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S U P P O R T

PROGRAMME IMPLEMENTATION

SPECIAL PROGRAMMES OF ASSISTANCE

Assistance to the Palestinian People

Report of the Administrator

Summary

In this report, the Administrator reviews fourth cycle plans for the programme of assistance to the Palestinian People and presents questions of policy for consideration by the Council.

## I. STATUS OF THE PROGRAMME

1. As the third UNDP programming cycle (1982-1986) comes to a close, the Programme of Assistance to the Palestinian People has reached a stage where significant decisions must be made concerning its future existence and role. Authorized on an experimental basis by the United Nations General Assembly in 1978 (resolution 33/147), the Programme of Assistance commenced operational activities soon after the Governing Council approved the initial financing, management and operational proposals of the Administrator at its twenty-seventh session in June 1980.
2. By the end of the second programming cycle (1976-1981), it had become evident that meaningful assistance could in fact be delivered expeditiously and effectively by UNDP for the benefit of the local Palestinian inhabitants of the West Bank and the Gaza Strip. Project planning and delivery accelerated rapidly in spite of the unprecedented circumstances which required the exercise of unusual flexibility and the development of sometimes striking adaptations of normal UNDP policies and practices. The requirement of the General Assembly and the Governing Council that all project activities be subjected to prior consultation with the parties directly concerned proved to be an essential ingredient for success, in spite of the arduous and time-consuming aspects of such a complex process.
3. The five years of the third programming cycle (1982-1986) have seen the Programme of Assistance consolidate its early gains and develop to the point where it is now a leading factor in Palestinian development efforts in the West Bank and Gaza Strip. Since 1980, 9 projects costing over \$2.5 million have been completed, while 14 more are currently under implementation at a total cost of about \$7 million. By the end of 1986, the full amount of \$9.5 million so far authorized by the Governing Council, will be fully committed to specific projects. Annex I contains the complete listing of all projects undertaken to date, showing funds committed in each case as of February 1986.
4. A personal inspection visit by the Administrator to the area in February 1986 confirmed to his complete satisfaction that all parties directly concerned, including most particularly the Palestinian inhabitants of the West Bank and Gaza Strip, view the Programme of Assistance as an increasingly important factor in the efforts for development and self-sufficiency in the territories. Visits to UNDP projects by the Administrator and consultations on the ground with the parties directly concerned verified reports that successful implementation is possible in the face of unique problems of management and governance. The Administrator also found that approvals of proposed UNDP projects are being granted by the parties directly concerned at a faster rate than ever before. At the same time, it became evident that certain issues must be considered by the Council before authorization is granted for further funding and operational activity. These issues are set out in the following paragraphs, together with the recommendations of the

Administrator. They should be considered against the background of the listing contained in annex II, which covers an initial group of projects contemplated for implementation in the forthcoming UNDP cycle (1987-1991). Agreement in principle has been reached with the parties directly concerned, but progress on implementation will be dependent on the elaboration of project documents and availability of funding.

## II. FUNDING

5. Although it had been anticipated at the commencement of operations that substantial support for this Programme of Assistance would be forthcoming in the form of voluntary contributions from Governments and intergovernmental institutions, experience has demonstrated that funding from UNDP central resources must be viewed as the principal and only reliable financing element. In spite of repeated appeals by the Governing Council and the General Assembly for special contributions, most potential contributors have indicated their preference for arrangements whereby the financial base for the Programme of Assistance is a continuing allocation from Special Programme Resources.

6. The unanimous and enthusiastic support for the Programme of Assistance, not only among the parties directly concerned but also among principal contributors to UNDP, has indicated to the Administrator that limitations on special voluntary contributions signify nothing more than a general preference for central funding over ad hoc funding. However, he has also noted that for specific projects, particularly those of a large-scale nature with heavy impact, specific contributions on a cost-sharing basis may be attracted from donors with special interest in the activity. Thus, in the case of PAL/83/003, Sewage Disposal Scheme - Khan Yunis, the Government of the United States and the Arab Gulf Programme for United Nations Development Organizations (AGFUND) are making substantial contributions on a cost-sharing basis, as reflected in annex I.

7. In these circumstances, the Administrator proposes that the Council recognize the Programme of Assistance to the Palestinian People as a continuing activity to be supported primarily through allocations for each cycle from Special Programme Resources. Supplementary special contributions, either to the Programme as a whole or in support of specific projects, should continue to be actively sought but should not be viewed as essential for the survival of the Programme of Assistance in its present form and size.

8. At its organizational meeting for 1986, in February 1986, the Governing Council approved an allocation from Special Programme Resources for the Programme of Assistance for the forthcoming fourth cycle (1987-1991) in an

amount of \$8 million. In doing so, the Council noted that previous allocations had amounted to \$3.5 million for the second cycle and \$6 million for the third cycle.

9. The amount of \$8 million is viewed by the Administrator as a provisional allocation, subject to review on the basis of project expenditures experienced in the first part of the new cycle. In the event that new projects shown in annex II and additional projects currently being formulated can be implemented rapidly, it may be necessary for the Council to reconsider the amount at a later session, in the light of the prevailing situation and the updated estimates of total funding available under Special Programme Resources.

### III. SPECIAL GUIDELINES AND PROCEDURES

10. Throughout the life of the Programme of Assistance, there has been recognition by the General Assembly, the Governing Council, the parties directly concerned, and all Governments participating in the work of UNDP that efforts to render development assistance to the Palestinian inhabitants of the occupied territories - i.e. the West Bank and the Gaza Strip - would require great flexibility in programming, implementation and review procedures, as well as broader than normal interpretations of the UNDP mandate. In presentations to the Council, the Administrator has frequently emphasized the necessity of continuing the flexible approach and has expressed appreciation for the Council's understanding of this need.

11. Additionally, the Administrator has drawn attention to the fact that circumstances in the occupied territories have not permitted the usual functioning of international development machinery in general, including bilateral and multilateral programmes and that UNDP has, since 1980, been the single public source of substantial and direct economic and social development assistance for the benefit of the Palestinian inhabitants of the territories. Great adaptations in policies and procedures have been brought about of necessity, just as the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNWRA), over the years, has had to fashion very distinct approaches to meet the situation of Palestinian refugees.

12. In a management letter on the interim audit of the accounts of UNDP for the year 1985, dated 19 December 1985, the Director of External Audit, Belgium, on behalf of the United Nations Board of Auditors, has referred to the questions of the UNDP mandate and deviations from normal guidelines and procedures. Annex III contains the appropriate extract from the letter in question.

13. The Board of Auditors has been informed that the Administrator considers

that the Governing Council should be invited to express definite views on the matter. With regard to the limits of the UNDP mandate, the Administrator, in the light of various discussions with members and with the parties directly concerned, suggests that the Council may wish to declare that the extraordinary situation in the occupied territories requires an extension of the general UNDP mandate to permit UNDP sponsorship of selected capital development undertakings considered by the Administrator to be critically required and for which funding and expert management would not be otherwise available.

14. As for the question of project implementation procedures, the deviations from normal referred to by the Board of Auditors are symptomatic of the situation in general. They represent a major reason why the Administrator has chosen to place the Programme of Assistance to the Palestinian People under his personal direction, and all departures from normal practice are subject to the personal approval of the Associate Administrator or himself. The safeguards implicit in this arrangement would appear to be sufficient to prevent substantial departures from the intent of the Financial Regulations and Rules.

15. While it would be tempting to develop special rules and regulations for the Programme of Assistance to the Palestinian People in an effort to clarify all procedural problems, the Administrator would caution against such action, at least at this stage. The process of consolidation and integration of Programme of Assistance as an ever more important factor in the development scene in the territories continues, and rapid adaptations to changing conditions are required now and for the foreseeable future. The Administrator therefore recommends that the Council formally recognize the necessity of flexibility in project implementation procedures.

#### IV. ORGANIZATIONAL DEVELOPMENTS

16. A principal effort during recent months has been to strengthen the Programme of Assistance through more fully developed programming, management and delivery facilities in the area of project activity. An important step in this process was action by the Administrator, during his mission in February 1986 and following consultations with the parties directly concerned, to declare the UNDP Office in Jerusalem fully operational. Previously, the continuing presence of UNDP had been limited to the out-posting of one Project Officer from New York.

17. The UNDP office, located in East Jerusalem at a convenient point between the Old City and the Mount of Olives, consists of several office units plus a conference room and reception area. On continuing assignment there are the

Programme Director and a Project Officer, assisted by locally recruited Palestinian staff engaged in administrative, secretarial and transport duties. At UNDP headquarters in New York, a Programme Officer with a secretary provides the necessary backstopping in co-operation with the Office for Projects Execution. In the opinion of the Administrator, these accommodation and staffing arrangements are suitable for the present level of project formulation and implementation. Should the level of funding and project delivery rise substantially in the new cycle, a further review will be undertaken.

## Annex I

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Annex I

### PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE

#### Status of Project Funding as of February 1986

| <u>Completed projects</u>   |  | \$             |                  |
|---|--|----------------|------------------|
| PAL/79/002 - Specialized Training in Industrial Management  |  | 103 888        |                  |
| PAL/79/003 - Promotion of Pre-Primary Education   |  | 255 460        |                  |
| PAL/79/005 - Promotion of Technical and Vocational Education                                      |  | 377 222        |                  |
| PAL/79/008 - Development and Strengthening of Health Institution I                                |  | 619 220        |                  |
| PAL/79/009 - Specialized Training Programme in Agricultural Development                           |  | 173 664        |                  |
| PAL/79/014 - Training in Housing  |  | 57 856         |                  |
| PAL/79/018 - Children's Institutions  |  | 431 088        |                  |
| PAL/83/002 - Medical Services Training Centre<br>(to be re-activated when financing is secured)   |  | 155 307        |                  |
| PAL/83/006 - Development of Health Institutions II  |  | <u>393 977</u> | 2 567 682        |
| <br><u>Projects under implementation</u>  |  |                |                  |
| PAL/79/001 - Identification of Social and Economic Needs of the<br>Palestinian People             |  | 783 455        |                  |
| PAL/79/007 - Health Manpower Development  |  | 859 891        |                  |
| PAL/79/010 - Agricultural Training Centres <u>a/</u>  |  | 356 000        |                  |
| PAL/79/013 - Development of Olive Oil Industry  |  | 180 000        |                  |
| PAL/79/016 - Youth Programme  |  | 69 000         |                  |
| PAL/79/017 - Women's Institutions   |  | 200 000        |                  |
| PAL/83/001 - Specialized Training in Anaesthesiology  |  | 509 320        |                  |
| PAL/83/003 - Sewage Disposal and Effluent Recycling for the Town of Khan Yunis <u>b/</u>          |  | 1 070 000      |                  |
| PAL/83/004 - Development and Strengthening of Agricultural Educational<br>Institution at El Aroub |  | 100 000        |                  |
| PAL/83/005 - Assistance to the Fishermen in the Gaza Strip  |  | 675,000        |                  |
| PAL/85/002 - Project Preparation for the Social and Economic Needs of the<br>Palestinian People   |  | 80 000         |                  |
| PAL/85/003 - Strengthening of Agriculture and Hydrology Laboratories                              |  | 60 000         |                  |
| PAL/85/004 - Recycling of Gaza City Effluents   |  | 1 150 000      |                  |
| PAL/86/001 - Strengthening of Educational Institutions  |  | <u>850 000</u> | 6 942 666        |
|   |  |                | <u>9 510 348</u> |
| <br><u>Projects financed by United Nations agencies</u>   |  |                |                  |
| PAL/85/001 - WHO Collaborating Centre in Primary Health Care Research-Ramallah                    |  | 194 250        |                  |
| PAL/85/005 - WHO Collaborating Centre in Primary Health Care Research-Gaza                        |  | 106 050        |                  |
| 3 ILO Projects in Management of Training Institutions and Policy and<br>Consultancy Activities    |  |                |                  |

#### Projects to start in 1986

Glass and Ceramics

- a/ Being implemented by the Food and Agriculture Organization in the Syrian Arab Republic.  
b/ Actual project budget amounts to \$3 million. UNDP allocation is \$1,070,000, the balance being contributed by the United States Agency for International Development (1 million) and AGFUND (1 million)





Annex II

PROGRAMME OF ASSISTANCE TO THE  
PALESTINIAN PEOPLE

Initial project pipeline for the fourth cycle (1987-1991)

Natural resources

Notional figure

\$

Water supply: villages and rural areas

1 500 000

Provision of accessible and clean drinking water supplies through construction of water reservoirs, installation of water networks and improvement of existing wells.

Agriculture

Assistance to farmers

2 000 000

Financing of equipment and machinery for loan to small-scale farms through co-operatives; provision of seeds and fertilizers to farmers in hardship cases.

Sprinkler and drip irrigation for citrus groves-Gaza

250 000

Introduction of sprinklers and drip irrigation methods to citrus groves.

Wade Fara'a irrigation: lateral piping

250 000

Installation of lateral piping connecting the main Jiflik canal to individual farms, as an extension of a regional project largely funded by the Arab Fund for Economic and Social Development.

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|  | <u>Notional figure</u><br>\$ |
|--|------------------------------|
| <u>Co-operative and extension training</u>   | 250 000                      |
| In-service and specialized training for staff of co-operatives and extension services, as well as local community leaders.   |                              |
| <u>Honey production</u>  | 100 000                      |
| Feasibility study on apiary possibilities in the Gaza Strip with emphasis on commercial production of honey; pilot projects to be financed on the basis of positive indications. |                              |
| <u>Marketing of agricultural and dairy products</u>  | 175 000                      |
| Feasibility study to improve the marketing aspect of vegetables, milk and citrus products with the introduction of proper packing and grading methods and facilities.            |                              |
| <u>Spraying campaign</u>   | 50 000                       |
| Provision of insecticides and equipment through co-operatives, for spraying fruit trees and vegetables to control infestation.   |                              |
| <u>Pilot nursery - Vegetable seedlings</u>   | 100 000                      |
| Experimentation with nursery production of vegetable and fruit seedlings of different varieties for distribution to small-scale farmers.   |                              |
| <u>Development of slaughterhouses</u>  | 350 000                      |
| Development of slaughterhouses in the West Bank and to replace existing unhygienic and uneconomic facilities.  |                              |
| <u>Assistance to Gaza fishermen, Phase II</u>  | 125 000                      |
| Surveys of fisheries production in continuation of UNDP's effort to improve the fisheries industry in the Gaza Strip.  |                              |
| <u>Reforestation - West Bank</u>   | 100 000                      |
| Reforestation on hilly slopes and tops of mountains to prevent erosion; rejuvenation of olive tree plantations.  |                              |

|   | <u>Notional figure</u><br>\$ |
|---|------------------------------|
| <u>Industry</u>   |                              |
| <u>Industrial zone - Gaza</u>   | 50 000                       |
| Feasibility study on the establishment of an industrial zone to assist small-scale industries and workshops.  |                              |
| <u>Specialized training in industrial management, Phase II</u>  | 100 000                      |
| Courses designed to provide owners, managers, accountants and other professionals with specialized training in developing and managing small- and larger-scale businesses; as in previous project, to be carried out at the ILO Turin Centre. |                              |
| <u>Citrus processing - Gaza</u>   | 200 000                      |
| Detailed feasibility study on establishing processing and marketing facilities (canning, juice concentrates, etc.) for citrus products.   |                              |
| <u>Health</u>   |                              |
| <u>Village clinics - West Bank</u>  | 1 500 000                    |
| Establishment of 10 to 15 bed clinics in remote villages and training of local health workers to provide on-site health services.   |                              |
| <u>Development of health institutions, Phase III</u>  | 1 800 000                    |
| As for two previous projects, to provide urgently needed specialized medical equipment to health institutions and community health clinics.   |                              |
| <u>Health manpower development, Phase II</u>  | 1 250 000                    |
| Provision of short-term specialized training courses, e.g. ultrasound, emergency clinic, laboratory and X-ray technicians, midwifery, intensive care nurses, etc., to paramedical technicians and specialists.                                |                              |
| <u>Ambulance services</u>   | 500 000                      |
| Establishment of emergency ambulance services staffed   |                              |

Notional figure  
\$

by qualified paramedics to cover presently unserved areas in the West Bank and Gaza areas.

Education

Assistance to higher education 300 000

Enhancement of administrative and academic development in existing universities and colleges, through short-term training and exchange programmes designed to strengthen the capabilities of faculty members.

Strengthening of educational institutions, Phase II 2 000 000

An extension of a previous project, designed to improve educational facilities and alleviate overcrowding through construction of additional classrooms in congested cities as well as remote villages.

Agricultural vocational training 2 000 000

Strengthening of agricultural development through short-term training as well as specialized skill-training programmes.

Employment

Small-scale industry 100 000

Sponsorship of a feasibility study to identify small-scale business opportunities and types of retraining required to improve the unemployment situation.

Women's institutions, Phase II 400 000

Sponsorship of a school to provide women with technical, specialized training such as home economics, nutrition, kindergarten and family life, social work, decoration and interior design and information and publications in order to increase job opportunities and to meet demands for skilled personnel.

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|   | <u>Notional figure</u><br>\$ |
|---|------------------------------|
| <u>Promotion of technical and vocational education, Phase II</u>  | 500 000                      |
| Establishment of specialized courses in carpentry,<br>electricity and plumbing, similar to previous UNDP courses.                   |                              |
| <u>Glass and ceramics</u>   | 350 000                      |
| Upgrading of the traditional industry at Hebron, West Bank,<br>through comprehensive training programmes and improved<br>equipment. |                              |
| <u>Human settlements</u>  |                              |
| <u>Assistance to municipalities</u>   | 1 000 000                    |
| Provision of special machinery and equipment to<br>municipalities with urgent needs not covered by other<br>financing sources.      |                              |
| TOTAL   | 17 300 000<br>=====          |



Annex III

EXTRACT FROM MANAGEMENT LETTER ON INTERIM AUDIT OF THE ACCOUNTS  
OF THE UNDP FOR THE YEAR 1985, DATED 19 DECEMBER 1985

Limits of the UNDP mandate

76. From the wording of General Assembly resolution 33/147, we inferred that the projects relating to the Programme of Assistance to the Palestinian People (PAPP) which are financed from UNDP funds or funds collected by UNDP, always have to take place within the framework of the general UNDP mandate.

77. We noted, none the less, that at its thirty-second session in June 1985, the UNDP Governing Council has approved a project PAL/83/003 - Sewage Disposal Scheme, notwithstanding the fact that the UNDP mandate obviously does not include direct action by UNDP in the type of capital development undertakings required by such project.

78. We, therefore, inquired about the precise limits of the UNDP mandate with regard to the PAPP.

79. Management agreed with our understanding of resolution 33/147 but explained that the project PAL/83/003 represents an exceptional approach taken because urgently required assistance was not available except through UNDP.

Project implementation procedures

80. We noted that for PAPP projects in Gaza and the West Bank, the prevailing special conditions have resulted, with the agreement of all parties concerned, in the development of an ad hoc implementation system based on a series of flexible practical guidelines and procedures which deviate from, inter alia, the normal United Nations procurement system and the usual UNDP standards for project monitoring, reporting and evaluation.

81. As a result, the achievement of the planned targets is to a certain extent, certified only by the UNDP staff responsible for project implementation and the project transactions can be evidenced but partially from sources other than UNDP which necessarily tends to reduce the possible scope of internal and external audit reviews.

82. On these considerations, Management argued that in the absence of a host Government, a country programme, regional bureau backstopping, a resident representative office with servicing staff and access to executing agencies, some modifications in procedures are unavoidable. However, these

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modifications are not so drastic that audit and review functions cannot take place since PAPP procurement and financial records, both in New York and Jerusalem, are fully available to internal and external auditors.

83. Management admitted, nevertheless, that the terms of the PAPP mandate calling for project preparation and reviews to be undertaken with the parties directly concerned constitute a true complication since these parties will not meet together and will not signify agreement with each other.

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