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**Draft report of the Trade and Development Board on its
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President's summary

Report on UNCTAD assistance to the Palestinian people

(Agenda item 11(b))

A. Report on UNCTAD assistance to the Palestinian people

1. The "Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the occupied Palestinian territory" (TD/B/58/4) was presented by the secretariat. Fifteen delegations, including four groups, made statements. There was almost unanimous commendation for the secretariat's important and effective support to the Palestinian people and their State-building efforts. It was stressed that adequate resources were required to intensify UNCTAD's assistance to the Palestinian people.

2. Most delegations shared the Report's assessment of recent economic developments in the occupied Palestinian territory (OPT). They expressed concern with the impact of the Israeli closure policy, Separation Barrier, blockade of Gaza, restrictions on the mobility of Palestinian people and goods, loss of natural and productive resources, high poverty and unemployment, lack of food security, dependence on the Israeli economy, fragile fiscal position, weakened private sector, technological regression, and agricultural and industrial decline. Delegations called for action to address these challenges.

3. Some delegations expressed concern with Israel's control of two thirds, and delay of transfers, of Palestinian public revenue and its potential to destabilize the economy. Some delegations commended UNCTAD for assessing the Palestinian economic loss as a result of lost revenue caused by "indirect imports" from Israel. Delegations agreed that the revenue clearance arrangement between Israel and the Palestinian Authority (PA) needed to be reconsidered.

4. The delegation of Israel said that this work programme should not be singled out for consideration, and that UNCTAD's report was biased, inaccurate, politicized, and based on misinterpretation of data. The delegation referred to article 100 of the United Nations Charter. The delegation added that, according to estimates by the Bank of Israel, the annual PA fiscal loss from "indirect imports" was less than UNCTAD's estimate. The secretariat acknowledged receiving a letter from the Bank of Israel, which did not dispute the Palestinian fiscal loss because of "indirect imports", but stressed that its magnitude was lower than UNCTAD's estimate. The secretariat welcomed the engagement of the Bank of Israel, encouraged the concerned parties to re-examine the issue of Palestinian fiscal revenue from imports, and offered its readiness to provide technical support in this regard.

5. Some delegations called for reintegrating East Jerusalem into the economy of the OPT by removing all barriers to trade and movement, addressing the inequality between Palestinians of East Jerusalem and Jewish Israelis citizens, putting an end to the occupation policies that change the geography and characteristic of the city, and stopping the construction of settlements and the Separation Barrier.

6. Some delegations called for ending occupation to allow economic development and the establishment of an independent Palestinian State with Jerusalem as its capital. The delegation of Palestine said that some had raised the question, "Why do we have a programme on Palestine?" He affirmed that there would be no need for this programme when the occupation ended.

B. Report of the independent evaluator on UNCTAD programme of assistance to the Palestinian people and the management response

7. The Board considered the “Report of the independent evaluator on UNCTAD’s programme of assistance to the Palestinian people” (TD/B/58/6) and the “Management response to the report of the independent evaluator on UNCTAD’s programme of assistance to the Palestinian people” (TD/B/58/CRP.2). Interventions were made by 16 delegations, including 3 groups.

8. The external evaluator expressed appreciation for the cooperation extended to him. He described the methodology employed, his findings, conclusions and recommendations.

9. The UNCTAD secretariat commended the evaluator for his relevant recommendations, but flagged that their implementation would be resource-contingent. The secretariat requested the Board’s guidance on the way ahead.

10. Most delegations expressed their appreciation to the evaluator for his thorough report, and Norway for funding the evaluation.

11. Most delegations were encouraged by the evaluation’s findings that UNCTAD’s Assistance to the Palestinian People Unit (APPU) had achieved positive results despite the adverse field conditions. Some delegations expressed appreciation for the collaboration between the PA and Israel with regards to the Automated SYstem for CUstoms DATA (ASYCUDA) programme and the Palestinian Shippers’ Council project.

12. A regional group delegation was encouraged by the finding that UNCTAD’s analytical work enabled more informed choices on policy issues and development strategies. Another group representative requested UNCTAD to improve its engagement and responsiveness, and strengthen local partnerships.

13. Some delegations regretted that occupation of the Palestinian territory remained as an obstacle to the development of the Palestinian economy.

14. Many delegations reaffirmed their support to the APPU and called for the strengthening of the programme with adequate resources to intensify ongoing interventions and develop new activities. Three delegations noted that this support was needed towards creating the conditions conducive to state-building, in accordance with the Accra Accord mandate.

15. One delegation highlighted the limited resource availability to the APPU and the absence of field presence as a challenge to enhancing UNCTAD’s assistance to the Palestinian people. Another group delegation indicated that this required securing long-term funding for the third professional post in the APPU.

16. A number of national and group delegations expressed a yearning for constructive engagement and efforts towards a successful conclusion that reinforced UNCTAD’s work.

17. Thereafter, a procedural discussion followed on the desired outcome of this agenda item. Five national delegations considered it sufficient for the Board to take note of the evaluation report, as reflected in the Chair’s summary, while three regional groups noted the procedural requirement to have agreed conclusions for technical cooperation item. As a result of informal consultations, draft agreed conclusions were tabled for the consideration of delegations.