



Business Environment Reform Facility

OPTs: Business Environment Diagnostic Review and Stakeholder Engagement Report

Julv 2016



Business
Environment
Reform
Facility



Department
for International
Development

Contents

1.	Introduction	1
2.	Summary and Recommendations	2
2.1	The business environment	2
2.2	Women's inclusion	3
2.3	Youth inclusion	4
2.4	Overview of Conclusions and Recommendations	5
3.	Our analytical framework	8
3.1	The Economic Environment	10
4.	The Formal Business Environment	12
4.1	The World Bank's Doing Business Report	12
4.2	The World Bank's Investment Climate Assessment	14
4.3	The Labour Law of 2000	15
4.4	Legislative reform	16
4.5	Options and Recommendations	17
5.	Women in the OPTs: Challenges and Opportunities	18
5.1	Social conservatism tends to be reinforced by the occupation	19
5.2	The role of education	20
5.3	Women's CSOs	21
5.4	Access to financial services	22
5.5	Options and Recommendations	24
6.	Young People in the OPTs: Challenges and Opportunities	26
6.1	Key education barriers faced by young people	27
6.2	The labour market	28
6.3	Key social barriers faced by young people	30
6.4	Self-employment	30
6.5	Access to finance and assets	31
6.6	Participation in dialogue and decision-making	31



6.7	Options and Recommendations	32
7.	The DFID Economic Development Portfolio and Scale Up	36
7.1	Finance for Jobs	36
7.2	Arab Women's Enterprise Fund	37
7.3	Palestine Market Development Programme	38
8.	Concluding Remarks	41
APPENDIX 1	REFERENCES	42
APPENDIX 2	THE POLITICAL ECONOMY OF THE OPTS	45
APPENDIX 3	SUMMARY TERMS OF REFERENCE	48
APPENDIX 4	FIELD CONSULTATIONS	50

BERF	Business Environment Reform Facility
CEDAW	Convention of the Elimination of All Forms of Discrimination Against Women
ICA	Investment Climate Assessment
MENA	Middle East and North Africa
MFI	Micro-finance initiative
NIS	New Israeli Shekel
OPTs	Occupied Palestinian Territories
PMA	Palestinian Monetary Authority
PCBS	Palestinian Central Bureau of Statistics
PMDP	Palestine Market Development Programme
PNA or PA	Palestinian National Authority
UNFPA	UN Population Fund
UNRWA	UN Relief and Works Agency
WCLAC	Women's Centre for Legal Aid and Counselling

1. Introduction

This report was commissioned by the Department for International Development's (DFID's) Economic Development Team in the Occupied Palestinian Territories (OPTs) through the Business Environment Reform Facility (BERF), which is financed and managed by DFID's Investment Climate Team in London and operated by a consortium led by KPMG. The objectives of this OPT diagnostic review are to:

- Identify the main business environment constraints to job creation and entrepreneurship, and also constraints to business ownership and self-employment, with particular - but not sole - emphasis on the barriers to participation in the labour market for women and youth.
- Investigate stakeholder dialogue platforms to: (i) assess how effectively the voices of women and youth are captured within existing public-private dialogue and (ii) identify ways in which they can be enhanced in order to mainstream their empowerment.
- Investigate how DFID OPTs can most effectively channel funding towards assisting business environment reform, in particular to improve employment prospects for women and youth.

KPMG assembled a team to undertake the assignment comprising William Kingsmill, private sector development, political economy analysis expert, and team leader; Samar Baidoun, gender expert; Ciara McKeon, project manager; Dilhani Wijeyesekera, youth expert. The team visited East Jerusalem and the West Bank for one week and undertook desk-based research to prepare this report.

The team appreciates the strong support provided by Lindsey Durand-Vibert, Sanabel Halawani and Michael Sansour in DFID's OPT office, and for critical support from the Palestine Market Development Programme (PMDP), especially Arsalan Faheem, Maher Hamdan and Mira Nasser.

We record our appreciation to our interlocutors in the OPTs who willingly gave of their time and shared their knowledge and perspectives. We do not ascribe particular views to particular individuals unless they indicated they wished to be quoted. The conclusions and recommendations are those of the team alone and should not be attributed to KPMG or DFID.

2. Summary and Recommendations

This study uses the Donor Committee on Enterprise Development (DCED) definition of the business environment, i.e. that it is, ‘a complex of policy, legal¹, institutional, and regulatory conditions that govern business activities.’ To understand the business environment as it presents itself to women and young people it is important to understand the roles played (i) by formal legislation and regulation (ii) by markets and institutions, both formal and informal, which includes an appreciation of the political economy and (iii) by social and cultural norms. In terms of a theory of change, a multi-pronged approach is needed across these three domains if the business environment is to support growth that is more inclusive of women and young people.

The poor performance of the economy, not least due to conflict and occupation, represents the major impediment to employment creation for all Palestinians, including women and young people. Promotion of opportunities for women and youth would be at the expense of others unless new opportunities for growth can be created and exploited.

2.1 The business environment

Modern, formal business legislation in the OPTs is not discriminatory against women or youth. There are areas of regulation that are important for women that are not adequately analysed (for example personal status laws) and we believe that organisations such as the World Bank could and should do more to focus on gender and youth in work on the formal business environment, including Doing Business and Investment Climate Assessments. The OPTs performance on starting a business in ‘Doing Business’ declined in 2016² although it improved in terms of getting credit³. However, Doing Business does not focus on women’s or young people’s use of credit. Anecdotal evidence suggests that this remains a serious impediment and that the issue warrants further investigation.

The OPT female labour force participation rate is 20% compared with the Middle East and North Africa (MENA) average of 26%. It is 72% for men. There are pronounced pay disparities between male and female workers in both the formal and informal sectors. This is despite high rates of education parity by gender, even in tertiary education.

OPT literacy rates are the highest in MENA at 95.6% with the highest gender parity in the region at 95% gender parity overall, and a near 100% gender parity for youth literacy (ages 15-24). Women make up almost 54% of students at universities. There is a mis-match,

¹ With respect to the legal system it is important to note that the Palestinian Legislative Council, inaugurated in 1996, has not functioned as a legislature since the 2006 elections. The only legislation promulgated has been through a very limited number of Presidential decrees. Accountability mechanisms are extremely attenuated.

² World Bank (2016). ‘Doing Business 2016, West Bank and Gaza’, World Bank. The OPTs were down 11 places from 159 in 2015 to 170 in 2016.

³ World Bank (2016). ‘Doing Business 2016, West Bank and Gaza’, World Bank. The OPTs were up 9 places from 118 in 2016 to 109 in 2016.

however, in terms of education supply and labour market demand. The Palestinian labour supply has high levels of educational attainment but is not skilled or trained to contribute to the high value-added manufacturing and service sectors.

Female unemployment rates have been steadily rising, as have participation rates, in contrast with falling participation rates for youth in general. This suggests an increased desire to work, possibly because men are failing to find work, or because of slowly changing attitudes. Either way, working to promote female employment would appear to be 'going with the grain'.

Technical and vocational education is problematic and there are no government incentives (training funds, tax incentives, or other initiatives), for workforce training in the West Bank. There is a Tripartite Advisory Committee on employment and training, and a similar committee on wages policy, but they do not have women and young people represented on them as of right, even though Labour Law No (7) states that, 'it is prohibited to discriminate between men and women.'

We could not identify a study of the Palestinian labour market that addresses both demand and supply. Such an analysis could be helpful, for older men as well as women and youth, to facilitate better matches between supply and demand of labour, and could be undertaken as part of DFID's BERF project. In order to promote appropriate supply of skills, the private sector should have a strong voice in the education system, which is lacking in OPT. An assessment is lacking of the functioning of the breadth and depth of the Palestinian financial sector, and the actual and potential demand for financial services, especially by women and youth.

There are areas where legislative reform could be helpful, for example in promoting affirmative action in favour of women and youth. DFID could make modest investment to prepare and support potential reforms. However, DFID engagement with appropriate Ministries, to establish where executive action may be possible without the need for legislation, would be a higher priority, because this is likely to have a greater and more rapid impact than eventual legislative action.

2.2 Women's inclusion

Women and girls in OPT face multiple barriers to full inclusion in the economy:

- Under-representation in senior decision-making and leadership roles, (despite a few notable exceptions);
- Conservative attitudes that deny women their rights and freedoms;
- A legal framework that is outdated and discriminates against women in many areas of family and personal life;
- An informally segregated labour market that restricts women's access to all but a few areas, with over-representation in, and under-acknowledged contribution to, the informal sector;
- Limited access to, and control over, productive assets, including access to finance.



To varying degrees, these barriers have their origins in culture and are reinforced by the occupation and conflict. Traditionally women's primary role is confined to taking care of household and family responsibilities. Nevertheless, women have been a very important part of the political community in terms of resisting the occupation. In Gaza in particular, normative gender roles and expectations between men and women have become increasingly unsustainable.

Over the past decade, many civil society women's organisations have been active in promoting women's interests, but their programmes do not often provide a pathway to economic growth. Many women's organisations have a weak knowledge of, and connection with, the private sector, and lack understanding of market-based initiatives.

2.3 Youth inclusion

Young people in the OPTs are a majority, making up 70% of the total population.⁴ Yet despite their numbers, young people face a number of barriers to participation in the economy, similar to women. With recent data reporting 41.7% of youth aged 15-24 unemployed, and with higher rates among young women (58%), and urban youth (42%),⁵ strategies to promote youth inclusion, are vital, in addition to expanding opportunities in the market. Specific barriers facing young people include:

- Mismatch between labour market opportunities and labour market supply;
- Declining educational outcomes, with 55.2% of the youth population aged 15-29 only completing education to a basic level, and as many as 20.9% with no education at all;⁶
- Lower educational attainment amongst young men, explained by stakeholders as resulting from increased incidence of early drop out to work, and leading to participation in low-wage and less secure forms of employment;⁷
- Low workforce participation amongst young women, despite higher levels of education compared to young men, leading loss of skilled human capital to the labour market;⁸
- Conservative employer attitudes regarding young people's roles and capability in the workplace;⁹

⁴ Based on population under 30, from United Nations (UN), (2015), World Population Prospects: The 2015 Revision, UN

⁵ ILO (2016), 'The Twin Challenges of Child Labour and Youth Employment in the Arab States', Table A2, p.55

⁶ ILO (2014) 'Labour Market Transitions of Young Women and Men in the Occupied Palestinian Territories', p.13

⁷ 59.6% of young men aged 15-29 had no or basic stage education only, from ILO (2014) 'Labour Market Transitions of Young Women and Men in the Occupied Palestinian Territories', p.13

⁸ ILO (2014) 'Labour Market Transitions of Young Women and Men in the Occupied Palestinian Territories', p.4

⁹ ILO (2016), 'The Twin Challenges of Child Labour and Youth Employment in the Arab States', p.33

- Personalised modalities for accessing jobs, reported by stakeholders, which prevents young people without strong social networks from competing for opportunities in the market; and
- Low participation in self-employment, coupled with negative perceptions reported by stakeholders amongst youth and their influencers i.e. families, towards self-employment as a respectable career.¹⁰

At the national level, there is no vision or strategy for youth economic empowerment. Formal structures for youth participation exist, but are limited. Whilst opportunities for formal reform are limited, investing in strengthening the role of youth as a credible partner to private sector stakeholders focusing on business environment reform and investment climate, could provide real value in strengthening responsiveness to youth concerns more generally, and enabling civil society to better understand and engage with private sector approaches.

We propose that DFID should promote an inclusive approach to youth within its portfolio. This could include specific action to tackle selected barriers facing young people where DFID can add value, and mainstreaming youth inclusion targets into the existing programmes.

2.4 Overview of Conclusions and Recommendations

Our conclusions and recommendations are set out in the individual chapters of the report but here we address them at a strategic level. They are structured around the three categories of factors that determine how women and young people engage in the economy, whether as workers or as self-employed business people, as set out above:

- formal legislation and regulation;
- markets and institutions, both formal and informal; and
- social and cultural norms.

In terms of a theory of change, a multi-pronged approach is needed across these three domains if the business environment is to support growth that is more inclusive of women and young people. As for donor engagement, there is greater analytical complexity and/or sensitivity in moving from the first to the second to the third categories. However, focusing only on formal legislation and regulation would have very limited returns, if any, in the absence of progress in the other domains, especially in the context of the OPTs and the current impasse in terms of making new laws.

In each domain we are of the view that existing formal stakeholder platforms for women and youth to engage on issues relating to jobs and growth are limited, not by accident but because

¹⁰ ILO (2016), 'The Twin Challenges of Child Labour and Youth Employment in the Arab States', Table A10, p.60

of the relative low importance attached to their inclusion in economic development policy debate and public discourse, and to their participation in the economy. (In fact, there are few institutionalised stakeholder platforms for business engage with government that have been sustained over time.) Furthermore, the government tends to see civil society organisations as service delivery organisations rather than partners in policy dialogue or important partners in public discourse.

In terms of formal legislation and regulation, **we recommend** that DFID should invite the World Bank to increase the granularity of its analysis relating to the formal business environment. This is especially important in respect of Doing Business and Investment Climate Assessments. We believe that the Bank should provide a better analysis of the constraints facing women and young people, and more comprehensive recommendations. We also recommend that the Bank be invited to extend the range of legislation that it covers to include, importantly, personal law. There would be good partners in the CSO community to participate in this work.

In terms of markets and institutions, formal and informal, **we recommend** that DFID should encourage either the World Bank or possibly a donor programme to look holistically at the operation of labour markets and financial markets, especially the extent to which these markets meet the needs of women and young people, the nature of the market failures, and actions necessary to mitigate the failures.¹¹ There is scope for BERF to engage in research to support such an initiative. With respect to the performance of labour markets, we believe that many of the failings relate to poor transmission of information about demand from employers and prospective employees to educational institutions, and limited incentives for educational institutions to respond to market demands. Improved stakeholder dialogue and engagement appears necessary and this is an area in which DFID may feel it has a comparative advantage in the context of its work on ‘making markets work’.¹² **We recommend** that DFID should encourage the Bank (and other donors, to the extent that it has influence with them) to consider portfolio development from the perspective of whether and how it contributes to the development of vibrant and sustainable Palestinian markets and to beware of the potential for unintentional disintermediation by becoming direct market players themselves.

In terms of social and cultural norms, **we have included recommendations** for ‘going with the grain’ of the changes that seem to be underway, albeit slowly in some cases, to reinforce positive change. This involves working with CSOs that promote women’s and young peoples’ role in economic life. There is limited orthodoxy in this area about how change in OPT has been achieved and there is limited confidence in how change can be encouraged in future: experimentation and learning - adaptive programming - are required. There is considerable donor activity in these areas but limited coordination and peer learning. DFID may be in a

¹¹ Land markets may also be important but we are aware that there are other DFID programmes that focus on these markets.

¹² Public private partnerships may make a distinctive contribution in this context.

position to promote more active learning and dissemination of lessons learnt.¹³ One thing that is certain is that in the face of low or no growth the potential for change would be much more limited, so there is a need to continue to focus on the aggregate growth agenda as well as to encourage increased participation in the economy.

In the longer term, if DFID intends to increase its focus on women and youth, it will be important to fill gaps in understanding the perceptions and aspirations of young people and women, as well as understanding how important markets work – or not – for them. Using social media in innovative ways could make an important contribution to getting access to their thinking and experience, and could offer the potential of feeding through their views to other stakeholders. But this would be no substitute for ensuring that they have a formal seat at the table. There would also be a case for filling data gaps and understanding apparent data inconsistencies that arise between different organisations and over time.

We believe that existing ‘value-chain’ programmes delivered by donors (including DFID and USAID), which appear to be meeting their immediate objectives, would be strongly complemented if the recommendations above were to be adopted and the impact and sustainability of the programmes would be increased. Focusing on women and youth in value-chain programmes is a potentially valuable contribution, but necessarily limited if failures in financial and labour markets continue and if social norms do not change.

In looking at the performance of markets and the role of social norms we would have been greatly aided if we had had access to an up to date and comprehensive political economy analysis. Unfortunately, no such analysis is available. **We recommend** that DFID update and complete the excellent draft social and political economy analysis undertaken by the Tajaawob programme before the most recent Gaza war.

¹³ Donors are key stakeholders and appear to lack an effective platform at the moment

3. Our analytical framework

To understand the business environment as it presents itself to women and young people it is important to understand the roles played in the OPTs by: (i) formal legislation and regulation (ii) markets and institutions, both formal and informal, including an appreciation of the political economy and (iii) social and cultural norms.

A number of factors need to be considered when trying to understand employment and self-employment outcomes for women and for young people, and for men and older people. These include the formal legislative and regulatory environment; the responses of households to the functioning and structure of the economy and of markets and institutions, both formal and informal; and social norms.¹⁴

The analytical framework is consistent with that of the DCED, i.e. that the business environment is a ‘complex of policy, legal, institutional, and regulatory conditions that govern business activities’. However, it gives emphasis to the importance of institutional factors.¹⁵ This is essential in the OPTs given the overwhelming importance of institutional factors concurrent with the deficiency of the legal environment.

People make employment and self-employment choices on the basis of preferences, incentives, and constraints:

- Preferences are shaped by gender roles, social norms, and social networks.
- Incentives are largely influenced by the economy and markets, in particular markets for labour, credit, land, and goods, which determine returns to household decisions and investments.
- Constraints arise from the interplay between formal institutions and markets and reflect the influence of informal institutions.

Voice and bargaining power within a family are also critical. These are defined by a range of factors, including ownership of and control over resources, the ability to leave the household, and social norms. In this way, household decision-making, markets, formal institutions and informal institutions, social norms and economic opportunities and regulations are determinants of gender and age related outcomes.

The first section of the report examines how the economy of the OPTs functions and the formal rules governing the business environment of the OPTs. Subsequent sections examine issues through the specific lenses of women’s and young people’s engagement in the economy and

¹⁴ This framework draws on that used by the World Bank in the 2012 WDR on Gender Equality

¹⁵ Scott, W. Richard (1995). Institutions and Organizations. ‘Institutions are social structures that have attained a high degree of resilience. [They] are composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artefacts. Institutions by definition connote stability but are subject to change processes, both incremental and discontinuous’.

society in large part based on our interviews with a wide range of stakeholders, in addition to a literature review.

In terms of understanding the ‘preferences, incentives, and constraints’ described above we would have been greatly aided if we had access to an up to date and comprehensive political economy analysis (PEA). PEA can also be an important tool for understanding how change happens, and how change is blocked. Unfortunately, no such analysis of the OPTs is available¹⁶ and it was not part of the current assignment to undertake such analysis, which would be resource intensive. However, DFID’s Tajaawob programme did commission a social and political economy analysis some three years ago before the most recent Gaza war. We have built on that draft and incomplete analysis, and also an excellent regional analysis undertaken by Adeel Malik of Oxford University and Bassem Awadallah (M&A). In our view, based on our stakeholder consultations, the M&A analysis is highly relevant to the West Bank today, although we are less certain about its relevance to Gaza.

Malik and Awadallah suggest that class struggles have historically driven change but in the Middle East today there is a generational struggle for inclusion. There is ‘a vivid mismatch between demography and economic structure’. That mismatch is highly visible in OPT, and the potential for a generational struggle is also apparent. This strongly reinforces the desirability of DFID’s current preoccupation with youth and building a more inclusive economy and society if the OPTs are to avoid their own violent generational struggle.

M&A suggest that there are five common denominators of Arab states today and, according to many of our interlocutors, these are directly relevant to the West Bank:

- Economic and political power is concentrated in the hands of very few (and significant new private sector players represent a threat to them) and the boundaries between the public and private are blurred. Businessmen and political leaders are connected through overlapping networks.
- The state is highly centralised with a dominant public sector and weak private sector that depends more on patronage than entrepreneurship. ‘Exploiting new economic opportunities becomes a game of insiders.’
- External revenues profoundly shape the political economy (in the case of the OPTs, aid).
- The Arab world has grown younger and there has been a silent revolution in aspirations.
- The state can be categorised as a security state: its coercive apparatus is both fierce and extensive. Furthermore, ‘the Arab state has a shadowy presence that dominates all spheres of economic activity’.

¹⁶ To the extent that political economy analysis has been undertaken it has tended to focus on aid, conflict and Israel, rather than the Palestinian elite and their interests and incentives.

This analysis suggests that promoting an inclusive, competitive and robust private sector will be challenging, socially, culturally, and politically. It suggests that understanding the dominant political and business families and their interests should be a high priority, as well as trying directly to co-opt them into the project to empower young people and women in the interests of their enlightened self-interest. (It could be hypothesised that if ever the pressure of the occupation abated, it would be hard for the OPTs to avoid the chaos that has overtaken other Arab states, with profound economic and social costs.)

This analysis also suggests that it is important to be cautious about how much can be achieved through legislative and regulatory reform on the West Bank, or through technical approaches, in the absence of a changes in the behaviours of the socially, politically and economically of the dominant elite.

It is clear that Gaza and the West Bank operate in very different ways and we believe that it would be helpful if contemporary analysis were to be commissioned.

Appendix 2 provides further discussion of M&A's analysis.

3.1 The Economic Environment

The poor performance of the economy represents the major impediment to employment creation for all Palestinians. The World Bank suggests that the Palestinian economy is unsustainable under current conditions. Due to long-term restrictions on movement, access and trade, private sector activity has been severely constrained and private investment levels are among the lowest in the world. Donor aid supported consumption-led growth throughout 2007-2011 but the level of donor support has since fallen. This reduction in donor support, in conjunction with the Gaza war, led to stagnating economic growth in 2012 and a contracting economy in 2014. Since 2015, there have been modest signs of economic recovery But with the growth of the population real GDP per capita has been declining since 2013. Unemployment remains high: in 2014, unemployment was higher among females (37%) than males (24%) and in Gaza, female youth unemployment was 79%. Female participation rates in the labour force are far lower for women (19%) than men (72%).¹⁷ Average incomes for women (\$1,651) are only about a fifth of those of men (\$8,580).¹⁸ 25% of Palestinians live in poverty. The World Bank suggests that persistence of this situation could exacerbate political and social unrest.

The World Bank also suggests that until there is a permanent peace agreement, the Palestinian economy will continue to perform below its potential. The Palestinian economy would benefit greatly from the implementation of the international (Oslo and Paris) agreements

¹⁷ World Bank (2015). 'Economic Monitoring Report to the Ad Hoc Liaison Committee', World Bank

¹⁸ DFID (May 2015). 'Inclusive Growth Diagnostic: OPTs', Stage One, DFID

and from having restrictions related to the occupation on trade, capital and labour lifted. 'In general, granting Palestinians access to production inputs and external markets and enabling unimpeded movement of goods, labour and capital, as stipulated in the Paris protocol, would drastically improve growth prospects.'

The removal of restrictions would be the single most important factor for improving economic performance and increasing the participation of women and youth in the economy of the OPTs. Due to social norms governing women's behaviour, as well as fears of harassment, intimidation and violence, women and youth in particular are negatively affected by mobility restrictions. In the absence of such removal, the promotion of opportunities for women and youth could become a 'zero sum game', with a commensurate reduction in opportunities for men and older people, unless new opportunities for growth can be created and exploited. Fortunately, there are some growth opportunities and existing donor programmes, including DFID's Palestine Market Development Programme (PMDP), demonstrate that progress is possible, even within the highly restricted environment that exists. This is critical if broad support is to be mobilised in favour of increased opportunities for women and youth.

4. The Formal Business Environment

The OPTs business environment is reviewed regularly by the World Bank. Reviews include: the Bank's 'Doing Business' reports (last published in 2016); periodic 'Enterprise Surveys' (last published in 2013), the 'Investment Climate Assessment' (undertaken in 2013, before the Gaza war, but published in 2014), and the private sector development strategy, 'Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth' (2012). These World Bank reports do not provide much analysis of the ways in which women and youth are affected by the business environment, and whether there is a different impact on men and women or between young people and old. There are areas of regulation where increased support could usefully be provided by the World Bank and other development agencies for women and young people. There are also areas of regulation (for example personal status laws) which may have a significant impact on women but which have not been adequately analysed. There is potential for the Bank to focus more on gender and youth to inform this knowledge gap in its reviews of the business environment.¹⁹

The scope of this assignment did not extend to an analysis of the Companies Act and the Secured Transactions Law, which the Investment Climate Assessment suggests should be modernised. We believe, however, that in addition to modernising this legislation, it and all other relevant legislation should be scrutinised through the lens of gender and youth.

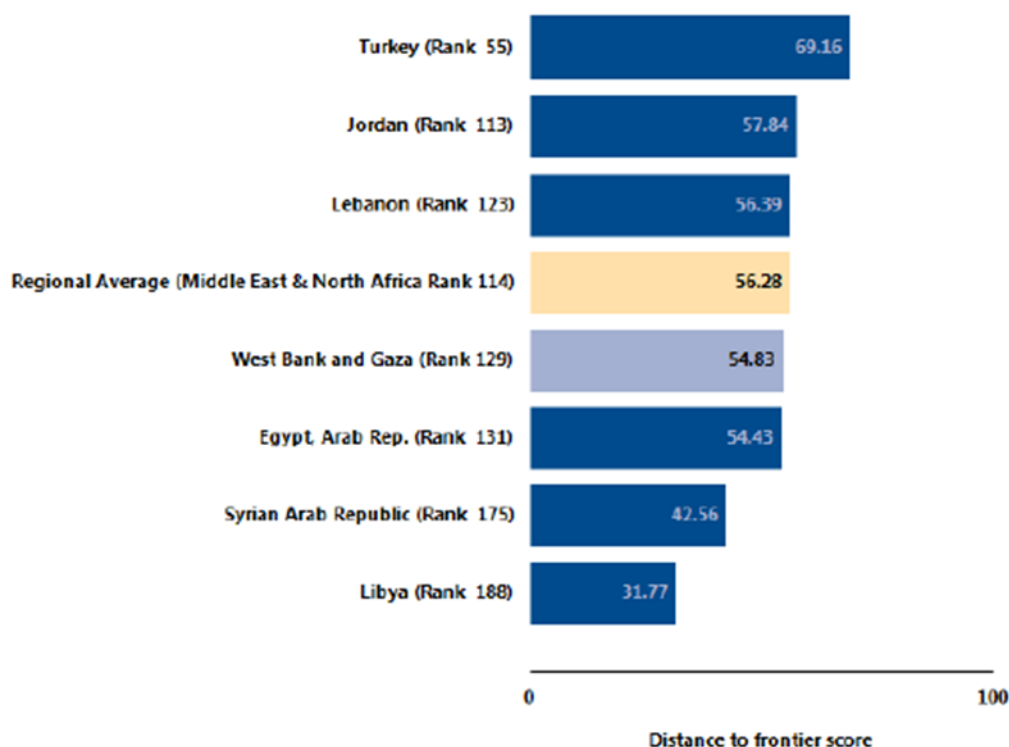
4.1 The World Bank's Doing Business Report

In the World Bank's 'Doing Business' (2016) report, the OPTs perform close to the regional average.²⁰ The Table below shows the ease of doing business in the West Bank and Gaza in comparison with 189 countries.

¹⁹ The World Bank did undertake a poverty assessment that looked at the constraints faced by women and youth, 'West Bank and Gaza: Coping with Conflict? Poverty and Inclusion in the West Bank and Gaza', 2011 but this is now dated. The Bank also undertook a rapid qualitative assessment to explore issues of gender, economic agency, and social norms in 2011 as part of the process of preparing the WDR 2012 on Gender, which was published as 'Aspirations on Hold: Young Lives in the West Bank and Gaza'. This is reviewed later.

²⁰ World Bank (2016). 'Doing Business 2016, West Bank and Gaza', World Bank

Table 1: How the OPTs and comparator economies rank on the ease of doing business



The distance to frontier score shows the gap between an economy's performance and a measure of best practice across the entire sample of 36 indicators for 10 Doing Business topics (labour market regulation indicators are excluded).

The performance of the OPTs declined between 2015 and 2016 in relation to starting a business (down to 170 from 159), registering property (95 from 93), protecting minority investors (144 from 143) and paying taxes (56 from 52). There were modest improvements in relation to dealing with construction permits, accessing electricity, and accessing credit, though other analyses suggest women's limited use of credit remain a serious impediment. There were no changes to ease of trading across borders, enforcing contracts, or resolving insolvency, whose score remains 189.

The Doing Business indicators do not provide any substantive analysis of gender or youth issues, although they do report details of maternity leave (70 days on 100% pay), and that non-pregnant and non-nursing women cannot work the same night hours as men. The report suggests that discrimination by gender in recruitment is not prohibited, which is not correct because the Labour Law No 7 of 2000 prohibits all forms of discrimination including specifically gender discrimination.

4.2 The World Bank's Investment Climate Assessment

The World Bank's 2014 Investment Climate Assessment (ICA)²¹ notes that women's participation and employment rates in both formal and informal sectors are low even for MENA. The female labour force participation rate is 20% compared with the MENA average of 26%. It notes that there are pronounced pay disparities between male and female workers in both the formal and informal sectors. This is despite high rates of education parity by gender, even in tertiary education. The ICA report suggests that one contributing factor may be the uncertainty surrounding movement and access, which may discourage women from seeking work outside of the home. What it does not consider is that education for girls may be primarily about preparing them to be better mothers, not about securing a pathway into a working life. This explanation for the priority given to girls' education would also explain the choice of subjects pursued. We discuss girls' education in more detail later.

There is a mismatch between education supply and labour market demand. The Palestinian workforce has by regional standards high levels of educational attainment but is not skilled or trained to contribute to the high value-added manufacturing and service sectors. The ICA states that literacy rates are the highest in MENA at 95.6%, compared with 77% for the region on average, with the highest gender parity in the region at 95% overall, and nearly 100% literacy rates for youth aged 15-24. An estimated 38.6% of those over the age of 15 have attained at least a secondary education. Around 24% of the labour force has received a tertiary education, and 12% of the population has completed a bachelor's degree or higher. In general, Palestinian students rank poorly in mathematics and science indicators compared to their counterparts in MENA countries. The specialisations of tertiary graduates are skewed toward fields with low demand such as education and social sciences, with high unemployment rates. Less than 15% of graduates choose to study sciences or engineering. There are complaints from employers that the school system does not support the development of critical thinking, self-awareness, presentation, marketing, or an understanding of the working environment.²²

Technical and vocational education is problematic: the ICA reports that there is a limited a role for employers and industry in technical and vocational education and too great an emphasis on initial, rather than continuing, education and training. Demand for technical and vocational training is affected by a public perception of low standards and poor quality. Focus groups of business owners and tertiary education graduates have identified the relevance of their education as the biggest constraint to education-to-work transition, second to the political situation. A number of donors have funded programmes to address these challenges, including GIZ-led initiatives and the World Bank-supported Education to Work Transition Project.

There are no government incentives (training funds, tax incentives, or other initiatives), for workforce training in the West Bank for the formal and/or informal sector. This is reflected in

²¹ World Bank (2014). 'West Bank and Gaza Investment Climate Assessment, Fragmentation and Uncertainty', World Bank

²² DFID (2013). 'Tajaawob: draft Political Economy and Social Assessment'; stakeholder consultations.

low levels of formal training among firms. The overall proportion of firms offering formal training decreased from 2006 to 2013, with medium size firms in particular sharply reducing formal training for employees. Only about 3% of firms in Gaza offer formal training, compared to 14% in the West Bank, and 9% in East Jerusalem.²³ In Gaza, even donor-funded programs have limited access, with the exception of service delivery in the refugee camps through the United Nations Relief and Works Agency (UNRWA).

Labour regulations are reported as a major constraint in the West Bank, but not in Gaza or in East Jerusalem, with 14.9% of West Bank firms reporting it as a major obstacle compared to 2.9% in Gaza and 5.6% in East Jerusalem.²⁴ The labour regulations of the Palestinian Authority (PA) are not in force in East Jerusalem and are not enforced in Gaza.

The most important recent development in labour regulations was the introduction of a minimum wage of new Israeli Shekels (NIS) 1450 (US\$385) per month in the year 2013. This minimum wage may have some effect at the lower end of the wage scale for parts of the formal economy, particularly for young people, although this is not analysed in the ICA. It is also higher than the mean wage reported in parts of the informal sector, and may therefore constitute a disincentive for formalisation of informal firms if it is enforced. The extent to which it is enforced, however, is not clear. With the exception of a legally mandated two-year limit on fixed-term contracts, other aspects of labour regulations are comparable to neighbouring countries.

4.3 The Labour Law of 2000

The Labour Law No 7 of 2000 establishes a tripartite advisory committee tasked with proposing public policies, particularly in the fields of employment, training and occupational guidance. It comprises the government, employers and workers but does not specifically provide for participation by women or youth, although the committee has the power to determine the number of members. The Law establishes a similar tripartite committee on wage policy, with the same membership, which is responsible for determining the minimum wage (Articles 86 and 87). In both cases it would be desirable for women and young people to be represented. The Law states that,

- “The employer shall adhere to employ a number of qualified disabled workers to perform work, which fit their disabilities. The percentage of such workers shall be not less than 5% of the total labour force in the installation.”
- “Discrimination in relation to the work conditions of and circumstances between workers in Palestine shall be forbidden.” (Article 16).
- “The Minister shall issue a training and guidance regulation, which shall guarantee the principle of equal opportunity.”

²³ World Bank (2014). ‘West Bank and Gaza Investment Climate Assessment, Fragmentation and Uncertainty’, World Bank

²⁴ Ibid

Article (27) requires that those working according to limited work contracts, including those with occasional contracts or seasonal contracts, shall enjoy the same rights and conditions as those on unlimited contracts, while taking into account the special provisions relating to work for a limited, occasional or seasonal period. Agricultural workers, however, many of whom may be women, are exempted from the standard annual and other leave provisions (Articles 74-80).

The Law prohibits the employment of children under the age of 15 and contains special provisions to protect the interests of minors (eg reduced working hours, regular medical examinations, extended annual leave), although minors working for family businesses are exempted.

Chapter 7 applies to 'Regulating the Work of Women' and Article (100) states that, 'it is prohibited to discriminate between men and women'. Article (101) prohibits employment in dangerous or 'hard works' defined by the Minister. It prohibits extra working hours during pregnancy and during the six months after delivery. It prohibits working during night hours except for works defined by the Council of Ministers. For women who have been employed for 180 days prior to each delivery there is the right to paid maternity leave for a period of 10 weeks, including at least six weeks after delivery. Not less than an hour a day for a period of a year must be provided for breastfeeding, and women must be paid for this time.

There is no comprehensive study, as far as we are aware, of the Palestinian labour market that looks at both demand and supply. Such an analysis could be helpful for both women and youth to ensure that supply better meets demand. The private sector could usefully play a stronger role in the management of the education system, both in terms of the curriculum at schools and for technical and vocational education, and in terms of a reorientation of tertiary education, to ensure that supply of skills better meets demand.

We were similarly unable to identify an assessment of the functioning of financial markets, i.e. breadth and depth of the Palestinian financial sector, and the actual and potential demand for financial services, especially by women and youth. Such an assessment would be useful in determining priorities. To take this agenda forward, an expansion of an existing DFID programme such as PMDP or working through the World Bank could be appropriate channels to consider.

4.4 Legislative reform

The PA Legislature has not been fully functional since 2007, following elections in 2006 that saw the election of rival governments in Gaza and the West Bank. This means that there are limited opportunities for legislative reform. Presidential Decrees have been issued, though only very rarely. There are areas where legislative reform could be helpful, for example in promoting affirmative action in favour of women and youth, and there could be room for DFID to provide some support towards potential reforms. A higher priority, however, would be to engage with appropriate Ministries to establish where executive action may be possible without the need for legislation. A number of reforms to improve the business environment



could be undertaken through regulation; both the elimination of the minimum capital requirement and simplification of business registration were accomplished in this way. It is also important to understand the relevance of other laws, such as personal law, to the business environment and to establish whether there are restrictions in these laws which should be addressed.

4.5 Options and Recommendations

We believe that DFID should invite the World Bank to increase the breadth and depth of its analysis relating to the formal business environment. This is especially important in respect of Doing Business and Investment Climate Assessments. We recommend that the Bank be invited to extend the range of legislation that it covers to include, importantly, personal law. We believe that the Bank should provide a better analysis of the constraints facing women and young people, and more comprehensive recommendations. (This recommendation might be relevant to other countries too.) There would be good partners in the CSO community in the OPTs to participate in this work and benefit from playing such a role.

We recommend that DFID encourage the Ministry of Labour to amend Labour Law No 7 of 2000 to include as of right representatives of both women and young people on the tripartite advisory committees on employment, training and occupational guidance and on wage policy.

We recommend that an overall analysis of the functioning of the Palestinian labour market be undertaken that looks at demand and supply, particularly – but not only – from the perspective of women and youth. This should include a review of institutional mechanisms deployed to ensure that supply better meets demand. We believe that the role of the private sector in management of the education sector should be investigated with a view to increasing its voice, both in terms of the curriculum at schools and for technical and vocational education, and in terms of a reorientation of tertiary education, to ensure better matching of supply and demand.

A similar assessment of the functioning of financial markets would be helpful, looking at the breadth and depth of the Palestinian financial sector, and the actual and potential demand for financial services, especially by women and youth.

Such assessments would be useful in determining priorities for DFID and potentially other development agencies. An expansion of an existing DFID programme (such as PMDP) could be considered to help take these recommendations forward. DFID ought to have a comparative advantage in thinking about ‘making markets work’ in comparison with many other agencies, although sometimes DFID’s making markets work approach has been limited to addressing specific value chains. The World Bank could also be approached to undertake these assessments of the functioning of labour and financial markets.

5. Women in the OPTs: Challenges and Opportunities

The number of people participating in the labour force in the OPTs was approximately 1,276,000 in 2015 according to the Palestinian Central Bureau of Statistics (PCBS), with 810,300 of these in the West Bank and 465,700 in Gaza. The labour force participation rate in the West Bank was 45.6% and 45.5% in Gaza. There is a significant gap in the participation rate between males and females in the OPTs, at 71.7% for males and 18.8% for females.²⁵ The rate for females is significantly lower than the rest of the MENA region and is one of the lowest in the world. This is particularly striking given that Palestinian girls' primary and secondary school enrolment ratios are higher than boys.²⁶

It is noteworthy that female unemployment rates have been steadily rising, and that participation rates have also been slowly rising. This indicates an increased desire to work, possibly because men are failing to find work or due to changing attitudes. Either way, working to promote female employment would appear to be 'going with the grain'.

There are pronounced pay disparities between male and female workers in both the formal and informal sectors. In its fact-sheet "Women Participation in the Palestinian Labour Force" from 2010-2011, the ILO reported a significant gender pay gap in the West Bank and Gaza, with women's median daily wage only 84% of men's. The gap is even wider in the manufacturing sector where women receive only 57% of the median wage of men. The prevalence and persistence of pay discrimination against women is reflected in a 20% gender pay gap among recent graduates in their first private sector job.²⁷ Over the past 15 years, real wages have fallen across all education levels, partly as a result of increased restrictions resulting from the occupation.

Women and girls throughout the developing world, including the OPTs, face multiple barriers to their economic, political and social empowerment making them vulnerable to poverty. Our consultations with stakeholders identified specific barriers for women in the OPTs, including:

- Under-representation in senior decision-making and leadership roles (with a few notable exceptions);
- Conservative attitudes that deny women their rights and freedoms;
- A legal framework that is outdated and discriminates against women in areas of divorce, custody of children, and violence against women;
- An informally segregated labour market that restricts women's access to all but a few areas, with over-representation in and under-acknowledged contribution to the informal sector; and

²⁵ Palestinian Central Bureau of Statistics (PCBS) (2015). 'Labour Market Survey, Jan-March 2015'. PCBS

²⁶ Ibid

²⁷ ILO (2011). 'Factsheet, Women's Participation in the Palestinian Labour Force: 2010-2011'. ILO

- Limited access to and control over productive assets, including access to finance.

One particularly important law is the personal status law. The current legal framework in the OPTs is a mixture of Jordanian, Egyptian, Palestinian, Ottoman and British laws, many of which were inherited from the colonial period, as well as Israeli military orders. Furthermore, different laws apply to the West Bank and the Gaza Strip. This lack of a unified legal framework is the root of many inconsistencies and gaps in the current legislation, and this is the case for personal status laws. Many Palestinians believe that the personal status laws applicable in the OPTs do not offer fair treatment and sufficient protection to women and girls. For Muslims, the Jordanian Personal Status Law No. 61 of 1976 is applied in the West Bank and the Egyptian Law of Family Rights of 1954 in Gaza. Many articles of these two laws contradict more recent Palestinian laws and decisions of the Palestinian National Authority (PNA), including the Presidential Decree endorsing the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 2009.²⁸

5.1 Social conservatism tends to be reinforced by the occupation

To varying degrees, the barriers outlined above have their origins in culture and are reinforced by the occupation and environment of conflict. There is a debate about the extent to which religion is responsible. Islamic law is frequently referred to as one of the reasons for the exclusion of women from the public sphere, although many people suggest that Islam has been exploited by patriarchal societal structures to legitimize discrimination against women. Traditional religious teachings are frequently interpreted as holding that women's primary role is taking care of household and family responsibilities. Other activities are permitted, and even encouraged, provided domestic responsibilities are not compromised. Married women are expected to concentrate on family life rather than working outside the family. Their reproductive role is a barrier to their participation in economic and political activities. The entrenched social attitudes of men and sometimes older women perpetuate these barriers to inclusion, not only of young women and girls but also young men.

Nevertheless, women have been a very important part of the political community in terms of resisting the occupation, for example, by participating in protests. Women have also taken on multiple roles in response to conflict and occupation. There are an increasing number of female headed households, in Gaza in particular.²⁹

²⁸ WCLAC (2012). 'Palestinian Women and Personal Status Laws', WCLAC

²⁹ UN (2016). 'Report of the UN Secretary-General on the 'Situation of and Assistance to Palestinian Women', DFID Palestinian Programme, Economic Development Strategy. According to data collected by UN-Women and the Office for the Coordination of Humanitarian Affairs, it is estimated that around 700 women were widowed as a result of the conflict in Gaza in 2014. Female-headed households in Gaza face particular challenges in accessing humanitarian assistance and inherited assets, owing to social restrictions.

In Gaza, normative gender roles and expectations between men and women have become increasingly unsustainable. The dominant family model of male breadwinners and their dependent housewives no longer represents the reality of the majority of households. In this context, growing numbers of women express criticism of the growing disparity between their greater economic responsibilities and their still limited economic rights.³⁰

For women who do want to work, the need for help with their children and domestic responsibilities, including childcare, can be problematic in part because access to extended families in the OPTs has been restricted for some by the Separation Wall. Within the workplace, women can face significant prejudices.

There is no doubt that the restrictions of mobility have far reaching consequences. A 2015 UN report states that “The eight-year long closure of the Gaza Strip has had a devastating effect on Palestinians living in Gaza. Challenges affecting women, in particular, include the prevalence of gender-based violence and limited access to water, housing, land and property, employment opportunities, higher education and health care, including prenatal and neonatal health care. Psychosocial distress levels, which were already high among the Gaza population, have worsened significantly as a result of the conflict and will require specialized support, specifically for children, adolescent girls and women.”³¹

Rural women often work in the informal sector, in agriculture and petty trading, which by definition is not protected by law. Stakeholders consulted in the OPTs suggested that women and young people in Area C are often employed by agents on behalf of employers in Israeli settlements, which can result in exploitative relationships.

5.2 The role of education

While women make up almost 54% of students at universities they represent only 17% of the academic teaching staff, and as noted previously, their participation rate in the labour market is amongst the lowest in the region.³² Most female students are enrolled in stereotypical ‘female’ subjects that represent an extension of their traditional roles. Women are highly represented in health care, teacher training, arts and humanities, and life sciences. There are only limited opportunities for careers in these domains, however. In part, this is because the education that families seek for their daughters is not aimed at satisfying labour market demands but rather their roles as mothers, with education seen as a means of achieving social recognition and status. Educated women enjoy more freedom of action in public: they can move about in public unaccompanied by a male guardian and interact with men in the

³⁰ UN Women (2011). ‘Who answers to Gazan Women? An Economic Security and Rights Research’, UN Women

³¹ UN (2016). ‘Report of the UN Secretary-General on the ‘Situation of and Assistance to Palestinian Women’, DFID Palestinian Programme, Economic Development Strategy

³² The Palestine Link (2016). Facts and Figures. [online] Available at: <http://www.palestinelink.eu/palestine/facts-and-figures/education/>

workplace.³³ It is also suggested, however, that female graduates from universities lack a work ethic, basic life skills, and the self-confidence to perform professionally.³⁴ Attempts by some civil society initiatives to advocate for better coordination between market demand and universities seem to miss their mark.

5.3 Women's CSOs

Over the past decade, many women's CSOs have been active in promoting women's interests and some have expanded their mandate to include what they have often termed 'dignified livelihood development.' They have succeeded, to an extent, in supporting income generation by women, especially in remote rural areas. These programmes however do not represent a pathway to rapid and inclusive economic growth. Many of the initiatives are relief- or welfare-oriented and provide credit on a non-sustainable, non-commercial basis. Many women's organisations have a weak knowledge of and connections with the private sector or conceptualisation of market-based initiatives. They have poor knowledge of labour market trends.

There are questions around the effectiveness of CSOs' governance models in enabling women's economic participation and accountability. Donors, who have been major sources of funding, have been mainly interested in financial accountability and ensuring that organisations have been able to meet their contractual obligations. Issues of governance have been largely ignored or dealt with in a haphazard way. It has been suggested that with an outdated approach to management, leaders, managers and directors have behaved like 'heads of tribes' with almost unlimited powers.³⁵ This makes collective action around areas of common interest difficult to achieve and may make it difficult to work with many CSOs.

Research by the EU³⁶ suggests that in general CSOs' engagement in policy dialogue is weak and has limited effectiveness. It suggests that this is because there is a lack of a recognised 'space' for CSOs in policy dialogue. They say that policy dialogue and public discourse is mainly considered as the space in which political parties and the government have a role, while CSOs are mainly considered as providers of services. Competition and lack of trust among CSOs represents another limiting factor. The research also suggests that, with a few exceptions, CSOs tend to work individually, not to share knowledge and information, and not to build up a common 'front' for facing other actors. They rely on personal relationships. Donor dependency is seen to limit legitimacy, as does a perception of corruption and misuse of funds.

³³ World Bank (2012). 'Aspirations on Hold: Young Lives in the West Bank and Gaza', World Bank p.18

³⁴ Based on information gathered by the team during consultations in the West Bank

³⁵ DFID (2013). 'Tajaawob: draft Political Economy and Social Assessment'

³⁶ EU (2015). 'Mapping Study of Civil Society in Palestine'

The researchers suggest that on gender equality and women's rights, the policy influence of CSOs is more linked to 'windows of opportunity' (as the presence of a certain minister or the international debate on a certain issue) and on the capacity to mobilise networks and the public, including international donors. In the absence of a functioning legislative council and a public arena for the discussion of policies and laws, influencing policies and legal frameworks is mainly initiated through direct relationships with decision makers in the Government.

Notwithstanding the danger of donor dependence, the researchers suggest that diplomatic and political support is needed to foster a wider recognition of CSO legitimacy to engage with public authorities in setting and monitoring policies and services.

5.4 Access to financial services

The World Bank (ICA) reports that access to finance does not appear to be a binding constraint for most Palestinian firms, but that small and informal firms appear to be more constrained in accessing finance. Women's access is not reported upon in detail. Most formal firms (69%) report financing the majority of their investments and working capital with retained earnings. The vast majority of firms (90.8%) report not getting a loan in the last fiscal year because they did not apply. 77% of firms report that they did not apply for a loan because they do not need one, compared to the MENA average of 45%, and 38% of firms in lower-middle income comparator countries. This seems to indicate that the constraints lie more in identifying profitable opportunities for investment under the current conditions and constraints. Only 6% of all firms report having a bank loan or a line of credit. Rejection of loan applications, which is relatively rare, was reported exclusively by small firms and nearly always because of insufficient collateral.

Women often find it difficult to provide collateral because they tend not to own assets and are often dispossessed on the death of a husband or father,³⁷ although there have been some improvements in inheritance practices to provide less opportunity for exploitation of women at the time of death. The ICA does not discuss women's ownership of land. This issue is important and needs to be studied further. The updated inheritance law prevents precipitate decision making but it doesn't change substantive power relations between men and women.

The ICA suggests there are greater limitations for small firms, and notes less use of banking services in Gaza in particular, where only about 4% of small firms have bank loans. Most lending is collateral based, with 68% of loans requiring collateral. A significant difference in the size of collateral was reported and although there is limited data available, it seems that the size of collateral required for small firms is significantly greater than for larger firms. Small firms are much more likely to use supplier credit for financing.

³⁷ WCLAC (2012). 'Palestinian Women and Inheritance', WCLAC

The only reference in the ICA to women relates to businesses with some female ownership, which are significantly less likely to have a loan: only 1.9% of firms with some female ownership report having a loan compared to 6.6 % of firms with no female ownership. This is despite the fact that a significantly higher percentage of firms with female ownership have a checking or savings account (94.8%) compared to firms with no female ownership (67.6%).

There are nine non-bank microfinance institutions that lend to over 55,000 active borrowers for loans mainly used for production, consumption, and home improvements ranging from USD \$200-20,000, with an average amount of about USD \$1,500. Funding for microfinance institutions (MFIs) has been mainly provided by donors. The Bank suggests most MFIs are unsustainable in the long-term but does not venture why this is necessarily the case. Efforts are currently underway to convert MFIs into commercial entities with effective corporate governance structures and procedures. Women and young people could be major clients of microfinance institutions, due to their lack of collateral and the potential predominance of small start-ups by young people. The health of this sector is therefore critical. There is no analysis in the ICA of the penetration of financial institutions into the youth and women's segments of the markets.

The ICA records the fact that a gap exists for smaller-size equity financing for start-ups. It suggests that apparent gaps in access to finance among smaller firms could be mitigated by improving key aspects of the financial infrastructure, namely the limitations in the credit bureau and lack of a collateral registry.

Over 40% of informal enterprises report access to finance as their top obstacle to doing business. However, this finding is driven almost entirely by West Bank informal enterprises. Most informal firms (59%) report not applying for a loan because they did not need one. However, a significant proportion of enterprises also cite high interest rates, complex procedures, and their expectation of rejection due to non-registration among other reasons. This suggests that gaining access to finance does not constitute an incentive for formalization among Palestinian firms.

Anecdotally, credit organisations have reported challenges that they face with women especially in relation to weak or no technical expertise, financial literacy, or long-term commitment. Most microfinance organisations are situated in the cities, making them difficult for rural women to access.

In summary, a complex set of constraints inhibits women's choice and mobility. Legal barriers are limited but not sufficiently analysed by either the Doing Business or ICA reports. Social barriers, with foundations in a traditional patriarchal society, and with religious dimensions, limit where and how long women can work. The lack of skills which respond to market demand narrows women's opportunities. Similarly, a lack of appropriate financial products appears to limit the potential for start-ups and expansion. Challenges with financial literacy limit the impact of many women's organisations. These constraints present multiple challenges for reform. Yet

change is underway and there is the potential to ‘work with the grain’ to promote more inclusion.

5.5 Options and Recommendations

We recommend an approach that combines several important strands, including:

- Detailed examination of legislation that affects women’s rights, including rights in the household as they affect participation in the labour market and economy, with Morocco and Ethiopia providing relevant experience to build on. This could either be undertaken by the World Bank as part of its normal investment climate work, or by PMDP in partnership with a local CSO. BERF could also potentially support through Activity D, Policy Research. Options for implementation for all these work areas are discussed in more detail in Section 7.
- Support for affirmative action in social institutions and in business (building on the quota approach adopted during the national elections). This may already be covered in a new role model project which DFID is currently considering. Possible modalities are discussed in Section 7.
- Support to improve the matching of skills to jobs and improved financial products. This should be linked to a detailed assessment of the labour and financial markets, and to strategies to grow and diversify the economy. This would also involve improved stakeholder engagement in the process of matching supply and demand, which we believe would be innovative in a Palestinian context. Palestinians in the private sector, including women and youth, need support to prepare themselves for employment and self-employment, and a stronger voice in how such support is provided. Employers should also have more influence on the curricula for such training.
- Support for local women’s groups and networks to develop their ‘offer’, including through building stronger links with the private sector. This offer might include the three types of initiative outlined above or might involve delivering specific inputs (finance or skills).

The underlying theory of change for these recommendations emerged from consultations with stakeholders and our literature review. Both forms of enquiry lead to the conclusion that a multi-pronged approach is necessary to improve the business environment for both women and youth. Legislation and regulation can be helpful, but only if underpinned by changes in expectations and behaviour, and only if enforceable and enforced. Improved skills, linked to employer demand, are critical, but only if underpinned by changes in societal expectations about the role of women. A thorough analysis of the financial sector in the OPTs was outside the scope of this report, however our consultations in the field have led us to believe that an improved range of products for SMEs could potentially make an important contribution and that the welfarist approach of some CSOs probably undermines long-term sustainability. Affirmative action in business and social institutions could help change the business

environment for women but, ultimately, champions and role models are required to provide evidence that change is underway.

6. Young People in the OPTs: Challenges and Opportunities

Today's population in the OPTs is larger, younger, and through technology, more connected than ever before. Young people under the age of 30 make up 70% of the total population.³⁸ This is the largest youth bulge for the OPTs in at least a generation. The proportion of young people in the population is projected to remain at over 50% for the next fifty years.³⁹

A number of factors constrain young people from taking up positive and active roles in the OPTs, many of which also apply to women. They include: a) age and gender hierarchies which limit young people's participation and power in key decision making processes (public, political and private spheres); b) unemployment; c) the political occupation which limits young people's mobility; d) protracted conflict which has seen their further withdrawal from public and political life, particularly since the Second Intifada.⁴⁰ With this in mind, interventions seeking to unlock young people's potential as a resource for growth need to invest in creating opportunities in the market, as well as finding ways to nurture and negotiate pathways to promote youth agency.⁴¹

The enabling environment for young people is constrained in the OPTs. The national youth policy, which would provide measures for youth development, remains in draft form, and there is no official aged-based definition for youth. The body responsible for youth affairs is the Higher Council for Youth and Sports, which has limited institutional capacity, resources and influence according to the stakeholders we interviewed. A Youth Parliament has been established but according to stakeholders is ineffective as a platform. National data to track the progress of young people across a number of development indicators is implemented via the Palestinian Central Bureau of Statistics (PCBS). However, measurement indicators are not adequately tracked.

³⁸ UN (2015). 'Department of Economic and Social Affairs, Population Division, World Population Prospects: The 2015 Revision'. UN

³⁹ Ibid

⁴⁰ Ayad, A. (2013) 'The Atkin Paper Series Palestinian Youth: Between Patriarchy and Politics'

⁴¹ Definition: The terms 'youth', 'young people', and 'adolescent' are used interchangeably but also have different meanings in specific national contexts. In general, 'youth' refers to a phase of life when a person moves from a time of dependence (childhood) to independence (adulthood). The exact timeframe differs, and may be extended in countries where poverty, low education, and lack of opportunity, prevents young people from achieving a dignified and independent state. The most common age-based definition is between the ages of 15-24. Many institutions including DFID use a wider age range to incorporate early adolescence, but also highlight the need to understand the specific social, political, economic, legal and cultural factors affecting young people in order to design appropriate strategies. This report will apply the most commonly used age definition in the OPTs, which is 15-29, and will highlight any specific age-based risks, which fall outside this bracket where relevant.

Definition: 'agency' in sociology, agency is the capacity of a person or other entity to act in any given environment.

There is a growing number of youth organisations but the sector has not developed strong mechanisms for coordination or for trying to influence policy. (One stakeholder said that its operations were closed down in Gaza when it operated a high visibility presence.)

In other circumstances, without ongoing conflict and occupation, the surge in population could be regarded as a ‘demographic dividend’. The OPT’s have a relatively well-educated population. This could provide a major opportunity for growth and development depending on how the country approaches youth development. Four critical factors - apart from the occupation - are considered central to capitalising on this dividend: a) increased investment into young people’s human capital development; b) increased employment and economic opportunity; c) improved access to financial systems, and d) expansion of access to contraception (to support a decline in fertility).⁴² In the context of DFID’s strategy, accelerating progress on a-c will be essential to generate the conditions necessary to unlock youth potential. DFID’s global youth agenda also highlights the value of promoting diverse youth leadership roles in the process.⁴³

6.1 Key education barriers faced by young people

As noted above, young people in the OPTs are relatively well educated with a 99% literacy rate, and with 19.7% completing tertiary education.⁴⁴ Coupled with good life expectancy, this provides critical foundations for a dividend via a skilled and healthy working age population.⁴⁵ However, educational completion is at risk with 55.2% of the youth population aged 15-29 only completing education to a basic level, and as many as 20.9% with no education at all. At tertiary level, drop out prior to completion of degrees affects almost one-third of students, and is higher amongst men (33.1%) than women (23.5%).⁴⁶ Feedback from stakeholders and key studies indicate that economic necessity is a key factor in drop out.⁴⁷

Gender disparities are leading to untapped or lost human capital potential. The economy is losing out on market-ready human capital in two ways: a) young boys are likely to enter the job-market early with limited education, and under-prepared for the work environment, and; b) girls are likely to be more highly educated, but have limited opportunities (or limited motivation) to participate in the economy.

⁴² UNPFA, (2014), The State of the World’s Population. p13.

⁴³ DFID (2016). ‘Putting young people at the heart of development: The Department for International Development’s Youth Agenda’. DFID, April 2016

⁴⁴ Elder S. and Sadeq T. (2014). ‘Labour market transitions of young women and men in the Occupied Palestinian Territory’. ILO p.13

⁴⁵ UNDP (2014). ‘Table 1: Human Development Index and its components’ [online] Available at: <http://hdr.undp.org/en/composite/HDI> [Accessed 17 June 2016]

⁴⁶ Elder S. and Sadeq T. (2014). ‘Labour market transitions of young women and men in the Occupied Palestinian Territory’. ILO p.13

⁴⁷ World Bank (2012). ‘Aspirations on Hold: Young Lives in the West Bank and Gaza’, World Bank

Families are more likely to withdraw boys earlier from school in order to take up work in order to contribute to household income. Many boys are likely to drop out at 15 (the law prohibits minors under the age of 15 from working). Interventions which aim to keep boys within education or improve work-preparedness skills before entry into the labour market, will need to target them and their families earlier than 15. In rarer cases, young women may also be withdrawn from school in order to support income generation. This was more common in Gaza where economic decline has been more acute. Girls with higher education are less likely to participate in the labour market.⁴⁸

Young people are not adequately prepared for work.⁴⁹ As many as 46.4% of young working Palestinians are under-educated for the job they are performing. Key reasons for this include:

- Many employers do not see skills development as their responsibility even though they see poor skills as a constraint to their growth.⁵⁰ They expect new-entrants to be 'job-ready', and are unwilling to train or develop their staff.
- Limited financial capacity of businesses to develop staff, as many are small.
- Structural impediments within education including: a) early career decisions; b) lack of sound career advice; c) mis-match of courses on offer to market needs
- A failure to popularise technical and vocational education and training.

Youth and stakeholders report constraints around knowledge of how to set up businesses, and ability to access markets in order to sell products. A number of stakeholders highlighted that the current education system, and the emphasis on patriarchal decision making, hampered young people's ability to develop critical thinking and leadership skills, and was a challenge to them in starting up businesses successfully. While young people are more connected and knowledgeable about technology than their parents, stakeholders working with young people highlighted that due to the quality of ICT education, many young people were not familiar with the latest technology. Those based in rural areas were also more likely to require support to utilise technology in order to manage and grow their businesses.

6.2 The labour market

Despite the high levels of educated job-seekers, the jobs market in the OPTs is extremely limited and unable to absorb the existing supply potential. Wage employment predominates

⁴⁸ World Bank. (2012) 'Aspirations on Hold: Young Lives in the West Bank and Gaza', World Bank.

⁴⁹ World Bank (2015). 'Project Appraisal Document, Proposed \$5m Grant for the Benefit of the Palestinian Authority, Finance for Jobs Project', World Bank p.12

⁵⁰ ILO (2016). 'The twin challenges of child labour and youth employment in Arab States', 2016

in OPT, accounting for 80% of employed youth. In terms of sectors, young people are involved in manufacturing (15%), services (29%), commerce (29%), and agriculture (9%).⁵¹

The current unemployment rate amongst young people is 41.7% according to new figures from the ILO, the highest in the region. Young women and urban youth experience higher unemployment levels (58% and 42% respectively) and would be critical groups to engage in any future intervention.⁵² 31% of youth are not in education or employment:⁵³ of those in employment, one in ten is considered under-employed.⁵⁴ Another study suggests that unemployment is higher amongst youth aged 20–24 years (45.6%), with the highest unemployment rate among females with 13 years of education or more, at 47.1%.⁵⁵ Unemployment is also acute in Gaza with unemployment at 55.8%.⁵⁶

Overall, 83.4% of youth are employed in the private sector, compared to 10.1% employed in national institutions. Participation in the private sector in West Bank (83.7%) is slightly higher than in Gaza (82.3%).⁵⁷ Young people work in sectors including agriculture, IT, service industry, business management and administration, with the international community and NGOs providing a significant number of jobs.

Young people's participation in the labour market is characterised by informality. 94.1% of all young workers engage in informal, poor quality employment involving low wages, lack of written contracts and lack of access to legal rights such as paid annual leave, paid sick leave, or maternity leave. For example, 68.6% of wage and salaried workers have no written contract. Additionally, an estimated 32,000 children aged 10-17 work as unpaid family workers, 98% of whom are females.⁵⁸ The majority of this labour takes place in the agricultural sector.

Young people face extended periods of unemployment, with almost one-third (32.2%) of unemployed youth likely to be unemployed for two years.⁵⁹ This is not only a loss to the economy, but is also likely to have a psychosocial impact on young people's development at a critical phase of life within the OPTs. The value of increasing access to productive opportunities, even where paid opportunities are limited, will be critical to preparing the economy for future growth and ensuring social cohesion.

⁵¹Ibid

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ World Bank (2015). 'Project Appraisal Document, Proposed \$5m Grant for the Benefit of the Palestinian Authority, Finance for Jobs Project', World Bank p.12

⁵⁶ ILO (2014). 'Labour Market Transitions of Young Women and Men on the OPTs', ILO, p2.

⁵⁷ Palestinian Central Bureau of Statistics (PCBS) (2016). 'Labour Market Survey, Jan-March 2015'. PCBS

⁵⁸ ILO (2014). 'Labour market transitions of young women and men in the Occupied Palestinian Territory'. ILO

⁵⁹ Ibid

6.3 Key social barriers faced by young people

Young people, and young women in particular, face specific barriers to entering and moving up within the labour market. Strong age-based and patriarchal hierarchies often require young people to have family connections in order to find a job and mean that young people's responsibility and decision making power may be low. This is further exacerbated for young women, who are more likely to perform low skilled roles. In addition, social perceptions about safety of young women when travelling to, or staying in, urban centres for work leads to an employers' bias, i.e., employers believe that the families will not allow girls to take on jobs even if these jobs are offered.⁶⁰ It is critical to note that less than 6% of inactive women declare that they have no desire to work.⁶¹ However, such social constraints not only prevent young women from struggling to access opportunity, but, according to stakeholders we interviewed, also contribute to their voluntary withdrawal.⁶²

As a result of the occupation and the uncertainty around conflict, many young people's aspirations in the OPTs are constrained, focusing on basic needs such as having a job, security, and being able to move or migrate. 79.4% of youth consider their top priority is to end the occupation and build the Palestinian State, followed by 7.3% who prioritise improved living standards. This was consistent across West Bank and Gaza, and between males and females. A minority (39.9%) intend to participate in the elections, underscoring the widespread withdrawal of youth from political life. Intention to vote was much higher in Gaza (56.8%) than West Bank (29.4%).⁶³

6.4 Self-employment

Less than 10% of young people in the OPTs are self-employed.⁶⁴ Self-employment is not considered a viable and respectable career option by many; rather, it is seen as a low status or last resort activity based on economic necessity, not choice. The ILO highlighted that, 'entrepreneurship does not yet constitute a path to employment for a significant number of young people. There is a strong social preference for 'stable jobs'. A recent youth survey of 15-29 year olds showed that 20.9% had tried to establish their own businesses, with

⁶⁰ Stakeholder consultations

⁶¹ Ibid.

⁶² YCARE International (2014). 'Young Women's Livelihoods in the Seam Zones, Occupied Palestinian Territory – Challenges and Solutions'. YCARE International

This study surveyed 120 young people and identified 72% as unemployed. Over two-thirds of the cohort (68%) considered favoritism to be the main obstacle to finding work. This was understood as having the right personal or family connections. Family and cultural perception also hinders young people's choices. For example, when asked whether they would accept work in a city such as Ramallah, Nablus or Salfit, almost 50% said they wouldn't with 36% citing family objection as the main reason while for 29.3% taking care of children as the main obstacle.

⁶³ Palestinian Central Bureau of Statistics (PCBS) (2016). 'Labour Market Survey, Jan-March 2015'. PCBS

⁶⁴ ILO, (2016)

significantly higher rates in the Gaza Strip (30.6%) compared to the West Bank (14.9%). Further exploration of the start-up, survival, and attrition rates will be required in any new programme to better understand the specific barriers for youth in Gaza.

6.5 Access to finance and assets

Access and control over financial resources is a key constraint to young people's effective participation in self-employment according to stakeholders consulted. However, limited data was identified and further investigation is warranted. Many youth-led businesses fall below the level of a small to medium enterprise, typically defined as those with ten employees or above,⁶⁵ and may not therefore qualify for startup capital. Further, as in many economies, many new businesses rely upon personal resources or collateral to get started, which is an additional hurdle for young people. Strategies to support viable microenterprises, such as DFID's PMDP intervention, that could also provide links to providers of finance, are likely to be critical for young people.

Within the OPTs, although women are legally entitled to inherit property and other assets of the husband or father, in practice many do not. According to the youth organisations consulted during this assignment, young people lack awareness of their legal rights with regard to inheritance, land registration, and establishing businesses.

6.6 Participation in dialogue and decision-making

Young people's participation in public and political life is constrained as a result of age, and patriarchal and gender hierarchies within society. Increased conflict in recent years has seen a further withdrawal from young people in decision-making and increased agitation for change.⁶⁶ Where youth participation does take place, it is often formalised in the public and political sphere, and requires negotiation or support from adult partners.

The youth sector is active and vibrant in terms of direct outreach to young people. The organisations we met were mostly engaged in skills development and internship programmes, with none having a comparative advantage in terms of knowledge of the business environment or the performance of labour and financial markets. As such, further investigation would be required to identify a suitable partner to provide a platform for dialogue with government on critical policy and reform issues. However, Sharek has wide national outreach, and Palestinian Youth Vision had strong presence in Jerusalem and Area C with an in-depth understanding of urban youth programming.

Issues highlighted by the youth organisations we met included:

- The potential for the private sector to go beyond internships to offer, for example, stipends, training, coaching, and mentoring,

⁶⁵ ILO (2015). 'Small and medium-sized enterprises and decent and productive employment creation'. ILO

⁶⁶ Ayad, A. (2013) 'The Atkin Paper Series Palestinian Youth: Between Patriarchy and Politics'

- A lack of information about financial inclusion, access and control over financial assets, and participation in decision making structures
- Duplication between youth programmes with uncertainty about where the best practices reside due to lack of coordination
- Gaps in ensuring sound market orientation and technical know-how needed for employment and enterprise development initiatives
- Lack of dialogue structures to promote learning from innovation, to improve coordination and coverage, to provide for knowledge sharing within the sector, and improve communication with the private sector, donor community, and key government players.

Interventions seeking to promote youth empowerment or engagement within the labour market will need to place a high emphasis on generating ‘buy in’ from young people. To do so, these interventions need to engage with credible non-partisan youth partners who are able to leverage interest and participation from young people, and offer positive role models for how young people engage in the public private dialogue process.

Young people’s participation in volunteering is relatively low, and could provide an important way of bringing young people into the public sphere whilst job opportunities remain limited. At present, only 19.6% are involved in volunteer work, only 6.3% are part of sports clubs, and only 3% are involved civic and non-governmental associations.⁶⁷ Rates of inclusion are noticeably lower for young women.

6.7 Options and Recommendations

Development agencies - both formal and non-governmental - are very active in the area of youth employment, but interventions are fragmented and coordination seems limited, making a full mapping of donor interventions beyond the scope of this assignment.

Any future support should include a lesson-learning component, and should include an iterative, adaptive programming approach with a clear theory of change. As there has thus far been little evidence produced of what works and what does not work in the context of the OPTs, it should also include process-focused learning, in addition to output and outcome monitoring.⁶⁸ Shared learning with other donor agencies would also encourage coordination and complementarity.

Below is a range of options that require further examination.

⁶⁷ Palestinian Central Bureau of Statistics (PCBS) (2016). ‘Labour Market Survey, Jan-March 2015’. PCBS

⁶⁸ MasterCard Foundation’s ‘Youth Forward Initiative’ is piloting four evidenced-based market-driven models for youth inclusion, which provides latest insights on research, programme design, and delivery with this cohort.

6.7.1 Skills development and agency

Despite current growth constraints, young people need to be better prepared to take up existing demand-driven opportunities, and ready to offer labour and leadership in future growth areas. Interventions not only need to facilitate learning, but facilitate young people's mobility within the labour market. This could include:

- Working with the education sector to facilitate the improvement of the labour market, potentially at tertiary and/or secondary and/or primary level, and with technical and vocational institutions. Ideally, this would be in the form of a public private partnership with the private sector as a key stakeholder in the design of curricula. The OPTs need innovative stakeholder consultation processes to make this possible. The private sector needs to be represented both from the perspective of the demand from employers, and from the perspective of demand from employees and the self-employed. This could include mechanisms in the market to enable career counselling, mentoring, coaching, and internships.
- Address specific age-based disparities to enhance 'preparedness' amongst young boys and men, and 'entry and retention' for young women in the labour market.
- Integrate and popularise demand-driven self-employment as a respectable career option.

This work could be led by one or more existing CSOs (eg PalVision, Sharek, Leaders, each with their own strengths and weaknesses) or by a programme such as DFID's PMDP.

On the demand side: any interventions should focus on growing the potential of the market to offer more job opportunities (as PMDP has done), and become more inclusive towards young people, especially women. This could include:

- Supporting multiple pathways of formal employment and self-employment in growth areas (eg. via PMDP or partnerships with local organisations such as Pal Vision or Leaders).
- Facilitating increased networking between young job-seekers and business starters with employers and investors, including internships and attachments. (eg via PMDP or partnerships with local organisations such as Pal Vision or Leaders).

6.7.2 Financial inclusion:

Enabling young people, particularly young women, to access resources to start and nurture their own new businesses will be critical for nurturing a fledgling start-up environment in the OPTs. However, increased business awareness is also required. This could include finding mechanisms that would support:

- Increasing young people's knowledge of legal requirements to start businesses, financial literacy, inheritance rights, and land registration.
- Developing appropriate financial products targeting youth-owned businesses, which do not qualify as SMEs, for both start up and survival support.

- Facilitating increased networking between young entrepreneurs, investors, and business mentors to grow social capital and investment opportunities⁶⁹.

6.7.3 Intervention approach

Experience from all around the world shows that young people demonstrate low tolerance for strategies for them that fail to involve them. Meaningful platforms for dialogue, participation and influence that go beyond offering tokenistic roles are essential. Within DFID's own portfolio, partners with strong youth engagement and know-how appear limited but would be essential to generate high youth participation and tackle the more sensitive issues relating to social norms. If DFID were to plan significant support for young people, which we would encourage, it would be highly desirable to identify credible youth organisations as partners to provide both know-how on and practical opportunities for engagement. (Similar principles would apply to the development of a women's programme.)

Further, as part of a more ambitious strategy, it would be helpful to support the development of real-time, communication tools with wide youth access, to conduct rapid youth assessments including data capture and opinion polling. These could run through open source software, or popular social media channels for mobile phones. They could focus on factors where limited evidence and learning is available in the OPTs eg financial inclusion, access and control over productive assets, and youth participation and role of key influencers in decision-making. Successful models include U-Report (UNICEF) and Sauti Za Wananchi (Twaweza), which both curate representative data through mobile technology, but offer off-line dissemination channels to ensure citizens are meaningfully engaged in how data is used, and to further analyse and disseminate results.

In working with young people, segmentation is an important concept: applying specific strategies tailored to sub-groups of youth within the overall target group in order to improve participation and impact of the intervention. For the OPTs, this is likely to include stratification by region, educational attainment, gender, and urban vs. rural. A life cycle approach might be helpful, tracking transitions for education to employment and understanding the barriers and constraints to these transitions and perceptions of the key stakeholders. This would apply particularly to boys who drop-out early, young women, and young men who are out of school and out of employment in urban areas. Consideration should be given to creating opportunities for specific roles for young people, which go beyond one-off consultation and beneficiary roles. For example, this could include: a youth advisory panel to feed into a DFID strategy (as done in Tanzania and the UK by DFID); investing in youth ambassadors as champions to lead dissemination of a new strategy to young people (similar to DFID's Youth for Change Ambassadors); ensuring the presence of youth role models at a range of levels in the staffing

⁶⁹ The UN World Youth Report, 2016, contains in Chapter 2 a summary of youth engagement challenges and opportunities.

structures of new programmes to demonstrate youth leadership. (Further ideas are contained in Restless Development's 2015 paper, 'DFID and Young People at the Heart of Change').

Every opportunity should be taken to build links between private sector development initiatives and youth (and women's) initiatives, and to include government where possible to build greater awareness of the potential for public private partnerships.⁷⁰

It would also be desirable to build the body of evidence on youth and employment in the OPTs through technical support to the Palestinian Bureau of Statistics to bring routine data in line with SDG targets, and strengthen data quality.

⁷⁰ The [Solutions for Youth Employment](#) platform is a global partnership between the private sector, multilateral agencies, and youth partners to accelerate learning on economic empowerment with young people.

7. The DFID Economic Development Portfolio and Scale Up

The DFID refocus on creating jobs for women and youth is commendable, as is the approach of tackling the barriers to growth and job creation.⁷¹ However, we believe that the World Bank analysis that should support this approach is not at present sufficiently focused on this agenda and has a strong tendency to be blind to gender and youth issues. As we highlighted earlier, the World Bank does not extend its analysis broadly enough. Importantly, the World Bank analysis does not include the personal status law or a holistic analysis of labour and financial market performance and failure. In addition, the PMDP ‘making markets work’ approach, that otherwise might be useful, extends only to selected value chains rather than to land, labour and financial markets, or indeed to the markets for infrastructure services.

There has been an attempt to leverage UK knowledge of foreign markets and to leverage knowledge of the Palestinian private sector through PMDP. It is very apparent that Palestinian companies are seriously constrained by their lack of knowledge of, and access to, external markets (because of the restrictions of the occupying power). PMDP or its successor programmes could be asked systematically to expand international business linkages. Large international consultancy firms ought to be well placed to leverage their international links but in fact do not always find their internal incentives and structures conducive to such ways of working.

7.1 Finance for Jobs

In the documentation reviewed for the World Bank’s new programme, Finance for Jobs,⁷² there is no analysis of the structure, conduct and performance of the existing Palestinian financial sector. Other sources⁷³ suggest that the Palestinian banking sector continues to perform well. The Palestinian Monetary Authority (PMA) continues to enhance its institutional capacity and is steadily building the capabilities of a central bank.⁷⁴ The sector’s overall loan-to-deposit ratio continues to be lower than in most countries, reflecting a high level of perceived system risk.⁷⁵ However, the banking sector is significantly exposed to the PA and this is reportedly becoming a source for concern.⁷⁶

⁷¹ DFID (2016). ‘Palestinian Programme, Economic Development Strategy’. DFID

⁷² World Bank (2015). ‘Project Appraisal Document, Proposed \$5m Grant for the Benefit of the Palestinian Authority, Finance for Jobs Project’, World Bank.

⁷³ DFID (2013). ‘Tajaawob: draft Political Economy and Social Assessment’

⁷⁴ Ibid

⁷⁵ Ibid

⁷⁶ Ibid

The World Bank's initial \$5m programme aims to build capacity to absorb new World Bank financing instruments under consideration, including Development Investment Bonds. A relatively high share (\$1.22m out of the \$5m total) of the initial project is set aside for 'project management'. Because of the lack of analysis of the demand side, it is not at all evident in the documentation that the intervention will address the interests of women and youth. Microfinance is not apparently included, which we would expect to be important for women and youth. We believe that the programme could contribute to disintermediation in the Palestinian financial sector unless it is embedded in existing institutions.⁷⁷ We recommend that DFID ask the World Bank whether and how its proposed new Finance for Jobs initiative builds Palestinian institutional fabric, and how it will focus on women and young people and on the reinforcement and expansion of the micro-finance sector.

7.2 Arab Women's Enterprise Fund

The new DFID centrally-funded Arab Women's Enterprise Fund (AWEF) is intended to promote women's participation by supporting market actors to adopt new practices, such as new business models, products, or services, which target or include poor women and increase their productivity or prices of their products with market actors (such as firms, government agencies, business associations, financial institutions and NGOs).⁷⁸ AWEF will make judgements about when to enter and exit partnerships, gauging whether market actors genuinely 'own' changes and the market system is really changing; and what to 'offer' market actors to encourage system change, including:

- Technical Assistance: provision of business consultancy services and advice, the injection of new ideas that benefit the poor, e.g. supporting product development and supply chain upgrading;
- Market facilitation: facilitating market linkages along the supply chain, thus increasing market access of poor women, nationally and internationally;
- Finance: grant-based finance (non-returnable) and Islamic financing (loans and microfinance instruments) will be used to share risk and encourage market players to adopt new approaches to target women;
- Networking: Linking poor women entrepreneurs and producers to networks or strengthening networks that can support growth, skills development and leverage economies of scale;
- Capacity development: providing support to poor women to build their skills, resources and capabilities to participate in markets and benefit from new market opportunities.

This is potentially a sound approach. However, it is not clear at this early stage if the programme intends to work with financial institutions to achieve sustainable change in the way

⁷⁷ World Bank staff were unable to meet with us during our mission.

⁷⁸ DFID (undated). 'Business Case for AWEF'. DFID

in which agents in the financial sector and financial markets operate, i.e. a ‘wholesaling’ approach which would be consistent with the problem analysis. Alternatively, the Fund could finance business clients directly, i.e. a ‘retail’ approach, similar to PMDP’s, which could supplant and possibly undermine market development and could be seen as a form of market disintermediation. In the case of the latter, the benefits would be less sustainable, more limited and may come at some cost. It is also not clear that a regional approach will enable a strong appreciation of the specificities of each national market, or enable strong partnerships to be created with local financial and other institutions: this will depend on the strategy of the implementing agency. On the plus side, a regional approach could promote useful learning and adaptation but this will not necessarily ensue.

We recommend that DFID closely monitor the Arab Women’s Enterprise Fund as it proceeds to implementation.

7.3 Palestine Market Development Programme

The Palestinian Market Development Programme (PMDP) is a five-year market development project funded by DFID and European Union (EU) in cooperation with the Palestinian Ministry of National Economy and implemented by DAI Europe, with offices in Ramallah and Gaza. PMDP ‘aims to improve market systems and improve the competitiveness of the Palestinian private sector by improving private sector skills and innovation through technical assistance and matching grants; addressing market system failures in specific sectors through market analysis and facilitation; and strengthening trade and investment linkages with international markets in collaboration with key commercial representatives’. PMDP is hugely successful in its own terms⁷⁹ as a ‘retailer’ of grants, and provides subsidised business development services to very good effect. There is no doubt that small businesses - those of women and youth and those of men too - need access to business development services for moving beyond start-up to survival and growth. Although called a market development programme, it could rather be termed a value-chain programme as it has not been asked to consider the functioning of key land, labour and finance markets. One of its core strengths is that it has consciously developed a capacity to be responsive to the needs of its private sector partners. It prides itself on being a reactive programme.⁸⁰ It knows the private sector at the level of individual businesses very well and has a portfolio of several hundred clients each year; it also

⁷⁹ GDSI (2016). ‘Evaluation of the Palestinian Market Development Programme, Annual Assessment Report No 2’. GDSI

⁸⁰ PMDP has also been analysing factors that drive underperformance, and facilitating improved performance and integration in specific value chains. It has also provided technical assistance to key PA institutions to encourage and support foreign and local investment in Palestine. There has also been a work-stream to mobilize the Palestinian diaspora to explore opportunities to transfer knowledge and improve linkages on trade and investment.

knows several sectoral value chains very well. There is no doubt that there is a need for such an approach: Palestinian firms are disconnected from international markets and know-how and our earlier analysis shows that the education system is not responsive to their needs and suggests that appropriate financial products are lacking.

7.3.1 PMDP Scale-Up

There is an option to explore whether a PMDP scale-up should continue with its traditional responsive, retailing approach or whether there could be a refocus on making the labour and financial markets work better for women and youth as well for men and older people.

A refocused PMDP might not necessarily be involved directly in technical and vocational education, or in reorienting tertiary education, but could seek to develop stronger mechanisms for ensuring an appropriate response by the education sector to labour market demands. This may require innovative approaches to stakeholder engagement to ensure that private sector voices, particularly those of women and young people, are represented in management processes.

Similarly, in the financial sector, PMDP could encourage existing financial institutions to be more responsive to the needs of women and young people.

In the case of both education and financial services, there could be a case for innovating with new approaches, e.g. to become involved with retailing in order to better understand what works. This would allow PMDP to develop messages for educational and financial institutions about how such approaches work, and could be scaled-up and replicated, with or without a degree of public sector support (that might initially come from donors).

The possibility of working on the performance of labour and financial markets should not necessarily be seen as supplanting the traditional PMDP approach. In Gaza⁸¹ in particular it may be difficult to work through existing institutions and a 'retailing' approach there may be the most promising route to pursue. PMDP could also be asked to pursue the agenda mapped out earlier for women and youth.

If PMDP is going to work effectively with women's and youth communities, however, it needs to be able to project itself in a way that engages and appeals to women and young people and that communicates effectively with them. In a patriarchal society where young people and women have limited influence and empowerment, it is critical that a programme can project an alternative vision. It is important that the programme not only has 'products' but that the programme itself projects the values, norms and the ways of doing things that it is seeking to promote and the social change that it is advocating. This requires that, regardless of who ultimately manages and leads a programme, the public interfaces should be young and female respectively, and should be demonstrably responsible for their mandates. They should be seen as key networking partners in their domains by outsiders. This would apply if the scale-

⁸¹ We were not however able to visit Gaza as a part of our analysis

up were primarily through partnerships with existing Palestinian business or civil society organisations, which is our recommended option, or if PMDP were to develop its own ‘products’.

Whether or not all the options above are pursued, we would recommend that PMDP consider a revised structure that would give greater emphasis to, and profile for, its work with women and youth. This could be accomplished in many different ways but one option would be to appoint five directors as follows:

- Value Chains
- Women
- Young People
- Learning
- Corporate Services

Each would be capable of and responsible for developing their respective approaches and for maintaining key relationships with Palestinian partners and international organisations, and would manage their own internal team. We also recommend that PMDP strengthen its capacity so that it can undertake more rigorous economic analyses of the structure, conduct and performance of important markets.

Should PMDP not be scaled-up, we believe a number of strong youth organisations (including PalVision and Sharek) would be capable of working⁸² directly with DFID to implement parts of the agenda mapped out in this report. We are less certain that there are women’s organisations that would be willing or able to take the lead in partnerships with DFID to pursue the agenda mapped out without strong support, which they may not seek. However, we would recommend further appraisal of this option.

As a subsidiary point, we suggest that DFID ask PMDP to examine the addition of a business-linkages component to the programme (with the UK, the US, and, possibly, Europe).

⁸² Subject to due diligence

8. Concluding Remarks

We set out in the Executive Summary and first Chapter of this report the strategic framework that we have used for structuring our analysis and our conclusions and recommendations. Each chapter has included detailed conclusions and recommendations. We believe that this structure - which could form the backbone of a DFID strategy - is effective in getting to grips with the complexity of the challenge of increasing women's and young people's economic participation. It does serve to emphasise that the constraints cannot be viewed simply as technical or economic issues but have strong behavioural components that are rooted in social and cultural norms and in political economy. The three categories of analysis and recommendation (formal legislation and regulation; markets and institutions, both formal and informal; social and cultural norms) provide for a multi-pronged approach to be adopted. We do not argue that DFID should necessarily work in each domain, and indeed have proposed that the World Bank should be invited to join in this 'project'. But it is helpful to have in mind the necessity of ensuring that work is commissioned in each domain: each is necessary; none is sufficient.

We are convinced that if DFID and its programmes are to move forward effectively in working with women and young people they will need to have access to the authentic voices of stakeholders, and will need to be able to communicate effectively through organisations or individuals seen as legitimate. Existing formal stakeholder platforms for women and young people are very limited, and not effective in bringing their voices into economic development policy debates and public discourse (which in any case are limited). Perhaps partly because there is limited demand for their input, CSOs have limited policy competencies especially as regards a growth and employment agenda. They are not familiar with market analysis or concepts of market failure and the means of mitigating failures. DFID may feel it has a comparative advantage in supporting them in developing competencies in these areas in the context of its work on 'making markets work'. We also believe that DFID has a role to play in encouraging the Bank and other donors to consider their own portfolio development from the perspective of whether and how they contribute to the development of broadened, deepened and sustainable Palestinian markets, and to beware of the potential for unintentional disintermediation by becoming direct market players themselves.

In terms of social and cultural norms, we have noted that this is an area where there is limited orthodoxy about how change in the OPTs has been achieved and where there is limited confidence about how progressive change can be encouraged in future: adaptive approaches are required that promote innovation and learning. DFID may be in a position to promote more active learning and dissemination of lessons in the donor community.

Finally, and perhaps most importantly, there is a need to continue to focus on the aggregate growth agenda as well as to encourage increased participation in the economy.



Appendix 1 References

- Ayad, A. (2013) 'The Atkin Paper Series Palestinian Youth: Between Patriarchy and Politics'
- Butmeh, S. (2013). 'Unlocking the Palestinian Labour Market for Women'. ILO '
- DFID (2015). 'Inclusive Growth Diagnostic: OPTs', Stage One, DFID
- DFID (2016). 'Palestinian Programme, Economic Development Strategy'. DFID
- DFID (2016). 'Putting young people at the heart of development: The Department for International Development's Youth Agenda'. DFID, April 2016
- DFID (undated). 'Business Case for AWEF'. DFID
- DFID (2013). 'Tajaawob: draft Political Economy and Social Assessment'
- EU (2015). 'Mapping Study of Civil Society in Palestine - Update 2015 Final Report' EU (2011). 'National Situation Analysis Report: Women's Human Rights and Gender Equality OPTs: Enhancing Equality between Men and Women in the Euromed Region (2008-2011)'. EU
- GDSI (2016). 'Evaluation of the Palestinian Market Development Programme, Annual Assessment Report No 2'. GDSILO (2011). 'Factsheet, Women's Participation in the Palestinian Labour Force: 2010-2011'. ILO
- ILO (2016), 'The Twin Challenges of Child Labour and Youth Employment in the Arab States', ILO
- ILO (2014). 'Labour Market Transitions of Young Women and Men in the Occupied Palestinian Territories', ILO
- ILO (2014). 'The Current Situation of Labour Force in the Occupied Palestinian Territory', 1 July 2014, ILO
- ILO (2015). Youth Employment Factsheet for the Occupied Palestinian Territories, ILOILO (2015). 'Youth Employment Factsheet for the Occupied Palestinian Territories'. ILO
- ILO (2015). 'Small and medium-sized enterprises and decent and productive employment creation'. ILO
- Malik A. and Awadallah B. (2013). 'The Economics of the Arab Spring'. World Development
- Palestinian Central Bureau of Statistics (PCBS) (2016). 'Labour Market Survey 2015'. 17 March 2016. PCBS
- The Palestine Link (2016). *Facts and Figures*. [online] Available at: <http://www.palestinelink.eu/palestine/facts-and-figures/education/>
- PMDP (2016). 'Women and Youth Employment' (WAY), Concept Note.
- Palestine Authority (2000). 'Labour Law No (7) of 2000'. Palestinian National Authority

- Palestinian Central Bureau of Statistics (2016). Palestinian Youth Survey 2015. PCBS
- Scott, R. (1995). Institutions and Organizations
- UN (2015). 'World Population Prospects: The 2015 Revision'. UN
- UN (2016). Report of the UN Secretary-General on the 'Situation of and Assistance to Palestinian Women' December 2015 (E/CN.6/2016/6) DFID Palestinian Programme, Economic Development Strategy
- UN Women (2011). 'Who answers to Gazan Women? An Economic Security and Rights Research', UN Women
- UNDP (2014). 'Table 1: Human Development Index and its components' [online] Available at: <http://hdr.undp.org/en/composite/HDI> [Accessed 17 June 2016]
- UNICEF (2013). 'At A Glance: State of Palestine'. UNICEF
- World Bank (2011). 'West Bank and Gaza: Coping with Conflict? Poverty and Inclusion in the West Bank and Gaza', World Bank
- WCLAC (2012). Palestinian Women and Economic Security, WCLAC
- WCLAC (2012). 'Palestinian Women and Personal Status Laws', WCLAC
- WCLAC (2012). 'Palestinian Women and Inheritance', WCLAC
- World Bank (2012). 'West Bank and Gaza: Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth', World Bank
- World Bank (2012). 'World Development Report on Gender Equality and Development', World Bank
- World Bank (2012). 'Aspirations on Hold: Young Lives in the West Bank and Gaza', World Bank
- World Bank (2013). 'Opening Doors: gender Equality and Development in the Middle East and North Africa', World Bank
- World Bank (2014). 'West Bank and Gaza Investment Climate Assessment, Fragmentation and Uncertainty', World Bank
- World Bank (2015). 'Economic Monitoring Report to the Ad Hoc Liaison Committee', World Bank
- World Bank (2015). 'West Bank and Gaza - Finance for Jobs Project (English)', World Bank
- World Bank (2015). 'Project Appraisal Document, Proposed \$5m Grant for the Benefit of the Palestinian Authority, Finance for Jobs Project', World Bank.
- World Bank (2016). 'Doing Business 2016, West Bank and Gaza', World Bank

YCARE International (2014). 'Young Women's Livelihoods in the Seam Zones, Occupied Palestinian Territory – Challenges and Solutions'. YCARE International

Appendix 2 The Political Economy of the OPTs

Existing political economy analysis (PEA) of the OPTs focuses on the occupation and aid, but not on Palestinian polity, private sector and society. A regional study undertaken by Adeel Malik of Oxford University and Bassem Awadallah of Tomoh Advisory,⁸³ however, provides analysis that is highly relevant to the OPTs. It explains the depth of the challenges faced in providing a more inclusive environment for private enterprise. They argue that “The unfolding crisis in the Middle East is not just about the Arab State – [but] its failed efforts to redistribute, reform, and represent ordinary citizen’s interests. It is also about the private sector – or, more appropriately, its absence.”

They go on to say “Arab revolutions were fuelled by poverty, unemployment and lack of economic opportunity. Over the last few decades, the Middle East has witnessed an unprecedented youth bulge that has dramatically changed its demographic profile ... Unlike western Europe, where class-based struggles have historically driven political change, the Middle East is witnessing a truly generational struggle for inclusion ... there is a vivid mismatch between demography and economic structure.”

Malik and Awadallah suggest that there are five common denominators of Arab states today which apply also in the OPTs:

- Economic and political power is concentrated in the hands of the few. A private sector that generates income streams independent of the patronage network of the regime can be viewed as a political threat by the few.
- Arab countries are mostly centralised states with a dominant public sector and weak private enterprise. The private sector is generally weak and dependent on state patronage. Success is [often] determined more so by patronage than by entrepreneurship. The public sector is the main avenue for job creation.
- External revenues profoundly shape the region’s political economy, whether derived from oil, aid or remittances.
- Over time the Arab world has grown younger and more educated and there has been a silent revolution of aspirations.
- The state can be characterised as a security state; its coercive apparatus is both fierce and extensive. Furthermore, ‘The Arab state has a shadowy presence that dominates all spheres of economic activity.’

It is further argued that the boundaries in the state between the public and the private are ‘notoriously blurred’. Businessmen and political leaders are connected through overlapping networks. Major business fortunes in the region are accumulated through patronage and,

⁸³ The Economics of the Arab Spring, Adeel Malik and Bassem Awadallah, World Development, 2013

‘crony capitalism denies a level playing field to potential aspirants and restricts economic mobility. Exploiting new economic opportunities in this environment becomes a game of insiders. That is the running theme in the Arab world.’

It has been suggested⁸⁴ that although the PNA espoused a free market, private sector led approach to growth, in practice early economic and trade policies saw the public sector engage in commercial activities, including the creation of unregulated, unaccountable import monopolies and quasi monopolies. The PNA also established partnerships with private enterprises through the Palestinian Commercial Services Corporation (wholly owned by the PNA) and granted monopoly concessions to private actors on the basis of personal contacts and favouritism. Tax breaks were provided to large domestic and foreign investors. More recently, commentators suggest that a much more favourable environment is in place for small and medium scale enterprise but the economic instincts of many in the political elite cannot be assumed to favour inclusive economic growth.

There is a case to be made that aid revenues, like rents from fuel exports, can also stifle economic and political incentives, turning economies away from production to patronage. Certainly, historically, aid expanded the Palestinian public sector, bolstering its ability to provide employment and subsidised public consumption.

The structure of the economy feeds through to the performance of the labour market: ‘Labour market entrants have an ingrained preference for well-paid public sector jobs where remuneration is de-linked from skills or productivity. Thus young people are not only unemployed but unemployable.’

Malik and Awadallah suggest that while observers of the Middle East have long bemoaned its political repression, few have actually appreciated the scale and intensity of its economic repression. They suggest that all across the Arab world a thin layer of the population dominates the economy, controlling everything from banks, businesses to telecoms. This has erected privilege, built around a small number of firms at the top and a large number of small and informal firms at the bottom. The result is greater economic polarisation and limited economic mobility. There are certainly voices heard in the OPTs about the dominance of a handful of families in economic life but there is no objective analysis available.

Finally, they propose that an independent private sector could serve a vital political function: it could generate a middle class that could serve as a powerful constituency for political reform. Across the Arab world, however, business associations are weak, stratified, and politically embedded, serving primarily as a means to secure narrow interests, rather than to win concessions for the wider business community.

This analysis is highly relevant to the OPTs and suggests that promoting an open, competitive and robust private sector will be both challenging and important, not only technically but also politically. Within this context, it is important to be cautious about how much can be achieved

⁸⁴ Tajaawob, 2013

through legislative and regulatory reform, or through sticking plaster approaches, in the absence of a change in the behaviour of the old elite.

Appendix 3 Summary Terms of Reference

Business Environment Reform (BER) is a central part of facilitating and regulating a well-functioning, competitive and inclusive private sector. Removing administrative obstacles and strengthening laws and regulations that promote inclusion, good organisation, entrepreneurship and innovation can drive an economy forward to greater prosperity and simultaneously alleviate poverty. Excessive and inappropriate regulation can lead to a large, low productivity informal sector, less entrepreneurship and lower rates of job creation and economic growth. It is therefore a key role of government, working in close cooperation with the private sector, to make the business environment more conducive to productive investment and inclusive growth. However, this can be challenging for governments with limited resources and technical capabilities.

In the OPTs, the challenges faced by the private sector are particularly pronounced. Economic growth in Gaza and the West Bank is constrained by political economy factors, including ongoing conflict and Israeli restrictions on the movement of goods and people. Unemployment rates are exceptionally high among economically active youth and women in Gaza and reforms focusing on job creation are therefore paramount.

Overview

Phase 1: The objective of the Business Environment (BE) diagnostic review will be to identify the main business environment constraints to job creation and entrepreneurship in the OPTs, with particular (but not sole) emphasis on the barriers to full participation in the labour market by, and constraints to business ownership and self-employment for, women and youth. It will investigate, in particular, their participation in stakeholder dialogue platforms and how effectively the voices of women and youth are captured in existing public-private dialogue (PPD) structures and will identify ways in which their participation can be enhanced in order to mainstream their empowerment. The review will also investigate how DFID OPTs can most effectively channel funding towards assisting business environment reform in the OPTs, in particular, how BER reforms can be targeted at increasing the employment prospects of women and youth.

Phase 2: A BE reform programme design assignment is expected to follow on from this initial phase, which will include strengthening stakeholder engagement through innovative mechanisms. Phase 2 will be discussed with DFID before further ToRs are produced and will be dependent on successful completion of Phase 1 and on the recommendations of the diagnostic review.

Objectives

- Undertake a diagnostic review which identifies the business environment constraints in the OPTs and the options for reform, with particular emphasis on constraints faced by women and youth in participating fully in the labour market and in self-employment;
- Assess stakeholder dialogue platforms and the scope for innovative solutions to strengthening women's and youth's representation in national stakeholder advocacy;
- Examine the options and make recommendations for DFID OPTs to increase its focus on business environment reform, with particular regard to increasing employment rates of women and youth. This



will inform DFID's current Palestinian Market Development Programme, which is currently under review to scale up.

Link with BER/investment/jobs/poverty (ToC)

The assignment will diagnose the binding constraints to job creation and entrepreneurship for women and youth and recommend interventions which will increase the contribution of women and youth to public-private dialogue on BER in the OPTs. It is expected to contribute to the transformation of engagement by women and youth in the Palestinian economy and more inclusive growth. The diagnostic activity is also expected to result in improved business environment reform programmes in a DFID target country, in line with the intended BERF outcome in the Theory of Change. This assignment provides expert external assistance and does not replace the work of DFID civil servants.

Client and Beneficiaries

The client is DFID OPTs. The beneficiaries will be stakeholders within the OPTs, in particular women and youth. It is expected that increased participation by women and youth in the workforce will benefit the economy of the OPTs in general, and contribute to economic growth and poverty reduction.

Scope

We will use the DCED definition of business environment for the purposes of this assignment. DCED states that the business environment is "a complex of policy, legal, institutional, and regulatory conditions that govern business activities. It is a sub-set of the investment climate and includes the administration and enforcement mechanisms established to implement government policy, as well as the institutional arrangements that influence the way key actors operate (e.g. government agencies, regulatory authorities, and business membership organisations including businesswomen's associations, civil society organisations, trade unions, etc.)."⁸⁵

This assignment will primarily investigate business environment constraints within the OPTs and its scope will include:

1. Business environment constraints to the participation of women and youth in labour markets;
2. Barriers to self-employment in the OPTs, with particular reference to women and youth;
3. Sector-specific constraints to participation by women and youth in labour markets and self-employment; (this was subsequently excluded in view of the time constraint)
4. Mechanisms for stakeholder participation in the BER PPD process in the OPTs;
5. Current engagement by donors, in particular DFID, in BER in the OPTs, with a particular focus on where gaps might exist; (this was subsequently excluded in view of the time constraint)
6. Accountability: ways in which the OPTs policy makers are held accountable for their BER policy decisions by stakeholders.

⁸⁵ <http://www.enterprise-development.org/page/business-environment-reform->

Appendix 4 Field Consultations

Organisation	Name	Title	Location
YWCA	Mira Rezeq	National General Secretary	Jerusalem
Palestinian Vision Youth Organization	Rami Nasser Eddin	Director	
ILO Palestine	Dr. Muneer Kleibo	Director	
Women Centre For Legal Aid and Counseling	Randa Siniora	Director	
Compete Project/DAI	Said Abu Hijleh	COP and DAI Country Director	Ramallah
PMDP	Maher Hamdan	Team Leader	
	Mira Nasser	Gender, Communication and Outreach Specialist	
	Bashir Assi	Investment, Business Enabling Environment Adviser	
	Arsalan Faheem	Market Development Lead	
Business Women Forum	Doa Wadi	Executive Director	
Leaders (Incubator/Accelerator)	Mr. Shadi Atshan	Director	
Sharek Youth Forum & The Palestinian Center for Youth Economic Empowerment	Sahar Othma	Executive Director of Tamkeen Programme	
	Nanki Chawla	Development Officer	
International Youth Foundation	Dr. Mohammad Mbayd	Director	
ASALA (Microfinance company and NGO)	ReemAbboushi	CEO	
	NisreenSuilem	Regional Director for grants	
Taybeh Hotel (PMDP Client)	Mrs. Elena Khoury,	Assistant General Manager	Taybeh village
	Mr, Elias Khoury	General Manager	
Al-Yasmine Chocolate (PMDP Client)	Mrs. Yasmine	Owner/Manager	Bitounya
Dr. Vera Baboun	Beth Lehem Municipality	Mayor	Beth-Lehem

Gaza BERF Team	Halim Halabi	Gaza Officer Manager	Gaza via conference call
	Mohammad Nuseibeh	Deputy Team Leader,	
	Ghassan Kishek	Output 1 Lead	
	Mohammad Khilla	Market Development Advisor	
	Hatem El Moghany	Business Development Advisor	
	Laila El Hinnawi	M&E Specialist	
DFID AWEF	Camilla Thompsell	Policy and Project Manager, Arab Partnership and North Africa	London

Contact us

John Burton

BERF Engagement Director

T +44 (0)7920 082438

E john.burton2@kpmg.co.uk

Peter Wilson

BERF Team Leader

T +44 (0)7850 329362

E peter.wilson@kpmg.com

Ciara McKeon

BERF Stakeholder Engagement Lead

T +44 (0)7557 800639

E ciara.mckeon@kpmg.co.uk

www.kpmg.com

© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

For full details of our professional regulation please refer to 'Regulatory Information' at www.kpmg.com/uk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative.