kind food assistance) to 300 Shekels (NIS),<sup>1</sup> amounting to less than half a dollar per person per day in a family of six to seven members. When an able-bodied family member reaches the age of 22, MSA assistance is withdrawn, implying the availability of a potential income earner, who should begin supporting the family. This withdrawal is implemented whether such a person finds employment or not.

### **Food Aid Policies**

26. Palestinians have had long experience with food aid in the form of dry rations distributed to refugees registered by UNRWA, and as part of welfare assistance packages provided to other poor families by public institutions and charitable NGOs (Israeli Civil Administration, CARE and Catholic Relief Services (CRS) between 1967 and 1994). In recent times, poor families have also received food assistance from the Palestinian Authority and WFP (1995 to the present) while UNRWA has provided food relief to a large number of refugee families.
27. In the absence of food subsidies and with a steady increase in the price of basic commodities, there is a growing acceptance of the use of food aid to help enhance food security in impoverished households. Social institutions, both public and private, increasingly see a role for food aid (from WFP and other sources) to expand their programmes and include new categories of beneficiaries other than the special hardship cases, namely the unemployed, volunteer workers and low-paid workers. The Ministry of Agriculture and the Ministry of Planning and International Cooperation have indicated a productive role for food aid to assist the implementation of development projects in impoverished areas with high rates of unemployment.

### **Contributors of Food Aid**

28. UNRWA and WFP are the largest food aid contributors to the Palestinian Territory. UNRWA's food aid is targeted exclusively to individuals classified as special hardship cases from among the registered refugee population in the Gaza Strip and the West Bank. WFP food is mainly distributed to poor households enrolled in the Palestinian Authority's Social Safety Net.
29. In 1997, UNRWA revised its food aid programme by limiting assistance to registered hardship cases only and refraining from general distributions to all refugees. The agency

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<sup>1</sup> One US Dollar equalled 4.07 Shekels (NIS) in July 1999.



has also reduced ration levels, replacing food with a cash allowance, equivalent to 40 dollars a year per beneficiary.

30. With WFP's support, MSA has become the main recognized institution for the distribution of food aid. All ad hoc bilateral food assistance contributions are now provided to MSA, in recognition of their efficient handling of commodities and targeting to beneficiaries.

## ASSESSMENT OF WFP'S PERFORMANCE TO DATE

31. WFP has been providing assistance to the Palestinian non-refugee population in Gaza Strip/West Bank intermittently since September 1991. Initially, it was relief assistance targeted to those affected by crises such as those resulting from the slowdown of economic activities during the Persian Gulf War and the border closures in March 1993. This assistance took the form of short-term relief interventions and quick action projects.
32. Regular programming and implementation of food aid activities started in 1996 with a six-month emergency operation (US\$1 million) fully resourced from a directed bilateral donation from the Government of Italy. With an additional contribution from the European Union, the emergency operation was extended for another six months.
33. With the steady deterioration of living standards and financial constraints of the newly established Palestinian Authority, WFP has been focusing its assistance to support the social safety net schemes of MSA. In 1997, under a quick action project (US\$3.9 million) approved by the Executive Director, WFP provided food assistance to most destitute and "ultra-poor" households enrolled in the Palestinian Authority's Social Support Programme. This was followed by the ongoing two-year project no. 5474.00 (US\$7.07 million) which was approved by the Executive Board in October 1997. Under this new project, WFP is expanding beneficiary coverage to the West Bank and shifting its focus to more development-oriented activities to assist the poor. In implementing this project, a relatively large number of hitherto unregistered deserving beneficiaries had to be included to be assisted through MSA.
34. Since 1991, WFP has allocated assistance equivalent to US\$17.3 million (see Annex I), which includes ongoing project 5474.00.

### Effectiveness of Targeting

35. At present, WFP support is provided mainly to the social safety net scheme of MSA to assist hardship cases in the Palestinian Territory. Other activities include support to NGOs involved in health and literacy programmes targeted to women and small food-for-work schemes to support small farmers in poor agricultural areas. A one-time small project to catalyze urban sanitation practices was implemented for six months in 1998 in the Gaza Municipality area, where food aid supported volunteers in a campaign for street cleaning. The ongoing phase of the project is scheduled to terminate by April 2000.
36. The targeting mechanisms implemented by MSA are comprehensive. MSA experience in beneficiary selection and implementation of safety net interventions is long-standing—dating back to the times of the Israeli occupation. Recent events of economic and social turmoil required further strengthening and streamlining of these mechanisms, which have



been addressed quite successfully by MSA, in consultation with WFP. These include an increased number of social workers, especially women, who are responsible for beneficiary selection and food distribution work.

37. The initial plan of the current project envisaged support to 67,500 of the MSA beneficiaries living in the Gaza Strip and rural areas of the West Bank. This is in addition to 6,300 beneficiaries targeted through NGOs for food-for-work and gender-related activities. However, by the time the project implementation commenced in May 1998, the total number of hardship cases stood at 99,200 (54,000 in the Gaza Strip and 45,000 in the West Bank), which further increased to 121,453 (74,608 in the Gaza Strip and 46,845 in the West Bank) by December 1998. Two major factors have contributed to this relatively large increase. The first was the worsening economic situation, which weakened the social and religious support structure of the hardship cases, leading them to seek assistance from the Palestinian Authority's programme. The second was the streamlining of registration processes aimed at better screening of new entrants and elimination of unintended beneficiaries. The net result has been a large number of deserving registrations. The fact that beneficiaries are meeting strict eligibility criteria was noted in WFP's monitoring of the project.
38. About 10 percent of the project's present allocated resources are provided to support the international and local non-governmental sector. A total of 11 NGOs with limited operating budgets have received WFP assistance, which has enabled these NGOs to hire and retain needed staff, as well as volunteers, and to improve their community outreach services. Assistance to vulnerable groups provided through non-governmental institutions includes support to over 900 beneficiaries of various institutions, which include orphans, disabled children and elderly persons.
39. Within the project's context, a number of initiatives to implement WFP's Commitments to Women have been adopted. Issues of special concern to women and direct assistance to vulnerable groups are addressed in collaboration with partner agencies and NGOs. Women head over 65 percent of the households supported by WFP. Over 750 women completed courses under the literacy programme. Training courses in the field of health education were held for 385 women, with the cooperation of CRS and local NGOs. Women are also given training in social work, kitchen, gardening and waste water recycling. At the request of WFP, MSA has increased the recruitment of women in the posts of social workers.
40. WFP assistance also shifted towards developmental work through food for work. A pilot project for terracing of agricultural land has been initiated with the cooperation of CRS. Assistance is provided to 720 small-scale and landless farmers in southern Gaza through the Ministry of Agriculture. This work has proved successful in creating additional land for cultivation by small farmers through community participation and NGO involvement.

### **Strengths and Weaknesses in Implementation**

41. WFP assistance goes to people who need food aid most. The selection criteria and their implementation have resulted in the assistance reaching intended beneficiaries. Staff of WFP and MSA frequently monitor distributions, interview beneficiaries and ensure that commodities are handled and distributed in an orderly manner. Distribution plans are prepared in consultation with WFP. MSA's storage capacity is limited and has caused



bottlenecks at times. Within the current WFP project, some funds have been allocated to improve the situation. WFP will also assist in obtaining equipment such as temporary storage to respond to emergency situations. In the smaller projects, WFP food aid has supported a very special set of virtually helpless people (abandoned children, orphans) assisted through NGOs. The latter have implemented these projects successfully.

### Cost-efficiency

42. A good indication of cost-efficiency is provided by the alpha value. The alpha value is obtained by dividing the open market value of a unit of the ration commodity by the unit cost incurred by WFP, when providing the ration. An alpha value of higher than one indicates that the WFP activity is cost-efficient. The alpha values shown in Table 2 below were derived on the basis of: a) the cost to WFP (the current costs of the commodities given by WFP, external and internal transport, handling and storage costs, and other related direct and indirect costs); and b) current prices of the relevant commodities obtained from major local markets. The alpha value estimates in general indicate that the food aid transfers have been cost-efficient.

**TABLE 2: ALPHA VALUES OF WFP-SUPPLIED COMMODITIES**

Commodity	Average market price per ton (in US dollar equivalent)	WFP cost per ton (in US dollars)	Alpha value
Wheat flour	332	289	1.15
Rice	598	419	1.43
Sugar	289	354	0.82
Vegetable oil	1 255	909	1.38

### Impact on Local Markets and Domestic Production

43. Beneficiaries are targeted on the basis of severe food insecurity. Most of the target population, lacking an income, is unable to cover its food requirements through purchases from markets. Therefore, it is unlikely that there would be any market displacement as a result of WFP food assistance. Over 90 percent of the food available in the market is imported, so any market displacement that might occur would affect imports, not local production.
44. During 1998, WFP supplied some 10,750 tons of wheat flour. The present annual production of cereals is 59,000 tons, against an annual consumption of 793,000 tons; on average only 7.5 percent of the total cereals are produced locally. The quantities of wheat flour provided by WFP are too small to affect market prices. WFP food flows have been less than 1.5 percent of total consumption. In terms of the total food deficit, WFP food accounts for only 3 percent. Depressed prices have not been an issue for domestic production, which is constrained by the nature of the resource base and technical reasons. Since the beneficiaries will receive food for a limited duration, a dependency on food assistance will not be created.



## Conclusion

45. The overall implementation of the project is satisfactory. Much experience has been gained in addressing food security concerns of the poorest segments of the people in the Palestinian Territory. The small-scale diversions to development-oriented food assistance interventions in this project have also proven to be steps in the right direction for using food aid for development. The political and economic environment that justifies food assistance to help the poorest of the poor has not changed. In fact, what is seen is deterioration. WFP work in this context is well received by the beneficiaries, the Palestinian Authority, donors and the United Nations system operating in the Palestinian Territory. There is a strong basis for continuing assistance within the framework of an impact-maximizing strategy in the coming years.

## FUTURE ORIENTATION OF WFP ASSISTANCE

46. The WFP strategy outlined herein is to assist in the alleviation of food insecurity faced by the poorest of the poor in the Palestinian Territory. It is to be carried out in partnership with the Palestinian Authority, NGOs and sister United Nations agencies. The strategy is to be implemented during the three-year period from 2001 to 2003, following a one-year bridging operation as an expansion of the current project 5474.00 to cover 2000. This period of implementation falls in line with the period of the Palestinian Development Plan, 2000-2003.

## Key Areas of Assistance

47. The strategic areas, where WFP food assistance would be most useful, are indicated below:

### *Safety Net Provision for the Poorest of the Poor*

48. In this area of activity, WFP will support the Palestinian Authority's programme of assistance for the poorest in the Palestinian Territory. The social safety net schemes of MSA have the dual objective of helping the poorest to meet some of the critical needs for survival through minimal income transfers and improving the chances of self-reliance by providing training for the potential income earners among the beneficiary households. Income assistance to these households, which amounts to less than half a dollar a day, will be complemented by WFP's food assistance, without which they would experience severe shortfalls in food consumption. The assurance of a basic quantity of food will help these families alter the economic trade-offs in favour of investment in human capital development through education and training. The opportunities for education and training are available in the Palestinian Territory, including the special programmes implemented by MSA. Hungry households cannot participate effectively in these opportunities. WFP food assistance will remove this constraint and leave behind lasting assets among the poor households in the form of better-educated and trained potential income earners. Food assistance will also enable young children and expectant and nursing mothers among these households to meet their general needs as well as special nutritional needs, such as iron supplementation, which are to be provided through the proposed WFP initiative to fortify wheat flour (see below).





### ***Support to Civil Society in Human Resource Development and Social Welfare of the Poor and Marginalized***

49. It has been a strong tradition in the Palestinian Territory for community voluntary organizations to assist the less fortunate members of the community with a range of activities that include provision of food, basic health care and training. The beneficiaries of these programmes include: young children from low-income families (often orphans and abandoned children), who would receive education and vocational training; women attending literacy classes; and health and social volunteer workers, who are often from low-income households. The current phenomena of continuing economic decline and political uncertainty have seriously affected the funding of these institutions, resulting in reduced levels of coverage and activities. WFP assistance will help increase the capacity of these institutions to maintain and increase their outreach to target groups and enable them to continue to invest in human capital development through training and education.

### ***Improvement of Food Security in the Poorest Areas through Labour-intensive Land Improvement and Agricultural Production***

50. Several of the poorest areas in the Palestinian Territory have lands that can be conditioned for agricultural production. The poor small farmers who own such land need assistance to turn the uncultivated land into productive assets and preserve such assets. Preparation of these lands for productive use involves activities such as the removal of large stones that cover land surface, terracing, construction of retaining stone walls, land preparation for plantings, and construction of water cisterns. They involve both machinery and labour. A past UNDP project with Japanese aid has shown labour to be 55 percent of the total costs. This augurs well for creating employment opportunities for the landless poor, whose income-earning opportunities have been stifled by border closures. A World Bank/FAO study has concluded positively on the technical feasibility and economic and social merits of this type of projects for the Palestinian Territory. In one of the joint projects with an NGO, which WFP has recently concluded successfully, food for work was used in building terraces and retaining walls on plots of land belonging to poor farmers in Hebron, an area with a high incidence of poverty. In the proposed areas of intervention, the beneficiaries will be poor farmers selected on the basis of landholding size and other poverty indicators chosen by the community itself. WFP will provide food assistance for land preparation work, which will be carried out under the aegis of the Ministry of Agriculture. The project will leave productive agricultural assets for poor farmers in the poorest areas of the Palestinian Territory. It will also contribute to overall food security by way of increased production and associated employment opportunities.

### ***Collaborative Support to Tackle Micronutrient Deficiencies and Enhance Awareness on Reproductive Health and Family Planning***

51. WFP will work with other United Nations agencies to respond with new initiatives to the problem of iron deficiency. UNRWA, UNICEF, WHO and WFP view fortification of wheat flour, the all-important staple food of the Palestinian population, as a practical response to the problem. UNICEF will lead information gathering on this option, especially on the practical experience in the region, with a view to obtaining a strong policy commitment from the Palestinian Authority to support the supply of iron-fortified wheat flour as a means of addressing iron deficiency. Subject to agreements on the technical feasibility of fortifying wheat flour with iron, WFP will seek assistance from donors to obtain iron-fortified wheat flour used in WFP-assisted projects. Discussions





with the Palestinian Authority have indicated that it has no objection to WFP providing iron-fortified wheat flour as no taste and preference problems are encountered. The initiative by WFP will demonstrate to the authorities that fortification of wheat flour with iron will not detract from taste and baking qualities. It will also help UNICEF, WHO and UNRWA efforts to promote legislation for the fortification of wheat flour.

52. The UNICEF country programme includes provision of training and education in health and nutrition. WFP will collaborate with UNICEF to extend its coverage to include specifically the target groups of WFP projects.
53. Recent research conducted in Ethiopia by McGill University, Canada, has shown that the use of iron pots for cooking can be an additional option to address the problem of iron deficiency (*Lancet*: February 1999). It is estimated that traditional iron supplementation through iron pills to a population of 10,000 would require about US\$20,000 a year; to give these families iron pots for use in cooking (for several years) would cost about US\$5,000. WFP will help promote this low-cost option by carrying out a demonstration project among a segment of its beneficiaries and participating in propaganda work with the Palestinian Authority, NGOs and other United Nations agencies. Funding for this initiative will be requested from the Donor Quality Improvement Fund.
54. UNFPA's work on reproductive health comprises a component to create awareness about various aspects related to this field, including disadvantages of early marriage, responsible male sexual and reproductive behaviour, women's reproductive health and rights and their involvement in community development. UNFPA and WFP will collaborate to bring this awareness-raising campaign to the WFP target groups, the poorest of the poor. WFP would provide food rations and UNFPA would finance the other necessary inputs for this activity.

### **Assistance to Gender Mainstreaming and Women's Empowerment**

55. There is opportunity for WFP to contribute to bridging the gap between the general conceptual acceptance of gender equality and the practical reality of a significant degree of inequality. Greater equality will foster greater food security among and within households through higher incomes, better food management and increased nutritional awareness. WFP will help the processes towards gender mainstreaming and women's empowerment primarily by enabling poor households, especially the girls and women in them, to invest in human capital development through training and education. WFP will assist in the design and implementation of training, literacy, food management and income-generating micro-projects targeted especially to the poor and disadvantaged girls and women in rural areas. WFP will also organize training on gender issues for WFP staff and the counterparts in the Palestinian Authority and NGOs. The extensive experience and wealth of materials available within WFP arising from implementation of its Commitments to Women will be put to maximum use in these efforts. In particular, WFP will collaborate with sister United Nations agencies to ensure the collection and analysis of gender-disaggregated data.

### **Monitoring and Evaluation (M&E)**

56. A noted weakness in project implementation relates to MSA's capacity for monitoring and evaluation. The focus understandably has been on the beneficiary registration and food distribution aspects. This needs to expand towards a broader programme of



monitoring of beneficiaries and the use and effects of food aid within the households to minimize leakage that may occur over time. In order to enhance the Palestinian Authority's capacity in the area of monitoring and reporting, WFP will conduct a training workshop for the counterparts in the ministries and NGOs. This workshop will, in particular, examine the factors that may have contributed to the inadequacies of M&E activities and provide a better understanding of the objectives and processes of M&E. Areas to be covered will include objectives of food-related income transfers, purpose of M&E exercises, monitoring processes and the need for gender-related data gathering and analysis. In addition to training, WFP will assist with the collection of baseline data that will help post-project effect evaluation. This work will be carried out with the assistance of technical consultants and WFP's regional Vulnerability Analysis and Mapping (VAM) Unit.

57. At least one year before the end of this programme strategy period, a special evaluation would be undertaken to guide decisions on future directions of food assistance.

### Scope for Joint Programming with Other Agencies

58. A key element of the proposed strategy is to have partnerships with other agencies, such as UNICEF, UNFPA and WHO, and NGOs. The collaborative arrangements that have been agreed upon will strengthen efforts aimed at helping the poorest segments in the Palestinian Territory to improve their living standards.

### Resource Requirements

59. The basic food requirement to implement the three-year strategy is estimated to be 9,000-11,000 tons a year. A full-scale implementation of the strategy accounting for all MSA beneficiaries will require supplementary funding in the region of 4,000–6,000 tons. In the distribution of resources, the bulk—about 80 percent—is earmarked to support MSA's programme for hardship cases. The planned intervention in the agriculture sector will require 15 percent, while support to NGOs and training will account for the balance. In the event supplementary funding is not obtained, the most affected will be MSA. It will have to increase cash payments to help with food consumption; given the budgetary constraints, such increases may be difficult to implement.
60. In addition to the above, an allocation of US\$100,000 from the Donor Quality Improvement Fund will be sought for work to address the micronutrient deficiency problem.

## KEY ISSUES AND RISKS

61. The Palestinian Territory has the potential to develop rapidly once political stability on a regular basis is established. However, the degree of uncertainty has tended to remain high in such a situation. The Palestinian Territory will, for the foreseeable future, remain in the group of LDCs and food aid will remain a highly valued resource. The proposed strategy allows for the targeting of food assistance to food-insecure people.
62. There is a risk that the Palestinian Authority may be unable to mobilize additional internal revenues to cover the cost of the social safety net schemes.



63. The success of the programme under the agriculture sector will depend upon the budgetary allocation and support from donor countries for meeting the requirements of other inputs.
64. Any further delays in achieving peace, and closures, will have a negative impact on the overall economy and the economic situation of the people.



**ANNEX I**
**WFP ASSISTANCE TO THE GAZA STRIP AND THE WEST BANK  
(MARCH 1991–APRIL 2000)**

Project Number	Title	Starting date	Ending date	Total cost to WFP (in US dollars)	Status
4668 Q	Assistance to the Palestinian People	March 1991	August 1991	787 502	Completed
5363 Q	Assistance to Needy Non-refugee Palestinians in the Gaza Strip.	March 1994	Sep. 1995	3 889 396	Completed
EMOP 5585	Rehabilitation of Post-conflict Victims in the Gaza Strip and Jericho	Jan. 1996	July 1996	925 000	Completed
EMOP 5585 e	Rehabilitation of Post-conflict Victims in the Gaza Strip and Jericho (extension)	Sep. 1996	Dec. 1996	585 000	Completed
5761 Q	Support to Social Safety Net Schemes in the Gaza Strip	Dec. 1996	April 1998	3 916 354	Completed
EMOP 5884	Emergency Assistance to the West Bank	Oct. 1997	Dec. 1997	162 257	Completed
5474	Support to Social Safety Net Schemes	May 1998	April 2000	7 702 000	Ongoing
<b>Total</b>				<b>17 337 509</b>	



## ANNEX II

<b>STATISTICAL DATA</b>
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**1. Land Area (square kilometres)**

Gaza Strip	360
West Bank	6 200

**2. Population**

Total Population	2 641 626
Gaza Strip	1 020 813
West Bank	1 620 813

Based on preliminary results of the Population, Housing and Establishment Census of 1997.

**Age Distribution (percent)**

0–4	18.4
5–9	16.3
10–14	12.4
15–19	10.5
20–50	33.6
50–above	8.8

According to estimates for 1996 from the Demographic Survey in the Gaza Strip and the West Bank 1994, p.168.

**Natural Growth Rate (percent)** 3.87

(according to estimates for 1997 from the Demographic Survey in the Gaza Strip and the West Bank Final Report 1998)

**Fertility Rate**

Total	6.46
Gaza Strip	7.78
West Bank	5.84

According to figures from the Demographic Survey in the Gaza Strip and the West Bank, 1994.

**Average Household Size** 7.00 (i.e. 6.6 in the West Bank and 7.8 in Gaza).

(According to figures from the Demographic Survey in the Gaza Strip and the West Bank, 1995)

**3. Health**

Life expectancy at birth

Males	68
Females	69

**4. Education**

Literacy Rate (percent)

Females	77.0
Males	91.5
Average	84.2

(Demographic Survey, October 1996).

Drop-out Rate (percent)

	Girls	Boys
Basic	2.4	2.4
Secondary	8.1	6.0

