



**GROUP OF 77 & CHINA
G E N E V A**

**Statement by His Excellency Mr. Diego Aulestia Valencia
Ambassador and Permanent Representative of Ecuador
Chairman of the Group of 77 and China
at the Sixty-eighth executive session of the
Trade and Development Board**

Wednesday, 2 October 2019

Item 6 – Report on UNCTAD assistance to the Palestinian people

Mr. President, Tousse Juteau (Cameroon)

Mr. Mahmoud Elkhafif, Coordinator, Assistance to the Palestinian People, Division on Globalization and Development Strategies

Excellencies,

Ladies and Gentlemen,

1. The Group of 77 and China would like to thank the introductory comments by the Deputy Secretary-General. It is unfortunate that neither the Secretary-General nor the Deputy Secretary-General are present in this Trade and Development Board Session, about Palestine.
2. The Group of 77 and China, would like to praise UNCTAD's Assistance to the Palestinian People Unit for a well-researched and informative report that highlights the key factors critical to economic development in the Palestinian territory.
3. The Group of 77 and China regrets that the prolonged occupation continues to deprive the Palestinian people from their right to development, the right for life with dignity and the hope for a better future. The report presents the hard reality that the Palestinian people are getting poorer, increasingly jobless and the socioeconomic conditions are at an all-time low.¹¹

Mr. President,

4. The Group of 77 and China would like to express deep concern about the finances of the Palestinian government, which are on a freefall due to the Israeli unilateral deductions from Palestinian fiscal revenues. It is very disappointing to know that in the past few months, Israel has started deducting USD 11.5 million per month from Palestinian revenue due to the support provided by the Palestinian government to families whose members are either killed or imprisoned by the occupying power. Due to these unilateral deductions, the Palestinian government refused to accept anything but its rightful fiscal revenues in full. The result is that the Palestinian government has lost two-thirds of its fiscal revenues and was therefore forced since March to operate on emergency basis and without a budget.

¹¹ Resolutions <https://undocs.org/E/RES/2017/30> and <https://undocs.org/A/RES/72/240>

5. Since March the Palestinian government paid partial salaries, public employees receive only half of their salaries, its accumulated arrears to the private sector and increased its debt to commercial banks. Compounded with the declining donor support, this fiscal shock will have severe socioeconomic consequences that will accelerate the ongoing deterioration in the Occupied Palestinian Territories. The Group of 77 and China urges Israel to stop these unilateral deductions and transfer all rightful revenues to the Palestinian government in full.

6. The Group of 77 and China notes the achievements of the Palestinian Government, despite the constraints of occupation and its continuous fiscal reforms efforts, and its success in reducing its fiscal deficit to 7.3% in 2018 despite all the unique pressures it has been facing.

7. UNCTAD's well researched reports bring to the international community the demolition of Palestinian assets and structures in the West Bank by the occupying power. These demolitions displace hundreds of people every year and destroy communities and family life. This process also features violence by settlers against Palestinian civilians. This violence peaked in 2018 and was at its highest level since 2014. The ensuing environment of violence coerces Palestinians to leave their ancestral homeland and relocate elsewhere.

8. Destruction does not spare structures built as part of the humanitarian assistance of the European Union and the international community to the Palestinian people, including buildings, water cisterns, as well as uprooting of thousands of trees. Destruction of Palestinian assets is partially motivated by the construction of illegal settlements in Area C and East Jerusalem, in what constitutes an ongoing de facto annexation of Palestinian land and natural resources. Settlements and the related destruction of Palestinian assets violate international law and should be stopped immediately.

Mr. President,

9. Once again, in 2018 and 2019 the living conditions of the Palestinian people declined. Year after year the Palestinian people are getting poorer where 30 per cent of them in the Occupied Palestinian Territories living on less than USD 4.6 a day, which includes social assistance.

10. Unemployment in the Occupied Palestinian Territories remains among the highest if not the highest in the world at 31 percent, with women and youth disproportionately affected by it. Worsening living conditions, increasing unemployment, weak economic performance and deepening poverty have become the trend. A trend which needs to be reversed.

11. The UNCTAD insightful report sheds light on an important issue: the economic loss incurred by the Palestinian people as a result of being denied their right to develop and exploit their oil and natural gas resources. These billions of dollars of lost potential revenue from oil and natural gas are needed to foster economic development, employment and solve the energy crisis in the Occupying Palestinian Territories.

12. These lost oil and natural gas revenues are badly needed by the Palestinian people, especially now when the Occupying Palestinian Territories experience extremely weak economic performance, severe unemployment crisis, falling productivity and grim socioeconomic conditions. The Group of 77 and China stands by the Palestinian People right to development and to exploit their natural resources without any restrictions and urge Israel, the occupying power to respect the Palestinian people's human right to develop their economy and benefit from their natural resources.

13. The Group of 77 and China highly appreciates UNCTAD's continuous provision of such excellent, and informative reports that highlight critical issues facing the Palestinian economy and challenges facing economic development in the Occupied Palestinian Territories, as well as the impact of occupation on the Palestinian people and their economy.

14. The Group of 77 and China also praises UNCTAD for its initiatives, advisory services and technical assistant that benefit the Palestinian people, government and other institutions.

Mr. President,

15. Once again, the Group of 77 and China calls on the UNCTAD secretariat and Member States to take steps to increase the resources base of the programme on Assistance to the Palestinian People, including through additional regular budget, as well as extra-budgetary resources, so that it can fulfil paragraph 55(dd) of the Maafikiano, as well as paragraph 9 of resolutions 69/20, 70/12, 71/20, 72/13 and 73/18, which request UNCTAD to assess and report to the General Assembly on the economic costs of the Israeli occupation for the Palestinian people.

16. We note with regret that UNCTAD's programme of Assistance to the Palestinian People has not been strengthened by adequate resources as called for in paragraph 55(dd) of the Nairobi Maafikiano, which was adopted by the consensus of Member States. This issue has been reiterated recently by the Group in the 77 session of the Working Party and the Group, reflected in the document TD/B/WP/295.

17. Finally, the Group of 77 and China expresses solidarity with the resilient Palestinian people and their best efforts for achieving just and lasting peace in the Middle East and the establishment of an independent state of Palestine, in line with the relevant UN resolutions.

Thank you.