

**Official Development Assistance In a Colonial Context:
Swiss Aid In Palestine (2006-2012)**

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ABSTRACT

This research examines the gap between the socio-political and economic reality of Palestine, under Israeli Occupation, and the perceptions, assumptions and limitations of small aid donors like Switzerland in a colonial context. It looks at how global and Swiss aid is formulated and dispensed to fragile 'non-states' like Palestine. My thesis found that aid in general is ineffective, with Swiss aid in particular being modest, lacking robustness and failing to respond to the colonial context that prevents Palestine from profiting the most from international aid. In addition, Swiss aid is afflicted by many shortcomings that have been identified by contemporary research: a large part of aid is tied; consultations with local partners are limited, excluding, by and large, civil society; and time constraints are such that current programs are generally designed on a relatively short-term basis.

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ABBREVIATIONS AND ACRONYMS

CDA	Critical discourse analysis
CH	Confoederatio Helvetica, Switzerland, the Swiss Confederation
CHF or SFr	Swiss Franc
CPA	Country Programmable Aid
CS	(Swiss) Cooperation Strategy in the Occupied Palestinian Territory (oPt)
CSO	Civil Society Organisations
DAC	Development Assistance Committee (OECD)
DCA	Directorate of Development Cooperation and Humanitarian Aid
DCAF	Geneva Centre for the Democratic Control of Armed Forces
EAER	Federal Department of Economic Affairs, Education and Research
EPFL	Federal Institute of Technology in Lausanne
EU	European Union
EFTA	European Free Trade Association
FDEA	Federal Department of Economic Affairs
FDFA	Federal Department of Foreign Affairs
FoEME	Friends of the Earth Middle East
FY	Fiscal year
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
ICRC	International Committee of the Red Cross
IDF	Israel Defense Forces
IMF	International Monetary Fund
INGO	International non-governmental organization
JWC	Joint Water Cooperation
MCM	Million cubic meters
MDGs	Millennium Development Goals
MENA	Middle East & North Africa Division of SDC Development Cooperation Department

SWISS AID IN PALESTINE (2006-2012)

MoP	Ministry of Planning
MOPAD	Ministry of Planning and Administrative Development
MTDP	Medium Term Development Plan
OCHA	Office for the Coordination of Humanitarian Affairs (United Nations)
OCHAOPT	Office for the Coordination of Humanitarian Affairs occupied Palestinian territory
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
oPt	Occupied Palestinian Territories (official designation of Palestine as used by Switzerland)
PA / PNA	Palestinian Authority / Palestinian National Authority
PAPP	Programme of Assistance to the Palestinian People
PICCR	Palestinian Independent Commission for Citizen's Rights
PLO	Palestine Liberation Organization
PPP	Purchasing power parity
PRDP	Palestinian Reform and Development Plan
RVC	Regional Vocational Centres
SECO	Swiss State Secretariat for Economic Affairs
SDC	Swiss Agency for Development and Cooperation
SHA	Swiss Humanitarian Aid
UN	United Nations
UNDP	United Nations Development Programme
UNO	United Nations Organisation
UNRoD	United Nations Register of Damage
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
US\$	United States dollar
WB	West Bank
WBGS	West Bank and Gaza Strip
WFP	World Food Programme (United Nations)
WHO	World Health Organization

CHAPTER 1 – INTRODUCTION

In 2000, the United Nations launched the MDGs campaign which was meant to provide a common framework for global development. Although perceived as a positive initiative, these Goals became a general recipe that international donors could follow, safe in the knowledge that they would not be harming recipients by doing so.

Recent studies debated whether MDGs could even be attained by the end of 2015, given a mix of “good policies and financial resources.”¹ The debate on aid lands on a very specific context in the Palestinian Territories, which have been under Israeli Occupation since the end of the Six Day War in June 1967. The Territories, indeed cannot be said to exercise the prerogatives and hold the responsibilities that define a state-like entity. According to OECD’s 2015 list of 50 fragile states, with populations living on less than US\$1.25 per day,² Palestine is not even a fragile state. It is a ‘non-state’ occupied entity, with no political or economic sovereignty. It is the victim of Israeli colonial ambitions and of donor neglect of its national aspirations to independence.

Reasons for making Switzerland the focus of research

Both the Palestinian economic and socio-political background as well as generic Swiss foreign aid have always been high-interest topics. However, they do not seem to be adequately represented in literature. Although Switzerland finds itself at the heart of the development paradigm in terms of hosting global institutions, international non-governmental organizations (INGOs), and aid donors, the current literature does not adequately cover Swiss aid. The same cannot be said about Palestinian development. Here, the literature is well-balanced, varied and responds to a multitude of research questions. This has also resulted in a great deal of research to be undertaken in this respect.

Apart from its neutrality, Switzerland is also the host to many financial organizations. Some of these institutions are also active in the areas of international development and foreign aid. Although the Swiss Confederation is in a position to benefit from their technical expertise and contribute to

¹ OECD, “DACnews September 2012 - New DAC Development Debates,” Retrieved August 25, 2015 from <http://www.oecd.org/dac/dacnewssept2012.htm#newddd> quoting Jean-Philippe Stijns, Christopher Garroway, Vararat Atisophon, Jesus Bueren, Gregory De Paepe, Carlos Sanchez, *Can we still Achieve the Millennium Development Goals?: From Costs to Policies* (Paris: Development Centre Studies, OECD Publishing, Paris: 2012)

² OECD, “States of Fragility 2015 - Meeting Post-2015 Ambitions,” 13-14, Retrieved August 25, 2015 from http://www.keepeek.com/Digital-Asset-Management/oecd/development/states-of-fragility-2015_9789264227699-en#page14

their funding,¹ in the case of Palestine, Swiss aid programming fails to deliver in terms of effectiveness and aid volume. The discrepancy between its humanitarian aid and aid in general is significant. The underlying reasons for this dichotomy dictated a more in depth examination of Swiss aid which found three major causes for concern affecting its quality.

First, we found that Swiss aid was short-term, which means it chooses to address development issues as they arise in a punctual manner. In hindsight, this is one of its critical shortcomings. Second, it was state-centric which means the local partners are not empowered by Swiss aid architects. Swiss aid design was mostly self-centered and failed to account for the social and cultural sensitivities of Palestinian civil society. Third, Swiss aid was mostly tied. Swiss aid benefits a great deal the Swiss Confederation. Thus, Swiss aid fails to meet the ownership criterion established under the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for action (2008).

Research questions

My research questions will deal primordially with the dilemma posed by the nature of Swiss aid to Palestine. In short, is Swiss aid to Palestine: (a) effective or (b) if not effective, then what are the steps to reform it? The reform of Swiss aid must start by addressing its three principal flaws. Since it is short-term and tactical in its interventions, it must become more strategic and long-term. And because we have established its state-centricity, it must also become more oriented and aligned with the local partners in the recipient countries where it operates. Lastly, Swiss aid is tied aid and benefits more the Swiss Confederation than it does its recipients. Untying it will complete its reform, and will allow Switzerland to honour its aid commitments undertaken in Paris and Accra.

Another equally crucial question surrounds the import of Millennium Development Goals to human development in Palestine. What exactly are the consequences of Swiss aid to advancing human development (i.e. MDGs) in Palestine? Last, we conclude by analyzing the steps that can be taken to improve Swiss aid in order to meet the MDGs agenda in the OPT.

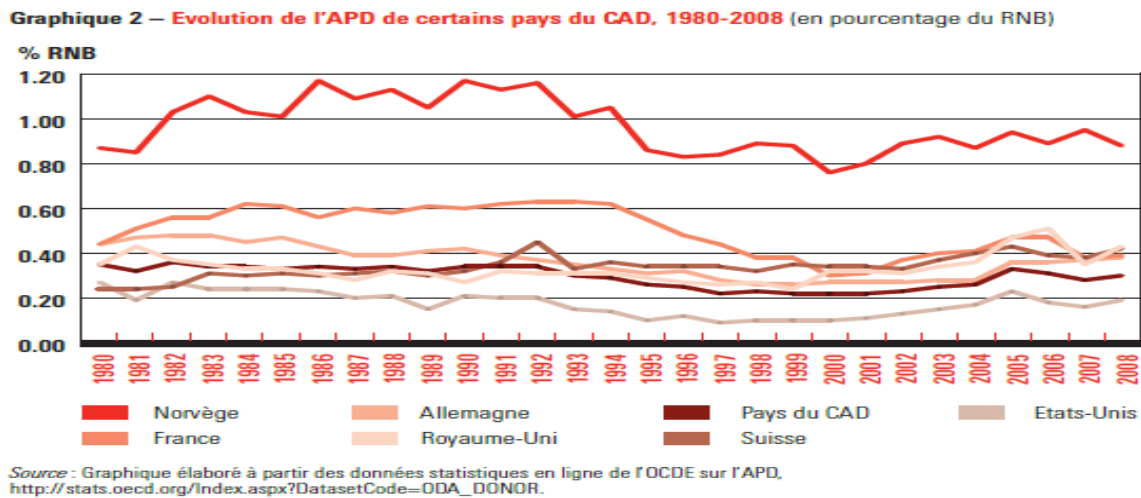
Among the key-issues investigated by this paper, one will find Carbonnier's assertion that "geopolitical considerations are influential determinants of aid allocation," during the Cold War, the

¹ Swiss Confederation. FDFA, "How does Switzerland work with multilateral organizations?" Retrieved February 23, 2015 from https://www.eda.admin.ch/deza/en/home/activities-projects/activities/multilateral-cooperation/wie_funktionioniertmultilateralezusammenarbeit.html

high energy prices episodes of the 1970s, and also in the post 9/11 configuration.¹ This paper makes a similar assumption when it comes to aid allocation. Aid is a type of business that is subject to political determinations.

This paper agrees with Chapnick and Silvio who connected moral concerns with the public support for aid policies, but could not find moral values or arguments being used by aid policy architects.² Yet some measure of progress has been registered in the implementation of the Paris Declaration on Aid Effectiveness especially in respect to untying aid. Tied aid remains however an obstacle for improving aid effectiveness.³ Aid is sometimes too technical and lacks transparency from a public policy standpoint, and this is detrimental to the coherent articulation of meaningful and beneficial (to donors) oreign aid policies.⁴

Figure 1 – ODA trends for OECD DAC members, time series 1980-2008 (% of GNP)



Source: Gérard Perroulaz, Claudie Fioroni and Gilles Carbonnier, “Évolutions et enjeux de la coopération internationale au développement,” *Revue internationale de politique de développement*, 1 (2010), 151,

<http://poldev.revues.org/124>

¹ Gilles Carbonnier and Sabina Voicu, *The Drivers of Foreign Aid Allocation during the Cold War, Energy Crises and the 'Global War on Terror,'* (Geneva: The Graduate Institute of International and Development Studies, 2014), Abstract

² Adam Chapnick, “Refashioning Humane Internationalism in Twenty-First-Century Canada” in *Rethinking Canadian aid*, ed. Stephen Brown, Molly den Heyer and David R. Black (Ottawa: University of Ottawa Press, 2014), 52 and Dominic H. Silvio, “Why Aid? Canadian Perception of the Usefulness of Canadian Aid in an Era of Economic Uncertainty,” in *Rethinking Canadian aid*, ed. Stephen Brown, Molly den Heyer and David R. Black (Ottawa: University of Ottawa Press, 2014), 52

³ Gérard Perroulaz, Claudie Fioroni and Gilles Carbonnier, “Évolutions et enjeux de la coopération internationale au développement,” *Revue internationale de politique de développement*, 1 (2010), 149, <http://poldev.revues.org/124>

⁴ Perroulaz et. al., op. cit., 149

Furthermore, one of Perroulaz's dilemmas, shared by this paper, is whether donor aid should continue to be sent to fragile, conflict-ridden countries or not. Is it still a good idea to continue to do so or is aid going to waste in such instances? Perroulaz points out that it is still preferable to reach out to "aid orphans,"¹ since inaction leads inevitably to destabilisation.² However, the jury is still out on how to actually direct effective streams of aid to fragile states. This is one of the main questions raised by this paper.

Also in question one will find the connections between conflict, fragile states and development, which all form a pregnant daily reality for Palestine. It is in this context that we must consider Cambrezy's assertion that aid has become for the last 25 years a powerful instrument for peace building.³ Despite the fact that relations between conflict and development are mostly "indirect" and only apparently causal, whereby aid has been unable to repair the injuries of war, Cambrezy seems to think that development may have been appropriated and made to serve those who seek to prolong conflicts.⁴

This paper supports this premise, since aid to Palestine is an indication of the following reoccurring underlying principle. Basically, donors prefer to ignore the roots of conflict and decide to treat its injuries, in spite of a growing body of evidence that proves that whenever causes are not addressed, the effects will linger. In fact, Kofi Annan's statement "There can be no development without security and there can be no security without development," is a valid representation of this working assumption.⁵

Methodology

When it comes to my research approach, I will be using a qualitative and investigative method to interpret the data. Van Dijk defines critical discourse analysis (CDA) as "a type of discourse analytical research that primarily studies the way social power abuse, dominance, and inequality are

¹ OECD, "Aid fragmentation and aid orphans," Retrieved February 23, 2015 from <http://www.oecd.org/dac/aid-architecture/fragmentation-orphans.htm>

² Gérard Perroulaz, Claudie Fioroni and Gilles Carbonnier, "Évolutions et enjeux de la coopération internationale au développement," *Revue internationale de politique de développement*, 1 (2010), 161, <http://poldev.revues.org/124>

³ Mélanie Cambrezy and Marie-Joëlle Zahar, "Le développement et les États fragiles" in *Enjeux et défis du développement international*, ed. Pierre Beaudet and Paul Haslam (Ottawa: Published by University of Ottawa Press, 2014), 295 citing Anne Le More, *International Assistance to the Palestinians: After Oslo. Political Guilt, Wasted Money* (New York: Routledge, 2008), 23

⁴ Cambrezy et al., op. cit., 295

⁵ Kofi Annan, *Dans une liberté plus grande : sécurité, développement et respect des droits de l'homme pour tous* (New York: Nations Unies, 2005)

enacted, reproduced, and resisted by text and talk in the social and political context.”¹ Its ultimate aim is to oppose social inequality whenever it comes in contact with it. This paper has chosen to use CDA because it is the best tool for the task at hand. Its main tenets align with the research design and fit the narrative of debating the complexity of Swiss aid in Palestine. These are as follows:

1. CDA addresses social problems
2. Power relations are discursive
3. Discourse does ideological work
4. Discourse is historical
5. Discourse analysis is explanatory
6. Discourse is a form of social action.²

Critical research is crucial to this paper since it contributes a holistic approach by “investigat(ing) underlying social, economic, and political structures to expose hidden mechanisms of power and their contributions to oppression, marginalization, and inequality.”³ The theoretical framework of my research will examine aid dynamics in colonial contexts. The chosen case study, namely that of Swiss aid to Palestine between 2006 and 2012, is reflective of how the universe of applied aid for development has branched out from the theoretical or institutional doctrine governing it.

In respect to the research data, secondary sources will represent the epicenter of the bibliography. The dearth of secondary sources dealing with Swiss aid to Palestine notwithstanding, ample sources seem to exist on issues marginal to the research questions.

Thesis structure

The thesis comprises of five chapters. These share a common structure as follows: a brief introductory summary, the logic suite of the narrative, and a set of preliminary conclusion(s). Chapters 1 has already dealt with the summary and research questions as well as the aid debates. Chapter 2 will explain the Palestinian historical context. Chapter 3 will analyze the make-up and drivers of Swiss aid to Palestine as well as the triangular nexus formed by Switzerland, Israel and

¹ Teun A. Van Dijk, “Critical Discourse Analysis,” 352, Retrieved August 25, 2015 from <http://www.discourses.org/OldArticles/Critical%20discourse%20analysis.pdf>

² N. L. Fairclough and R. Wodak, “Critical discourse analysis” in *Discourse Studies. A Multidisciplinary Introduction, Vol. 2. Discourse as Social Interaction*, ed. Teun A. Van Dijk (London: Sage, 1997), 271-80

³ M. Emily Keller, “Re-constructing Climate Change: Discourses of the Emerging Movement for Climate Justice” (Master’s Thesis, Queen’s University, Canada, 2012), 10

Palestine. Finally, Chapter 4 will address the status of water cooperation examined under the lens of the Swiss Blue Water Project in the Middle East. Chapter 5 will comprise of the conclusions.

Chapter 2 – THE PALESTINIAN CONTEXT

Brief historical overview

In the 12th and 13th centuries, Palestine became a province of successive Arab empires until 1516 when it became a province of the Ottoman Empire. Immediately after the First World War, this Empire was dismantled. Britain and France carved up different parts of that empire to create administrative entities under their respective tutelage. Britain assumed military control of Palestine, and was later given a “mandate” by the League of Nations to administer the territory (1922).

Meanwhile, the Foreign Secretary of the United Kingdom, James Balfour, had been negotiating with the Zionist Federation of Britain and Ireland. The 1917 “Balfour declaration” was a turning point as it stated that Britain was in favor of the establishment in Palestine of a “national home for the Jewish people.” The local Arab population objected to both Britain control of the territory and the possibility of a “Jewish national home.” In 1936, a general uprising occurred. During and moreover after the Second World War, many thousands of European Jews settled in Palestine. Immediately after the war, various attempts to negotiate between the different communities led to a UN partition plan whereas two states, one Jewish and one Arab, were going to be established at the end of the British mandate in 1948.

However, the situation deteriorated rapidly. The Jewish leadership under David Ben-Gurion declared a Jewish state in May 1948, which was later endorsed by the majority of states in the newly-founded UN. The Arab League representing the different emerging Arab governments declared war on the state of Israel, but the Arab armies were defeated by a well-trained and well-armed Jewish army. After the war, Israel had taken control of a much larger area than was initially foreseen by the partition plan.¹

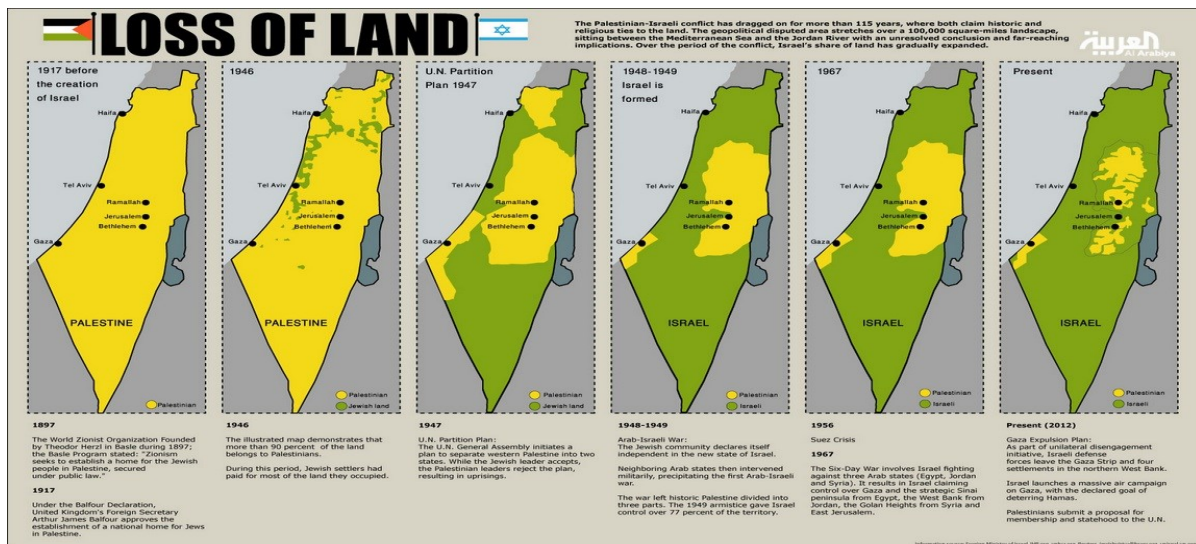
The Palestinian population was partially exiled (mostly towards Jordan, Syria and Lebanon), while some were allowed to remain in place. Palestinian lands in the West Bank were annexed by the Jordanian Hashemite kingdom while the Gaza Strip was left under Egyptian rule.

¹ Dan Cohn-Sherbok and Dawoud El-Alami, *The Palestine-Israeli Conflict* (Oxford, England: Oneworld Publications, 2008)

The Six-Day War and Occupation

In June 1967, the Six-Day War erupted between Israel and several Arab states, which was concluded with another major expansion of territories controlled by Israel, including the West Bank and Gaza, which were inhabited by a large Palestinian population. This Occupation was not recognized by the UN through various resolutions that demanded the withdrawal of Israeli forces, but this did not deter Israel from maintaining control over the WBGS. The Palestinian Liberation Organization (PLO) was taken over by various groups, including Al-Fatah (led by Yasser Arafat) to promote armed resistance against the occupying force. It was then that PLO formed its political agenda: ending the Occupation and establishing an independent Palestinian state, in its pre-June 1967 borders.¹

Figure 2: Palestinian loss of land (1897-2012)



Source: Global Political Insight, “Palestine Loss of land,” Retrieved February 23, 2015 from <https://globalpoliticalinsight.files.wordpress.com/2014/07/palestine-loss-of-land.jpg>

The Occupation of the West Bank and Gaza led to a large inflow of Israeli settlers into the newly Occupied Territories. In 1978, negotiations were held between Egypt and Israel under the tutelage of the United States, which led to the Camp David Accord. While focusing on

¹ Palestinian National Authority, “Palestinian Reform and Development Plan 2008-2010,” 4, Retrieved November 20, 2014 from http://www.un.int/wcm/webdav/site/palestine/shared/documents/Palestinian_percent20Reform_percent20and_percent20Development_percent20Program_percent20_percent282008_percent29.pdf

Egyptian-Israeli issues, the occupation by Israeli forces of the Sinai, some provisions were established to provide Palestinians a certain level of autonomy. However, the Accord was rejected by the PLO and other Palestinian entities.

According to the U.S. Census Bureau data, in 1985, the Palestinian population of the Occupied Territories was 1,044,000 persons in the West Bank and 532,288 inhabitants in the Gaza Strip.¹ Furthermore, by 1985 around 50 percent of Palestinians lived in refugee camps outside Palestine proper.²

In 1986, a large-scale civilian revolt erupted in the Palestinian territories that came to be known as the first Intifada. Confrontations between Israeli soldiers and Palestinian civilians led to many casualties, resulting in widespread condemnation of the Occupation and recognition of Palestinian rights by several states and non-state entities.

The Peace Process

In 1991, after the first Gulf War, several simultaneous negotiations took place to find an acceptable resolution to the conflict. Under the auspices of the United States and the Soviet Union, the Arab States, Israel and the Palestinian Liberation Organization (PLO)³ came together for talks in Madrid. In parallel, bilateral Israeli-Palestinian negotiations under United States tutelage led to the Oslo Peace Accord in 1993.

The Oslo Accord allowed the PLO to return to the Occupied Territories as well as giving some level of autonomy for the Territories themselves. However, it pushed back a permanent solution including that of sensitive issues like the future of Israeli settlements in the Occupied Territories, the right of return for Palestinian refugees, the status of Jerusalem and the final delimitation of borders. Further negotiations were conducted which led to another agreement in

¹ ProCon.org, "Population Statistics. West Bank & Gaza Strip: Arab Population (1948-2005)," Retrieved January 15, 2015 from <http://israelipalestinian.procon.org/view.resource.php?resourceID=000636>

² Dan Cohn-Sherbok and Dawoud El-Alami, *The Palestine-Israeli Conflict* (Oxford, England: Oneworld Publications, 2008), 80-83

³ Yasser Arafat, *419 Statement by Yasser Arafat - 14 December 1988*, Israel Ministry of Foreign Affairs (Volume 9-10: 1984-1988), 14 December 1988, Web, Retrieved on 13 October 2014 from <http://www.mfa.gov.il/mfa/foreignpolicy/mfadocuments/yearbook7/pages/419%20statement%20by%20yasser%20arafat-%2014%20december%201988.aspx> - On the other hand, Arafat's PLO, after 2 decades of violent struggle to reclaim Palestine (1967-1988), which Israel and the United States had come to designate as 'political terrorism,' had decided to come to terms with the *status quo* and recognize Israel and denounce terrorism, at the United Nations in Geneva. Nonetheless, Yasser Arafat's December 1988-speech reaffirmed the right of the Palestinian people to reclaim their homeland, denounced the continued unlawful Israeli Occupation, and provided a blunt accusation of the collusion between United States and Israel.

1995. Israeli agreed to withdraw its forces from certain areas of the Occupied Territories split into three “zones” (A, B, and C). In Zone A, the newly formed Palestinian National Authority (PA) was allocated control, while Zone C (which encompasses 70 percent of the West Bank landmass) remained under Israeli military Occupation. Zone B retained a mixed status, whereby Palestinians and Israelis were theoretically supposed to coexist.

Figure 3: Zones A, B and C



Source: B'Tselem, “What is Area C?,” Retrieved December 22, 2014 from

http://www.btselem.org/area_c/what_is_area_c

The Israeli government accelerated the establishment of settlers in the Occupied Palestinian Territories, arguing that this was not a breach of the Oslo Peace Accord. The colonization by Israeli settlers of the West Bank started right after the 1967 War. By 2012, the Israeli settler population in the West Bank had reached 531,000 people, with some 341,000 people living in the West Bank proper, and another 191,000 living in East Jerusalem.¹

This situation led to many clashes. By remaining outside the PLO, the militant Islamist movement HAMAS gained strength, re-launching armed attacks against Israeli civilians, settlers and soldiers. Ideologically, the much older Fatah (1957) had already committed to the Peace Process by recognizing Israel, signing the Oslo Accords, denouncing terrorism and violence, and agreeing to the two-state solution. Hamas (established in 1988), on the other hand, believed that Palestine was Islamic *waqf* (property) and as such couldn't be relinquished to another sovereign power, nor could it recognize the State of Israel in its post-1967 outline.²

Things only worsened after the creation of the Palestinian Authority in 1994. In the wake of the 1994 Baruch Goldstein massacre of Palestinian civilians, Hamas initiated a suicide-bombing campaign in Israel proper, kidnapping an IDF soldier, and clashed internally with Al-Fatah. In 1995, Hamas' focus turned to Israeli settlers in Gaza, in an effort to convince Israel that the Occupation was not worth the price of continued armed struggle.³ The Israeli responded by moving military assets against Palestinian sites (including Zone A), by proceeding to mass arrests, destruction of houses, road closures and other forms of pressure.

The Breakdown

The assassination of Israeli Prime Minister Yitzhak Rabin in 1995 dealt a serious blow to the efforts to rebuild the Peace Process. The 2000 visit to the site of the al-Aqsa Mosque by the Likud leader Ariel Sharon led to wide-scale Palestinian demonstrations, with both Israelis and Palestinians

¹ B'Tselem, "Land Expropriation and Settlements," Retrieved December 22, 2014 from <http://www.btselem.org/settlements>

² A. Ghanem, "Palestinians Following the 2006 Legislative Election: A Critical Election?" in *Palestine and the Palestinians in the 21st Century*, ed. R. Davis and M. Kirk (Bloomington & Indianapolis: Indiana University Press, 2013), 83-102

³ W. Kristianasen, "Challenge and Counterchallenge: Hamas's Response to Oslo," *Journal of Palestine Studies* 28, no. 3 (1999): 25-26 – The author mentions a new generation of well-educated Hamas politicians promoting a more discrete, secular nationalist discourse. This generation promoted state building by assuming an active role in health care, education and security.

engaging in acts of violence. This became known as a new Intifada, designated by Yasser Arafat as the Al-Aqsa Intifada.

After his coming to power, Prime-Minister Ariel Sharon ordered a major drive to re-establish control over ‘hot spots’ like Jenin, Gaza and other cities and towns. The withdrawal of 85,000 Israeli settlers in 2005,¹ did not appease tensions but Israeli attacks by gunships and fighter jets were intensified against the Gaza Strip, since it was now designated an “enemy entity”² by the IDF. PA President Yasser Arafat was ordered to stay in his compound in Ramallah, a form of house arrest.

The erection of the Separation Wall between Israel and the Palestinian Territories, initiated in 2002, has further deepened the fragmentation of the Territories with important negative impacts on the social and economic life of the Palestinian population.³ Fundamental issues like Palestinian sovereignty, the return of its refugees and the status of Palestinian East Jerusalem remain unresolved to this day.⁴ In the meanwhile, Gaza, home to over 1 million Palestinian inhabitants, has been basically cut off from the world, retaining only a very limited access to Israel and Egypt. Further military incursions in Gaza by the Israeli army following Hamas’ bombardment of Israeli areas in 2006 and 2011, have devastated its infrastructure and caused a great number of casualties.

Palestine: the economics of a ‘non-state’

In 2011, 25 percent of the 4.2 million Palestinian population lived below the poverty line.⁵ According to the World Bank, between 1999 and 2007, Palestine’s GDP per capita shrank by 30

¹ Aljazeera, “Gaza under attack. A chronology of disproportionate attacks on Gaza,” Retrieved March 1, 2015 from <http://webapps.aljazeera.net/aje/custom/2014/gazaunderattack/index.html>

² Kris Petersen, “The Gaza Strip: Disengagement two years on,” *The Electronic Intifada*, November 24, 2007, <https://electronicintifada.net/content/gaza-strip-disengagement-two-years/7228>

³ Sara Roy, “Before Gaza, After Gaza – Examining the New Reality in Israel/Palestine” in *Palestine and the Palestinians in the 21st Century*, ed. Rochelle Davis and Mimi Kirk (Bloomington & Indianapolis: Indiana University Press, 2013), 103-122

⁴ Jean-François Legrain, “Pour une autre lecture de la guerre de Gaza,” *EchoGéo. Sur le Vif*. February 13, 2009, DOI: 10.4000/echogeo.10901 and Benoit Challand, *Palestinian Civil Society. Foreign Donors and the Power to Promote and Exclude* (London: Routledge, 2009)

⁵ Palestinian Bureau of Central Statistics, “Statistics: Household Budget,” Retrieved March 7, 2015 from <http://www.pcbs.gov.ps/site/881/default.aspx>; Palestinian Bureau of Central Statistics, “Statistics: Population,” Retrieved March 7, 2015 from <http://www.pcbs.gov.ps/site/881/default.aspx#Population>; For a more in depth view, see Leila Farsakh, “Colonial Occupation and Development in the West Bank and Gaza – Understanding the Palestinian Economy through the Work of Yusif Sayigh” in *Palestine and the Palestinians in the 21st Century*, ed. Rochelle Davis and Mimi Kirk (Bloomington & Indianapolis: Indiana University Press, 2013), 45-49; Sara Roy, “Before Gaza, After Gaza – Examining the New Reality in Israel/Palestine” in *Palestine and the Palestinians in the 21st Century*, ed. Rochelle Davis and Mimi Kirk (Bloomington & Indianapolis: Indiana University Press, 2013)

percent. In 2007, 49 percent of the people of Gaza and a quarter of those living in the West Bank did so as paupers.¹ In addition to poverty, property destruction occurs cyclically in Gaza and the West Bank during Israeli military operations.²

The economy of Palestine was defined by the Oslo II Economic Protocol of the Interim Agreement on the WBGS from 1995, which stated its goal to “lay the groundwork for strengthening the economic base of the Palestinian side ... according to its development plans and priorities.”³ The newly minted Palestinian Authority (PA) sought to act as the *de facto* government of WBGS by implementing an economic development policy apt to support its proposed plans for political sovereignty.

The status of Gaza

Between 2005 and 2008, Gaza lost the quasi-totality of its industrial base, the number of factories dropping from around 3,750 – 3,900 to just 23, an astounding decrease of 99.39 percent, mostly through a combination of Israeli policies and military action.⁴ The immediate net effect of the annihilation of its private sector was that more than 100,000 people lost their sources of gainful employment.⁵

The de-development of Gaza demands a multi-faceted and multi-tiered analysis of the factors playing havoc with the Palestinian economy. The Israeli blockade prevented the vast majority of Palestinian from accessing the most essential of services like water, garbage collection and sewage treatment. Palestinians only had limited access to the power grid or reduced service times. This is largely due to Israeli cutting the fuel and power supply and bombardment of power

¹ World Bank, *Palestinian Economic Prospects: Aid, Access and Reform. Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC: World Bank, 2008), 10-20 – The World Bank situated the poverty threshold at NIS (new Israeli shekels) 2,300 (approximately US\$600) per month or less for a household of six.

² World Bank, *Coping with Conflict: Poverty and Inclusion in the West Bank and Gaza* (Ramallah: World Bank, 2011), 16-17 and Leila Farsakh, “Colonial Occupation and Development in the West Bank and Gaza – Understanding the Palestinian Economy through the Work of Yusuf Sayigh” in *Palestine and the Palestinians in the 21st Century*, ed. Rochelle Davis and Mimi Kirk (Bloomington & Indianapolis: Indiana University Press, 2013), 35 - The 2008-2009 Operation “Cast Lead,” that saw the IDF invade Gaza, caused US\$1.4 billion worth of infrastructure damages in Gaza. Also, since 2006, Gaza has been under a *de facto* Israeli siege. Consequently, between 2007 and 2010, the poverty rates in Gaza reached 33.7 percent, with some 71 percent of the population living off of some form of aid. Leila Farsakh calls this failure to thrive “the unsustainability of growth in the OPT.”

³ Farsakh 2013, op. cit., 44

⁴ Sara Roy, “Treading on Shards,” *The Nation*, February 17, 2010, <http://www.thenation.com/article/gaza-treading-shards#>; World Bank, *Palestinian Economic Prospects: Aid, Access and Reform. Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC: World Bank, 2008), 7, 22

⁵ World Bank 2008, op. cit., 22

generation facilities. All these factors combine to turn Gaza Strip, and to a smaller extent the West Bank, into a growing humanitarian crisis.

Nakhle,¹ as well as Roy, argue that the Gaza Strip in 1987 and Palestine overall in 1999, have been afflicted by the evils of de-development.² It has also become dependent on foreign aid, without being necessarily able to derive any of the benefits brought about by the “more sustainable economy,” Trainer hinted at. Furthermore, Keating concurs in that “massive international aid has not prevented the ‘de-development’ of Palestinian society.”³

Gaza Strip suffers the most from the Israeli blockade and civilians are the first exposed and targeted by Israeli military retaliation. Unless international donors step up and demand a stop to Israeli illegal aggression against the Palestinian people, Swiss and international humanitarian aid will remain unable to mitigate the growing humanitarian crisis.

¹ Khalil Nakhleh, *The Myth of Palestinian Development. Political Aid and Sustainable Deceit* (Jerusalem: Passia, 2004)

² Sara Roy, “The Gaza Strip: A Case of Economic De-Development,” *Journal of Palestine Studies* 17, no. 1 (1987), 56-88, <http://www.jstor.org/stable/2536651>; Sara Roy, “De-development Revisited: Palestinian Economy and Society since Oslo,” *Journal of Palestine Studies* 28, no. 3 (1999), 64-82, <http://www.jstor.org/stable/2538308>

³ Michael Keating, Anne Le More, and Robert Lowe, eds. *Aid, diplomacy and facts on the ground – The Case of Palestine* (London: Chatham House. Royal Institute of International Affairs, 2005)

Chapter 3 - AID TO PALESTINE

According to the Ministry of Planning and Administrative Development (MOPAD), in 2010, almost a third of Palestinian GDP came from international assistance.¹ Although this overreliance attenuated for the past 5 fiscal years, Palestinian economy remained totally exposed to external aid pressures. This is the context that has led MOPAD on a course to better align domestic with international development priorities. This signaled Palestine's genuine commitment to international donors' development areas of concern.

By 2010, total aid flows getting to Palestine reached US\$2.5 billion per annum. These moneys included short-term commitments like the US\$1.15 billion allocated to budget support or the US\$590 million going to humanitarian assistance, but also the US\$750 million to long-term development investments. By 2012, these figures managed to put Palestine in the Top 5 Recipients by aid volume.² It is perhaps counterintuitive, but aid size can sometimes obscure the reality. A look at the quality of aid streams might actually clarify the situation.

Apart from the obvious degree of dependency on foreign assistance, 70 percent of all aid was not invested in actual development. Instead, it provided 88 percent of the PA budget for items like social security spending, security and governmental apparatus expenditures budget, while simultaneously responding to the humanitarian crisis in the Occupied Territories.³

¹ OECD, "Aid to developing countries rebounds in 2013 to reach an all-time high," Retrieved February 23, 2015 from <http://www.oecd.org/newsroom/aid-to-developing-countries-rebounds-in-2013-to-reach-an-all-time-high.htm>

² Nina Schneider, "Switzerland: Swiss Parliament finally agrees to increase ODA" in *Aid and the Private Sector: Catalysing Poverty Reduction and Development? Reality of Aid 2012 Report*, ed. by Brian Tomlinson (Quezon City: IBON International IBON Center, 2012); Alaa Tartir, *Aid and development in Palestine: anything, but linear relationship. Can aid contribute to development?* (Birzeit: Ibrahim Abu-Lughod Institute of International Studies, 2012), 2; World Bank, *Palestinian Economic Prospects: Aid, Access and Reform. Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC: World Bank, 2008), 7; Global Humanitarian Assistance, "West Bank and Gaza Strip: recipient profile," Retrieved February 23, 2015 from <http://www.globalhumanitarianassistance.org/countryprofile/palestineopt#tab-home> – This source was used to extract the Palestinian aggregate total ODA receipts (US\$1.8 billion in 2012). A third of these funds (US\$654 million) were allocated to humanitarian aid.

² Global Humanitarian Assistance, op. cit.

³ Palestinian National Authority. Ministry of Planning, "Palestinian Medium Term Development Plan 2006-2008," 7, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/28/The%20Medium-Term%20Development%20Plan%202006%202008.pdf>

International assistance was mostly geared to respond to short-term Palestinian priorities, namely high rate of poverty and unemployment by dispensing palliative humanitarian aid.¹ At the same time, long-term development programs were relegated to the background and assigned a limited budget of US\$750 million (or 30 percent of total aid in 2010), which pushed Palestine further away from attaining the MDGs. Short-term but necessary measures,² such as crucial humanitarian aid relief, have been postponing long-term development needs in the OPT.³

This lack of balance between short- and long-term priorities will sharpen the lack of socio-economic progress in the years to come, and may sap international donors' interest in Palestinian development. Given Palestine's critical situation, this potential denunciation of the Global Partnership for Development (MDG #8) by international aid agencies may have negative consequences for Palestine.

Anne Le More, as well as other critics of aid to Palestine, believes that the financial aid flows and disbursements received by Palestine in the last 20 years have been poorly-used. In spite of historic highs of aid going to Palestine, reaching US\$300 per capita in 2004,⁴ and which actually increased by a factor of 2.53 before the end of the decade, to US\$760 in 2009,⁵ Palestine's development priorities have been ignored, as the international community sought to finance and reinforce Israeli political expansionist agenda into the OPT.

¹ Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 59-61, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

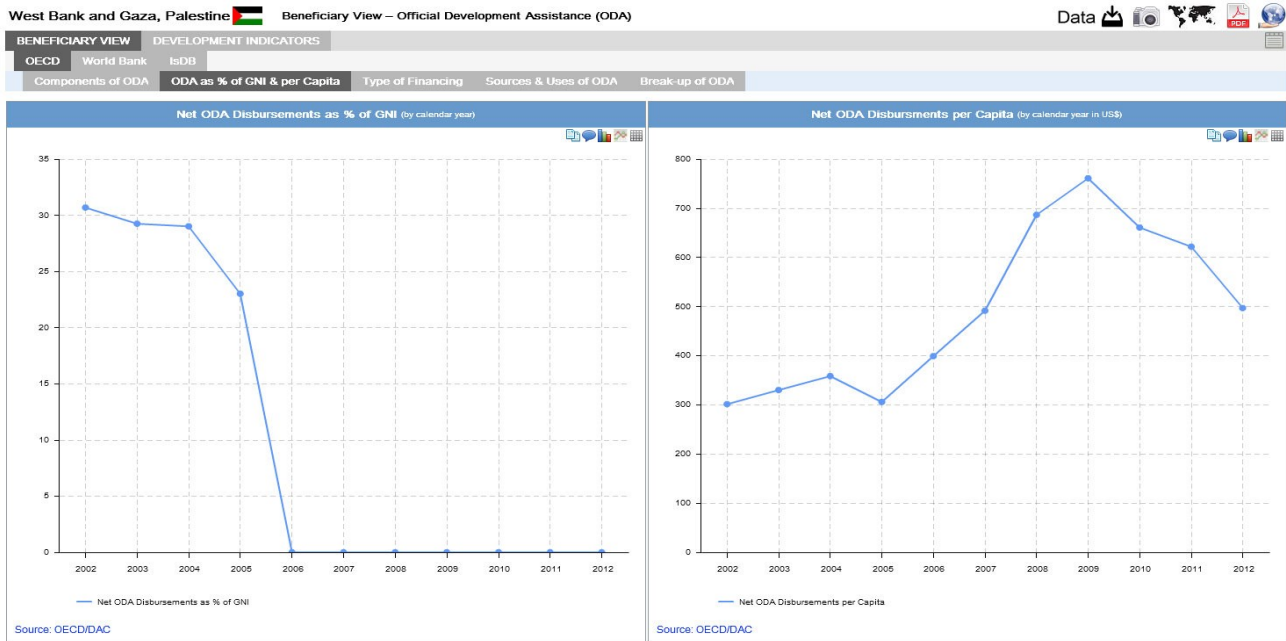
² *Nota bene*: 'Short-term' defined those programs and plans creating results that could be detected within 1 to 3 years from their inception. Medium-term extended this timeline to 3 to 5 years, and long-term programs and plans were deemed to create results 5 to 10 years from implementation.

³ Palestinian National Authority, op. cit., 60

⁴ World Bank, *Disengagement, the Palestinian economy and the settlements* (Jerusalem: World Bank, 2004), ii quoted by Anne Le More, "Killing with Kindness: Funding the Demise of a Palestinian State," *International Affairs* 81, no. 5 (2005), 982, DOI: [10.1111/j.1468-2346.2005.00498.x](https://doi.org/10.1111/j.1468-2346.2005.00498.x); World Bank, *Stagnation or Revival? Palestinian Economic Prospects - Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC: World Bank, 2012), 3

⁵ AidFlows, "ODA as % of GNI (Per Capita) (2002-2012)," Retrieved December 22, 2014 from <http://www.aidflows.org/>; AidFlows, "Components of ODA (2002-2012)," Retrieved December 22, 2014 from <http://www.aidflows.org/>

Figure 4: ODA as % of GNI & Per Capita (2002-2012)



Source: AidFlows, “ODA as % of GNI (Per Capita) (2002-2012),” Retrieved December 22, 2014 from <http://www.aidflows.org/>

Figure 5: Components of ODA (2002-2012)



Source: AidFlows, “Components of ODA (2002-2012),” Retrieved December 22, 2014 from <http://www.aidflows.org/>

A few annual markers help punctuate the evolution of this process of de-development.

- In 2007, 30 percent of all income earned by Palestinians came in the form of emergency aid, due to Israeli blockade and economic restrictions.¹
- In 2008, external aid to the PA amounted to 30 percent of its entire GDP. By and large, the PA relied on external aid.² That same year, 80 percent of all Gaza households relied on humanitarian aid to make ends meet, compared to just 63 percent, in 2006.³
- Between 1999 and 2008, the number of families in receipt of United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) food relief went up drastically, from 16,174 to 182,400 (or some 750,000 to 860,000 people).⁴

One critical factor for the failure of Palestinian economy is the quasi-destruction of Palestine's private sector by the Israeli blockade which has been stopping imports of raw materials from getting through and its exports from being intermediated on foreign markets. The wanton destruction of infrastructure, including the annihilation of the secondary and tertiary sectors of the Palestinian economy by Israeli attacks,⁵ completes the background of the Palestinian humanitarian crisis.

Palestinian development planning

The January 2006 Palestinian Medium Term Development Plan (MTDP) 2006-2008⁶ was intended to advance the conclusions and lessons learned while implementing its predecessor, MTDP 2005-2007. As a roadmap for domestic development policies, it was considered as an integral part to the national strategy of locking in the advantages of strategic and developmental planning. The

¹ Atif Kubursi and Fadle Naqib, "The Palestinian Economy under Occupation: The Economics of Subjugation and Dynamics of Dependency" (Paper presented at the University of London School of Oriental and African Studies, London, 2007), 27-28

² World Bank, *Palestinian Economic Prospects: Gaza Recovery and West Bank Revival – Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC: World Bank, 2009), 6

³ CARE International, Catholic Agency for Overseas Development, Amnesty International, Christian Aid, Médecins du Monde UK, Oxfam, Save the Children UK, & Trocaire, *The Gaza Strip: A Humanitarian Implosion* (Oxfam, 2008), 4

⁴ CARE International et al., op. cit., 4; Ian Black, "Sanctions causing Gaza to implode, say rights groups," *Guardian*, March 6, 2008, www.guardian.co.uk/world/2008/mar/06/israelandthepalestinians.humanrights

⁵ Sara Roy, "Treading on Shards," *The Nation*, February 17, 2010, <http://www.thenation.com/article/gaza-treading-shards#> and Sara Roy, "Before Gaza, After Gaza – Examining the New Reality in Israel/Palestine" in *Palestine and the Palestinians in the 21st Century*, ed. Rochelle Davis and Mimi Kirk (Bloomington & Indianapolis: Indiana University Press, 2013)

⁶ Palestinian National Authority. Ministry of Planning, "Palestinian Medium Term Development Plan 2006-2008," Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/28/The%20Medium-Term%20Development%20Plan%202006%202008.pdf>

Ministry of Planning and Administrative Development has continued to adapt its development strategies to socio-economic environment, but it does so triennially.¹

The 2006-2008 MTDP is predicated upon several pillars² that are meant to ensure its cohesiveness and policy coherence. These are:

- (1) Long-term consolidation of development needs and priorities in a “holistic and comprehensive national targeting” strategy;
- (2) Integration of the MTDP with the general Palestinian Budget;
- (3) Monitoring, follow-up and assessment of goal attainment under the MTDP to be performed by the Palestinian Ministry of Planning (MoP). This includes “target-setting and measurement indicators” for monitoring the MTDP, at national and sectorial levels.

The 2006-2008 MTDP aligned the development path of Palestine with the social and human development parameters established under the UN MDGs. In order for Palestine to attain these social and human development parameters, the PA had formulated the 2006-2008 MTDP with a yearly requirement of US\$2.6 billion serving to “optimize economic growth and development.”³ Failure to come to the aid of the PA rendered ineffective any other form of aid that did not meet the forecasted figures.⁴

The national development policy was aligned with the social capital values undertaken under the new social and human development paradigms:⁵ equity, efficiency, participation, and sustainability.⁶ One must note that the PA foreign aid assistance strategy looked towards harmonizing its national policy with UN MDGs by aligning social development initiatives undertaken by the Ministries of Health, Education, Social Affairs, Labor, and Agriculture and their

¹ State of Palestine. Ministry of Planning and Administrative Development, “National Early Recovery and Reconstruction Plan for Gaza 2014-2017,” Retrieved April 30, 2015 from http://www.mopad.PA.ps/en/images/PDFs/National%20Early%20Recovery%20and%20Reconstruction%20Plan%20for%20Gaza%202014-2017_FINAL....pdf

² Palestinian National Authority. Ministry of Planning, op. cit., 4

³ Palestinian National Authority. Ministry of Planning, “Palestinian Medium Term Development Plan 2006-2008,” 29, 29-70, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/28/The%20Medium-Term%20Development%20Plan%202006%202008.pdf>

⁴ Palestinian National Authority. Ministry of Planning, op. cit., 30

⁵ Mahbub Ul Haq, “The human development paradigm,” in *Readings in Human Development*, ed. Fukuda-Parr and S. Kumar (New Delhi: Oxford University Press, 2004) in Séverine Deneulin and Lila Shahani, eds. *An Introduction to the Human Development and Capability Approach: Freedom and Agency* (London: Earthscan, 2009)

⁶ Mahbub Ul Haq, op. cit., in Nassar Ibrahim, *Illusion of Development under Israeli Occupation. The Political Motivations of Donors to the Palestinians* (Bethlehem, Jerusalem and Beit Jala: Latin Patriarchate Printing Press, 2011), 23

associated planning and budgeting within a framework that made it the “sole responsibility of the government-financing plan” and “not depend(ent) on foreign aid assistance.”¹

The Palestinian Strategy and the MDGs

The UN MDGs have become a nodal point of the Palestinian National Strategy, although this is not its only area of focus. The National Strategy to achieve the MDGs by 2015 restates that the priority remains a political solution including Israeli withdrawal from the OPT, and the overhaul of development planning in Palestine and MDGs attainment priorities.²

The National Strategy is a 2012-roadmap emphasizing the rationale for choosing certain critical MDGs over less important ones. MDGs are markers for research in that they informed policy making in Palestine as well as in Switzerland. But what exactly are the Millennium Development Goals and how pertinent are these objectives to Palestinian development?

MDG # 1: Poverty eradication

Poverty eradication efforts have made strides in the West Bank, where the poverty rate fell to 18.3 percent, and extreme poverty rate descended to 8.8 percent, between 1996 and 2010.³ As for Gaza, poverty has become endemic. There, where 38 percent of the population live in poverty and 23 percent in extreme poverty, the situation still holds at 1996 levels, when the general poverty rate in Palestine was 23 percent.⁴ Women were also more at risk from poverty than men, based on monthly consumption patterns.⁵

The rich-poor inequality gap was also sharp, with the poorest 10 percent consuming 4.5 percent of total output, while the richest 10 percentile consumed 22.5 percent of economic output. Still, the inequality poverty gap⁶ is constantly pushed back by income assistance programs funded

¹ Palestinian National Authority. Ministry of Planning, “Palestinian Medium Term Development Plan 2006-2008,” 30-31, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/28/The%20Medium-Term%20Development%20Plan%202006%202008.pdf>

² Palestinian National Authority, “The National Strategy to Achieve the MDGs by 2015,” Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

³ Palestinian National Authority, op. cit.

⁴ Palestinian National Authority, op. cit., 20-21 quoting Palestinian Central Bureau of Statistics, *Poverty in the Palestinian Territory: Report of the Main Results 2009-2010* (Ramallah: Palestinian Central Bureau of Statistics, 2011)

⁵ Palestinian National Authority, op. cit., 21 citing Palestinian Central Bureau of Statistics, op. cit.

⁶ In this case, the poverty threshold we used considered US\$1.25 per day per capita in income.

internationally, and has been drastically reduced from 11 to 6 percent. Extreme poverty has also been dramatically checked by international assistance aid, receding from 15 to 2 percent, between 1996 and 2010.¹ While not completely meeting this Goal, Palestine is on its way to achieve poverty eradication.

MDG # 2: Universal primary education

Given the low primary education enrollment rate of 88.5 percent achieved by 2010, the PA is acting under a self-imposed target of 94 percent enrollment by 2015. This Goal has not been completely met either.²

MDG # 3: Achieving gender equality

Gender equality is not a reality in Palestine. In spite of robust primary, secondary and tertiary education enrollment rates of women versus men,³ the inclusion of women in the labour force lags behind MDG #3 target.⁴ 2010 data show that women over 15 years of age represented 15 percent of the labour force, while for the men this statistic stood at 67 percent. Unemployment rates are less skewed against women, with just 27 percent unemployed as opposed to 23 percent of men who are out of work.⁵ Women participation in politics continues to be very low too. Only 13 percent of legislators and 18 percent of municipal councillors are women.

Palestinian women are abused physically and mentally by their spouses and family members, with around a quarter to a third of all women suffering a form of abuse or another, and another 2 percent being violently abused by the Israeli police and settlers.⁶ This Goal has not been met.

MDG # 4: Reduce infant mortality, MDG # 5: Improve health of women and mothers, and

MDG # 6: Combat HIV infections (AIDS) and communicable diseases

Infant mortality rate, which in 1994, stood at 33.2 deaths per 1000 live births, dropped by 2010, to 24 deaths per 1000 live births. As always, West Bank (WB) fared better than Gaza. WB

¹ Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 21, Retrieved November 20, 2014 from

<http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf> quoting Palestinian Central Bureau of Statistics, op. cit.

² Palestinian National Authority, op. cit., 28-32

³ Palestinian National Authority, op. cit., 34-35 – The women/men ratio was 98/100 for the primary, 118/100 for the secondary, and 128/100 for the tertiary levels of education, respectively.

⁴ Palestinian National Authority, op. cit., 35-37

⁵ Palestinian National Authority, op. cit., 34

⁶ Palestinian National Authority, op. cit., 35

newborn mortality rates, 18.2 per 1000 live births, have been lower than the 22.4 per 1000 live births registered in Gaza.¹ As for modern family planning methods, West Bank took the lead still with 44.3 percent of women using them versus just 36.6 percent in Gaza.²

Furthermore, HIV rates remained low. 66 new cases have been registered in 2010, and only 72 cases nationwide in 2011. Sexually transmitted diseases are not a major concern in Palestine due to cultural reasons preventing their propagation. As for tuberculosis, the rate of new cases was 0.40 percent per 100,000 individuals (2010), and different strains of hepatitis affect roughly 25 out of 100,000 citizens each year.³ While the measles vaccination campaign managed to immunize everyone in Palestine,⁴ stern actions are still required to boost vaccination campaigns. These Goals have not been completely met but there are indications that MDGs # 4 and # 6 are well within reach, while MDG # 5 is on its way to becoming a reality.

MDG # 7 Achieving Environmental Sustainability

Given the environmental disaster perpetrated by the Israeli Defense Forces (IDF) in the West Bank, this is an area of concern for Palestine. Fact is that Palestinian waste management is in an abysmal shape and that its water resources are being abused.⁵ Palestine's main aquifers (Coastal and Mountain) are being depleted with little chance of reversing the process. Immediate action is required. This has been one of the most important Goals that Palestine has been struggling to attain. This is also where it lags behind the most and where it must focus its efforts to attain this objective. Here is a particularly worthy field of action for aid donors too.

MDG # 8 Establishing Global Partnerships for Development

This Goal is at the crux of the Palestinian development program. As such, it needs to be reached before all other MDGs. This must be so for a number of reasons.

¹ Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 42, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

² Palestinian National Authority, op. cit., 43

³ Palestinian National Authority, op. cit., 44-47

⁴ Palestinian National Authority, op. cit., 44

⁵ Rana Barakat and Roger Heacock, eds. *Water in Palestine* (Birzeit: Birzeit University, 2013); Lauro Burkart, "The politicization of the Oslo water agreement" (Dissertation submitted in fulfilment of the requirement for the Master in International History and Politics, Lauro Burkart, 2012), 38-41, http://missingpeace.eu/en/wp-content/uploads/pmpeace1/2013/01/MT_Lauro-Burkart.pdf, and Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013)

First, the establishment of a viable Global Partnership for Development will ensure a pro-development environment, the very “type of holistic framework to achieve the goals globally.”¹ Another reason speaks to the need to fund development, by matching the Global Partnership Network for Development with the pledges of international donors, thereby achieving *sensu stricto* a more perfect union between scope and purpose, or between internationally convened MDGs and the “defined quantitative and temporal frameworks.”² The groundwork for this undertaking must, nonetheless, consider some relevant data before factoring in the much needed international aid.

This Goal fails to consider the import of a political solution in Palestine. Without it, there can be no meaningful discussion about the merits of a framework of development cooperation that is supposed to function exclusively in a vertical manner.

Currently, MDGs fail to consider the regional context of the Israeli Occupation that Palestine is an annexed ‘non-state’ entity attached to the state of Israel. While, generically, MDGs have ensured that both donors as well as recipients have a common framework for development cooperation to guide their policies, in the case of Palestine, MDGs have a diminished and somewhat ambivalent effect. While on one hand, they retain their usefulness in gauging the impact of regional aid programming, they can only provide a partial account of the Palestinian development struggle, which is both socio-economic as well as political.

What is missing from this narrative is the rationale behind PA’s adopting the MDGs. In spite, or perhaps because of the colonial context, PA is required to accept international development standards, regardless of their relevance to the type of aid needed on the ground in the OPT. Sometimes, this means that it had to adopt outside priorities (MDGs) in order to qualify for aid funds.

Not all foreign aid practices are nefarious. This is particularly true for domestic development policies. However, all practices need to be adapted to the local context, account for the local historical and cultural background, and consider the interests of the intended recipients of aid. The MDGs are good markers for gauging general progress of development aid, but when it comes to PA’s adopting MDGs to create a domestic development roadmap in Palestine, they should not be

¹ Palestinian National Authority, “The National Strategy to Achieve the MDGs by 2015,” 59-61, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

² Palestinian National Authority, op. cit., 59-61

relied upon to provide all the answers. Their attainment will not obviate the need for a political solution in Palestine.

Overview of Swiss aid

Cooperation is key to international development because it fosters the necessary synergies required by long-term efforts, the kind that can help fragile political entities like Palestine. Swiss aid can appear to be too rigid, dogmatic¹ and perhaps lacking in effectiveness compared to its potential, since it chooses to be self-reliant to the point of ignoring the recipient's plan for development.² In 2011, approximately 50 percent of public-private Development Partnerships started by Swiss development agencies admitted only Swiss companies active in the recipient country.³ This contradicts the country ownership component of development programs, which is one of the Paris Declaration principles on Aid Effectiveness.

Swiss public aid agencies, SDC and SECO, together with private NGOs (AllianceSud, Brot fur alle, Caritas, International Committee of the Red Cross) are supposed to align their aid architecture with recipients' objectives. Swiss public aid agencies act on the assumption that cooperation is crucial for effective development. Only joint long-term efforts can actually help fragile 'non-state' actors like Palestine. The failure of Swiss aid to foster development in Palestine is often due to its development agencies not internalizing field results. Most projects are nullified by a combination of development traps (politicized aid, ineffective aid, tied aid) as well as by the

¹ Erik Lundsgaarde, *The Domestic Politics of Foreign Aid* (New York: Routledge, 2013), 77-79

² Nina Schneider, "Switzerland: Swiss Parliament finally agrees to increase ODA" in *Aid and the Private Sector: Catalysing Poverty Reduction and Development? Reality of Aid 2012 Report*, ed. by Brian Tomlinson (Quezon City: IBON International IBON Center, 2012), 257

³ Schneider, op. cit., 257

effects of Israeli Occupation.¹ This contributed to a certain climate of *donor malaise*, punctuated by aid fatigue, chequebook diplomacy,² and a lack of credibility and results.³

Swiss bilateral aid

In 2013, Switzerland was the world's 13th largest donor of ODA. It contributed US\$3.2 billion in total assistance flows, or 0.5 percent of its GNI. Its GNI ranking was 20th out of 181 countries. Switzerland spent in 2011, 61.4 percent of ODA on fragile countries aid, with 47.4 percent of ODA going to recipients classified as long-term.⁴

Swiss aid is modest and cannot even stand comparison when stacked up against countries with a similar economic output like Norway. In this instance, 2008 data show that Norway has contributed US\$3.963 billion in ODA, to Switzerland's US\$2.038 billion. The same year, Norway's GNI was US\$325 billion, while Swiss GNI was considerably greater, at US\$422 billion.⁵

Another study of the domestic economic effects of foreign aid by Carbonnier was instrumental in framing a more accurate image of Swiss aid.⁶ The fact is that Swiss aid is a great economic booster for its domestic economy.⁷ If in 1998, the direct effects of Swiss aid on its domestic economy were such that for each CHF spent by the Confederation on bilateral aid, CHF0.45 were retained by the Swiss economy, by 2006, Switzerland pocketed CHF0.59, and by 2010 – CHF0.67.⁸ This effect was

¹ Michael Keating, Anne Le More, and Robert Lowe, eds. *Aid, diplomacy and facts on the ground – The Case of Palestine* (London: Chatham House. Royal Institute of International Affairs, 2005); Pierre Beaudet and Nassar Ibrahim, "Effective aid in the Occupied Palestinian Territories?," *Conflict, Security & Development, Special Issue: The challenges of effective development cooperation in fragile states* 12, Issue no. 5 (2012), 481-500, DOI: 10.1080/14678802.2012.744181; Lauro Burkart, "The politicization of the Oslo water agreement" (Dissertation submitted in fulfilment of the requirement for the Master in International History and Politics, Lauro Burkart, 2012), http://missingpeace.eu/en/wp-content/uploads-pmpeace1/2013/01/MT_Lauro-Burkart.pdf; Nassar Ibrahim, *Illusion of Development under Israeli Occupation. The Political Motivations of Donors to the Palestinians* (Bethlehem, Jerusalem and Beit Jala: Latin Patriarchate Printing Press, 2011); Camelia Minoiu and Sanjay G. Reddy, *IMF Working Paper – Development Aid and Economic Growth: A positive Long-Run Relation* (IMF Institute, 2009)

² Chequebook diplomacy is the fallacious proposition that development objectives can be attained by cutting the recipient a cheque.

³ Scott Lasensky, "Chequebook Diplomacy: The US, the Oslo Process and the Role of Foreign Aid," in *Aid, diplomacy and facts on the ground – The Case of Palestine*, ed. Michael Keating, Anne Le More, and Robert Lowe (London: Chatham House. Royal Institute of International Affairs, 2005)

⁴ Global Humanitarian Assistance, "Switzerland: donor profile. Humanitarian response," Retrieved February 23, 2015 from <http://www.globalhumanitarianassistance.org/countryprofile/switzerland#tab-humanitarian-response>

⁵ World DataBank, "World Development Indicators," Retrieved August 25, 2015 from <http://databank.worldbank.org/data/reports.aspx?source=2&country=&series=NY.GNP.PCAP.CD&period>

⁶ Gilles Carbonnier, Alain Schoenenberger, Milad Zarin, Moez Ouni and Lorenzo La Spada, "Effets économiques de l'aide publique au développement en Suisse," *International Development Policy, Policy Briefs | Working Papers* (2012), 2, <http://poldev.revues.org/1284>

⁷ Carbonnier et al., op. cit., 7

⁸ Carbonnier et al., op. cit., 6-7

driven mainly by SECO and SDC reliance (to a certain extent) on direct acquisitions of domestic goods and services for aid purposes. In addition to this, a sizeable portion of Swiss aid went to asylum seekers support,¹ meaning that Swiss aid was directly beneficial to the Confederation, without it being considered tied aid *sensu stricto*.²

We consider this a hidden form of tied aid since it functions in a manner similar to tied aid. The fact that Swiss aid agencies have been vehemently avoiding such labelling while continuing their practices and deriving sizeable financial benefits in the process - makes it an inescapable conclusion.

SDC and SECO

The Swiss federal aid system relies for its tactical policy-making, strategic decisions, aid delivery, program development and staffing in recipient countries on two organizations: the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). SDC operates under the aegis of the Federal Department of Foreign Affairs (FDFA) while SECO functions within the Federal Department of Economic Affairs (FDEA).³ These two institutions are entrusted with the delivery mechanisms and share in the responsibility of defining and implementing the federal aid programme. However there are a number of particularities that set them apart, if ever only so slightly.

Swiss Agency for Development and Cooperation (SDC)

As part of the FDFA, the SDC is Switzerland's main gateway to international cooperation, commanding the "overall coordination of development activities and cooperation with Eastern Europe, as well as [for] the humanitarian aid delivered by the Swiss Confederation."⁴

The SDC believes that the central goal of development cooperation is to reduce poverty. It also means to foster economic independence and state autonomy, to contribute to the improvement

¹ Gilles Carbonnier, Alain Schoenenberger, Milad Zarin, Moez Ouni and Lorenzo La Spada, "Effets économiques de l'aide publique au développement en Suisse," *International Development Policy*, Policy Briefs | Working Papers (2012), 6-7, <http://poldev.revues.org/1284>

² SDC and SECO, *Annexe Statistiques 2010. Rapport Annuel 2010: Coopération internationale de la Suisse* (Bern: SDC and SECO, 2011), 8-9 and OECD DAC, "Mise en œuvre de la recommandation du CAD de 2001 sur le déliement de l'aide : examen 2010-2011," Retrieved August 25, 2015 from

<http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=DCD/DAC%282011%294&docLanguage=fr>

³ OECD, *DAC Peer Review of Switzerland* (Paris: OECD, 2005), 11-12

⁴ Swiss Confederation. FDFA, "SDC in Brief," Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/sdc/portrait/text-portrait.html>

of production conditions, to help finding solutions to environmental problems, and to provide better access to education and basic healthcare services for all.¹ These goals are definitely aligned with the current objectives of the Palestinian Reform and Development Plan (PRDP), its national development plans and strategies.²

State Secretariat for Economic Affairs (SECO)

SECO is the federal center of expertise on “all core issues relating to economic policy.”³ It seeks to eliminate trade barriers, reduce Switzerland’s notoriously high prices by implementing a series of internal measures and policies and by securing access to “all markets for Swiss goods and services.”⁴ Its secondary mandate enlists SECO in the fight against global poverty by giving it power to support economic development cooperation.

SDC is more concerned with foreign aid formulation and dispensation, whereas SECO is more involved in the decision-making process that aligns federal foreign aid funding with domestic development priorities. While the former agency is more of an ‘extrovert’ and its vision is more open to the world, the latter is more pragmatic and ‘closeted.’

The legal basis for Swiss development cooperation

The legal basis of Swiss development cooperation is represented by a number of legal acts and ordinances that regulate the formulation, dispensation, monitoring and reporting of humanitarian, relief and development aid. The most important of these is the 1976 Development Aid Act (the *Act*).⁵ Its focus remains on humanitarian aid and international development assistance and cooperation. It does so by taking into account and locking in factors like aid harmonization,

¹ Swiss Confederation. FDFA, “SDC in Brief,” Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/sdc/portrait/text-portrait.html>

² Palestinian National Authority. Ministry of Planning, “Palestinian Medium Term Development Plan 2006-2008,” Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/28/The%20Medium-Term%20Development%20Plan%202006%202008.pdf>

³ State Secretariat for Economic Affairs SECO, “State Secretariat for Economic Affairs SECO,” Retrieved August 25, 2015 from <http://www.seco.admin.ch/org/00686/index.html?lang=en>

⁴ State Secretariat for Economic Affairs SECO, op. cit.

⁵ “Federal Act of March 19, 1976 on development cooperation and international humanitarian aid,” (1976)

country ownership,¹ and by prescribing the formula for Swiss aid which is meant to “strictly aid or aid on favorable terms for the recipient.”² The *Act* specifies the need for multilateral coordination of foreign aid with other donors, public and private, as well as domestic or international.³ The *Act* is unambiguously clear about the humanitarian component of Swiss federal foreign aid (Articles 7 and 8), while also stressing the importance of linking the volume of foreign aid flows voted by every legislature with the state of Swiss public finances and the needs of Swiss disadvantaged regions (Article 9). It also specifies another aspect of Swiss foreign aid practices, one that reflects the democratic character of the country, namely the virtues of the association of legal and physical persons and the Confederation with a view to “achieving the ends prescribed under the *Act*”⁴ (Article 11).

SDC’s MDGs alignment

The SDC acts to fulfill its primary mandate to alleviate poverty in the developing world and is entrusted by the Federal Council with the implementation of the ramifications of “foreign policy in humanitarian aid, development cooperation” abroad.⁵ The SDC also has a special focus on enabling disadvantaged groups from developing countries to gain “better access to education and healthcare,”⁶ which is also targeted by UN MDGs #2, #3, #4, #5, and #6. Furthermore, it is concerned with environmental protection,⁷ addressed under MDG #7, while maintaining a special “emphasis on fragile states and countries affected by conflict.”⁸

In theory, Palestinian development plans and Swiss aid architecture meet closely where issues such as poverty eradication, better access to education and healthcare, environmental protection and reconstruction of fragile and conflict-ridden countries are concerned. Both parties seem focussed on how to best implement sustainable measures to develop Palestine. The question is mostly one of securing adequate funding from Swiss stakeholders for such plans.

¹ OECD, “Paris Declaration and Accra Agenda for Action,” Retrieved February 23, 2015 from <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm> – These principles were prescribed by the Paris Declaration on Aid Effectiveness 2005 and Accra Agenda for Action 2008.

² “Federal Act of March 19, 1976 on development cooperation and international humanitarian aid,” (1976), Articles 1, 2

³ “Federal Act of March 19, 1976 on development cooperation and international humanitarian aid,” op. cit., Article 4

⁴ “Federal Act of March 19, 1976 on development cooperation and international humanitarian aid,” op. cit., Article 11

⁵ Swiss Confederation. FDFA, “SDC in Brief,” Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/sdc/portrait/text-portrait.html>

⁶ Swiss Confederation. FDFA, op. cit.

⁷ Swiss Confederation. FDFA, op. cit.

⁸ Swiss Confederation. FDFA, op. cit.

The pillars of Swiss aid for development ¹ have largely remained the same for the last decade. These are:

- Crisis, disaster or conflict prevention
- Enabling universal access to resources and services
- Promoting sustainable economic growth
- Supporting transitions to democratic, market-based economies

The MDGs are perfectly aligned with Swiss development pillars.

Swiss humanitarian aid

The Swiss Humanitarian Aid (SHA) unit of the SDC dispenses relief, humanitarian, reconstruction and rehabilitation of disaster areas, while also running disaster-mitigation plans. It operates in conflict, natural disaster and crisis zones, on a bilateral basis or under the aegis of multilateral organizations like the United Nations, the International Committee of the Red Cross (ICRC) and other international non-governmental organizations (INGOs) active on the ground.

Swiss development and cooperation aid is relatively minor in scope and scale, with 2011 figures listing Switzerland as the world's 15th largest donor (total flows).² In spite of this, Swiss aid remains relevant on the international donor stage. Swiss aid contributions have been on the rise between 2006 and 2012. In 2013, the Confederation became the 12th largest government donor of humanitarian aid, with US\$399 million.³ Over the last decade (2005-2015), Switzerland has been the 13th largest government provider of humanitarian assistance, which jumped 13 percent in 2013 alone.⁴ Over the last decade, a third of all Swiss humanitarian aid was dispatched to the Middle East. 43 percent of this type of assistance, or the backbone of Swiss aid, was distributed to fragile countries between 2008 and 2012.

Swiss humanitarian aid to Palestine is by default short-term, state-centric and tied just like all its other components. However, most humanitarian aid seldom is any different. Its many faults notwithstanding, Swiss humanitarian aid is anchored in the Swiss tradition of public and private humanitarian generosity.⁵

¹ Swiss Confederation. FDFA, "SDC in Brief," Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/sdc/portrait/text-portrait.html>

² Global Humanitarian Assistance, "Switzerland: donor profile," Retrieved February 23, 2015 from <http://www.globalhumanitarianassistance.org/countryprofile/switzerland>

³ Global Humanitarian Assistance, op. cit.

⁴ Global Humanitarian Assistance, op. cit.

⁵ Global Humanitarian Assistance, op. cit.

Swiss ODA: recent trends (2002-2010)
Table 1: Federal ODA budget by category of expenditure (2006, 2010) (% of total ODA)

Switzerland	2006	2010
SDC	65.3	62.5
Humanitarian aid	14.3	13.0
Development aid	46.6	45.1
Cooperation with Eastern Europe and CIS space	4.4	4.4
SECO	15.7	10.4
Development aid	6.9	6.6
Cooperation with Eastern Europe and CIS space	2.9	2.5
Debt forgiveness (Club of Paris)	5.9	1.3
Federal migration department (FMD)	8.7	16.5
Aid to return	0.7	0.6
Assistance for asylum seekers in Switzerland	8.0	15.9
Department of Foreign Affairs (DFA)	2.4	3.9
Civilian conflict management and human rights	2.4	2.9
Other	—	1.0
Federal department of defense, civil protection and	3.0	2.0
Actions to promote peace and security	2.2	2.0
Humanitarian aid material	0.8	0.0
Federal Department of the Environment	0.0	1.8
of which: Contributions to international organizations	—	1.8
State Secretariat for Education and Research (SSER)	0.0	0.3
of which: Grants for foreign students in Switzerland	—	0.3
Other federal departments	3.2	0.7
Cantons and communes	1.6	1.9
Total	100.0	100.0

Source: Swiss Confederation. SDC and SECO, *Retombées économiques de l'aide publique au développement en Suisse. Etude 2010* (Bern: SDC and SECO, 2012), 3

One crucial driver for Swiss foreign aid policy is the fact that aid benefits the Confederation. In addition to the declared goals of Swiss federal foreign development agencies of combating poverty, providing assistance and supporting the well-being of developing countries, Switzerland stands to reap a wealth of rewards in the process of providing foreign aid. Practically, all development cooperation programmes and projects require tenders and purchases of goods and services, as well as entailing salary and staffing payments and disbursements. In general, multilateral donor agencies, which are partially financed from Swiss federal funds, will also purchase goods and services from Swiss companies.¹ This is called tied aid and it does not have to be an obstacle to recipient's development interests unless it becomes unreasonably larger than untied aid.

Consequentially, some of the ODA goes on to generate a positive feedback loop and bring profits to the donor's economy, to the Swiss economy. In 2010, these positive feedback loops or repercussions have been gauged by the Swiss authorities by using a certified methodological method that yielded the following results. For the CHF2.4 billion that it allocated to ODA, the Confederation got a return of CHF3.6 billion directly associated to it. The arithmetic gives out the following results: each Swiss franc spent by the Swiss Confederation results in CHF1.55 in revenue gained by the domestic GDP. The data is even more categorical when it comes to the number of full-time jobs created domestically in Switzerland by Swiss ODA. Aid guarantees the Confederation a maximum of 25,000 full-time jobs each year according to one methodology.²

Multilateral and bilateral aid

Starting in 1994, SDC has engaged with various partners and stakeholders, at governmental and NGO level, either via bilateral or multilateral cooperation. Swiss multilateral cooperation for development is also very important because Switzerland is at the center of international finance. The Confederation has a good reputation in fostering and administering the technical side of international cooperation for development. Geneva and Zurich house many UN agencies,

¹ Swiss Confederation. SDC and SECO, *Retombées économiques de l'aide publique au développement en Suisse. Etude 2010* (Bern: SDC and SECO, 2012), 1

² Swiss Confederation. SDC and SECO, op. cit., 1 – The same source using another methodology asserted that in 2010 each Swiss franc invested by the Confederation in ODA added CHF1.29 to the GDP, for a total of CHF2.9 billion in revenues. In addition to that, Swiss ODA helped create 20,800 full-time domestic jobs. These are impressive gains for such a relatively moderate investment.

international financial institutions and development banks. These greatly facilitate the dispensation of aid flows. According to an independent study commissioned by the SDC and SECO, Switzerland was in 2010, one of the countries that benefited the most from its involvement with multilateral aid programs.¹ As it happens, 37 percent of Swiss ODA funding is dispensed via multilateral mechanisms as core contributions or general financial assistance, while the majority of flows, some 63 percent, are routed bilaterally. However, not all Swiss bilateral aid financing goes directly to the recipient-countries. One fifth of bilateral flows are earmarked and deposited in the accounts of multilateral organizations active on the ground and working on projects directly with recipient-countries.²

A critique of Swiss aid

What makes Swiss Aid substantially different from other national brands? What challenges and opportunities for reform must it come to terms with?

At the very least, Swiss public aid needs to liaise better with the private sector aid agencies (INGOs). According to a June 2010 survey performed by Swiss NGO, Alliance Sud, concerning aid effectiveness, Swiss aid needed to improve its collaboration with NGOs, especially with concern to formulating the policy dialogue with partner governments.³

The other issue scrutinized by Alliance Sud in its survey was the North-South relationship, with particular emphasis on SDC's financing practices in the global South.⁴ The 60 charities queried by the Alliance Sud's survey expressed concern with the lack of long-term federal funding for "core tasks"⁵ and SDC's emphasis on short-term and sterile project funding.

Aid is too important to be managed unilaterally by public agencies. Important monitoring and third-party aid assessment strategies must be implemented and particular care should be paid to ensure that more long-term aid reaches the South and that overhead costs and tied aid are diminished or even replaced altogether with untied aid. Swiss aid must also be radically reformed

¹ Swiss Confederation. SDC and SECO, *Retombées économiques de l'aide publique au développement en Suisse. Etude 2010* (Bern: SDC and SECO, 2012), 4

² Swiss Confederation. FDFA, "Multilateral cooperation," Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/activities-projects/activities/multilateral-cooperation.html>

³ Alliance Sud, "NGOs and aid effectiveness: survey in Switzerland," *Alliance Sud News*, 65 (2010), <http://www.alliancesud.ch/en/policy/aid/ngos-and-aid-effectivness-survey-in-switzerland>

⁴ Alliance Sud, "Open Forum for CSO development effectiveness Swiss consultation," *Alliance Sud*, (2010), 10, <http://www.alliancesud.ch/de/ep/eza/downloads/SWISS%20CONSULTATION%20CSO%20DEF%20EFF%20-%20June%202010.pdf>

⁵ Alliance Sud, op. cit., 2

and move towards meeting longer-term goals, like the MDGs. Finally, Swiss aid needs to move quickly to respond to the ownership principle in administering aid as undertaken by Switzerland under its OECD DAC mandate instruments [i.e. Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for action (2008)].

Swiss aid to Palestine

In 2006, the Confederation donated to Palestine aid amounting to US\$24.7 million,¹ the breakdown of which followed an interesting pattern:

- Multi-sector: US\$6.74 million
- Emergency response aid: US\$12.61 million
- Healthcare: US\$1.29 million
- Conflict prevention and resolution, peace and security: US\$1.60 million
- Other social services: US\$1.13 million
- Miscellaneous: US\$1.33 million²

By far the most important of all flows, emergency response aid was the mainstay of Swiss aid. This attests to the fact that in 2006, Swiss aid was more reactive than project based, with over half of all aid going to emergency response. Multi-sector aid makes for only a quarter of total Swiss aid, with all other important sectors and projects receiving the other 25 percent. The bias towards emergency response aid qualifies Swiss aid to Palestine as a type of aid that is not only reactive, but also inefficient. Responding to crises without attempting to address their deeper roots is an exercise in futility.

The total number of projects funded via these financial flows was 78. The amount of average funding per project was US\$316,666. Compared to the amount of funding available for international development projects from Swiss sources, Palestinian projects received significantly lower cash flows, precisely 43 percent less. If one compared Swiss aid against the level of average funding received by Palestinian projects from international sources, Swiss aid fared worse still. Swiss aid performance rated 71 percent lower than global aid. Furthermore, Swiss funded

¹ Michael J. Tierney, Daniel L. Nielson, Darren G. Hawkins, J. Timmons Roberts, Michael G. Findley, Ryan M. Powers, Bradley Parks, Sven E. Wilson, and Robert L. Hicks, "More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData," *World Development* 39, no. 11 (2011), 1891-1906

² Tierney et al., op. cit.

Palestinian projects received 87 percent less cash than the average funding received by international projects.¹ Swiss aid to Palestine seems to be drastically limited.

Table 2: Project financing – aid flows (2006, 2011)

	International aid to all recipients from all sources (US\$ constant per project)	International Aid to Palestine (US\$ constant per project)	Swiss aid to international recipients (US\$ constant per project)	Swiss Aid to Palestine (US\$ constant per project)
2006	US\$2,511,589	US\$1,098,901	US\$559,317	US\$316,666
2011	US\$1,894,299	US\$1,147,431	US\$1,072,705	US\$730,952

Data from Michael J. Tierney, Daniel L. Nielson, Darren G. Hawkins, J. Timmons Roberts, Michael G. Findley, Ryan M. Powers, Bradley Parks, Sven E. Wilson, and Robert L. Hicks, “More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData,” *World Development* 39, no. 11 (2011), 1891-1906

Status quo in 2011

In 2011, the Swiss have injected US\$30.7 million in Palestine, or 24 percent more than in 2006.² The breakdown of these flows is as follows:

- Other social services: US\$4.34 million (→up 284 percent from US\$1.13 million)
- Emergency response aid: US\$10.41 million (→down 17 percent from US\$12.61 million)
- Agriculture: US\$4.19 million
- Healthcare: US\$2.70 million (→up 109 percent from US\$1.29 million)
- Government and civil society: US\$2.67 million
- Miscellaneous: US\$6.36 million (→up 378 percent from US\$1.33 million)³

¹ Michael J. Tierney, Daniel L. Nielson, Darren G. Hawkins, J. Timmons Roberts, Michael G. Findley, Ryan M. Powers, Bradley Parks, Sven E. Wilson, and Robert L. Hicks, “More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData,” *World Development* 39, no. 11 (2011), 1891-1906

² Tierney et al., op. cit.

³ Tierney et al., op. cit.

Compared to 2006, Swiss aid funding was increased although this boost was not captured by any of the more meaningful project streams available in Palestine. For instance, social services claimed almost three times more money than before. Emergency response aid, a crucial although reactive area, lost almost a fifth of its original funding. It remains robustly funded relative to the size of Swiss aid to Palestine, with a third of aid flows being earmarked for this end. Healthcare registered a considerable increase of 109 percent, while government and civil society projects received less than 10 percent of all Swiss aid. Palestinian agriculture took in 13.68 percent of aid, while the miscellaneous category racked in four times more money than in 2006, or 20.71 percent of all Swiss aid.

In terms of number of projects funded in 2011, the Swiss supported 42 projects, a substantial decrease of 46 percent, from 78 projects in 2006. However, the average funding available to projects in the OPT rose from US\$316,666 per project in 2006, to US\$730,952 in 2011. This is a spectacular increase of over 130 percent over five years.

Considering the level and vectors of Swiss aid, Palestinian projects remain underfunded even when gauged against the level of funding disbursed by global donor commitments (36 percent less). Swiss funding is also below the international financial flows available to other global recipients (61 percent less).¹

In the meantime, the average level of international aid to Palestine has remained relatively stable. It only increased by 4 percent between 2006 and 2011. The self-evident immobility of Swiss foreign aid has raised questions about its effectiveness, domestically and internationally. Political measures have been taken internally to reform it.²

The Swiss Confederation invests in Palestine CHF20-30 million per year. This puts Switzerland behind the Top 10 major aid contributors to Palestine. SDC aid flows to Palestine are

¹ Michael J. Tierney, Daniel L. Nielson, Darren G. Hawkins, J. Timmons Roberts, Michael G. Findley, Ryan M. Powers, Bradley Parks, Sven E. Wilson, and Robert L. Hicks, "More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData," *World Development* 39, no. 11 (2011), 1891-1906

² OECD, "DAC Peer Review of Switzerland. Main Findings and Recommendations," 15, Retrieved February 23, 2015 from <http://www.oecd.org/dac/peer-reviews/switzerland2009dacpeerreview-mainfindingsandrecommendations.htm> and SWI SwissInfo.ch, "Swiss confirm support for Palestine," *SWI Swissinfo.ch*, October 13, 2014, <http://www.swissinfo.ch/eng/swiss-confirm-support-for-palestine/41056970>. These sources described the overhaul of the Swiss aid package to Palestine, which was raised from CHF25 million to CHF30 million per annum for the FY2014-2017. This modification was effected under the provisions of the 2008 Swiss federal law, mandating minimum aid levels of CHF20 million per country, in an attempt to revitalize the Confederation's international development stimulus package. This law was meant to re-focus Swiss aid to better respond to international humanitarian crises and to repurpose its programmed aid to cope with the developing countries.

hardly impressive.¹ With an average for the social development sector of less than CHF1 per capita per annum,² with another assigning 50 centimes per capita per year to the human rights and good governance sector, and another allocating less than 50 centimes per year per person for the environment, education, training and research sector, Swiss aid to Palestine is underfunded, ineffective and of doubtful quality.³

In terms of aid volume, Palestine ranked 3rd worldwide in 2012.⁴ In 2012, Palestine had a GNI per capita of US\$2,810, which qualified it as a lower middle income political entity.⁵ As such it has received insufficient aid from Switzerland, for a yearly average of CHF27 million, consistently for the period of 2006-2013.⁶

Also according to the SDC,⁷ the combined Swiss public and private aid assistance flows to Palestine totalled CHF32,540,000 in 2011, and CHF32,946,000 in 2012. This minute increase in funding disguises perhaps a slight fatigue of Swiss aid.

In 2011, Swiss public aid amounted to CHF23,578,000, which represented 72 percent of the combined aggregate flows, with private flows to Palestine accounting for CHF8.96 million. A year later, Swiss public aid had risen to CHF27,390,000 (a 16 percent boost), which still represented 83 percent of the combined aggregate flows, with private flows to Palestine accounting for just CHF5.55 million.

A closer investigation found that the total budget of development cooperation aid flows remained constant compared to the budget of the SDC. In 2011, SDC allotted CHF13,815,000 (62 percent of total aid) to Palestinian development cooperation. A year later, it increased this funding to CHF16,596,000. This meant that its ODA/CPA aid remained constant vis-à-vis the

¹ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007), 18

² Here, we have used the same calculation from before, and divided the Palestinian population (3.7 million) to the yearly aid contributions dispensed in the OPT.

³ Swiss Agency for Development and Cooperation (SDC), op. cit., 18

⁴ Global Humanitarian Assistance, “Country Profiles: Overview,” Retrieved February 23, 2015 from <http://www.globalhumanitarianassistance.org/country-profiles>

⁵ World Bank, “World Development Indicators. West Bank and Gaza,” Retrieved December 22, 2014 from <http://data.worldbank.org/country/west-bank-gaza>

⁶ Michael J. Tierney, Daniel L. Nielson, Darren G. Hawkins, J. Timmons Roberts, Michael G. Findley, Ryan M. Powers, Bradley Parks, Sven E. Wilson, and Robert L. Hicks, “More Dollars than Sense: Refining Our Knowledge of Development Finance Using AidData,” *World Development* 39, no. 11 (2011), 1891-1906

⁷ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114

overall budget of the SDC (64.21 percent).¹ While SDC's commitment to Palestinian ODA warrants enough importance for Swiss aid architects to maintain a constant funding, their focus remains on emergency and humanitarian response rather than on programmable aid. This focus on short-term aid is one of the major factors undermining Swiss aid effectiveness in Palestine.

Swiss aid for development cooperation to Palestine is faced with constraints and limitations. All in all, it fails to respond to the principles of Paris Declaration on Aid Effectiveness (2005). Furthermore, by not denouncing the Israeli Occupation of the West Bank and Gaza Strip (WBGs), Switzerland renders its own aid flows ineffective and condemns Palestine aid cooperation to failure.

Political and economic objectives of Swiss aid to Palestine

The Switzerland-Middle East nexus of trade

The nexus of trade between the Swiss Confederation, Israel and Palestine, shows a heavy Swiss bias towards Israel, which serves only to reinforce the colonial context that places the Swiss-Palestine aid dynamics in a subservient position to Israeli militant colonialism. This is reflected by the Swiss government's adherence to its domestic economic growth mandate, which compels it to refrain from effectively supporting Palestinian human development. Through its actions as a donor, Switzerland has been tacitly reinforcing the Israeli economic clout as a regional powerhouse, which is predicated on a model of exploitation of Palestinian resources.

Swiss-Israeli relations

Swiss involvement in the Middle East is complex. In addition to maintaining healthy relations with Israel, Switzerland has been among the first nations to recognize Palestine's struggle for independence and statehood, as well as one of the first to provide development and humanitarian aid to the Occupied Territories. The Swiss Confederation believes in maintaining good relations with both regional actors. Switzerland looks forward to a resolution of the Israeli-Palestinian conflict, predicated on restoring security throughout the region and an independent Palestine. Swiss diplomats have been actively trying to persuade a relaxation of the 2005 Israeli Gaza blockade, on

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

humanitarian grounds.¹ Swiss neutrality prevents it from acting hastily in such matters and this is a price that the Confederation is ready to pay.²

In practical terms, the Swiss Confederation is opposed to openly supporting both the Israeli narrative as well as the Palestinian struggle for statehood. Therefore, Switzerland has abstained from recognizing Palestine as a state, although it did recognize “the Palestinian people's right to self-determination, along with their right to set up a viable State in accord with UN Security Council Resolution 1397.”³ The Confederation also recognizes Israel's right to exist. It also promotes a “fair and comprehensive negotiating solution to the issue of Palestine refugees” and “a negotiated settlement on the final status of Jerusalem.”⁴ Political considerations aside, large commercial and economic considerations weigh heavily in favor of renewed and robust Swiss-Israeli relations.⁵

Traditionally outstanding,⁶ the relations between the two countries entered a period of low expectations in 2002, when in the wake of the Al-Aqsa Intifada and confronted with the escalation of Israeli repression, Switzerland halted arms sales and military cooperation with Israel for 4 years (2002-2005).⁷ Switzerland also asserted to support diplomatic overtures by engaging *tous azimuts* with all parties to the Middle East conflict, including Hamas and Hezbollah.⁸ Despite these setbacks, the record shows that Swiss-Israeli relations are quite robust, especially when it comes to military cooperation.⁹

¹ Frédéric Burnand, “Swiss diplomats contribute to Gaza access,” *SWI Swissinfo.ch*, June 19, 2010, <http://www.swissinfo.ch/eng/swiss-diplomats-contribute-to-gaza-access/9129086>

² SWI SwissInfo.ch, “Moving towards the UN in slow motion,” *SWI Swissinfo.ch*, May 25, 2007, <http://www.swissinfo.ch/eng/moving-towards-the-un-in-slow-motion/291972> and Swiss Confederation. FDFA, *ABC Switzerland UN* (Bern: FDFA, 2012), 10 – As a rule, diplomatic relations vacillate between historical highs and lows. This is also the case with Swiss-Israeli and Swiss-Palestinian relations. However, neutrality allowed Switzerland to avoid major fluctuations.

³ Swiss Confederation. FDFA, “Bilateral relations Switzerland–the occupied Palestinian territory,” Retrieved April 26, 2015 from <https://www.eda.admin.ch/eda/en/fdfa/representations-and-travel-advice/palestinian-authority/switzerland-palestinian-authority.html>

⁴ Swiss Confederation. FDFA, op. cit.

⁵ Urs Diethelm, “Swiss-Israeli Relations and the Swiss BDS Campaign,” Retrieved August 27, 2015 from <http://www.badil.org/component/k2/item/101-swiss-israeli-relations-and-the-swiss-bds-campaign.html>

⁶ Swiss Confederation. FDFA, “Switzerland and Israel. Bilateral relations,” Retrieved February 23, 2015 from <https://www.eda.admin.ch/countries/israel/en/home/switzerland-and/bilateral-relations.html> and Diethelm, op. cit.

⁷ Swiss Confederation. FDFA, op. cit.

⁸ Simon Bradley, “Maurer to visit Israel amid thaw in relations,” *SWI Swissinfo.ch*, October 8, 2010, <http://www.swissinfo.ch/eng/maurer-to-visit-israel-amid-thaw-in-relations/28497494>

⁹ Diethelm, op. cit.

The commercial balance of the Confederation with Israel has always registered a surplus, and Israel is an important trade partner, capturing 1.2 to 1.8 percent of total Swiss exports, while Swiss investments in Israel reach approximately CHF500 million.¹ By 2001, the Swiss exported to Israel US\$1.157 billion worth of goods, while Israeli exports to all EFTA countries represented US\$331 million.² By 2014, Switzerland was exporting US\$1.2 billion and importing US\$688 million from Israel.³ Switzerland has an export surplus to Israel, which is based on diamonds, pharmaceutical products and chemicals, machines and the watch trade business.⁴

Swiss-Israeli cooperation maybe more important to the Swiss federal government than Palestine, also because of these important bilateral ties. Swiss-Israeli cooperation brings in economic benefits that far outweigh those derived by Switzerland from Palestine. Perhaps this is why Swiss support to Palestine remains more technical, humanitarian and reactive,⁵ and less proactive.

Swiss-Palestinian relations

Swiss-Palestinian bilateral relations are predicated on a different scale than Swiss-Israeli relations. This is a reflection of the gulf between the quality and size of the economies of Israel and Palestine. Basically, the fact that Israel's economy is 15 times bigger than that of Palestine⁶ has a spillover effect into the nature and extent of bilateral trade relations Switzerland enjoys with both trading partners.

In 2012, Switzerland imported US\$542,000 worth of goods from Palestine, or 0.62 percent of the total value of Palestinian exports. This made the Confederation the 16th largest commercial partner of Palestine. Switzerland exported to Palestine US\$29 million in goods and services, or 6

¹ Urs Diethelm, "Swiss-Israeli Relations and the Swiss BDS Campaign," Retrieved August 27, 2015 from <http://www.badil.org/component/k2/item/101-swiss-israeli-relations-and-the-swiss-bds-campaign.html>

² European Free Trade Association (EFTA), "Free trade agreements: Israel," Retrieved February 22, 2015 from <http://www.efta.int/free-trade/free-trade-agreements/israel>

³ EFTA, "EFTA – ISRAEL: Merchandise trade (2014)," Retrieved August 25, 2015 from <http://www.efta.int/media/documents/free-trade/trade-statistics/Israel.pdf>

⁴ Diethelm, op. cit., and William George Shuster, "Cautious Optimism Fills Baselworld Buoyed by Asian Demand for Luxury," Jewelry News Network, March 9, 2012, <http://jewelrynewsnetwork.blogspot.ca/2012/03/cautious-optimism-fills-baselworld.html>

⁵ Swiss Peace Foundation, "Israel/ Palestine," Retrieved February 23, 2015 from <http://www.swisspeace.ch/countries/israelpalestine.html>

⁶ Nassar Ibrahim, *Illusion of Development under Israeli Occupation. The Political Motivations of Donors to the Palestinians* (Bethlehem, Jerusalem and Beit Jala: Latin Patriarchate Printing Press, 2011), 37

percent of the total value of OPT imports. This allowed Switzerland to become Palestine’s 7th largest trading partner.¹ Two factors affect the outcome of Swiss-Palestinian relations. First, this is a mounting deficit for Palestinian imports. Second, the growing deficit of the Palestinian trade balance is still far behind the Israeli trade balance deficit. Israel provides a far better trading destination for the Confederation than Palestine. The Swiss prefer to engage with a bigger market like Israel’s over the smaller one of Palestine.

Table 3: Palestine and Switzerland: trade (im)balance

	2000	2005	2007	2010	2012
Palestinian Imports from Switzerland	US\$1.79 million	US\$11.8 million	US\$17.7 million	US\$40.1 million	US\$29.1 million
Palestinian Exports to Switzerland	US\$542,000	US\$366,000	US\$295,000	US\$395,000	US\$542,000
Trade balance PA deficit – in red	US\$1.2 million	US\$11.4 million	US\$17.4 million	US\$39.7 million	US\$28.5 million
Annual growth rate of PA deficit	Baseline year	+ 850 percent	+ 1350 percent	+ 3208 percent	+ 2275 percent

Data from the Observatory of Economic Complexity, “Palestine,” Retrieved February 23, 2015 from <http://atlas.media.mit.edu/profile/country/pse/>

The growing Palestinian trade deficit coupled with the Israeli Occupation of the Territories, makes a rejuvenation of Swiss aid in Palestine less likely to occur in the near future. In 2010, the Summary of Israel’s Foreign Trade by Country placed Switzerland among the countries with which Israel had the biggest trade deficit.² Since the Swiss economy is overwhelmingly dependent on

¹ Ricardo Hausmann, C.A. Hidalgo, S. Bustos, M. Coscia, S. Chung, J. Jimenez, A. Simoes, and M. Yildirim. *The Atlas of Economic Complexity* (Cambridge MA: Puritan Press, 2011)

² State of Israel. Central Bureau of Statistics, Press Release: Summary of Israel’s Foreign Trade by Country – 2010, (Jerusalem: Central Bureau of Statistics, 2011), 1, http://www.cbs.gov.il/hodaot2011n/16_11_011e.pdf

trade, and given that in 2006 it exported to Israel USD2.58 billion,¹ USD2.7 billion in 2012,² and USD3.09 billion in 2013,³ it is very difficult to dissociate the low quality and quantity of Swiss ODA to Palestine from the pregnant facts of the positive trade balance sheet the Confederation enjoys with Israel.

Swiss Humanitarian Aid to Palestine (2010-2012)

All in all, humanitarian aid slightly increased from CHF7,325,000 in 2011, to CHF8,310,000 in 2012. This represented a 13 percent increase, although proportionately to Swiss public aid to Palestine, humanitarian aid remained constant. In 2011, humanitarian aid represented 31 percent, and in 2012 just 30 percent of total public aid.⁴

The first and foremost driver for Swiss public and private development cooperation involvement in Palestine is the humanitarian⁵ aspect of the Swiss development cooperation programmes. As it can be seen from the statistical data analyzed, emergency response aid is still the biggest recipient of project funding.

The distribution of humanitarian aid was as follows. The ICRC received the lion's share, or CHF4 million per year, representing 55 percent of the humanitarian aid budget in 2011, and just 48 percent in 2012. The OPT, the UNWRA and School Gaza project received together CHF660,000 in 2011, and almost double that amount in 2012, CHF1,148,000, which given the context of a slightly larger humanitarian aid budget in 2012, meant that the Confederation realized that its humanitarian aid required boosting. Overall, not all humanitarian aid projects or programs received as much funding as the ICRC, OPT, UNRWA or School Gaza projects did. If the World Food Program (WFP) Contributions for Food Aid benefited from a year-on-year increase of 43 percent from CHF700,000 to CHF1 million, from 2011 to 2012, the same cannot be said about the Office for the

¹ Hausmann, R., C.A. Hidalgo, S. Bustos, M. Coscia, S. Chung, J. Jimenez, A. Simoes, and M. Yildirim. *The Atlas of Economic Complexity*. (Cambridge MA: Puritan Press, 2011), http://atlas.cid.harvard.edu/explore/tree_map/export/che/isr/show/2006/

² Hausmann et al., http://atlas.cid.harvard.edu/explore/tree_map/export/che/isr/show/2012/

³ Hausmann et al., http://atlas.cid.harvard.edu/explore/tree_map/export/che/isr/show/2013/

⁴ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

⁵ Swiss Confederation. SDC, *Swiss Humanitarian Aid. Saving lives, alleviating suffering* (Bern: SDC, 2013), 1

Coordination of Humanitarian Affairs' (UNOCHA or OCHA) OPT funding, which diminished during the same timeframe from CHF500,000 to CHF450,000.¹

Others were more fortunate in securing SDC funding, such as the case was with UNOCHA - Emergency Response Fund for the OPT (2012-2013), which received a cash boost of half a million Swiss francs in 2012. Equally fortunate, UNRoD: Support to the outreach and claim intake activities of the United Nations Register of Damage, got CHF450,000 in 2012.² Neither had previously received any funds in 2011 though, which means that Swiss humanitarian aid lacked consistency. Although sometimes it responded to certain stimuli, Swiss humanitarian aid has been unpredictable and ineffective. The UNRWA Barrier Monitoring Unit even saw its funding decreased from CHF523,000 in 2011, to CHF428,000 in 2012, an 18 percent cut. The World Health Organization's (WHO) health programmes, shared its fate and saw its Palestinian budget cut by more than 55 percent during the same time, from CHF593,000 to CHF264,000. Not even the budget for miscellaneous items, projects and programmes was spared. This sector took the worst hit. Its original 2011 budget of CHF349,000 was cut by 80 percent to CHF70,000, in 2012.³

All in all, Swiss public humanitarian aid can be said to respond to external stimuli. This makes it more reactive than proactive. It is also underfunded relative to the severity of the Palestinian crisis. The first three recipients of Swiss humanitarian aid in 2011 and 2012, which were the ICRC (1), OPT & UNWRA & School Gaza (2) and the WFP (3) represented close to 80 percent of total Swiss humanitarian aid in 2012, while a year before they had only absorbed 73 percent of Swiss humanitarian aid.⁴ This means that Swiss humanitarian aid is being reorganized and appears to have taken a more focussed stance in its programming and project delivery.

The role of the Federal Department of Foreign Affairs (FDFA)

Between 2011 and 2012, the FDFA had three major programs running in Palestine. These programs financed the following projects:

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Swiss Confederation. SDC, op. cit., 114-115

⁴ Swiss Confederation. SDC, op. cit., 114-115

- the budget of the Human Rights Adviser in Ramallah, who received CHF82,000 in 2011, and CHF173,000 in 2012;
- the budget of the Geneva Centre for the Democratic Control of Armed Forces (DCAF): Palestinian Security Sector Reform, that was meant to reinforce the democratic control of the Palestinian security sector, and which received CHF160,000 in 2012; and
- the deployment of technical experts in Palestine; these received CHF417,000 in 2011, and only CHF110,000 a year later.¹

Empirically, a sharp drop in the salary treatments of experts deployed in the region can be detected. These decreased by almost 74 percent within 1 year. Furthermore, the share of the FDFA budget relative to the general federal aid budget, dropped from 4 percent in 2011, to just 2.08 percent in 2012. This is an almost 50 percent cut in the share of FDFA's budget.²

A number of conclusions become apparent. First, since the FDFA budget was mostly operational and strictly allotted to running expert deployment programs, most of these financial flows represented overhead costs for programmes run by the FDFA, which meant that they had a bigger chance of being recouped by the Confederation. Second, FDFA's contribution to Palestinian development was declining and that meant FDFA was no longer a major donor. It also signified that it could no longer be relied on to play a major role to support future Palestinian development plans.

Cantonal aid flows

What is the import of cantonal aid flows to the economy Swiss of aid to Palestine?

Within the Confederation, four major cantons (Zurich, Basel-Stadt, Basel-Landschaft and Geneva) provided 99.14 percent of all cantonal aid, in 2012. In 2011, Basel-Stadt alone shouldered 56.82 percent of the cantonal foreign aid bill to Palestine.³ Swiss cantonal aid is the province of these four cantons, the traditionally economic powerhouses of the Confederation.

Within the cantonal scheme of dispensing aid to Palestine, four cantons have taken the lead in 2011 and 2012. Zürich captured 61 percent of total cantonal aid in 2012, when it contributed

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Swiss Confederation. SDC, op. cit., 114-115 and Jokinen, J. "Percentage Calculator". Retrieved February 23, 2015 from <http://www.percentagecalculator.net/>.

CHF430,000 out of the CHF700,000 dispensed. Basel-Stadt (Basel-city) came in second with CHF132,000 or 18.85 percent of total cantonal aid. Basel-Landschaft (Basel rural) ranked third with CHF100,000 or 14.28 percent of cantonal aid to Palestine. Finally, Geneva (the canton) only contributed a modest CHF32,000 or 4.57 percent of total cantonal aid dispensed in 2012.¹

Cantonal aid to Palestine had also been quite reduced in 2011, when just CHF227,000 were almost evenly split between Basel-Stadt, which contributed CHF129,000, and an assortment of various other cantons, which collectively donated CHF98,000. By comparison, by 2012, total cantonal aid had increased by 208 percent,² which proves that cantons had an appetite for aid, albeit a small one in this case. Surprisingly, at this level, there is still some room for improvement as the sharp rise in cantonal aid from one year to the other attested.

However, the share of cantonal aid relative to federal aid remains low.

Communal aid flows

How does Swiss communal aid to Palestine rank against other flows?

Communal aid lacks robustness and is ineffective.

When it comes to communal aid, or aid disbursed by communes,³ to Palestine, a quick overview will reveal that it has remained practically unchanged within the two fiscal years surveyed. The communes contributed CHF274,000 in 2011, and CHF284,000 in 2012. During this timeframe there was a considerable drop in the contribution of the City (or commune) of Geneva, which donated CHF245,000 in 2011, and only CHF155,000 in 2012 (or 35 percent less).⁴

Although beneficial, Swiss communal aid to Palestine is ineffective when compared against global aid flows. These measure aid to Palestine in the billions of dollars per annum. Swiss communal flows are diminutive and lack effectiveness for systemic reasons the author has largely explored elsewhere in this paper.

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Andre Liebich, "Federalism Swiss Style [Essay]," Retrieved February 23, 2015 from <http://news-archive.mcgill.ca/s96/2.htm> – Swiss communes are the smallest political and administrative units of the Swiss confederation. To exemplify this further, in order for one to obtain a Canadian passport, one has got to fulfill certain federal criteria. Whereas if one wishes to become a naturalized Swiss citizen, one must be accepted by one's commune of residence, as a "*bourgeois*" or "burger" before receiving the red passport with the white cross.

⁴ Swiss Confederation. SDC, op. cit., 114-115

Swiss public-private aid partnership

Swiss public aid also reached Palestine via federal subsidies disbursed to Swiss NGOs operating in the OPT. The Confederation assigned such subsidies to three major Swiss NGOs and several smaller ones. By order of their subsidies, these were CFD-*Christlicher Friedensdienst*, in receipt of approximately CHF300,000 on average in 2011 and 2012, HEKS / EPER with receipts of roughly CHF265,000, and *Fondation Terre des homes*, with roughly CHF220,000 per year.¹ These figures attest that Swiss aid subsidies developed a tendency to favor the same NGOs over time.

Empirically, two things become apparent. First, the three major recipients of public subsidies received more than 78 percent of all federal subsidies in 2011. The same NGOs took in more than 87 percent of all federal money in 2012, in spite of the fact that overall funding was cut back by almost 4 percent, in one year. This demonstrates the unsteady character of Swiss federal aid subsidies. Second, Swiss federal aid subsidies' share of the total public aid to Palestine represented 4.14 percent in 2011, and just 3.42 percent in 2012, which marked a 17.39 percent decrease in one fiscal year.

These facts reinforce the knowledge that public aid subsidies under CHF1 million have a lesser impact in the context of the Palestinian crisis, and prove that federal aid subsidies to Swiss NGOs in Palestine are far from effective. Although, to some small degree, they alleviate the socio-economic discomfort of Palestinians.

Is Swiss private aid to Palestine sufficiently robust to make up for the modest public flows? Data show that although most private organizations provide a relatively insignificant amount of aid to Palestine, there are organizations which rise to the challenge. One of them, Children's Relief Bethlehem, accounts for more than 50 percent of Swiss NGO aid to Palestine.

In 2011, Swiss private flows to Palestine amounted to CHF8,962,000. By 2012, the data show a marked decrease of 38 percent, to CHF5,555,000.² While some Swiss private flows such as KHB-*Kinderhilfe* Bethlehem (Children's Relief Bethlehem),³ exceeded by far and large the minute, ineffective or even non-existent government aid, most Swiss NGOs lacked their power, dedication

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Children's Relief Bethlehem, "Guidelines. Children's Relief Bethlehem – who we are," Retrieved December 22, 2014 from <http://www.kinderhilfe-bethlehem.ch/en/who-we-are/> - This NGO is an international ecclesiastical aid agency dedicated to providing (medical) help to children and mothers in Bethlehem.

and regional commitment. To put this into perspective, just in 2011, Children's Relief Bethlehem spent CHF6,345,000, or 71 percent of total Swiss INGO aid to Palestine. While these figures decreased in 2012, when it spent only CHF3,144,000, this still accounted for 56 percent of total Swiss NGO aid to Palestine.¹

Goodwill cannot replace systemic aid. In practice, NGOs like Children's Relief Bethlehem are unable to make too much of a difference in a land ravaged by war and compounded by decades of international neglect like Palestine. Aid fragmentation was another serious factor undermining Swiss NGO aid effectiveness. In 2011, 29 percent of private aid was divided between 11 other smaller NGOs, for a total of CHF2,617,000. By 2012, the situation had failed to change much, with 44 percent of private aid going to Palestine, or CHF2,411,000 contributed collectively by 14 different private donors.² These figures are salient because they show that aid fragmentation can be an issue even on a smaller scale, one that concerns private entities, not only at country-, agency- or multilateral level.

Private (NGO) aid flows to Palestine ranked second compared to development cooperation aid flows in 2011. Then, NGOs contributed CHF8,962,000 or 38 percent of total federal aid and 28 percent of all aid flows (public and private) to Palestine. In 2012, private aid flows ranked third in the general economy of all aid flows. Then, NGOs contributed CHF5,555,000 or 20 percent of federal aid, and only 17 percent of all aid flows to Palestine.³

In 2011, humanitarian aid came in second place after private aid flows. In 2012, NGO aid had overtaken the latter. Regardless of these figures, one aspect is quick to surface. Although overall weak, Swiss NGO aid to Palestine shows some potential and may lay some claims to robustness if the federal authorities become more involved in supporting it. Nonetheless, both aid streams must be reinforced by a solid affirmation of Swiss humanitarian principles by the federal government. All foreign aid to Palestine must also be framed as a financial pledge supporting Palestinian political and developmental determinations. All foreign aid must disregard Israeli political pressures for maintaining the illegal *status quo* of the Occupation.

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Swiss Confederation. SDC, op. cit., 114-115

SDC's Cooperation Strategy

The SDC Cooperation Strategy in Palestine stems from the larger 2002–2006 Medium-Term Concept of the Middle East & North Africa (MENA) Division of SDC Development Cooperation Department. This was part of the “2001 Swiss foreign policy strategy for the Southern and Eastern Mediterranean basin.”¹ This framework is evocative of Swiss cooperative and inclusionary principles which associate peace to development. MENA’s main objectives are shared by the SDC. Both agencies regard the democratisation of the region, eradication of poverty (MDG#1) by improving living conditions, and regional social and institutional reforms, as being at the crux of the matter when it comes to regional development. This optic perceives poverty reduction as the major driver in empowering disadvantaged groups and reducing inequality.²

The SDC Cooperation Strategy in Palestine is built around four main principles:

1. From crisis management to peace-building;
2. From emergency support to sustainable development;
3. A commitment to state building; and
4. Aid harmonization.³

These principles are articulated around a number of themes and objectives, some of them openly political and driven by the mandate of the federal government or the guidelines of the FDFA, while others are purely humanitarian.

Swiss development interests are focussed on a number of objectives that its programming needs to consider. These are as follows:⁴

Objective 1: Enhance prospects for peace

This objective dealt with the protection of human rights in Palestine. It was meant to foster a direct connection with a culture of peace and tolerance in the region. Gender was another component of Swiss development strategy in the WBGs. SDC focussed on youth and women, two

¹ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007)

² Swiss Agency for Development and Cooperation (SDC), *op. cit.*, 6

³ Swiss Agency for Development and Cooperation (SDC), *op. cit.*, 12

⁴ Swiss Agency for Development and Cooperation (SDC), *op. cit.*, 12-13

social categories that have traditionally been ignored in Palestine. This remains a major goal for the SDC.

Objective 2: Improving living conditions

SDC intended to attend to the psycho-social wellbeing of vulnerable social groups. In April 2006, these represented the 70 percent of the Palestinian population living in poverty,¹ or the 80 percent that lived in depression,² or perhaps the 44 percent that sought to migrate to another country to escape the lack of opportunities in their native land.³ The SDC focussed on supporting the provision of sustainable basic services to all Palestinians, as well as enabling future generations to access equitable opportunities, while continuing to deliver short-term relief assistance and technical support to the most vulnerable social segments.

In this respect, the SDC and the Ministry of Planning and Administrative Development (MOPAD) as well as the Welfare Association continued to coordinate their support for a fast-acting employment programme during the surveyed timeframe. The Welfare Association is a Swiss-registered non-profit private organization established in 1983 to foster the development of Palestinian society. What made this private association one of the most successful Swiss aid endeavors of all time was its US\$200 million investment in Palestinian development.⁴

The technical assistance provided by the SDC took on many manifestations, one of which was the professional reinsertion of ex-detainees in active life. This enlisted the support of the Palestinian private sector, which contributed by creating short-term jobs for youth and by linking the business industries with the training and vocational capacities of the Palestinian education sector.⁵

The SDC is a firm believer in promoting this type of linkages, which allow the private sector to discharge its social responsibilities, while also fostering economic growth by employing the disadvantaged classes. Nonetheless, these short-term jobs, hailed as a great triumph by the SDC, were not really a driver of societal change. These jobs acted more like a relief valve. They were not

¹ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007), 8

² Swiss Agency for Development and Cooperation (SDC), op. cit., 7

³ Swiss Agency for Development and Cooperation (SDC), op. cit., 7

⁴ Swiss Agency for Development and Cooperation (SDC), op. cit., 12 - For a profile of the Welfare Association, see original footnote 11. Between 1983 and 2009, the Welfare Association dispensed US\$200 million in total investments.

⁵ Swiss Agency for Development and Cooperation (SDC), op. cit., 12

proficient at building a stable development platform and could not replace a long-term strategy. In this case, the SDC has mistakenly been supporting its policy on a fallacy rather than factual feedback from the ground.

Objective 3: Promote viable and sustainable institutions

The scope of this objective was to shore up the capacity of Palestinian stakeholders, other than Hamas, in areas such as governance, staff development, and monitoring and controlling capacity. In this capacity, the SDC has been engaging with donors sharing similar values and ethics, while also liaising with Palestinian partners who demonstrated an aptitude for sustainable plans and efficient use of resources.

Nonetheless, a major issue hindering the achievement of this objective was the premeditated and unrequited exclusion of Hamas as a major stakeholder, on purely political grounds. This went against the very principles of democracy the SDC had been advocating in its Cooperation Strategy in Palestine. In spite of this shortcoming, the SDC claimed to have reached a “positive and rich experience in partnerships with several Palestinian ministries (Ministry of Planning, Ministry of Labour, Ministry of Education, Ministry of Culture, Ministry of Ex-Detainees and Detainees Affairs,”¹ while also benefiting from meaningful contacts with local NGOs administered by Palestinian professionals.

Its purpose was to support the Palestinian Medium Term Development Plan (MTDP), which prioritized the national development goals with donors’ strategies. Furthermore, the SDC (2006-2010) Cooperation Strategy was predicated around the inclusion of non-governmental actors like the Palestinian civil society, whose historical grassroots and involvement in social welfare programs, research and human rights continues to be capital. Nonetheless, this aspect of the Cooperation Strategy was plagued by internecine fighting with the Palestinian Authority for donor funding.²

¹ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007), 13

² Swiss Agency for Development and Cooperation (SDC), *op. cit.*, 9

SDC Cooperation Strategy: advantages and shortcomings

How did the Cooperation Strategy support Palestinian development? What were its strong points and shortcomings?

The most binding constraint to effective Swiss aid to Palestine was the fact that it mostly benefited domestic economic growth targets, without making a substantial impact in the OPT. Every franc spent on foreign aid by the Confederation generated CHF1.55 domestically.¹ On the other hand, Swiss development agencies attempted to examine the feasibility of long-term, practical opportunities of technical collaboration in the Middle East. Water infrastructure and conservation projects represented important Swiss undertakings. Swiss expertise is a highly valued and in demand commodity, one that also commands bi-partisan buy-in from both sides, Palestinian and Israeli. Neutrality played a role too, although a discrete one. It allowed Swiss water cooperation expertise to be summoned, a study was drafted, its conclusions inescapable. Water cooperation can overcome difficult obstacles, if political will is present on both sides.

The SDC strategy was focussed on the medium- and long-term prospects of recipients, its own interests and those of like-minded donors.² Given the national mandate of this agency, it is safe to assume that Swiss interests were prioritized. Critically speaking, Swiss aid strategy did not appear to factor in far-reaching local events, such as the Hamas victory in the 2006-legislative elections. This game-changer was only considered under a portfolio risk analysis of SDC assets, and not as a corner-stone to redesigning Swiss public development strategy in the Occupied Territories, as perhaps it should have been. Swiss aid was based on its *Act* which links the foreign development strategy to its domestic economic performance. This was a major obstacle that prevented Swiss aid from reaching a higher potential in its triangular relation with recipients or the MDGs. The SDC Strategy was visibly a donor-biased strategy. This determination is based on the fact that SDC focused more on the donor's strengths to select the sector of action.

Swiss aid failed to be effective due to being plagued by three main constraints. Swiss aid was tied since it mostly benefited the Confederation. It was state-centric as it was predominantly linked to the official development plans of the PNA and did not engage the civil society. And it was

¹ Swiss Confederation. SDC and SECO, *Retombées économiques de l'aide publique au développement en Suisse. Etude 2010* (Bern: SDC and SECO, 2012), 1

² Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007)

established to operate on a short-term basis, as a temporary stop-gap solutions exclusively designed to offer temporary humanitarian relief to Palestine.

Aid monitoring

Past SDC practices (2007) were to review and reorganize cooperation strategies every 5 years or so.¹ As a rule, the Swiss development cooperation programme in Palestine did not submit to other forms of monitoring outside self-assessment,² which may have prevented any measures to enhance its effectiveness.

Aid alignment remains a big issue for the SDC, and as long as Palestine is not associated to the decision making process and allowed a measure of feedback into how aid is formulated by the Swiss aid policy makers in their Bernese or East Jerusalem offices, Swiss ODA will continue to remain quasi-irrelevant in Palestine.

Having examined Swiss aid volumes and aid programming to Palestine, we now turn to analyze whether Swiss aid has helped Palestine achieve the United Nations Millennium Development Goals or not.

SDC's MDGs scorecard in Palestine

Since the Swiss aid programme³ is not directly tuned into the MOPAD PRDP MDGs Strategy, it is rather difficult to find a direct link between the two. However, as the Palestinian development strategy and Swiss aid approach have both factored in the attainment of MDGs, one may always examine the two separately, with the expectation to explore any potential linkages subsequently.

MDG #1 Eradicate extreme poverty and hunger

By the end of the surveyed period, SDC and SECO jointly managed to send Palestine just CHF4.7 million in 2011 in ICRC Emergency Aid Contributions and WFP Food Aid contributions. A year later this amount increased to CHF5 million. The minute value of Swiss food aid

¹ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy (CS) 2006–2010 for the Occupied Palestinian Territory (OPT)* (Bern: SDC and FDFA, 2007), 15

² Swiss Agency for Development and Cooperation (SDC), *op. cit.*, 14

³ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

notwithstanding, especially when projected against the backdrop of the bigger goal of eradicating extreme poverty and hunger, this amount remains derisory when compared to SDC's disproportionate administrative budget in Palestine. This was CHF1.9 million in 2011, and CHF1.5 million in 2012.¹

High administrative costs are also deplored by OECD DAC throughout the 2005, 2009 and 2013 Peer Reviews of Swiss aid,² although it is clear that the Swiss ODA development programme is not directly responsible to its recipients. Swiss federal foreign aid is only accountable to decision makers at home, in Bern.

Another conclusion can be reached by dividing the value of Swiss food aid to the Palestinian population of 4 to 4.5 million (in 2010). The resulting figure of one dollar per capita per annum seems hardly sufficient to be considered effective in eradicating extreme poverty and hunger in the OPT.

MDG #2 Achieve universal primary education

SDC sponsored Palestinian education programs and on the whole its contributions helped Palestine reach this MDG, although more could have been done in this respect. Switzerland also contributed to advancing MDG#2 by Enhancing Youth Employability in the West Bank through Regional Vocational Centres (RVC). The Confederation allotted CHF1 million in 2012, and extended funding for this to Gaza, by allocating CHF635,000.³

The CFTA Center for Children in Khan Younis received CHF23,000 in 2011, while in 2012 this was increased to CHF264,000, an impressive boost in funding. All in all, the Swiss ODA budget for cultural activities drastically increased from CHF146,000 in 2011 to CHF1,786,000 in 2012. The PA, UNRWA and School Gaza programs also received funding: CHF660,000 in 2011, and almost double that amount, CHF1,148,000, in 2012. In spite of a dramatic year-on-year improvement in the volume of Swiss aid from CHF829,000 in 2011, to CHF3,225,000 in 2012, all

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² OECD, *DAC Peer Review of Switzerland* (Paris: OECD, 2005); OECD, *DAC Peer Review of Switzerland* (Paris: OECD, 2009); OECD, *DAC Peer Review of Switzerland* (Paris: OECD, 2013)

³ Swiss Confederation. SDC, op. cit., 114-115

this funding amounted to less than a dollar per capita per annum spent on aid for education, which was insufficient and therefore ineffective.¹

Even if one considered the support funding allotted to UNRWA institutional and operational educational reforms that the UN agency received from SDC in 2012, namely CHF6.9 million,² the impression of Swiss aid impotency remains hard to dispel. One could always argue that a CHF7 million aid package might have made a different impact had it been dispensed via a bilateral donation project building primary schools for example, or at least if the effort had been made to secure follow-up for this type of investment.

MDG #3 Promote gender equality and empower women

Although Swiss data sets reveal no such programs being run in Palestine with a direct focus on gender equality and women empowerment, Swiss ODA has focussed on a number of projects that supported the human rights agenda as well as citizen rights, so the author included such figures in his analysis.

In 2011, Swiss aid disbursed CHF605,000 to the Palestinian Independent Commission for Citizen's Rights (PICCR). However, by 2012, this figure had decreased to just CHF389,000, halving the effectiveness of Swiss support. Also, in 2012, a number of projects and programs were in receipt of moderate to average financial flows as follows:

- the Office of the High Commissioner for Human Rights in the Occupied Palestinian Territory received CHF630,000;
- Diakonia, the International Humanitarian Law Program in the OPT, received CHF643,000;
- the Human Rights and Governance NGO Secretariat Program received the lion's share, or CHF1,800,000.³

Irrespective of the lens one uses to examine these figures, they remain appallingly small.

The inescapable conclusion is that Swiss aid to gender equality in Palestine is quite sterile.

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Swiss Confederation. SDC, op. cit., 114-115

³ Swiss Confederation. SDC, op. cit., 114-115

MDG #4 Reduce child mortality

The contributions to Palestinian healthcare disbursed under the Humanitarian Aid flow notwithstanding, Swiss aid dispensed with a view to reduce child mortality remains quite modest. In 2011, the CFTA Center for Children in Khan Younis received CHF23,000, and by 2012, this contribution has increased to CHF264,000. At the same time, the UNDP/ PAPP - Mapping Study on the Situation of the Public Civil Servants in the Health and Education Sectors in the Gaza Strip, which was known to work towards reducing child mortality, received only CHF180,000.¹ These funds couldn't really be expected to achieve this objective on their own, but since they added value to Palestinian healthcare programmes, could be deemed to help tactically, if only so minutely. Their intrinsic value had more in common with the "do no harm" development principle championed by OECD DAC,² than it did with advancing Palestinian efforts to reach this Goal.

From a strategic perspective though, less than half a million Swiss francs 'fragmented' over two years, and shared by two projects with no direct ramifications to the goal at hand, are an ineffective use of Swiss financial clout.

MDG #5 Improve maternal healthcare

In 2011 and 2012, public Swiss ODA did not provide any funding with the express aim to improve maternal health in Palestine, outside humanitarian aid flows.³ This ought to be an area of concern for Swiss aid architects.

MDG #6 Combat HIV/AIDS, malaria and other diseases

In 2011 and 2012, public Swiss ODA did not expressly fund the fight against HIV/AIDS, malaria or other diseases in Palestine, outside humanitarian aid flows.⁴ This too should preoccupy Swiss aid designers and resources need to be allocated in this respect.

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² OECD, "Conflict and Fragility - Do no Harm - International support for state building," 3, Retrieved August 25, 2015 from <http://www.oecd.org/dac/governance-peace/conflictandfragility/docs/do%20no%20harm.pdf>

³ Swiss Confederation. SDC, op. cit., 114-115

⁴ Swiss Confederation. SDC, op. cit., 114-115

MDG #7 Ensure environmental sustainability

In 2011 and 2012, public Swiss ODA did not explicitly subsidize any efforts to ensure environmental sustainability in Palestine.¹ Although there are a number of ongoing technical projects that look into increasing Palestinian resilience against future shocks especially when it comes to “water cooperation” (i.e. the Blue Water Project detailed in the last subsection of chapter 4), no tangible efforts were made by Swiss authorities in this vital area of concern.

MDG #8 Develop a global partnership for development

This crucial MDG objective is one of the few Millennium Development Goals that can be said to have been reached by the Swiss Aid Program to Palestine. In spite of inadequate financial flows, and even given the somewhat ineffective nature of Swiss aid to Palestine in the last decade, Palestine and Switzerland have started to collaborate towards moving Palestine past the MDGs 2015 milestone. However, if Palestine is to reach and enjoy a mature development cooperation relationship, while also being able to fulfill this MDG criteria or objective, it will need to achieve sovereignty first. The likelihood for Palestine reaching MDG#8 or any other MDGs, while under Israeli Occupation, remains remote for the time being.²

One particular area of concern, captured by MDG #7, environmental sustainability, has been the focus of Swiss technical cooperation in the Middle East. This paper turns next to examine the import of Swiss expertise on achieving water cooperation in Palestine.

¹ Swiss Confederation. SDC, *Aide au développement de la Suisse. Statistiques 2012* (Bern: SDC and FDFA, 2014), 114-115

² Palestinian National Authority. Ministry of Planning and Administrative Development, “Millennium Development Goals Progress Report,” 6-7, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/attachments/article/27/MDG%20Annual-English.pdf>

Chapter 4: THE WATER ISSUE

Water inequality

The common denominator of socio-economic deprivation underpinning Palestinian chronic underdevelopment in the aftermath of Oslo Accord has been Palestinian water inequality and Israeli water theft. Palestinian water rights have been abused by Israel and what little remains under the control of the Palestinian National Authority is being sought after by private corporations seeking to dominate and monopolize Palestinian water resources.

In addition to the Israeli occupation of the Palestinian West Bank in 1967, it has been the official policy of Israel to allow Jewish settlers to build communities throughout the West Bank, and until 2005, this also applied to Gaza Strip. Jewish settlements provided Israel with the political justification to divert Palestinian water resources to support the burgeoning and eternally verdant Israeli communities, while the original Palestinian proprietors were excluded from the new water distribution model (See Figure 6: West Bank Water Resources).¹

Historically, water scarcity has always been a close companion to all Middle Eastern political entities, throughout the ages. Population growth had previously kept pace with the development of the water supply infrastructure in Palestine and beyond. Starting in the 20th century this was no longer the case. In 1946, the findings of the Anglo-American Survey of Palestine dispelled the myth of “well water [...] remain(ing) the basis of water supply in Palestine.”² Fact is that water scarcity, desertification and climate change can still be dealt with if the parties can summon the political will and capital investment to do so.

The model for moving forward on the water issues in the Middle East has got to be an integrated one that would ally a “regional peace” to technical solutions such as but not limited to a “system of water carriers, desalination and pumping stations, constructed in stages,”³ as the one

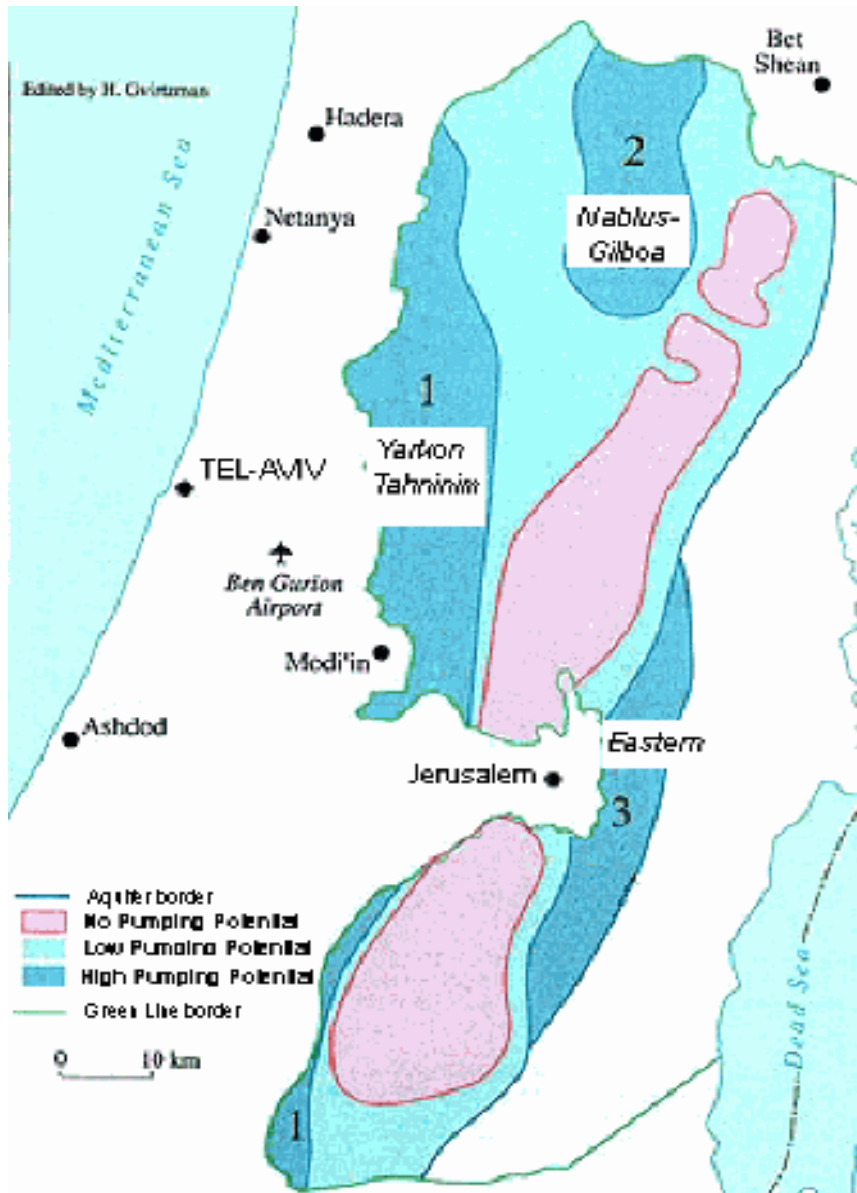
¹ Phyllis Bennis, *Understanding the Palestinian-Israeli Conflict. A Primer* (Northampton, MA: Olive Branch Press, 2012), 24-35; Neve Gordon and Erez Tzfadia, “Privatizing Zionism,” *Guardian*, December 14, 2007, <http://www.guardian.co.uk/commentisfree/2007/dec/14/privatisingzionism>; B’Tselem, “Water crisis,” Retrieved October 13, 2014 from <http://www.btselem.org/water>

² MidEastWeb, “Water In the Middle East Conflict,” Retrieved August 25, 2015 from <http://www.mideastweb.org/water.htm>

³ MidEastWeb, op. cit.

imagined by Issar, in 2000. His earlier model was also predicated on Palestinian-Israeli water cooperation.¹ In fact, the status of water as a political and economic weapon is at the very heart of moving forward and resolving the Middle East conflict.

Figure 6: West Bank Water Resources



Source: MidEastWeb, “West Bank Water Resources,” Retrieved August 25, 2015 from

<http://www.mideastweb.org/westbankwater.htm>

¹ Arie S. Issar, *The Water Resources of Israel: Past, Present, and Future. A comprehensive outline*, (Sede Boker Campus: Ben Gurion University of the Negev, 2000), <http://www.mideastweb.org/water3.htm> quoting Arie S. Issar, “Recharge and Salination Processes in the Carbonate Aquifer in Israel,” *Environmental Geology* 21 (1993), 152-159

The Swiss 'Blue Peace' water project

How important is the Blue Peace water project to the Middle East and how can it influence the future of Palestinian-Israeli relations?

At its core, this project seeks to encourage sustainable cross-border management of quickly vanishing water resources, such as the Jordan and Yarmouk River systems which have been degraded and depleted over the last 55 years, thereby losing between 50 to 90 percent of their ancient debits. As a consequence, the Euphrates River has been quickly sinking back into the desert, while the salty Dead Sea and freshwater Lake Tiberias (or Lake Kinneret) have also been shrinking at an alarming rate.

The Blue Peace water project is a Swiss-Swedish technical water cooperation initiative currently at a feasibility study stage which proposes to investigate the cross-border management of vanishing water resources in the Middle East. This project is meant to foster regional cooperation and restart dialogue over the most important resources. It is both a practical avenue for advancing the stalled Peace Process, giving it new impetus and stamina, as well as solving difficult but not insurmountable technical problems associated with the depletion of major riparian hydrographic resources. These are the Dead Sea and neighbouring freshwater tables such as Lake Tiberias.

This Swiss-funded project holds the potential of redefining the Middle East paradigm by replacing the legacy of 68 years of confrontation and open warfare with a cooperative model whereby water resources are shared and not disputed by arms. Given the importance assigned to water projects in the Middle East by the Swiss government,¹ as well as the significant funding these projects started receiving from Swiss public and private bilateral streams, as well as from other countries' programs and multilateral flows, this long-term project is one of the most ambitious

¹ Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013); Alliance Sud, "Water," Retrieved February 22, 2015 from <http://www.alliancesud.ch/en/policy/water>; Dominic Waughray, ed. *Water Security: The Water-Food-Energy-Climate Nexus* (Washington: Island Press, 2011); Swiss Confederation. FDFA, "Placing water security on the global agenda," Retrieved February 23, 2015 from <https://www.eda.admin.ch/deza/en/home/themes-sdc/water/access-water.html>; Elena L. Pasquini, "Sneak peek: The future of Swiss aid, [Interview with the Chief of SDC, Martin Dahinden]," Retrieved February 23, 2015 from <https://www.devex.com/news/sneak-peek-the-future-of-swiss-aid-77288>; Ariane Gigon, "Swiss plan to produce sustainable food supply," *SWI Swissinfo.ch*, August 23, 2010, <http://www.swissinfo.ch/eng/swiss-plan-to-produce-sustainable-food-supply-/26139138>; Jean-Michel Berthoud, "Finding the right goals and motives for aid," *SWI Swissinfo.ch*, September 3, 2012, <http://www.swissinfo.ch/eng/finding-the-right-goals-and-motives-for-aid/33425924>; and Martin Dahinden, "Earth Dialogues 2013 transcript: Martin Dahinden [Speech]," Retrieved December 22, 2014 from <http://www.gcint.org/earth-dialogues-2013-transcript-martin-dahinden>

strategic development projects the region has seen in the last decades. Given its longevity, this project is different from the vast majority of Swiss development projects in the region.

This section starts by exploring the water projects developed by the SDC by making a necessary assumption: “Any two countries engaged in water cooperation do not go to war for any reason whatsoever.”¹ Any assertion to the contrary must prove with historical facts the lack of validity of this assumption. So far, the critical analysis of historical data can only attest that water cooperation is indeed a predictor of peaceful relations between countries. This was also remarked by Shemesh, who noted that the Six-Day War was fought over water, which was one of its underlying *casus belli*.²

The Palestinian Fayyad government has attempted to lead the way to redefining Palestinian-Israeli relations by rebooting the Peace Process via tangible cooperation on the ground. Since water has always been at the cornerstone of Palestinian-Israeli relations, the Fayyad government has tried to engage the Israeli cabinet in water cooperation. The SDC has wrongly and hastily concluded that the water dossier had a small chance to succeed in bringing about the expected revitalization of Israeli-Palestinian relations.³ The SDC cited insufficient state service delivery as the underlying cause of the prospective failure of Palestinian internal reforms and consequently for that of the Palestinian political project itself.⁴ This is disingenuous since Israel has always been in control of Palestinian aquifers, and not the Palestinian National Authority. It stands to reason that Palestine was not at fault in this case since it wasn't controlling the delivery of services to its population because of the Occupation.

Currently, there is an ongoing debate surrounding the merits of regional water projects, although SDC was quick to recognize that Palestine's lack of water access rights severely restricts its development.⁵ Compared to the global water cooperation situation, Palestinian-Israeli water cooperation received a mark of 0-33.33, which was inferior to the baseline international average of

¹ Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013), 2-3

² Moshe Shemesh, "Prelude to the Six-Day War: The Arab-Israeli Struggle Over Water Resources," *Israel Studies* 9, no. 3 (2004), 1-45 and Yochanan Visser, "How water became a weapon in Arab-Israeli conflict," *The Jerusalem Post*, March 2, 2013, <http://www.jpost.com/Opinion/Op-Ed-Contributors/How-water-became-a-weapon-in-Arab-Israeli-conflict>

³ Swiss Agency for Development and Cooperation (SDC), *Cooperation Strategy for the Occupied Palestinian Territory (oPt) 2010–2014* (Bern: SDC and FDFA, 2010), 6

⁴ Swiss Agency for Development and Cooperation (SDC), op. cit., 6

⁵ Swiss Agency for Development and Cooperation (SDC), op. cit., 19

33.33-100. This mark is even inferior to that received by the Israeli-Jordanian water cooperation.¹ This means that regional water cooperation remains subpar compared to global benchmarks. If the Blue Peace water project is to succeed, this must become a priority for all actors.

Regionally, Israel is engaged in active Joint Water Cooperation (JWC) management with Jordan and Palestine. However, the difference between its water cooperation stance with Jordan, which received a 60.06 score on the water cooperation scale, and the Palestinian-Israeli water relations which only scored 10.92 points,² is indicative of their poor outcome.

The Blue Peace Swiss-Swedish joint venture development project is for the moment at feasibility studies stage. This project has been hailed as a paradigm changer by the third-party Indian experts hired to ensure the technical expertise for this project. The Swiss government³ puts its confidence in this practical development initiative that touches on most countries in the Middle East and the Levant: Jordan, Syria, Lebanon, Turkey, Israel, and of course Palestine.

This project aims to mitigate and prevent the exhaustion of water resources, which have been under tremendous stress for the last 55 years, either as a result of poor stewardship, precarious mismanagement or outright theft of water by riparian entities. The Strategic Foresight Group report,⁴ quoted by Bradley, argues that even with current enhanced desalination treatment techniques used by the Israeli to process the low quality water extracted from the Palestinian aquifer water table, and in spite of improved wastewater recycling,⁵ Israel still needs to engage in meaningful external cooperation with its regional partners.⁶ This is particularly important if it wants to avoid a peak-water scenario. According to the study, such a peak-water event⁷ is likely to occur as early as 2020. By that time however, Israeli and regional water security will be seriously threatened, thus forcing the stakeholders to engage in regional cooperation. In fact, such an idea is not even a novel one.

¹ Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013), 5-6

² Strategic Foresight Group, op. cit., 7

³ Simon Bradley, "Swiss push for 'blue peace' in Middle East," *SWI Swissinfo.ch*, February 12, 2011, <http://www.swissinfo.ch/eng/swiss-push-for--blue-peace--in-middle-east/29479958>

⁴ Strategic Foresight Group, *The Blue Peace. Rethinking Middle East Water* (Mumbai: Strategic Foresight Group, 2011)

⁵ Bradley, op. cit.

⁶ Bradley, op. cit.

⁷ This was modelled after a peak-oil scenario, whereby the worldwide oil reserves extraction output will peak, then level (plateau), and finally they will start to decline, thus prompting an unavoidable shift in energy use.

Diplomatically, Switzerland has a stake in prompting this level of water collaboration by supporting the creation of a joint water council bringing together Syria, Turkey and Iraq, which perhaps might someday attract hardened belligerents like Palestine and Israel too. The Confederation has sought to combine the diplomatic aspects with self-interest, with Swiss experts appearing at the forefront of water cooperation. Such is the case with the Federal Institute of Technology in Lausanne (EPFL) as well as a number of Swiss consortiums specialising in water filtration, stocking and distribution, which are actively engaged in technical water worldwide cooperation. Each year, the SDC spends approximately CHF30 million on potable water and irrigation development projects across the world.¹

Water security

Achieving water security at regional level is paramount. If steps are not taken by the international aid community in concert with the riparian countries, the water infrastructure will deteriorate, water resources will continue to degrade and become depleted, which in turn will lead to water resource conflicts. The ensuing humanitarian crisis will in turn exacerbate the cycle of violence, which will spiral out of control, if the determining factors are not mitigated. Water resources are being exhausted at an unsustainable rate. If the situation continues unabated, the socio-economic and humanitarian crisis will engulf states that are currently not affected by it, such as Israel or Jordan.

Water supply is quickly becoming an issue in the region, as well as worldwide. The facts are unequivocal: every minute a child dies of a water related disease somewhere in the world.² However, where there is tragedy there is also hope. Every dollar spent on water sanitation generates a 4-dollar return on investment.³ If access to water is a human right, as a vast literature maintains,⁴

¹ Simon Bradley, "Swiss push for 'blue peace' in Middle East," *SWI Swissinfo.ch*, February 12, 2011, <http://www.swissinfo.ch/eng/swiss-push-for--blue-peace--in-middle-east/29479958>

² Water.org, "Water facts," Retrieved February 24, 2015 from <http://water.org/water-crisis/water-facts/water/>

³ Water.org, op. cit.

⁴ United Nations Educational, Scientific and Cultural Organization (UNESCO), *Managing Water under Uncertainty and Risk - The United Nations World Water Development Report 4 Volume 1* (United Nations, 2012), 521, <http://unesdoc.unesco.org/images/0021/002156/215644e.pdf>, quoting Aaron T. Wolf, Jeffrey A. Natharius, Jeffrey J. Danielson, Brian S. Ward, and Jan K. Pender, "International river basins of the world," *International Journal of Water Resources Development* 15, no. 4 (1999), 387-427; Pieter Van der Zaag, I.M. Seyam, and Hubert H.G. Savenije, "Towards measurable criteria for the equitable sharing of international water resources," *Water Policy*, no. 4 (2002), 19-32; Alena Drieschova, Mark Giordano, and Italy Fischhendler, "Governance mechanisms to address flow variability in water treaties," *Global Environmental Change*, 18 (2008), 285-295

then these investments must be made. In 2011, Bradley, quoting a January 2011 World Economic Forum report, asserted that the price of oil had only gone up by 6.2 percent year-on-year since 1989, while that of water had increased by 6.3 percent annually.¹

Furthermore, more worryingly, in the 1960s, the Jordan River's debit measured 1300 million cubic meters (mcm) of water per year. By 2011, its debit was down to 100-200 million mcm per year. Bradley also maintained that, in 1993, the combined output of Israeli and Palestinian mountain aquifers generated 689 million cubic meters of water per year. By 2011, the combined water output of these aquifers yielded 7 percent less than 20 years before.² The same logic applies to the rapid shrinkage of the Dead Sea. In 1960, it covered 950 km²; by 2011 its surface was down to an alarmingly 650 km².³

Although on paper Israel and Palestine both share the Coastal as well as the Mountain Aquifers, their respective water consumption levels are very much skewed, and have been so for the last 30 years. Israel's growing and diversified economy has always taken pre-eminence when it came to water consumption.⁴ Historically, the water consumption ratio of shared water resources has been 83 to 17, in Israel's favor.⁵ As a rule, the rate of Israeli water consumption per capita is 4 times greater than that of Palestine.⁶

Ensuring water security and water rights for Palestine is one of the most important goals in light of the environmental disaster perpetrated by Israel in West Bank. There too, the situation is quickly escalating into a crisis. Abysmal waste management, diminishing and abused water resources,⁷ and the fact that both aquifers (Coastal and Mountain) are being brought to the brink of

¹ Simon Bradley, "Swiss push for 'blue peace' in Middle East," *SWI Swissinfo.ch*, February 12, 2011, <http://www.swissinfo.ch/eng/swiss-push-for--blue-peace--in-middle-east/29479958>

² Bradley, op. cit.

³ Bradley, op. cit.; Keren Kayemeth LeIsrael Jewish National Fund, "Israel's Water Sources," Retrieved February 23, 2015 from <http://www.kkl.org.il/eng/water-for-israel/israel-fourth-aquifer/israel-water-sources/>; Keren Kayemeth LeIsrael Jewish National Fund, "Israel's Fourth Aquifer," Retrieved February 23, 2015 from <http://www.kkl.org.il/eng/water-for-israel/israel-fourth-aquifer/>

⁴ Keren Kayemeth LeIsrael Jewish National Fund, "Israel's Fourth Aquifer," op. cit.

⁵ Amjad Aliewi, "The Palestinian-Israeli Management of Shared Groundwater Aquifers: 'Status, realities and lessons learned'," slide 3, Retrieved December 22, 2014 from <http://www.hwe.org.ps/EventsImages/shared%20aquifers.pdf>

⁶ Aliewi, op. cit., slide 4

⁷ Rana Barakat and Roger Heacock, eds. *Water in Palestine* (Birzeit: Birzeit University, 2013); Lauro Burkart, "The politicization of the Oslo water agreement" (Dissertation submitted in fulfilment of the requirement for the Master in International History and Politics, Lauro Burkart, 2012), 39, http://missingpeace.eu/en/wp-content/uploads-pmpeace/2013/01/MT_Lauro-Burkart.pdf; and Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013)

depletion, spell out the need for immediate intervention. Water scarcity is not a myth in Palestine.¹ All sources concur, including some Israeli, in testifying to the unfairness of water resource allocation in the region.² While the Israeli use up to 183 litres of H₂O per capita per diem, Palestinians barely get to consume, on average, 60-65 litres of water per capita per diem. For reference, the WHO recommends an absolute minimum water consumption level of 100 litres per capita per day.³

Figure 7: Water consumption in Israel and WBGS (in litres, per person/per day)



Source: B'Tselem, "Water crisis," Retrieved October 13, 2014 from <http://www.btselem.org/water>

Recent studies⁴ have shown that water cooperation schemes must genuinely take into consideration all parties' interests and be authentically inclusive if they are to succeed. Otherwise, they prove politically unfeasible, environmentally unsustainable and ultimately amount to nothing more than elaborate water dispossession schemes.

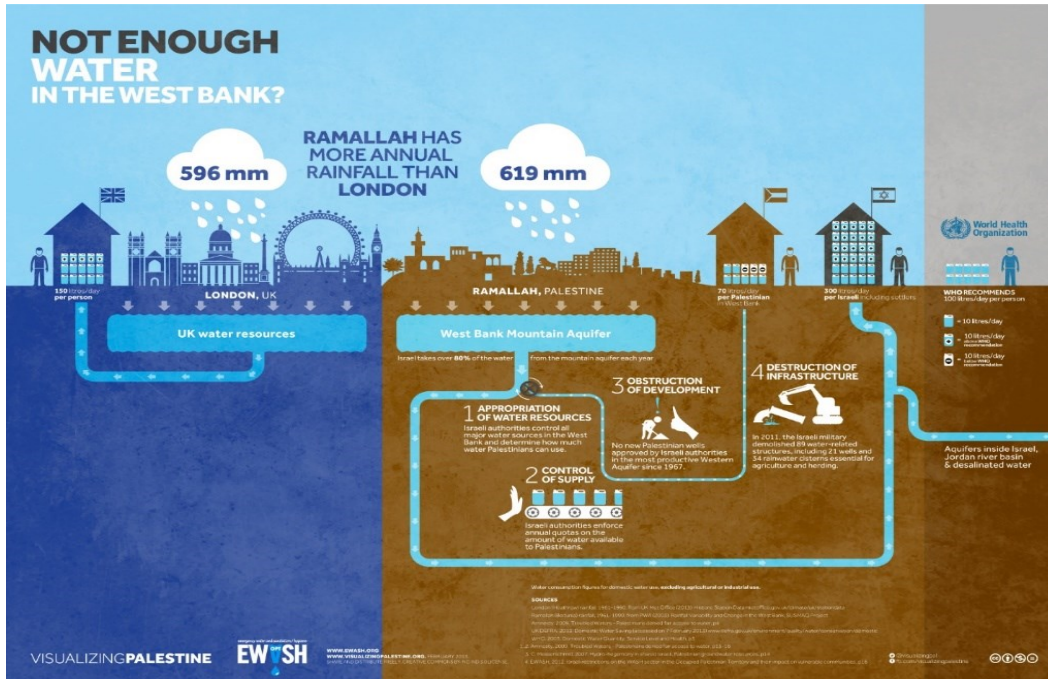
¹ Clemens Messerschmid, "Back to the Basics – Policy Options for Palestinian Water Sector Development," in *Water in Palestine*, ed. Rana Barakat Roger Heacock (Birzeit: Birzeit University, 2013), 63-102, <http://ialiis.birzeit.edu/userfiles/water-in%20palestine.pdf>

² B'Tselem, "Water crisis," Retrieved October 13, 2014 from <http://www.btselem.org/water>

³ B'Tselem, op. cit. See Figure 7.

⁴ Clemens Messerschmid and Muna Dajani, "How "historic" Israel-Jordan water deal leaves Palestinians high and dry," *The Electronic Intifada*, February 4, 2014, <http://electronicintifada.net/content/how-historic-israel-jordan-water-deal-leaves-palestinians-high-and-dry/13139>

Figure 8: Not enough water in the West Bank?



Source: VisualizingPalestine, “Not enough water in the West Bank?,” Retrieved April 30, 2015 from <http://visualizingpalestine.org/visuals/west-bank-water>

Another crippling deficiency in achieving the environmental sustainability goal (MDG #7) was the status of Palestinian waste water management. In a powerful yet logical argument, Nidal Mahmoud and Adel Yassin tackled the sensitive issue of how the wastewater management sector has been utterly neglected by the “Israeli occupation and administration,” with little to no investments made in waste water treatment infrastructure since the Oslo Accords.¹ Starting in FY2008/2009, the Swiss-Swedish water rehabilitation mega-project² has provided the notable exception to this *marasme*.

¹ Nidal Mahmoud and Adel Yassin, “Analysis of Wastewater Management Sector in Palestine,” in *Water in Palestine*, ed. Rana Barakat and Roger Heacock (Birzeit: Birzeit University, 2013), 103, <http://ialiis.birzeit.edu/userfiles/water-in%20palestine.pdf>

² Swiss news agency, “Blue Peace Initiative ... Rethinking Middle East Water as A New Form Of Peace,” *Periodical Islamic Chamber of Commerce & Industry Magazine*, December 22, 2014, <http://chambermag.com/en/details.asp?t=05&yearmonthid=33&idno=24>; Simon Bradley, “Swiss push for ‘blue peace’ in Middle East,” *SWI Swissinfo.ch*, February 12, 2011, <http://www.swissinfo.ch/eng/swiss-push-for--blue-peace-in-middle-east/29479958>; SDC Network RésEAU, “Preventing water-related conflicts: Switzerland receives a delegation from the Middle East,” Retrieved February 23, 2015 from http://www.sdc-water.ch/en/Home/News/News_Detail?itemID=11395

Nonetheless, the one-sidedness of the water situation is threatening to unravel the Middle East conflict, if it is not quickly checked. The situation is complicated by a number of factors. First, Palestine has never been in a position to assert its sovereignty so it does not really control its own hydrographic resources. According to the Zone system, the little land it controls (Areas A and B) makes up for just 22 percent of its entire territory, while the remainder 66 percent of the West Bank (Area C) is under IDF exclusive control. Hence, Palestine has only ever been in direct control of just 21-22 percent of its water resources,¹ which makes it nearly impossible to practice good water and waste water stewardship measures. For the purpose of this exercise, we defined good water and waste water stewardship practices those which ensure water consumption levels on par with the Israeli standards, or at least with international standards as defined by the WHO.² As it happens, in Palestine just 13 percent of wastewater is treated and only a third of all solid waste is dumped in sanitary landfill sites.³ Currently, Palestine is very far from reaching MDG #7 and there are no indications that the situation will change drastically in the immediate future.

Second, Gaza Strip data show that it could only supply 55 percent of its potable water needs via accessible resources, with 90 percent of Gaza tap water being unfit for human consumption. This is due to saltwater and wastewater infiltration and pollution of the Coastal Aquifer from which it is drawn.⁴ Between 2006 and 2012, Gaza exhibited subpar average levels of daily water consumption per capita, ranging from 60 to 70 litres.⁵ Its water supply has been constantly hampered by Israeli bans on digging new wells. Strict Israeli restrictions on the Palestinian water network have been escalating the situation, which is quickly approaching a point of crisis.

However, there currently are a number of PA policies and programs funded by internal and external aid delivery mechanisms with a view to bridging the gap between the current critical status and the perfect scenario envisioned under MDG #7. Present efforts notwithstanding, much remains to be done in this sensitive area if MDG #7 is to be met.

¹ Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 50-51, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

² B'Tselem, "Water crisis," Retrieved October 13, 2014 from <http://www.btselem.org/water> - See Figure 7.

³ Palestinian National Authority, op. cit.

⁴ Palestinian National Authority, op. cit.; B'Tselem, op. cit.

⁵ Palestinian National Authority, op. cit., 51; B'Tselem, op. cit.

Table 4: Seventh Goal: Ensure environmental protection and sustainability (as projected by the Palestinian Authority)

Seventh Goal: Ensure environmental protection and sustainability			
Matrix of Objectives, policies and interventions			
Objectives	Indicators of progress achieved		
	Indicator	Base (2010)	Target (2015)
To control environmental and natural resources and their management in a sustainable and integrated manner	Percentage of land under Palestinian control	22%	Depends on political progress
	Percentage of treated wastewater	13%	25%
	Percentage of solid waste dumped in landfills in a sanitary manner	30%	70%
	Percentage of water resources under Palestinian control	21%	Depends on political progress
	Percentage of drinkable water out of available resources	55.3%	60%
	Percentage of alternative energy use	19%	25%
	Percentage of area of forest land	1.63%	2%
To limit the loss of biological diversity and protect natural heritage	Percentage of nature reserves (land and sea)	8.55%	10%
	Number of archaeological and natural sites under renovation	110	160
	Number of species threatened with extinction	636 plants and 22 animals	550 plants and 18 animals
To reduce the percentage of individuals without access to drinkable water	Rate of water per capita (litre/ per person/ per day)	70 litres per person per day	80 litres per person per day
	Percentage of population whose homes are linked to sewage	46% Palestine: 35% West Bank	55% Palestine: 40% West Bank
	Percentage of people who have solid waste collection service	92%	95%
To limit impact of climate change and disasters	Quantity of water provided through non-traditional	4.5 million cubic meters	5 million cubic meters

Source: Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 54-55,

Retrieved November 20, 2014 from

<http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

The PA designed an environmental protection and sustainability plan which considered several important objectives, policies and interventions aimed at bridging the gap between the MDG #7 baseline level reached in 2010 and the 2015-targets.

This model¹ examined several critical objectives, such as controlling the management of environmental and natural resources in a sustainable manner (1), limiting the loss of biological diversity (2), reducing the percentage of individuals without access to drinkable water/proper sanitation (3), and mitigating the impact of climate change in Palestine (4).

Its first objective was controlled by a number of indicators that defined its limitations. These were:

- a. Percentage of land under Palestinian control. In 2010, this stood at 22 percent. This criteria is crucial in understanding the lack of options available to the PA. Only a holistic political solution, based on Palestinian full-sovereignty over its national territory can help it attain this objective.
- b. Percentage of treated wastewater. In 2010, this stood at 13 percent, and efforts were in place for it to reach 25 percent by 2015. It is unclear how a 12 percent increase will help it attain this objective, but the current limitations may still prevent the PA from reaching this target.
- c. Percentage of solid waste dumped in landfills in a sanitary manner. This is where the PA hoped to effect the most change, by increasing the percentage of waste treated in a sanitary manner from 30 points in 2010, to 70 points in 2015).
- d. Percentage of water resources under Palestinian control. In 2010, this stood at 21 percent. This criteria is equally crucial in understanding the lack of options available to the PA, in the same manner as is the case with the percentage of land under Palestinian control. Only a holistic political solution, based on Palestinian full-sovereignty over its national territory can help it attain this objective.
- e. Percentage of drinkable water out of available resources. In 2010, this stood at 55.3 percent, and efforts were in place to raise this self-sufficiency ceiling to 60 percent, by

¹ Palestinian National Authority, "The National Strategy to Achieve the MDGs by 2015," 54-55, Retrieved November 20, 2014 from <http://www.mopad.PA.ps/en/images/PDFs/The%20National%20Strategy%20to%20Achieve%20the%20MDG%20-%202015-Draft-En.pdf>

2015. A 5 percent increase seems derisory compared to its potable water needs, but the PA efforts must be noted.

- f. Percentage of alternative energy use. In 2010, this stood at 19 percent, and efforts were in place for it to reach 25 percent by 2015. This is another important field of action for Palestine. As noted throughout this paper, energy self-sufficiency is crucial for the economy, and particularly vital for any solution looking to increase water supply availability via desalination techniques. This is however a very modest proposition, but again the PA efforts are worth noting.
- g. Percentage of area of forest land. In 2010, this stood at 1.63 percent, and efforts were in place for it to reach 2 percentage points by 2015. Given the current state of desertification in the OPT, the ongoing water crisis, any and all efforts by the PA to arrest and reverse the vector of desertification by increasing the acreage of forest land, must be noted and saluted accordingly.

Current PA efforts to attain this objective of managing the environment and its resources in a sustainable manner are modest and severely restricted by extraneous factors, such as the Israeli Occupation of the national territory, but should be supported by international donors like Switzerland and be a part to any political solution consecrating Palestinian sovereignty on legal bases.

The second objective was controlled by a number of indicators that defined its limitations. These were:

- a. Percentage of nature reserves (land and sea). In 2010, this stood at 8.55 percent, and efforts were in place for it to reach 10 percent by 2015. It is unclear how a 1.45 percent increase over 5 years will help it attain this objective, but the current limitations may prevent the PA from reaching this target.
- b. Number of archaeological and natural sites under renovation. In 2010, 110 sites were under renovation. By 2015, the PA forecasted an increase of the number of sites to 160. While very important for the cultural heritage of Palestine, this is an area of concern with multiple ramifications and long-term consequences for the legacy of the Palestinian people.
- c. Number of species threatened with extinction. By amalgamating the species of animals and plants and using a mathematical formula, this paper concludes that a 13.68 percent

decrease in the number of species threatened with extinction, from the 2010-baseline of 658 species to the 2015-target level of 568 species, is an indication of PA's commitment to a robust environmental strategy.

The success of current PA efforts to limit the loss of biological diversity and protect its natural heritage relies to a great extent on a political resolution of the Middle East conflict. Two factors have a significant influence over the outcome of this objective. First, any military operations in Palestine result in material damages to infrastructure, including its national heritage sites under renovation. Second, any such damages will change the focus of the PA from safeguarding the environment to ensuring the basic necessities required by its population in times of crisis. The direct consequences of military conflict for this objective are negative.

The third objective was also controlled by a number of indicators that defined its limitations. These were:

- a. Rate of water per capita (litres/person/per day). In 2010, the baseline stood at 70 litres per person per day, which was still below the absolute minimum of 100 litres per day per capita recommended by WHO, and well below the 183 litres consumed in Israel, in 2011.¹ Efforts were put in place for this to reach 80 litres per person per day, by 2015. While still insufficient by international and regional standards, this can still be seen as a step in the right direction and should be welcomed as such.
- b. Percentage of population whose homes are linked to sewage networks. In 2010, 46 percent were linked to sewage networks. By 2015, the PA predicted this figure would go up to 55 percent. This is a very important psychological barrier that needs to be crossed. Whenever half the population will have access to modern sanitation facilities, will also foster advances on other fronts as well. In addition to MDG # 7 coming within reach of the PA, Palestine would also be nearing other MDGs as well (MDG #4 Reduce child mortality and MDG #6 Combat HIV/AIDS, malaria and other diseases). This is a very important objective for Palestine.
- c. Percentage of people who have solid waste collection service. This is an area where Palestine is closest to reaching its goal. In 2010, this percentage stood at 92 percent and the PA had hoped to raise this to 95 percent, by 2015. This is certainly an ambitious target. Reaching out to another 3 percent of the population, or given the current level of

¹ B'Tselem, "Water crisis," Retrieved October 13, 2014 from <http://www.btselem.org/water>

population, approximately 100,000 – 120,000 people over 5 years, would also require a more peaceful climate in order to be implemented.

Overall, this objective is one of the most important for Palestine. This should take precedence over the remaining objectives since it deals with absolute basic necessities of clean drinking water and sanitation. Reaching this third objective is paramount to attaining at least 3, or even 4, out of the 8 MDGs.

The fourth objective was controlled by a number of indicators that defined its limitations. These were:

- a. Quantity of water provided through non-traditional means. This was seen by the PA as a solution that would mitigate the impact of climate change on Palestine and increase its resilience to natural disasters. In a sense, increasing the quantity of water extracted from non-traditional means from 4.5 million to 5 million cubic meters, from 2010 to 2015, would certainly pay rich dividends in times of need. And given how climate change is beginning to affect the global economy, perhaps this is a very good plan. Nonetheless, in terms of hurdles preventing the PA plans from coming to fruition, this paper has already considered the Israeli bans on new wells, and any such solution would have to come to terms with the political situation on the ground. All technical solutions need to succeed, not precede, a political overhaul that would guarantee Palestinian sovereignty.

Coming up with new and innovative means of increasing Palestinian water resilience has always been a noteworthy proposition. Unfortunately, technical solutions alone are not sufficient, although they are still required, and cannot achieve these objectives strictly on their own merits.

Gauging water cooperation

How can water cooperation be properly measured? What type of institutional framework may serve it best?

The Blue Peace Water project feasibility study correctly identifies the lack of cooperation between riparian countries as a general cause for concern when it comes to receding water levels and advancing shorelines as well as decreasing water debits throughout the region, as well as globally.¹ Their findings apply particularly to Palestine and Israel. As it happens, the two main

¹ Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013), 27

water bodies analyzed by the Swiss-Swedish commissioned study shows exactly what the consequences can be when the lack of regional collaboration compounds the dearth of effective governance and poor water stewardship. In the last 50 to 60 years, the Dead Sea has seen its acreage reduced from 950 km² to 637 km², a 33 percent reduction in size, while Lake Tiberias lost 48 percent of its original 900 mcm debit, with its current debit standing at 468 mcm.¹

Notwithstanding the crisis raised by the relatively fast disappearance of these lakes and sea, there is a growing body of evidence pointing at another very disturbing occurrence. The same factors acting upon the lakes are also taking their toll on the Palestinian aquifers and rivers, which are being depleted at a lesser, but nonetheless, dangerous rate. For instance, the Mountain Aquifer has lost in the last 50 years (1960-2010) around 7 percent of its debit, dropping from 679 mcm to 631 mcm, while the smaller Coastal Aquifer lost 20 percent during the same period.² The Mountain Aquifer (West Bank) is wasting away at a slower rate than the Coastal Aquifer (Gaza) due to a number of reasons, but mainly because of its more imposing size but also due to the quasi-absence of salt water intrusion hazards, which is an otherwise everyday occurrence for the Gaza aquifer. If Israel and Palestine do not cooperate, it is highly likely for this situation to continue unabated. Equally dangerous, the potential for conflict would increase exponentially and in direct proportionality to the lost opportunities for peace.

Palestine and Israel share a number of risks in what the Strategic Foresight Group has come to refer to as a “multiplicity of crisis.” According to their study, Palestine and Israel are currently exposed to the following hazards: shrinking rivers and lakes, desertification, depleting aquifers, and a reduction in land available for agriculture affecting food security and economic output.³ In addition to these risks, Palestine is also undergoing a massive internal and external exodus. These combined environmental and social threats should provide ample clarification as to why cooperation is better than confrontation. Decisions factors in both countries ought to be able to work on these premises.

¹ Strategic Foresight Group, *WATER COOPERATION for a SECURE WORLD. Focus on the Middle East* (Mumbai: Strategic Foresight Group, 2013), 27

² Strategic Foresight Group, *op. cit.*, 36

³ Strategic Foresight Group, *op. cit.*, 33

Challenges to Palestinian-Israeli water cooperation

What are the most important challenges that threaten the Palestinian-Israeli water cooperation?

The most important challenge undermining their water cooperation is by far the lack of political will to move forward. Technical issues, although formidable on their own, can and have been so far surmounted by deferring to the expertise of specialists.

1. Saving groundwater aquifers is very important to Palestine and Israel since they provide 60 percent of total freshwater resources in Israel and 100 percent in the WBGS.¹
2. According to the Friends of the Earth Middle East (FoEME), inadequate waste management in the West Bank could pose a grave danger to the quality of the Mountain Aquifer. If no efforts are undertaken, approximately 40 percent of all West Bank untreated waste (governorates of Tulkarem, Nablus, Qalqilia, Salfit and Hebron) may seep into the groundwater and frustrate any future clean-up efforts. It is in this context that the German and Swiss waste management development projects mentioned hereunder should be examined.²
3. Storage management³ is yet another issue facing both Israel and Palestine. As there is no potential for building dams, they must however entertain stop-gap measures, such as water harvesting. Also, MOPAD has developed sectorial strategies for the 2011-2013 period that call for a complete overhaul of water storage management based on cooperation with external stakeholders from the international donor community.⁴

MOPAD has identified and is working to implement the following strategic objectives:

1. Strategic Objective #1 refers to the consolidation of good governance standards and the formulation of an institutional environment ready to provide equitable service delivery and capable of managing and sustaining the water sector.

¹ Strategic Foresight Group, *The Blue Peace. Rethinking Middle East Water* (Mumbai: Strategic Foresight Group, 2011), 7

² Strategic Foresight Group, op. cit., 7

³ Strategic Foresight Group, op. cit., 8-9

⁴ State of Palestine. Ministry of Planning and Administrative Development, "Palestinian National Plan 2011-2013. Water and waste water sector strategy," 6-10, Retrieved January 10, 2015 from <http://www.mopad.PA.ps/secstra/Sector%20Strategy%20Summary%20-%20Water%20and%20Wastewater.pdf>

2. Strategic Objective #2 deals with the integration of the water sector management and the provision of equitable service delivery and sustainable sources to the population.
3. Strategic Objective #3 introduces the integration of wastewater management as well as that of an equitable and sustainable service provision, and finds that it benefits the preservation of public health and the protection of the environment.¹

Interestingly enough, the Swiss Blue Peace Middle East project, which was initially a spinoff of the sterile 2003 Geneva Initiative,² that meant to bring Israel and Palestine back to the negotiating table and give peace and reconciliation a real chance, can be said to have generated a by-product of its own. This was the Valley of Peace tri-partite plan to link the Red Sea to the Dead Sea, and possibly even go beyond to Lake Kinneret.³

The Swiss ‘Blue Peace’ water project remains an important technical feasibility study that could guide Israeli and Palestinian water cooperation efforts and water diplomacy in the near future. It has the potential to replace the politics of fear and open armed confrontation with technical cooperation. By virtue of its technical expertise and tradition of neutrality, Switzerland is best placed to provide such cooperation should the international community decide to step up and mandate a political resolution of the Middle East conflict that would confirm Palestine as an independent, sovereign and peaceful state.

Furthermore, this project showcased two of the third shortcomings afflicting Swiss aid. First, Swiss aid designers proved once more their state-centric bias in formulating a viable development cooperation strategy in the Middle East. Their preference for liaising with the PNA instead of empowering the civil society was noted by this paper. Second, by preferring to rely on tied aid which mostly returned to Switzerland through the logic of overhead costs, they proved unable to

¹ State of Palestine. Ministry of Planning and Administrative Development, “Palestinian National Plan 2011-2013. Water and waste water sector strategy,” 6-8, Retrieved January 10, 2015 from <http://www.mopad.PA.ps/secstra/Sector%20Strategy%20Summary%20-%20Water%20and%20Wastewater.pdf>

² Menachem Klein, *A Possible Peace between Israel and Palestine: An Insider’s Account of the Geneva Initiative*, (New York: Columbia University Press, 2007), <http://www.jstor.org/stable/10.7312/klei13904> – The ‘Blue Peace’ project was an offshoot of the Geneva Initiative. Its main instigators, the former Israeli Minister for Justice Yossi Beilin and the former Palestinian Minister of Information Yasser Abd-Rabbu, had hoped that signing the agreement would benefit the “national vision of both parties.” They mutually recognized Israel and Palestine. The “model framework agreement” was deposited with the Swiss Foreign Minister on October 12, 2003. It failed however to deliver any tangible results on the ground.

³ Joost Bensen, “Valley of Peace ~ Jordan-Palestine-Israel Projects,” *Maximizing Progress*, January 25, 2009, <http://www.maximizingprogress.org/2009/01/valley-of-peace-jordan-palestine-israel.html>

move past an outdated development paradigm. The need for Swiss aid reform is more apparent than ever.

Chapter 5 – CONCLUSIONS

This research has attempted to qualify the nature of Swiss Aid in Palestine. All in all, we found that Swiss aid to Palestine between 2006 and 2012 was unable to make a substantial difference in the attainment of the United Nations Millennium Development Goals.

The Palestinian Development Program and the MDGs

Considering Palestinian development objectives, the Palestinian Authority (PA) had considered a program based on achieving the MDGs. It had chosen to lay out a long-term strategy that prioritized state-building over short-term and reactive strategies, meant to foster self-reliance and decrease its dependence on foreign aid.

In practical terms, the PA obtained mixed results. On the issue of poverty eradication, some measure of progress has been made. However, MDG #1 has not been met. Also, in 2010, Palestine fell short of reaching universal primary education (MDG #2) for its citizens and did not achieve gender equality (MDG #3). The results were better on reducing infant mortality (MDG #4), improving health of women and mothers (MDG #5), and combating HIV infections (AIDS) and communicable diseases (MDG #6). Palestine fared better and was close to attaining all these goals by 2012. Achieving environmental sustainability (MDG #7) has been a particularly difficult objective to reach. Establishing global partnerships for development (MDG #8) remained at the crux of the Palestinian development program.

Because of the particular context in the Palestinian territories, the MDGs have not been really met. Palestine is not a state. In concrete terms, the PA is unable to set the terms with donors since some of the key decisions are taken by the Israeli government relating to aid allocations, priorities and modalities.

Swiss Aid and the MDGs

What was Swiss aid able to do in this particular context? The narrative was about supporting Palestine achieve the MDGs by 2015 and in particular, enabling universal access to resources and services, promoting sustainable economic growth and supporting a transition to a democratic, market-based economy.

Nonetheless, Swiss aid has mostly failed to help Palestine reach MDGs #1, #2, #3, #4, #5 and #6. In 2011-2012, Switzerland did not provide any subsidies to help Palestine attain MDG #7. Swiss federal authorities took no concrete measures to support Palestinian environmental sustainability efforts.

There was an area, however, where Swiss aid was more in tune with Palestinian priorities, specifically on water cooperation, which aimed to increase Palestinian resilience to future shocks. This priority was based on the established fact that water scarcity had become a very serious problem in Palestine. The problem is aggravated by the fact that Israel has illegally tapped into both Palestinian aquifers (Mountain and Coastal).

The PA has been trying to cancel out the nefarious effects of the Israeli blockade and occupation by prioritizing a number of basic development objectives that are crucial to Palestine. Among these objectives, providing clean drinking water and sanitation to the population remained an absolute priority. Reaching this objective would also allow Palestine to close the gap separating it from attaining four MDGs (#1, #4, #5, and #6).

In this context, the Swiss 'Blue Peace' water project was an exercise in technical feasibility of water cooperation efforts. It aimed to replace the politics of military contest with technical cooperation. However, Swiss efforts aimed at this objective have not gone beyond feasibility studies stage. In spite of the overwhelming level of technical support it can draw upon as well as a robust annual budget reserved for water and irrigation development projects, Swiss aid has not lent its support to the implementation of any noteworthy water projects in Palestine. Faced with Israeli policies preventing technical resources and energy from reaching Gaza, preliminary plans by Swiss aid to expand energy-dependent desalination techniques were undermined by constant power cuts.

Humanitarian aid

However, not all Swiss aid was ineffective. In 2011, the Confederation was the 15th largest donor of aid in the world. Also, in 2013, it became the 12th largest donor of humanitarian aid, when it donated US\$399 million. Switzerland held this ranking for the entire decade (2005-2015), by increasing its humanitarian contributions by 13 percent in 2013. A third of Swiss humanitarian aid was directed to the Middle East, with 43 percent of the humanitarian assistance being dispatched to fragile countries. Swiss humanitarian flows to Palestine ranked 1st relative to all other flows, for the entire surveyed period.

Swiss Aid structural flaws

The record on Swiss aid to Palestine shows that there are structural flaws, beyond the particular dimensions related to specific projects or programs.

First, the design of Swiss aid was short-term. This meant that most programmes were geared towards achieving limited objectives. Swiss aid was confined to alleviating some of the effects of the colonial context and perhaps bring a degree of humanitarian relief to the civilian population. It did not move substantially to help Palestinian deal with ‘core’ issues such as chronic poverty. It could not, in the context, by-pass the obstacles placed by the Israeli Occupation on economic development, in particular. Much of the aid was indeed short-term humanitarian relief.

Second, Swiss aid was, for the most part, state-centric. Its vast majority was dispensed to the Palestinian National Authority. This meant that it failed to empower civil local partners, active in many Palestinian NGOs and the civil society organizations. By dealing exclusively with the local authorities, Swiss public aid prevented these local actors from playing a bigger role in developing resources and alleviating poverty. Swiss aid ineffectiveness stems from its failure to respond to Amartya Sen’s definition of “development as a basic human right and freedom.”¹ This policy also contradicts the ownership principle underwritten by the Swiss Confederation under the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for action (2008).

Third, Swiss aid is predominantly tied aid. It benefits the Swiss Confederation more than it does Palestine. My research finds that Swiss aid was biased towards achieving domestic economic growth at the expense of observing this main tenet of aid effectiveness, by imposing quotas of direct acquisitions of domestic (Swiss) goods and services destined to recipients. These controversial practices have generated a generous average rate of domestic return on foreign aid investments.

At a time when other donors are moving away from tied aid, Switzerland continues to severely lag behind the bulk of its OECD DAC peers in this respect.

Like generic aid which is essentially subject to political determinations,² Swiss aid is also affected by other considerations, such as the Swiss-Israeli commercial nexus. The positive trade balance that the Confederation enjoys with Israel outweighs the modest commercial ties it has with Palestine.

¹ Amartya Sen, *Development as Freedom* (New Delhi: Oxford University Press, 1999)

² Gilles Carbonnier and Sabina Voicu, *The Drivers of Foreign Aid Allocation during the Cold War, Energy Crises and the ‘Global War on Terror,’* (Geneva: The Graduate Institute of International and Development Studies, 2014), Abstract

Aid under Occupation

Swiss aid for development has been appropriated by the Israeli Occupation and made to prolong the conflict in Palestine. Nominally, Palestine is a fragile non-state entity that has been struggling to achieve independence and economic development for a long time. The logic of colonialism has rendered its struggle futile. Israeli political and military clout serves to reinforce its dominion over Palestine, while its economic ties to donors, Switzerland included, make economic development in the OPT, a factual impossibility. All aid entering the Occupied Territories is subject to Israeli control of the major socio-economic levers determining the success or miscarriage of foreign aid strategies

Furthermore, Swiss aid acts as a temporary, ineffective solution to deeper, underlying causes. If “security cannot be divorced from development,”¹ than the donor community, Switzerland included, should work together towards ensuring a Palestine secure from oppression and sovereign in its pre-1967 borders. On the contrary, global aid assistance has passively contributed to the propagation of Israeli oppression mechanisms which fostered the marginalization of Palestinians, increased inequality and robbed Palestinians of development opportunities.

Impossibility of development under the Occupation

Anne Le More provides a stunning example of why development is all but impossible under the economics nurtured by the Occupation. Her seminal 2008-study “International Assistance to the Palestinians after Oslo: Political guilt, wasted money” is unambiguously clear.² Aid is designed to gloss over the real issues on the ground and repurpose Western imperialistic designs in the Middle East by appropriating more sensitive terminology such as “state-building” and “independence” and turning aid into another ‘soft’ tool for regime change in colonial locales.

All in all, aid in Palestine did not contribute to economic growth and it did not helped the Palestinian Authority gain any political gains. Le More mentions “donor policies being driven not by Palestinian needs as much as by dynamics among donors.” We find that in the case of Palestine,

¹ Kofi Annan, *Dans une liberté plus grande : sécurité, développement et respect des droits de l'homme pour tous* (New York: Nations Unies, 2005)

² Anne Le More, *International Assistance to the Palestinians after Oslo: Political guilt, wasted money* (New York: Routledge, 2008)

aid was a by-product of donor politics more than it was that of aid policies. Most of these politics followed more accurately Israeli regional interests than aid effectiveness principles.

If global aid is ever meant to be effective in Palestine, it must be divorced from the internal politics of the OPT and respond exclusively to the democratic will of the Palestinian people. We agree with Le More's concluding argument that by "effectively enabling Israeli colonization, so-called development aid proved over the long term no less destructive to the Palestinians" than the military aid Israel receives from its allies." By providing financial enticement to Palestine, aid, Swiss aid included, creates a dangerous precedent by prioritizing the short-term humanitarian relief needs of the recipient over the long-term developmental aspirations which can only result from Palestine becoming independent.

Another proponent of a political solution, Sara Roy brings the plight of Gaza to the forefront of the impossibility of development under the Israeli Occupation. Her "Destroying Gaza" 2009-article shines a powerful light on the tragedy of a people. We agree with her contention that Gaza has been "deliberately reduced to a state of abject destitution, its once productive population transformed into one of aid-dependent paupers."¹ Furthermore, we also find the international donor community, Switzerland included, complicit in enabling this outcome. Even if Swiss aid was modest, lacked robustness and was largely ineffective, fact is that it also contributed in a small measure to perpetuating this nefarious state of affairs in the Occupied Palestinian Territories.

Gaza suffered the most especially in the face of Israeli military attacks. Israeli blockade prevents all but the essential supplies from reaching it. These tactics actively undermine the financial pledges made by international donors from improving the economy of the intended recipients. Roy asserts this in a brutally honest manner. "Not surprisingly, despite international pledges of \$5.2 billion for Gaza's reconstruction, Palestinians there are now rebuilding their homes using mud."²

Uncertain future

Swiss aid to Palestine could in principle be fixed in concert with the international donor community. The best way to achieve the "human development" objective would for Swiss aid, and

¹ Sara Roy, "Destroying Gaza," *The Electronic Intifada*, July 9, 2009, <https://electronicintifada.net/content/destroying-gaza/8324>

² Roy, op. cit.

aid in general, to denounce the traumatic policies of Israel. This can be achieved by moving towards supporting Palestine in its pursuit of “what we want and demand for ourselves — an ordinary life, dignity, livelihood, safety and a place where they can raise their children.”¹

It would require all donors, including Switzerland, to pledge themselves to allow an independent Palestine to reclaim its rightful place at the United Nations table. Then, the reconstruction should abide by the principles of the Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008).² This would translate in helping Palestine re-establish control over its own economy and develop measurable growth plans, state building, and infrastructure and capacity development.

However, at this point, it seems unlikely that external players can go along this route. Because of this lack of the capacity and political will to effect meaningful change in Palestine, the Palestinian crisis is undeniably becoming a long-term reality of the general crisis in the Middle East.

¹ Sara Roy, “Destroying Gaza,” *The Electronic Intifada*, July 9, 2009, <https://electronicintifada.net/content/destroying-gaza/8324>

² OECD, “Paris Declaration and Accra Agenda for Action,” Retrieved February 23, 2015 from <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>; OECD, “The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) [brochure],” Retrieved February 20, 2015 from <http://www.oecd.org/dac/effectiveness/34428351.pdf>

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