

VII ONGOING AND PLANNED FOOD SECURITY RELATED ACTIONS AND PROGRAMMES

Summary

The GoI decision to withhold clearance revenues beginning late in 2000 and continuing until late in 2002 caused the Palestinian Authority to accumulate arrears to suppliers, take loans from domestic banks, cut operating budgets, delay payments for non-salary expenses and appeal to donors for budget support just when the need for social services was increasing several folds. Revenues, which had been at US\$82 million a month, averaged US\$33 million per month during the last three months of 2000, US\$23 million a month during 2001 and US\$25 million a month during 2002. The gap between expected revenues over these 27 months and the amounts received therefore was at least US\$1.5 billion, with about US\$1.3 billion due to withheld clearance revenues and the balance due to closures related declines in domestic revenues.

The GoI resumed clearance revenues and began paying arrears late in 2002 (US\$75 million was received before the end of the year) which placed the Palestinian Authority in a fundamentally different situation. During the first quarter of 2003 clearance revenues and arrears averaged US\$56 million a month and domestic revenues were expected to average US\$17 million a month over the year. The 2003 budget assumed that revenues, including arrears, would average US\$84 million a month while expenditures would average US\$87 million a month, up from the US\$83 million per month in 2002. Revenues and donor support in 2003 were not expected to be sufficient to clear all arrears with suppliers and repay all the loans, mainly because donor budget support early in 2003 was well below the assumed budget level, but major progress towards clearing debts was in prospect.

The extreme reduction in Palestinian Authority revenues created a situation where budget and social support for the new poor fell mainly upon the donors. The donor response to the appeals for budget and emergency support was positive. Budget support alone aggregated to US\$1.06 billion from November 2000 to December 2002, but declined with time, averaging US\$46 million a month from November 2000 to June 2002, US\$35 million from July to December 2002 and US\$23 million from January to March 2003.

Commitments for emergency and budget support increased from US\$121 million in 2000 to US\$755 in 2001 and US\$1 266 million in 2002, while those for development support declined from a peak of US\$853 in 2000 to US\$261 in 2002. Donor disbursements for all purposes (excepting the UNRWA regular programme) – budget support, emergency support and development support - reached US\$1 026 million in 2002, up from US\$929 million in 2001, US\$549 in 2000 and US\$482 in 1999. All the funds disbursed in 1999 and most of them in 2000 were for development support, but from September 2000 onwards emergency and budget support became the priority.

Donor disbursements for budget, emergency and development support in 2002 were, respectively, US\$519 million, US\$310 million and US\$197 million. Most of the US\$519 million for budget support was allocated to the Palestinian Authority (US\$464 million) and most of it was for the payment of salaries (US\$425 million) with the balance for non-salary operational support, mainly for health and education. The US\$55 million in budget support for the municipalities included US\$10 million for salaries with the balance for non-salary operational support. Disbursements for the maintenance of public employment in total therefore was at US\$435 million, sufficient to enable the Palestinian Authority to increase employment modestly but not enough to maintain employment at the municipal level. The US\$84 million for operational support included sufficient funds to reduce the non-salary operations costs for health and education but was well below the amount needed to prevent a serious decline in operational activity at the municipal level. Nevertheless, the food insecurity situation would have been far worse if the donors had failed to respond generously to the appeal for budget support.

Including UNRWA's job creation activities, US\$95 million of the US\$310 million for emergency support were allocated for private sector job creation, bringing donor support for employment maintenance or creation to US\$530 million. The remaining US\$215 million included US\$94 million for infrastructure repairs (US\$65 million), public sector relief (US\$19 million) and universities (US\$10 million), leaving US\$121 million for the other UNRWA's emergency programmes for the refugees and food and cash assistance for non-refugees.

Strong support has been provided in response to the appeals for budget and emergency support by a large number of donors. The review of the ongoing and planned food security related activities documents the many national and international bodies, governmental and non-governmental that are actively involved in the provision

of food security related benefits. It is obvious that the food security situation would be even worse than it is in the absence of the assistance provided to the Palestinian people. Nevertheless, the amounts provided have not been enough to prevent the freefall in economic access to food or to ensure adequate social access to food or the exceptional increase in the share of the population who are food insecure or under the threat of becoming so. The indications of declines in support for food security related programmes in 2003 therefore are cause for serious concern. The review also reveals that for most of the food security related activities the resources are scattered amongst a number of agencies and coordination is inadequate. The establishment of a National Commission for Food Security and the approval of the National Food Security Strategy being developed under the leadership of the MoA together with a national plan of action would help overcome these weaknesses.

The largest food security related shortfalls relative to needs were and are for private sector jobs, infrastructure repairs and food and cash assistance, precisely the activities with the greatest impact on economic and social access to food. On a disbursement basis, the Emergency and Public Investment Plan (EPIP) would have required US\$1 256 million in 2003, compared with US\$1 026 million in 2002 and the early 2003 indications that only US\$919 million would be disbursed. Disbursements for job maintenance or creation were expected to decline in 2003 and prospects for adequate funds for infrastructure repair or to repair damages remained bleak. Disbursements for infrastructure repair in 2002 were only US\$65 million, far below the US\$150 million pledged by donors, and early indications were for a decline in disbursements for 2003. By the end of 2003 around US\$130 million was expected to have been disbursed for the repair of various types of physical damage caused during the *Intifada*, a small share of the estimated US\$930 million in damages by the end of 2002, and repairing physical damages in agriculture largely remained to be attacked.

There has been a serious imbalance between the resources devoted to the maintenance of public sector jobs and the creation of private sector jobs. The funds available to support public sector employment have been sufficient to enable employment to be maintained or even increase slightly, of major benefit to food security, while private sector employment remains far below the pre-crisis level. The goods producing sectors are extremely depressed relative to the services sectors. Support for private sector jobs and relief are far too little to stimulate the private sector of the economy and represent only a small fraction of the support provided to the public sector. However, the resumption of the payment of clearance revenues and arrears by the GoI presents the opportunity to begin to correct these deficiencies and simultaneously improve economic access to food and reduce the need for social access to food.

To improve economic access to food the additional jobs initially should be to repair damages, rehabilitate infrastructure and houses, repair roads, water and sanitation systems. As outlined in Chapter IV, an employment generation programme aimed at the creation of 90,000 new jobs a year would clear the jobs backlog in four or five years and provide for new entrants into the labour force. The initial year cost would be on the order of US\$384 million. The funds available for infrastructure and damage repair should be merged with those for job creation. Fortunately, there are donors and implementing agencies, including UNRWA, that have been funding and implementing job creation and infrastructure repair programmes in the WBS for several years and therefore valuable experience has been obtained. Further, WFP is earmarking a substantial share of its food aid for food for work and food for training programmes.

Although the increase in the amount of food aid and cash assistance has been impressive, to ensure social access to food additional assistance must be provided. The quantity of food aid being distributed is not yet enough to enable UNRWA or WFP to reach their appeal targets and the targets for the new poor are insufficient. The differences in the amount of food assistance provided to refugees and to non-refugees are matters of concern. The amount of cash assistance is inadequate even for the chronic poor and essentially non-existent for the new poor.

About 150 000 tonnes of food may have been delivered in 2003, with UNRWA and WFP accounting for about 143 000 tonnes. To meet the planned target amounts for the chronic poor, the new poor and the special cases, WFP needed another 23 000 tonnes and UNRWA needed another 42 000 tonnes. The 65 000 additional tonnes could have been provided if an additional US\$29 million had been made available, US\$10.2 million for WFP and US\$18.7 million for UNRWA. The appeals for 2004 are for funds sufficient to cover this gap, which would bring the quantity distributed to the 1.7 million beneficiaries to 208 000 tonnes at a cost of about US\$92.5 million. Donors should ensure full funding of the emergency and regular programme appeal amounts as this is the first essential step towards adequate social access to food.

Although 208 000 tonnes would be enough to meet the existing targets the targeted amounts for the new poor refugees and non-refugees provide the equivalent of about 1 020 kcal and 1 400 kcal of food energy per person

per day which is far below the food security minimum of 2 100 kcal per day. Some of the new poor have access to sufficient resources from other sources to bring their diet to an adequate level and cover their other necessities but obviously, with 1.4 million insecure, many do not. How many need additional food to be food secure should be ascertained urgently and the next UNRWA and WFP appeals should include the quantities needed.

To provide 2 100 kcal per day for all the 1.7 million people who now receive some food from UNRWA and WFP would require about 350 000 tonnes, which could be provided for about US\$155 million. Since not all of the 1.7 million need a full 2 100 kcal ration from UNRWA and WFP the amount required to ensure social access to food for them is somewhere between 208 000 and 350 000 tonnes at a total delivered cost between US\$100 million and US\$150 million. The cost of the food assistance programmes are low because the food baskets contain low cost high food energy foods, mainly cereals, sugar, cooking oil and pulses, although for a few participants milk, fish, olive oil or very high energy supplements have been provided. To ensure more nutritionally adequate diets additional funds could be provided to UNRWA and WFP to add other foods to the baskets or additional cash could be provided to the beneficiaries. In the current circumstance, with food aid more readily available than cash it would seem appropriate to increase cash assistance.

While the chronic poor caseloads for the refugees (UNRWA) and non-refugees (WFP) are both around 7 percent of the populations there were extreme differences with respect to the new poor, as 68 percent of the new poor refugees and 18 percent of the new poor non-refugees receive some food. The number of new poor refugees who received some food was far greater than the number of refugees considered to be food insecure and the number of new poor non-refugees who received some food was well below the number considered to be food insecure. The new poor criterion for food assistance appears to be less stringent for the refugees than it is for the non-refugees. These differences should be assessed and addressed as a matter of urgency.

There are substantial differences in the amount of food energy that can be obtained from the food baskets provided by UNRWA and WFP, with the amount from WFP for the non-refugees greater than from UNRWA for the refugees and the amount of cash assistance provided refugees by UNRWA and non-refugees by MoSA or ICRC also differ. The differences in the food and cash assistance packages for refugees and non-refugees should be carefully assessed by all concerned with a view towards harmonization. It is difficult to justify differences based only on refugee or non-refugee status.

Cash assistance is provided by UNRWA and MoSA to the chronic poor (hardship cases). ICRC provides vouchers for some urban families in the West Bank but until now the new poor have not received appreciable cash assistance from UNRWA or MoSA. However, the 2004 UNRWA emergency programme appeal includes US\$26.72 million for cash and in-kind assistance. This appeal should receive the full support of the donors as it is an important step towards improving the cash and food assistance package for the refugees.

The amount of cash assistance varies but in every situation it is too little. Although the chronic poor refugees and non-refugees can obtain sufficient food energy from the assistance provided by UNRWA or WFP the value of the food, cash or voucher assistance is far below the amount needed to provide a balanced, nutritious diet and cover the cost of non-food necessities. The low cost high food energy food baskets provided by UNRWA and WFP can be purchased in the market for around US\$75 and US\$92.50 a year. Adding the cash assistance of US\$40 a year brings the value of the food and cash assistance to the refugees to US\$115 a year. Cash assistance from MoSA apparently ranges from US\$129 a year to US\$198 a year, depending upon family size, but is reduced if food aid is received. Those enrolled in the Urban Voucher Programme are entitled to vouchers valued at US\$215.52 a year. The market value of the food baskets provided to the new poor by UNRWA and WFP are on the order of US\$45 and US\$62 a year and at 15 percent of the economic requirement the ICRC rural beneficiaries receive the equivalent of US\$64.65 a year. These amounts are far below the levels needed for social access to food. The poverty line is at US\$766.50 a year and the foods consumed in 1996-98 would cost US\$734 in 2003. Normally about 40 percent of cash expenditures are for food in the WBGS, so even those with incomes at the poverty line cannot afford a diet anywhere near as nutritionally balanced as in 1996-98.

These considerations and comparisons suggest that in addition to the recommended improvements in the food baskets and in to harmonize the cash and food assistance provided to the chronic poor refugees and non-refugees, cash assistance should be provided to the new poor and the aggregate amount of cash and food assistance should be increased.

A uniform minimum standard of living should be established and the harmonized assistance package from UNRWA, MoSA, WFP and ICRC should close the gap between the standard and the cash or in-kind income from all other sources. The case for a standard geared to the poverty line appears to be most appropriate. That is,

a household with negligible income would qualify for an assistance package valued at the poverty line (about US\$64 per person per month) while those with income equal to or above the poverty line no longer would be eligible for assistance. Those between these extremes would receive an assistance package sufficient to close the gap between their income and the standard. For the 1.7 million UNRWA, MoSA, WFP and ICRC recipients of food assistance to be at the poverty line they would need to have access to US\$1.3 billion a year. At the existing targets for the 1.7 million beneficiaries the food and cash assistance from these agencies aggregates to around US\$180 million. The assistance the 1.7 million people receive from other sources remains to be determined but to bring all of the 1.7 million recipients to the poverty line standard obviously would require a large increase in assistance.

An alternative, lower standard is used by the ICRC in connection with the urban voucher programme. Here the basic cash requirement for a family of six is considered to be NIS 1 000 a month, or US\$431 per person annually at the 2003 exchange rate (about US\$36 a month). Although this is only 56 percent of the poverty line amount and therefore may not be enough to ensure sufficient economic access to food and non-food to be food secure, consideration could be given to its use as the standard as the first step towards a more adequate floor under income. To meet this standard the 1.7 million beneficiaries collectively would need to have access to US\$733 million. Here again the amount to be provided from the food and cash assistance agencies must await the assessment of income from non-official sources. The ICRC provides a voucher valued at 50 percent of the basic cash requirement which is a rough indication of the amount believed to be available from other sources. If so, the cash and income assistance would be US\$366.5 million and after deducting the US\$180 million now being provided the shortfall would be US\$186.5 million.

To provide the chronic poor (265 000) with an assistance package valued at US\$431 a year would require US\$114 million, US\$49 million for the refugees and US\$65 million for the non-refugees. However, taking into account the assistance being provided to the chronic poor and the limited income received from other sources the net increase would be substantially smaller. The chronic poor as a group are believed to be in more difficult circumstances than the new poor, and therefore receive a higher value assistance package, but there quite likely are many more of the new poor in extreme circumstances. As soon as feasible the food and cash assistance package for both the chronic poor and the new poor should be brought to the standard.

In the meantime, plans assuming the UNRWA appeal for US\$26.72 million in cash and in-kind assistance for the new poor refugees should be prepared with a view towards the provision of a comparable assistance package for the non-refugees. This could be part of the general review of the eligibility criteria, the standard, harmonization between refugees and non-refugees and the amount of assistance to be provided to the beneficiaries of the various ongoing and proposed food and cash assistance programmes.

As reported in Chapter V, the food and cash assistance programmes are not reaching all the eligible poor. A major effort should be made to add those who meet the eligibility criteria for the various programmes to the rolls. Relatively few adults and children are being served by WFP's institutional and supplementary food assistance programmes. Those in need of special care should be reassessed and these programmes expanded if deemed necessary and the WFP food for work and food for training programmes should be expanded. Consideration should be given to extending the UNRWA Gaza supplemental food aid programme to the West Bank.

MoSA, UNRWA, WFP and ICRC are the main sources of food and cash assistance although the Islamic Social Welfare Organizations, charity organizations and others provide assistance. All should be involved in the assessment of their ongoing programmes and activities with a view towards ensuring adequate social access to food.

Revenues and Donor Support

Prior to the *Intifada* more than 80 percent of Palestinian Authority revenues were derived from indirect taxes on consumption (particularly VAT, import taxes and excise taxes). Palestinian Authority revenues during the *Intifada* have fallen as a result of rising unemployment and reduced demand, and from the withholding by the Government of Israel of clearance revenues collected on the Palestinian Authority's behalf. In addition, closures and curfew have interrupted tax collection activity in the WBGS. The dwindling resources seriously undermined the ability of the Palestinian Authority to provide basic social services let alone meet the increasing demand for social support. In order to keep government institutions operational, the Palestinian Authority took a variety of measures to compensate for the shortfall in revenue. These included a combination of accumulating arrears to

suppliers, loans from domestic banks, trimming operating budgets, and delaying payments for certain non-salary expenses as well as appealing to donors for ad hoc budget support.

According to the World Bank, Palestinian Authority revenue fell during the *Intifada* from a monthly average of US\$82 million in the third quarter of 2000 (of which US\$52 million were clearance revenues and US\$30 million were domestic revenues) to just US\$33 million by the fourth quarter of 2002, and to US\$23 and US\$25 million for 2001 and 2002, leaving the Palestinian Authority highly dependent on budget support from donor countries. Budget support totalled about US\$1.1 billion by the end of 2002 (US\$54 million in November and December 2000, US\$539 million in 2001 and US\$464 million in 2002), and averaged US\$39 million per month during the past 27 months - almost half of total Palestinian Authority budget outlays over the period. Of this total, the major share, US\$738 million, was provided by the Arab League States, with the European Union providing US\$214 million. Between November 2000 and June 2002, monthly donor disbursements in support of the Palestinian Authority budget averaged US\$46 million; between July and December 2002 they averaged US\$35 million, and in the first three months of 2003 they averaged only US\$23 million, well below the US\$45 million monthly average expected when the 2003 budget was prepared.

The resumption of clearance revenues and the initiation of arrears payments late in 2002 resulted in US\$75 million received in 2002, with US\$45 million arrears payments. During the first quarter of 2003 clearance revenues averaged US\$35 million and arrears payments averaged US\$21 million a month. The Palestinian budget for 2003 was based on the assumption that revenues, including the payment of arrears, would average US\$84 million a month, including US\$17 million a month from domestic revenues. Expenditures were expected to reach US\$87 million a month, up from US\$83 million for 2002.

The decision of the donors to increase emergency assistance interventions and budgetary support to the Palestinian Authority ministries, municipalities and local government institutions that uphold the social safety net prevented a complete disintegration of the Palestinian welfare system. This made an important difference for food security and nutrition as it was possible to use these institutions and organisations as channels to assist the vulnerable with food aid, cash income support, employment maintenance and creation, humanitarian assistance, health and nutrition, and food availability. However, the massive initial decrease in employment resulted in the number of food insecure rising sharply, greatly exceeding the capacity of the social welfare system to provide adequate support despite the shift in donor funding from development support to humanitarian assistance.

Table VII.1: Composition of Donor Commitments and Disbursements 1999-2002 (US\$ million)

Commitments	1999	2000	2001	2002
Of which development support	692	852	473	261
Of which emergency and budget support	0	121	755	1 266
Total commitments		973	1 228	1 527
Total Disbursements	482	549	929	1 026

Source: World Bank: 27 Months of *Intifada* (2003)

Commitments to infrastructure and capacity-building work with a medium-term focus (development support) continued its sharp decline in 2002, with disbursements falling to US\$197 million. However, disbursements for these purposes, mainly for non-emergency water projects, were expected to increase to US\$245 million in 2003. Commitments for budget and emergency support of US\$1 266 million included US\$860 million for budget support and US\$406 million for emergency support. Disbursements for budget support were at US\$519 million and for emergency support at US\$310 million.

The US\$519 million disbursed for budget support consisted of US\$464 million for the Palestinian Authority (PA) and US\$55 million for the municipalities, with US\$435 million of the total for the payment of salaries. The amount for the PA included US\$39 million for non-salary operating expenses from the Emergency Services Support Program (ESSP), allocated largely to health and education ministries and resulting in a substantial reduction in their operating budget shortfall. Budget support to the municipalities included the payment of salaries, non-salary operating costs and rehabilitation of infrastructure. Budget support in 2003 was expected to decline from US\$519 million to US\$443 million, with the reduction for the payment of salaries more than offsetting increased support from the ESSP and the Emergency Municipal Rehabilitation Program (EMRP).

The US\$310 million for emergency support in 2002 included support for UNRWA's comprehensive emergency programmes for the refugees as well as the employment creation, food and cash assistance programmes for the non-refugees, which together received US\$216 million. The remaining US\$94 million was disbursed primarily

for infrastructure repairs (US\$65 million) and private sector relief (US\$19 million). Private sector relief, financed primarily by the EC and USAID, was expected to increase to US\$35 million in 2003, mainly for credit for businesses under stress, while funds for the other emergency programmes were expected to decline.

The three major donor contributors for budget, emergency and development support in 2002 were the Arab League States, the European Commission and the United States, together accounting for over 70 percent of commitments and disbursements. The League of Arab States accounted for 31 percent of the US\$1 026 million disbursed in 2002. It has been the main source of budget support but the amount disbursed in 2002 was less than in 2001, and disbursements in 2003 are likely to be lower than in 2002. Disbursements by the European Commission represented 21 percent of the total and when the bilateral contributions by the other European countries are taken into account the European countries as a whole disbursed the largest share of the emergency funds. Disbursements by the United States (USAID) accounted for 19 percent of the total. Canada, Norway and Japan were among the other donors.

Table VII.2: Commitments and Disbursement by Donors, 2002 (US\$ millions)

Country	Commitments	Percentage	Disbursements	Percentage
League of Arab States	630	41.3%	316	30.8%
European Commission	269	17.6%	217	21.1%
United States (USAID)	201	13.2%	194	18.9%
World Bank	75	4.9%	37	3.7%
Italy	60	3.9%	32	3.1%
Norway	49	3.2%	44	4.3%
Germany	45	2.9%	21	2.1%
Sweden	31	2.0%	16	1.5%
Switzerland	17	1.1%	12	1.1%
Denmark	16	1.0%	18	1.8%
Canada	14	0.9%	14	1.3%
France	13	0.8%	11	1.0%
United Kingdom	13	0.8%	12	1.1%
Japan	13	0.8%	12	1.1%
Others	82	5.6%	71	7.0%
Total	1,527	100.0%	1,026	100.0%

Source: World Bank: 27 months of *Intifada* (2003)

In addition to the US\$1 026 million disbursed for emergency, budget and development support the donors contributed to the UNRWA regular budget, from which the chronic poor refugees in the WBGS are provided with education and health services and also food, cash, jobs, repair of damaged houses and other social services. The European Commission (EC), the United States and other European countries are normally the dominant sources of funds for the UNRWA regular budget, although 48 countries and the EC made contributions in 2002.

When the disbursements in 2002 or early 2003 expectations for 2003 are compared with the estimates for 2003 in the Emergency and Public Investment Plan (EPIP) the largest gaps were with respect to programmes that would improve economic and social access to food (private sector jobs, infrastructure repair/rehabilitation, food and cash assistance). On a disbursement basis, EPIP would have required US\$1 256 million in 2003, compared with US\$1 026 million in 2002 and an indicated US\$919 million early in 2003.

Disbursements for infrastructure repair in 2002 fell well short of the US\$150 million pledged by donors in June 2002. Of the US\$90 million committed in 2002 only some US\$65 million was disbursed. By the end of 2003 around US\$130 million was expected to have been disbursed for the repair of various types of physical damage caused during the *Intifada* which were estimated to have been US\$930 million by the end of 2002.

Although the entire US\$1 026 million disbursed in 2002 plus the funds expended from UNRWA's regular budget had a positive impact on food security, the most direct impact came from putting money and food in the hands of people, which included paying salaries, creating jobs, providing income support and food. Donor emergency funds for these purposes (which do not include support to UNRWA's regular budget) aggregated to

US\$683 million in 2002 according to World Bank calculations. However, US\$435 million of the US\$483 million for budget support was for the payment of public sector salaries, so job protection or creation accounted for US\$530 million, while US\$105 million was estimated to be for food aid and cash income support. Relative to the needs, the funds for private sector job creation and for income support were most inadequate.

Table VII.3: Donor Disbursements (US\$ millions)

Category	Disbursed in 2002	Likely Disbursements in 2003
Budget support	483	420
Food	75	42
Jobs	95	81
Cash	30	22
Total	683	565

Source: World Bank: 27 months of *Intifada* (2003)

Ongoing Food Security Related Programmes and Actions

The formal and informal safety net, providing basic social services and food security, in the WBGs is supported from four major sources: the Palestinian Authority central institutions and municipalities, international official assistance (especially UNRWA), non-governmental organizations (NGOs), and informal family assistance. However with the limited resources available to the Palestinian Authority, the formal safety net did not have the financial resources necessary to have a significant impact on the rising food insecurity and poverty, so the importance of donors, the international organizations and the local informal social support networks increased.

The Palestinian Authority agencies, the international organizations, and the national and international non-governmental bodies engaged in the provision of food security related assistance to the Palestinian people have encountered implementation problems; closures have interrupted the movement of personnel, increased costs and delayed the delivery of assistance, while conflict has impaired operations and led to the destruction or damage to equipment and facilities. Nevertheless, the resources they have received from donors have enabled them to mitigate the effects of closures and curfews on food insecurity and nutritional status by supporting a vital safety net for the Palestinian people during this most difficult period.

Food aid assistance has been an important source of hardship relief since the beginning of the crisis. It is estimated that a total of some US\$30-40 million had already been disbursed by June 2001 but the amount of food aid assistance needed has increased since then with the growing number of unemployed and food insecure people. The major commodities (rice, flour, sugar and vegetable oil) are purchased abroad as they are not produced locally or not in sufficient quantity. Donor contributions to food and cash assistance increased with the *Intifada*, in particular through UNRWA for the refugee population and through MoSA, WFP and its implementing partners and ICRC for the non-refugee population. This has not been sufficient to offset the decline in Palestinian Authority funding for MoSA's social assistance programs over the period, let alone cater to the major increase in the incidence of food insecurity. In particular, the many new poor remained without sufficient assistance.

Whereas in the years prior to September 2000 donors and the Palestinian Authority had been able to focus on a range of longer-term social and economic priorities, the impact of the crisis required a return to the emergency programs that characterized assistance in earlier years of the peace process. The quantity and composition of donor assistance changed. Disbursements for infrastructure and technical assistance programmes with a medium-term focus fell significantly during the *Intifada*.

The Palestinian Authority's two major social welfare programmes are the income support programme of the Ministry of Social Affairs (MoSA) and public works programmes. The Palestinian Economic Council for Development and Reconstruction (PECDAR) coordinates a programme of labour-intensive community development projects comprising public works to build roads, schools, clinics, water and sewer systems and other civil works in the WBGs.

The MoSA's income support programme is the single largest welfare programme in the WBGs. Income support consists of cash, food and provisions for medical treatment, with income support payments and food distribution the most important features. The Special Hardship Cases (SHCs) or chronic poor families are eligible for cash support from MoSA include those with no male breadwinner at home (due to absence or incapacity to work), or

with a total labour income inferior to a scale of assistance defined by the ministry. The cash assistance norm is adjusted up to account for family size, and/or reduced if the beneficiary is already receiving food support from UNRWA or the World Food Programme. The average eligible family of ten members is entitled to receive around US\$1 290 per annum, although the cash amount per person may reach as much as US\$198 a year in smaller families, while the poverty line at US\$2.10 a day is US\$766.50 a year, so the chronic poor remain impoverished and in a state of food insecurity unless they receive assistance from others. According to the World Bank the total net programme cost during 2002 was US\$29.7 million. MoSA also distributes food provided to it by the World Food Programme. There is a purposeful attempt to target assistance based on permanent poverty (those in need of long term support because of limited capacity to generate income), rather than transitional poverty that might result during periods of natural or economic shocks.

In addition to its income transfer programme, MoSA also administers the Martyrs, Prisoners, and Injured Fund which provides cash assistance to families of persons affected by political events. An affiliated programme is the Prisoner Rehabilitation Centre which provides assistance, mostly in the form of subsidized health insurance, to families of prisoners as well as services to help with the reintegration of prisoners into society, such as skills training. MoSA also manages 55 social centres and programmes offering physical rehabilitation, vocational training, and shelter for orphans and old people. These centres are receiving support from donors such as Sweden, UNICEF (childcare activities including for orphans and early childhood programs), UNIFEM (skills development and vocational training for women) and the UAE (for a large physical rehabilitation centre in Nablus).

At present the safety net available to the poor consists of the assistance from UNRWA's regular budget and emergency programme for the refugees and a patchwork of MoSA, WFP, ICRC and many other non-governmental programmes, many of which are effective, but which are incomplete in their coverage and are not always efficient. The planning and management of the Palestinian Authority's social welfare programs needs improvement and the Ministry of Social Affairs requires assistance for capacity building, including the development of an MIS that tracks all food and cash contributions being provided by donors and helps standardize criteria in use by the Palestinian Authority, UNRWA and NGOs. The absence of such systems has left many local relief committees and NGO providers with the complex and controversial job of developing criteria for selecting who should receive the inadequate amounts of cash and food available. Targeting and distribution mechanisms are ad hoc and individualized. The capacity of the ministry would undoubtedly be improved by a programme providing support for the development of information and organization systems (for example, by linking the record systems of the ministry and its district centres, and maintaining full records of beneficiaries of non-MoSA income support (i.e. from the President's Office, NGOs and UNRWA)).

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established on 8 December 1949 to carry out direct relief and works programmes for Palestine refugees. It began operations on 1 May 1950 and over the last 53 years has provided assistance to the Palestine refugees in its five fields of operation: Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. At 31 March 2003 there were 1.55 million refugees in the WBGS, equivalent to 43 percent of the total WBGS population. Most of the refugees live in Gaza Strip, where they account for 68 percent of the total population. The 648 000 refugees living in the West Bank represent 28 percent of the population. About 42 percent of the refugee population lives in camps.

UNRWA manages comprehensive humanitarian assistance programmes for the refugees through its field offices in the Gaza Strip and in the West Bank. Resources for these programmes are budgeted under the Regular Programme for the chronic poor, the Emergency Programme for the new poor and Projects. In 2002 the EC funded 58 percent of the US\$27.8 million provided for projects which were primarily to develop and maintain infrastructure. Support was also provided by 13 countries with Saudi Arabia, the United States, the United Kingdom and the Netherlands the major supporters.

Under the long standing Regular Programme, budgeted at US\$99.5 million and US\$54.7 million for the Gaza Strip and West Bank respectively for 2003, support is provided for refugee education, healthcare and relief and social services. UNRWA operates 259 schools for 250 000 students, 51 primary healthcare clinics and provides relief and social services, including food and cash assistance, to around 115 000 social hardship cases (see below). Most of the RP funds are allocated to education and healthcare but US\$17.4 million was budgeted for relief and social services for the chronic poor. The main contributors, were the USA, the EC, the UK, Sweden, Norway, the Netherlands, Japan, Italy, Canada, Denmark and Germany but 38 other countries contributed. Although the regular programme has not been implemented in full due to inadequate funds, the shortfall has been small relative to the gap for the Emergency Programme.

The Emergency Programme, initiated soon after September 2000, provides funds primarily for food aid, employment and shelter, repair and reconstruction but also for cash assistance and emergency related health and education activities. The response to recent appeals for Emergency Programme funds has been disappointing, with relatively few countries responding. In 2002 the United States provided one-half and 14 European countries provided 45 percent of the resources obtained, with the remainder coming from Canada, Japan, Australia and New Zealand. Due to the lack of funds during 2003 UNRWA could not meet its food aid targets and had to reduce or suspend its emergency shelter, repair and reconstruction, water and sewer line repairs, emergency health, education and employment activities and cash assistance. It could only rebuild 167 dwelling units, leaving 1 109 to be rebuilt. Only US\$1.3 million of the US\$9.2 million for health activities became available, repairs to water and sewer lines were suspended and cash assistance was cut from the planned US\$6.7 million to less than US\$1.0 million.

UNRWA's employment generation programme was developed to provide temporary jobs to unemployed refugees. About US\$8 million was allocated to employment from the resources raised by the first appeal. The second appeal (US\$37 million requested, US\$24 million raised) and the third appeal (US\$77 million requested, US\$63 million raised) gave much more prominence to job creation, with about 45 percent of total financial resources initially allocated to the objective of creating 1.2 million job opportunity days in 2001. A major advantage of job creation programs is that they are largely self-targeting, since they aim by definition at the unemployed poor who are able to work. Participants received US\$12 per day. Under the UNRWA jobs scheme, workers have also been selected on the basis of family size to ensure that the program reaches a significant number of beneficiaries, while the wage paid has been tailored to the poverty line of US\$2.10 per person per day, assuming an average family size of six members. Priority was also given to locating schemes in the poorest regions of southern Gaza and the southern and northern areas of the West Bank. UNRWA aimed to reserve 30 to 50 percent of the jobs for women in certain activities within the "direct hire" component of its programme (60 percent of the jobs are managed by UNRWA, with the balance implemented by private contractors and communities). Unfortunately, the employment generation programme suffers from inadequate funds in 2003.

For its emergency activities in the second half of 2003, UNRWA appealed for US\$103 million to provide food aid to the new poor refugees, shelter for the homeless, medical care for the injured and counselling for children who have been traumatised by violence. The 2004 appeal is for US\$193.56 million with US\$55.65 million to provide food aid to 222 294 families (about 1.1 million individuals), a small reduction in beneficiaries and funds from the two 2003 appeals, but enough to enable the appeal targets for the new poor to be met. To further support family incomes and put the unemployed to useful work, UNRWA has appealed for US\$62 million for job creation activities, a significant increase from the 2003 appeal amounts. The appeal includes US\$32.9 million for shelter, repair and rehabilitation and US\$26.7 million for cash and in-kind assistance to the poor, a major and welcome increase over the US\$4.6 required for the chronic poor under the regular programme budget. Smaller amounts are requested for emergency health, education and other social programmes.

WFP as the largest provider of food aid for non refugees has gained an increasingly important role in the social safety net as unemployment, poverty and food insecurity rose to unprecedented levels after September 2000. (See below for the details on WFP's assistance programmes.) Food assistance to the non-refugee Palestinian population in the WBGs is provided by the WFP with its implementing partners and in collaboration with ICRC

The International Committee of the Red Cross (ICRC) decided to extend its main relief programmes for the Palestinian population of the West Bank from July to the end of 2003, at a cost of over US\$8.6 million. Under the previous budget, emergency support for affected Palestinians was scheduled to end in June. However, the ongoing violence and the stringent security measures have left many Palestinian households in dire need. The organization's rural relief and urban voucher programmes were started in the spring of 2002 after renewed conflict exacerbated hardship in the West Bank, with the movement of many Palestinian families being severely restricted and their income thus drastically reduced. Under the rural relief programme, families receive food and other basic items valued at US\$65 a year while the urban voucher programme provides town-dwellers with coupons valued at US\$215.50 a year, which they can exchange for goods (mainly food) in designated stores. These programmes are based on ICRC's assessment of economic needs, estimated to be NIS 1 000 a month for a family of six, or US\$431 per person annually at the 2003 average exchange rate. Assistance provided by ICRC for urban participants is at 50 percent of economic needs, while rural resident assistance is geared to 15 percent of economic needs.

The Ministry of Health in collaboration with MARAM and the donors involved in the health sector has developed a Nutrition Policy and a plan of action to prevent protein-energy malnutrition (particularly in pregnant

women, newborns, and infants under 2 years of age) and micronutrient deficiency of iron, vitamin A, and iodine. The three lines of action were identified that include promotion of breast-feeding, promotion of supplementary feeding and promotion and education to improve consumption of nutritious food.

As a priority for the next three years, the plan proposes pilot programmes to promote exclusive breast-feeding for the first four to six months of life and continuation of breast-feeding until the age of two. The experience acquired should form the basis to promote breastfeeding throughout the WBGS. In addition supplementary feeding should be promoted as required by the child's nutritional status and the family's access to food. This should be accompanied by the development of dietary guidelines.

Integrated programmes to combat vitamin A and iron deficiency are proposed to be designed with technical assistance from donors such as USAID and UNICEF. In high endemic areas and as an emergency measure, programmes to provide vitamin A supplements to children under the age of five need to be designed and executed.

Furthermore, educational programs that promote a diversified diet to encourage the consumption of foods rich in vitamin A need to be designed. Iron fortification of wheat flour or other easy-to-access, low-cost food products should be promoted and iron supplements should be made available for pregnant women, nursing mothers, and children under the age of three, to control anaemia and boost iron reserves in children and mothers. This should be accompanied by educational campaigns that promote a diet containing iron absorption enhancers, such as citrus fruits and meat, and eliminating foods that inhibit absorption, such as tea and coffee with meals.

In 2001 the MOH was able to cover only 63 percent of its non-salary operating costs but in 2002 a doubling of donor contributions meant that 87 percent of non-salary requirements were met and the situation was expected to be even better in 2003. By 2002 the gap had been reduced to US\$6.3 million due to donor funds of US\$31.2 million received from the ESSP and other sources, as those received from MOF declined sharply from 2001 to 2002.

It is recognized that there is a need to establish an epidemiological surveillance system for monitoring the food and nutrition situation at the national level, using a minimum set of indicators that will make it possible to monitor over time the epidemiological situation. The standardization of indicators, instruments, and cut-off points will also make it possible to generate regional and district information. This would require technical cooperation to enhance local institutional capability in data collection, processing, analysis and dissemination.

The Ministry of Agriculture with the assistance of FAO has drawn up an Agricultural Revitalization Programme in the framework of its Medium Term Agricultural Development Plan. Pilot projects are being implemented through funding from the Italian Government. According to the Palestinian Authority's 1999-2003 Development Plan, the rural areas of WBGS and the Palestinian agriculture have suffered from negligence of many basic economic and social services which has resulted in a gap between the living standards of the population in urban and rural areas. Over the years, agriculture contributed on average about 12 percent of the GDP and 12-14 percent of employment with variations due to weather conditions. However its contribution to GDP and per capita food availability had been gradually declining already before the crisis. Nevertheless, in times of hardship, the agriculture sector still functions as an employer of last resort and support to household food security.

The Palestinian Authority's rural development strategy, of which agriculture is a core component, aims at providing infrastructure and social service development in rural areas to reduce inequalities. However, there are serious impediments, including: limited and inefficient use of the natural resource base, especially scarcity of water and lack of conservation; heavy dependence on Israel for trade and market access, which constitutes a severe constraint under extended border closures, and low agricultural productivity.

The Ministry of Agriculture with assistance from the EC Food Security Technical Assistance Programme is in the process of developing a National Food Security Strategy including the establishment of a National Commission for Food Security. Funding provided under the EC FSTAP has been used since 2001 to finance projects specifically aimed at improving food security and targeting the poorest households. These include support for small and medium agricultural enterprises, enhance food security conditions and create new job opportunities, assist agricultural production cooperatives and creating cooperatives and savings funds, localized composting networks, production of fresh and pasteurized milk, and provision of veterinary services for small ruminants. FSTAP also makes funding available to assist with building the institutional and organizational capacities of stakeholders and local authorities and NGOs that are implementing food security projects. Part of

the National Food Security Strategy is a Food Insecurity and Vulnerability Mapping System for which a project document has been formulated by FAO.

Local Government institutions especially the municipalities play a critical role as the primary service providers to local communities. However, the prolonged crisis severely constrained Palestinian households from maintaining payments for municipal services. Municipalities reported sharp declines in revenue collection and could no longer meet operating costs and have accumulated considerable liabilities for electricity, water and other services. Eventually, all municipalities were forced to reduce expenditure and have been forced to eliminate new projects, cut back on maintenance and reduce the level of services. In most cases there have not yet been significant staff lay-offs, though some non-essential and temporary staff has been made redundant. Many municipalities have had to delay salary payment or introduce salary cuts (of a varying number of days per month), and to reduce their funding of staff pensions. By providing budget support and funding emergency support programme donors have enabled these institutions to respond to the emergency needs of their constituents by sustaining essential service provision, infrastructure repair and reconstruction, and temporary employment creation. Municipal and village services have deteriorated sharply with respect to solid waste collection and electricity, water and sanitation services and especially water services in rural areas. The International Management Group estimated physical damage to the water and wastewater sector was around US\$140 million. Safe water prices have risen dramatically. Donor budget support to the municipalities in 2002 reached US\$55 million, with US\$10 million for salaries. The Emergency Municipal Services Rehabilitation Project (EMSRP) has been developed to provide financial assistance to local government units to mitigate further deterioration and the ESSP provides support for non-salary operating costs.

NGOs have traditionally played an important role in Palestinian society, and account for a large proportion of health services, rehabilitation for the handicapped, preschool education and agricultural extension and land rehabilitation. With increasing poverty during the crisis, NGOs have played a prominent part in providing essential services, much as in the first *Intifada*. They have provided health services and support farmers who have lost land, capital or market access. NGOs have also been used by donors to channel in-kind and cash assistance to the poor and to the families of those killed and injured. Another area where NGOs have played an effective and growing role is in employment generation, where they have been able to initiate income generation activities among the poor. Following a successful US\$1 million pilot in early 2001, donors have committed a further US\$6 million to NGO job creation projects through the World Bank's Palestinian NGO Project. USAID has recently committed a further US\$10 million to similar programs. The World Bank roughly estimates about US\$120 million of donor funds has been disbursed by or through NGOs, perhaps a third of it in the form of food aid or medicine.

Today, the Palestinian Red Crescent and the NGOs continue to provide primary health care services, manage hospitals, handicapped rehabilitation centres and preschool education. They serve more than one million people in agriculture, have rehabilitated 25 000 dunums of land threatened with confiscation, and employ an estimated 25 000 citizens. NGOs benefit from the experience accumulated over many years of active involvement in Palestinian development. They have networks reaching out to some of the poorest groups and most marginalized areas. They have broad constituencies and they have the flexibility to adapt swiftly to changing conditions and emergency situations.

The non-governmental sector plays an important role in the provision of aid to the poor, though the total amount of assistance is unknown due to the lack of documentation and collection of these data. Included in this category are religious organizations and networks of which the Al Zakat Committees are among the most prominent. Many other charitable organizations also provide support to destitute groups. Their main eligibility criterion is lack of income or the absence of the primary breadwinner. In addition, many of the charitable groups also direct their services to particular groups such as women, children, the disabled, and the ill.

However, with the continuing crisis, many NGOs experience difficulties in responding to the increase in demand for their services (particularly in welfare and health), and are short of funding for their regular/developmental programs. In part this is due to steep losses in service charges and local contributions. Those NGOs that received additional funding from donors tended to be the larger and better-established NGOs like PARC and UPMRC. These professional NGOs continue to have a higher capacity to attract funding, while their service coverage is greater than that of the smaller NGOs. The funding situation and its impact on the social safety net - particularly insofar as non-emergency services are concerned - are clearly severe, however.

The Palestinian Agricultural Relief Committees (PARC) has for many years played a pioneering role in providing development services in the agricultural sector and rural areas. Like other NGOs, over the past

30 months PARC had to modify its project delivery methods to adapt to closure and rising poverty and unemployment. PARC raised an extra US\$3 million to implement emergency projects focusing on income-generation and job-creation. Job-creation projects have concentrated on maintaining and developing agricultural resources (i.e. agricultural road construction, retaining separation barrier construction, rehabilitation of cisterns and wells), with a particular emphasis on water. Additionally, PARC is promoting the household economy by supporting backyard gardens. These gardens provide their owners with a sustainable food source as well as the potential to earn extra income. PARC also is a WFP implementing partner for the distribution of food aid.

CRS provides assistance to agriculture (land reclamation, rehabilitation of agricultural roads); education (construction of kindergartens and community centres) and provision of water (rainwater catchments for agricultural and drinking water purposes): Projects are implemented by local NGOs in coordination with Ministry of Local Government and other line ministries. CRS is a WFP implementing partner.

UNDP/PAPP responds directly to needs identified by its Palestinian counterparts, including governmental institutions and civil society organizations, as well as to the priorities identified by donors. Priority is always given, when feasible, to projects with sustainable developmental impact and to UNDP's overarching corporate goal of poverty alleviation. Extensive consideration is given to local conditions and constraints, including restrictions on movement, the vulnerability of individuals, and the availability of material. PAPP concentrates on small-scale projects with high labour content and a minimum of dependence on imported materials. Implementation responsibilities and monitoring systems are totally decentralized to overcome closure restrictions. The projects implemented under the umbrella of the PAPP have been formulated in direct response to the Palestinian Emergency and Relief Plan produced by the Ministry of Planning and International Cooperation in January 2001. Over a dozen separate projects have been launched in support of employment generation activities and emergency health with a total budget of US\$27 million, with disbursements totalling US\$18 million, and 350 000 work-days generated in over 120 localities. Thousands of dunums of damaged land have been replanted, over 60 schools and kindergartens rehabilitated, over 50 private homes and public facilities restored, several localities provided with improved internal roads and water and sanitation systems, and 14 new health facilities developed and equipped. A further 29 million Euros were allocated for a food security programme to be implemented jointly with UNRWA, both for a) food assistance through UNRWA's Relief & Social Services, Health and Education Programmes; and b) cash assistance for special hardship cases. Furthermore, rapid disbursements in February and March 2001 of 15 million Euros to the Municipal Support Programme and the Local Rural Development Programme for labour-intensive construction projects have ensured the provision of 200 000 labour days for unemployed Palestinian workers.

FAO has been engaged in assisting the Palestinian Authority in the formulation of an Agricultural Policy document, which provided the overall policy framework for agricultural development in the WBGS. With funding from UNDP, FAO assisted in the formulation of a Medium-Term Agricultural Development Plan (2001-2005) for the WBGS. This Plan has provided a blueprint for the MoA future planning activities and for donor priority funding to the agricultural sector.

In October 2002 FAO posted a Programme Coordinator in Jerusalem to lead, in close consultation with UNDP-PAPP, the development and expansion of FAO's activities in the WBGS and to play an increasingly important role in strengthening the coordination process for agriculture recovery and food security. FAO and WFP are jointly focal points in the Food and Nutrition sector Emergency Group and actively participate in the LACC working group on Food Security. This involvement will help to: (i) ensure that priority needs in the agriculture, food security and nutrition sector are met and that any gaps and overlaps are avoided; (ii) facilitate information-sharing on agriculture, food and nutrition; (iii) sustain advocacy on agriculture requirements and; (iv) mobilize the necessary technical advice and guidance to support the numerous humanitarian actors involved in food security, agriculture and related activities.

FAO is providing assistance for an Agricultural Revitalization Programme (ARP) building upon the priority areas already identified by the Ministry of Agriculture in the Medium-Term Agricultural Development Plan (2001-2005). The revitalization process is defined as an intermediate phase between emergency assistance and sustainable rehabilitation leading to longer term agricultural development. While it intends to ensure short term support to the agricultural sector, to prevent its collapse, to provide productive employment and income to large segments of the population and to ensure the availability and access to some basic food requirements, it does so by incorporating longer term vision and goals. The revitalization programme includes activities that have relatively short gestation periods, short term benefits, but are also expected to have medium to long term impact and sustainability. The project profiles in the ARP Identification Report, for a total budget of approximately US\$26 million are being further developed into project proposals.

The formulation process for piloting some of the above activities (according to priority areas identified with the Ministry of Agriculture) is under way. A specific proposal to further support capacity building in the agriculture sector is included in the Agricultural Revitalization Programme. The project will strengthen the institutional, managerial and technical capabilities of the MoA in the area of agricultural policy analysis and planning. High priority will be given to training of MoA staff to further enhance their technical skills and competence in the identification, formulation, implementation and evaluation of agricultural policies and development strategies and plans.

The World Bank, like the other donors in the current crisis, has redirected most of its assistance towards assisting the Palestinian Authority and local Government institutions in responding to the emergency. A number of emergency projects and programme have been implemented with the aim to mitigate the deterioration of education, health and municipal services brought about by the conflict situation by maintaining the capacity of the Palestinian Authority and local government to provide basic social services and provide support for the unemployed and the very poor. These projects include: the Emergency Municipal Services Rehabilitation Project, the first and second Emergency Services Support Project, Social Services Delivery through Community based Projects, the Emergency Water Project and the conditional cash transfer assistance, assisting poor families to pay for keeping their children in school and to pay for regular preventive visits to clinics. Many of these projects have been funded jointly with other donors.

The World Bank-financed Palestinian NGO Project is funding NGOs for the delivery of basic social services, in consultation with the Palestinian Authority. Grants to NGOs concentrated on health, education, agriculture, pre-education, youth and community services with priority given to projects that benefited the most disadvantaged of the community, including women, children, youth and people with special needs. This type of activity complements the Emergency Response Programme on urban infrastructure and public works.

The Arab League has contributed in a major way in maintaining the Palestinian Authority institutions and keeping the social safety net functioning. Most of the funds have been channelled through the Islamic Development Bank. After the Arab League Summit in October 2000, two funds were established at the Islamic Development Bank, the Jerusalem *Intifada* Fund and the *Al Aqsa* Fund. A total of US\$1 billion was pledged in principle to these Funds. The Jerusalem *Intifada* Fund provides support for those injured during the *Intifada* and for the families of those injured or killed, including educational and health support and emergency services. The Al Aqsa Fund provides budget support to the Palestinian Authority and support for agricultural production, health, education, roads, house and building rehabilitation, and job creation, and small and medium enterprises. Joint (financed from both Funds) projects provide support for house and building rehabilitation, hospitals and clinics and export promotion.

The European Union (European Commission and bilateral European assistance) significantly stepped up its assistance and has committed over US\$400 million since the beginning of the *Intifada*, while having disbursed over US\$300 million of this by the end of December 2001, US\$245 million of it in 2001 itself. EU disbursements represented 26 percent of the total for 2001, and more than a doubling of previous annual disbursements. In addition, the EU provided funds to UNRWA for the agency's general fund, its emergency appeals and for food aid (from EU Member States and from the European Commission). The EU's main instrument to respond directly to the crisis has been the EU budget managed by the European Commission. The Commission has adopted specific emergency response initiatives in parallel to its regular development program, significantly increasing the funding made available for the WBGS. Within the emergency category, some funds were allocated through the EC Humanitarian Office since September 2000 - in particular for direct food assistance and for post-injury rehabilitation, psycho-social support and non-food humanitarian items.

EC assistance in 2003 of €80 million will be used to help the Palestinian Authority pay off arrears in these areas to small and medium-sized Enterprises and the social services. In the course of the protracted crisis, unpaid Palestinian Authority bills to the private sector have led to the weakening of businesses and contributed to higher unemployment levels. Arrears to the social sector have weakened public health provision. Helping the Palestinian Authority to pay off its arrears in these areas will benefit the economy, by reducing pressure on enterprises that have been starved of money and will help boost basic social services, in particular health. Funds being made available in 2003 include €57.75 million for UNRWA, €25 million in humanitarian assistance and €20 million for food aid and the Food Security Technical Assistance Programme. Other elements of assistance in 2003 include €22 million for the Emergency Service Support Programme to mitigate the deterioration of health and higher education services resulting from the ongoing conflict to be implemented through a trust fund agreement with the World Bank.

Regular EC-funded projects have continued to be implemented. Bilateral assistance disbursements to the Palestinian Authority and civil society were funding infrastructure development, capacity building, job-creation, social assistance and institutional reform. Furthermore, disbursement to the Municipal Support Programme and the Local Rural Development Programme (UNDP) for labour-intensive construction projects has ensured the provision of 200,000 labour days for unemployed Palestinian workers.

The USAID Mission to the WBGS has made significant program changes since the beginning of the *Intifada*, in response to urgent needs and opportunities, and in light of what is practical in implementation terms. The current project mix combines "emergency response" activities with a continued focus on long-term development projects, including appropriate institutional development assistance. "Emergency response" programs under implementation amount to US\$43 million in commitments, for short-term job creation, emergency health assistance (the delivery of emergency medical supplies and equipment, training for emergency personnel, and funding for psycho-social treatment), support to UNRWA, emergency micro-finance support programs, direct assistance to Palestinian NGOs providing services to vulnerable groups and employment creation programs, short-term training and business internships, and expanding the scope and geographic coverage of USAID's small-scale community services. Due to the nature of USAID's engagement, its assistance program is delivered by NGOs and the private sector. Some "longer-term" development programs funded by USAID continue, including support for policy and institutional development. The focus on providing water infrastructure in both the Gaza Strip and the West Bank remains, with on-going well drilling and pipeline construction, and designs underway for a North-South Gaza Strip water carrier, a Hebron wastewater treatment plant, a Gaza Strip desalination plant, and the Southern West Bank village water network. The total anticipated cost of these five programs is US\$200 million. USAID-funded programs to strengthen the judicial system, develop the private sector environment (including new laws and institutional frameworks), promote investment, develop maternal-child health care, and the higher education system continue, albeit more slowly than before.

USAID has suspended or cancelled a number of projects because of the confrontation. These include a proposed highway in the northern WBGS, border industrial zones in Tulkaram and Rafah, and the planned procurement of high-tech scanners for use at border crossings.

Canada has contributed to the emergency employment generation through the World Bank through the PEACE Facility. Projects cover both WBGS and are being implemented by the Ministry of Local Government. Canada has also contributed funds to various emergency activities, including UNRWA emergency appeals, a World Vision appeal, and health appeals by ICRC, UPMRC, UF-IWRC and the Friends of East Jerusalem Hospitals. The psycho-social and physical rehabilitation of Palestinian children has Palestinian NGO partners in WBG, and is coordinated with the Secretariat of the National Plan of Action for Palestinian Children.

Japan provided support for basic human needs, such as education, environment, health and water resource and emergency employment generation. This support went to small-scale projects for rural communities, the Japan-Palestinian Authority-Israel trilateral projects and assistance to Palestinian refugees. Since the outbreak of the current *Intifada*, Japan has contributed to direct assistance to the Palestinian Authority for the Expansion of Immunization Programme, the Food Aid Programme, the Increase of Food Production Programme, to small-scale projects for local communities through UNDP-PAPP, to emergency job creation and for emergency health aid. The Japanese government assistance during this difficult period has been made not only in response to the emergency needs, but also in consideration of development needs with a mid to long term point of view.

Norway continued to implement its main programs of long term development assistance. Programmes in infrastructure and institutional development have been adjusted to the ongoing crises, including support to UNRWA. Budget support, labour intensive employment creation projects were a response to increased unemployment and poverty. They created 350.000 workdays and were implemented in different local communities through the municipalities, in close co-operation with relevant ministries. All grants were channelled through the Ministry of Finance. Labour intensive projects will continue with an increased focus on the private sector in the local communities.

Food Aid and Cash Assistance in the WBGS

Many organizations are involved in the provision of food aid to the food insecure in the WBGS. The quantity of food received by the beneficiaries has risen sharply since September 2000, reaching an estimated 127 000 tons in 2002, and the plans for 2003 called for an increase to 208 000 tonnes. The chronic poor (hardship cases) receive a "full ration" basket of food, but the amount received by most recipients, the new poor, is designed to be a

supplement that is targeted to provide from 60 percent (UNRWA) or 67 percent (WFP) of their respective full rations. The targets remain to be reached. If the 2003 appeal amounts had been obtained, the quantity of food aid could have reached the targets in 2003. However, the resources available to UNRWA did not permit their emergency programme targets to be reached, with the shortfall at 42 000 tonnes. The quantity delivered by WFP was substantially larger than in 2002 but still about 23 000 tonnes below the amount needed to enable all the beneficiaries to receive the planned amounts.

UNRWA provides food and cash assistance to refugees through its Gaza and West Bank field operations. In 2002 UNRWA provided 83 152 tonnes of food to the refugees, with 59 887 tonnes from the Gaza and 23 265 tonnes from the West Bank field operations. The Special Hardship Cases, the chronic poor, receive the UNRWA full food rations and about US\$40 in cash a year (11 cents a day). When funds are available the 163.5 kg full food ration is enough to provide each Gaza participant 1 700 kcal per day and the 169.5 kg ration in the West Bank provides 1 710 kcal a day. The WFP Hardship Social Cases receive a 208 kg food basket that provides 2 109 kcal a day. WFP does not distribute cash. ICRC provides vouchers to beneficiaries in urban areas in the West Bank that carry a higher value than the food-based assistance. Including the cash and measuring the cost of the food baskets at retail, the value of the assistance provided the chronic poor by UNRWA and WFP is about the same but lower than that provided by ICRC.

The new poor participants are targeted to receive a food basket from WFP, UNRWA West Bank and UNRWA Gaza Strip that provides each person with, respectively, 1 406 kcal, 1 026 kcal and 1 020 kcal per day. These amounts are well below the 2 100 kcal deemed to be the minimum needed to be food secure when engaged in light physical activity because it is assumed most households have some ability to contribute to their own needs or are able to receive assistance from others. However for those households unable to supplement their diet, the level of food assistance is inadequate to meet minimum caloric needs.

Flour and rice account for most of the calories in the food aid baskets, accounting for 83 percent of the calories in the WFP basket, 76 percent for the UNRWA Gaza Strip and 74 percent for the UNRWA West Bank beneficiaries. During 1996-98 the Palestinian people were obtaining about one-half their calories from cereal products.

The main foods being provided are cereals, sugar, edible oils and pulses but some also receive sardines and whole milk, and a few receive high energy biscuits and a wheat/soya blend product. The foods in the baskets account for a substantial share of the total calories consumed by the entire population, especially for cereals. But when measured against the total quantity of all foods consumed by the Palestinian people the food aid share is still quite small.

The Food Aid System

UNRWA has been providing assistance to the refugees for decades and continues to be the major single source of food assistance in the WBGS. The World Food Programme, together with its collaborating agencies, has become the main umbrella organization for the provision of food aid to the non-refugee population. Islamic social welfare organizations and others continue to provide food assistance but the amount appears to have been lower in 2002 than in 2001, and may be lower in 2003 than in 2002. The food assistance activities of the two major players are considered here in detail for 2002 and in general since 2000 to gain a perspective on the quantities of food aid that have been provided since September 2000. Select information is then presented on the flows from the Islamic organizations and others.

Almost all of the food for food aid is imported, taken to warehouses, then to distribution points and then distributed. UNRWA and WFP are reported to be the only international organizations that have a special mandate for programming food assistance and the capacity to ensure deliveries and distributions to targeted beneficiaries, and therefore are the dominant procuring and importing agencies. UNRWA has the primary responsibility for the refugees while WFP's responsibility is the coverage of the food aid needs of the non-refugee population. The governmental agency with the primary responsibility for food aid matters is the Ministry of Social Affairs (MoSA), although the Ministries of Health and Labour and other governmental bodies have a supporting role. The closures make it extremely difficult for the other national and international food aid interests to import food for food aid purposes.

UNRWA

As previously noted, UNRWA manages comprehensive assistance programmes for the refugees. There are two main food assistance programmes, the long standing Special Hardship Cases (SHC) now for 115 000 chronic poor under the Regular Programme and the Emergency Food Aid programme, initiated soon after September 2000, now serving about 1 035 000 of the new poor. There is also a supplemental food aid programme for pregnant women and nursing mothers in the Gaza Strip.

In September 2000 food aid was provided to 11 000 SHCs families, around 50 000 individuals. In the appeal for 2004 the caseload for the emergency food programme alone is estimated to be 222 294 families. The total number of people receiving food from UNRWA under all three programmes was 1 191 000 in 2002, equivalent to about 75 percent of the refugee population. The caseload in 2003 was about the same as in 2002 and is expected to be about the same in 2004. Almost all of these families are refugees, but a relatively small number of non-refugee families are being assisted under the emergency programmes, identified within the refugee community as in need of assistance and not being reached by other food aid providers.

The Regular Programmes

The Special Hardship Cases (chronic poor) are accorded the highest priority for food assistance and selective cash assistance. This group includes women whose husbands have died or whose husbands have divorced or abandoned them, the elderly, the chronically ill, refugees with disabilities or the very young. They are the most vulnerable, without appreciable access to food, and therefore are provided with a full food package. Those who are registered as SHC are eligible for food and cash assistance and shelter rehabilitation, and are given priority in the health and education programmes, including enrolling in the vocational training centres. The status of these families is regularly reviewed for conformance to the strict eligibility criteria. The detailed criteria for enrolment in the SHC programme include: a family headed by a refugee or non-refugee widow, divorcee or a woman abandoned for more than three months, or by an unmarried refugee woman (19 or more years of age); a family headed by an orphan under 19 years of age where both parents are deceased or father deceased and mother married to a registered or non-registered refugee or a mother who abandoned her children; a head of family who has completed 60 years of age and over; a head of family or other male adult detained for a period exceeding three months, followed by a grace period not exceeding six months from the date of release; a head of family or other male adult serving a term of compulsory military service exceeding three months; a head of family or other male adult following a full-time course of study at a recognised educational establishment, up to the end of the fourth post-secondary school year or the award of the first recognised degree or the individual 25th birthday, whichever is the earliest, followed by a grace period of six months after formal graduation; a head of family or other male adult who is permanently physically disabled or mentally handicapped or who is suffering from a medical condition that renders him permanently incapable of earning a living; any other family which does not fall under the above but which deserves registration as a SHC in the opinion of the Chief, Relief and Social Services or Deputy CRSS

Food rations are distributed to the SHCs at special distribution centres. The target is for each person to receive 120 kg of flour, 12 kg of rice and sugar, 9 litre of vegetable oil, 6 kg of broad beans and 4.5 kg of sardines a year, which would provide about 1 700 kcal per person per day. In one 2002 Gaza Strip cycle a litre of olive oil was distributed and in the West Bank 6 kg of whole milk was included. Cash assistance equivalent to about US\$40 a year is also provided to the chronic poor. In total, the Gaza Strip and West Bank SHC programmes served around 106 000 persons in 2002. The value of the full food aid ration is estimated by UNRWA to be about US\$136 per person annually for those in this category, but at 2003 market prices the food basket could be purchased for about US\$75 if flour were purchased in 60 kg bags. The total tonnage distributed to these cases was 4 687.31 tons in the West Bank and 12 828.42 tons in the Gaza Strip, a total of 17 515.73 tons. In addition about US\$4.14 million in cash was distributed to the SHCs.

The SHC operation in the Gaza Strip fluctuated during 2002, from a low of 71 188 persons during the first quarter to a high of 82 803 for the third quarter and then retreated to 79 554 for the fourth quarter. The average for the year was 78 224 individuals. The quantities distributed to the SHC were as follows:

Table VII.4: UNRWA: Food Aid for Special Hardship Cases, Gaza Strip, 2002

Commodity	Monthly ration per person	Parcel contents in three months	Total kg distributed	Total MT distributed	Total kg per person/year
Flour	10kg	30kg	9 386 820	9 386.82	120kg
Sugar	1kg	3kg	938 682	938.682	12kg
Rice	1kg	3kg	938 682	938.682	12kg
Veg Oil	0.75lt	2.25lt	704 012lt	704.0115	9kg
Olive Oil	0.33lt	1.0lt	71 188 lt	71.188	1lt
B. Beans	0.5kg	1.5kg	469 341	469.341	6kg
Sardines	3 tins (375 gr)	1.125kg	352 006	352.006	4.5kg
Total	14.66 kg	41.74 kg	12 828 420	12 828.42	164.1 kg

Source: UNRWA Gaza Strip. Note: Each person also receives a US\$9.42 cash subsidy per cycle. Total cash subsidy distributed in 2002 was US\$3 035 577 including other charges of US\$2 733.

The SHC operation in the West Bank was much smaller than in the Gaza Strip. Here also the caseload varied from quarter to quarter, but for the year was equivalent to the provision of the full ration to around 27 715 persons.

Table VII.5: UNRWA: Food Aid for Special Hardship Cases, West Bank, 2002

Commodity	Monthly ration per person	Parcel contents	Total kg Distributed	Total MT distributed	Total kg per person/year
Flour	10kg	30kg	3 342 510	3342.51	120
Sugar	1kg	3kg	324 251	324.251	12
Rice	1kg	3kg	324 251	324.251	12
W Milk	0.5kg	1.5kg	168 800	168.8	6
Oil	0.75lt	2.25lt	249 472lt	249.472lt	9lt
B. Beans	0.5kg	1.5kg	164 678	164.678	6
Sardines	3 tins (375 gr)	1.125kg	123 750	123.75	4.5
Total	14.1 kg	44.28 kg	4 687 314	4 687.314	169.125

Source: UNRWA, West Bank. Note: Each person also receives a US\$10 cash subsidy per cycle. During the 1st distribution cycle, 422 families received milk instead of beans and sardines.

The other regular programme activity in the Gaza Strip is the provision of supplemental food aid to pregnant women, nursing mothers and tuberculosis (TB) patients. In 2002 there were 10 256 pregnant women, 22 305 nursing mothers and 17 TB patients. The nursing mothers, eligible for assistance for one year, received 60 kg of flour, 24 kg each of rice and pulses and 12 kg of sugar during the year. The TB patients received the same package. Pregnant women receive a five month package in their fifth month of pregnancy that contains 25 kg of flour, 10 kg of rice, 5 kg of sugar and 10 kg of pulses. These quantities provided about 1 168 kcal per person per day.

In total this group received 1 595.7 tonnes of flour, 638.3 tonnes of rice and pulses and 319.1 tonnes of sugar, a total of 3 191.4 tonnes. Adjusting for the partial year allocation for pregnant women gives the equivalent of 26 595 recipients for 2002 and on a per person basis the tonnage was equivalent to 120 kg of food. They received 24 kg of pulses, four times the amount received by the hardship cases, 24 kg of rice, twice as much, 12 kg of sugar, a full ration, and 60 kg of flour, half the SHC ration.

The caseload for the Regular Programmes has risen since September 2000, but the increase is small relative to that for the Emergency Programmes. The Gaza Strip SHC distributions as at 31 January 2003 were to 17 243 families with 76 437 persons, a small reduction from the average for 2002. The quarterly distribution consisted of 30 kg of flour, 3 kg of both rice and sugar, 1.5 kg of broad beans, 2 litre of sunflower oil and 9 tins

of sardines. This was the same as in 2002 except that the quantity of vegetable oil was cut from 2.25 litres per quarter.

From December 2002 to April 2003 the West Bank SHC operation assisted 30 428 SHC recipients. During the 1st distribution cycle of 2003, beans were issued to the Nablus area only, where the quarterly parcel for each beneficiary included only 0.5 kg of this food item. The SHC caseload is now increasing in the West Bank although it still only includes 5 percent of the West Bank refugee population whereas it is at 10 percent in the Gaza Strip. The Regular Programme budget for 2003 estimated the number of SHCs for the WBGS at 115 000 persons.

The total food aid outlays for the special programmes in the Gaza Strip were US\$6 339 889 for the regular programme, consisting of commodity costs at US\$5 392 602 and related costs of US\$947 287, an average total cost of US\$395.75 per tonne, with commodity costs at US\$336.62 a tonne. The total cost of the Regular Programme in 2002 for both the Gaza Strip and the West Bank was US\$8.2 million for food and US\$4.1 million in cash assistance. The food related costs of the regular programmes in 2003 was expected to be on the order of US\$10.4 million, if funds were available.

The Emergency Programmes

The first appeal for the UNRWA Emergency Programmes, rendered necessary by the events of September 2000, was issued early in the last quarter of 2000. Appeals for the comprehensive Emergency Programme have risen from US\$159.93 million for the 15 months from October 2000 to December 2001 to US\$172.7 million for 2002 and US\$196.6 million for 2003. The appeal for 2004 is slightly lower, US\$193.56 million. Funds for the Emergency Food Aid and Cash Assistance programmes were included in these appeals. Unfortunately there were substantial shortfalls in funds received in response to the appeals, especially the latest ones. The appeal for the first half of 2003 for Emergency Food Aid totalled US\$32.5 million for the Gaza Strip and the West Bank, with US\$28.5 million for food procurement, packing and distribution. This appeal was followed by the one for the last half of 2003 which included another US\$32.15 million for Emergency Food Aid, including US\$28.5 million for food procurement, packing and distribution. The appeal for 2004 includes US\$55.65 million for food aid and US\$26.72 million for cash and in-kind assistance. Emergency recipients are those families who have lost their income or whose income has been seriously disrupted and has dropped below the poverty line.

While the appeal amounts for 2003 were much larger than the actual outlays for the Emergency Food Aid programmes in the West Bank and the Gaza Strip during 2002, they were the amounts deemed necessary to provide about 60 percent of a full ration to the 127 000 refugee families in the Gaza Strip and the 100 500 refugee families in the West Bank who received some food from UNRWA. Although funds have been limited, there has been a very large increase in the amount of food aid that has been delivered to the Palestinian population in the WBGS since September 2000.

The quantities of the foods distributed in 2002 are shown for the Gaza Strip and the West Bank in Tables VII.4 and VII.5. According to the Gaza Strip office the programme provided some assistance to 608 500 persons in the Gaza Strip in 2002. The average amount per person was as shown below, which when compared with the target of 60 percent of the full ration for the SHC recipients was at 70 percent of the target level for flour, essentially on target for rice and sugar, over target for lentils, and 38 percent of the target for vegetable oil and 34 percent of the whole milk target. To reach the 60 percent target in 2003 there would have to be a significant increase in the quantities of flour, vegetable oil and sugar distributed to the food insecure, but the limited available funds will not permit an appreciable expansion.

Table VII.6: UNRWA: Emergency Food Aid, Gaza Strip, 2002

Commodity	Parcel contents Feb-Dec 2002	Parcel contents Aug-Sep 2002	Total parcels	Total kg distributed	Total MT distributed	Approximate kg per person per year
Flour	50kg 2 cycles out of three	50kg (1 cycle)	616 053	30 802 650	30 802.65	50.62
Rice	5kg 2 cycles & 10 kg in one	5kg (1 cycle)	742 735	4 347 085	4 347.085	7.14
Sugar	5kg 2 cycles & 10kg in one	5kg (1 cycle)	742 735	4 347 085	4 347.085	7.14
Lentils	5kg (1 cycle)	5kg (1 cycle)	489 340	2 446 700	2 446.70	4.02
Oil	2lt (2 cycles out of three)	2lt (1 cycle)	616 053	1 180 750	1 180.75	2.03 Lt (1.94 kg)
Whole Milk	1kg (3 cycles)	1kg (1 cycle)	742 735	742 735	742.735	1.22
Totals				43 867 005	43 867	72.08

Source: UNRWA Gaza Strip

The total cost of the Emergency Food Aid programme in the Gaza Strip in 2002 was US\$15 437 431, with commodity costs at US\$12 432 701, related costs at US\$2 269 614 and PSC at US\$735 116. Estimated costs for the Gaza Strip emergency programme in 2003 are expected to be US\$15 955 273 for only four cycles as the lack of funds precludes the purchase of food sufficient for the eight cycles planned for this year which, as indicated in the appeals would have cost US\$36 076 250.

The quantities of food distributed in 2002 in the West Bank are shown on Table VII.7. The West Bank office estimates the number of recipients of the Emergency Food Aid package in 2002 at 450 000 per appeal. At 450 000 recipients the quantities delivered relative to the 60 percent of full ration targets was equal to only 34 percent of the target for flour, 75 percent for rice and sugar, 47 percent for vegetable oil and 88 percent for whole milk. The West Bank programme therefore was considerably further below the targets than was the case in the Gaza Strip. Adding the costs of the West Bank Emergency Food Aid programme to those for the Emergency Food Aid programme in the Gaza Strip brought the total cost of the emergency programmes to about US\$22 million for both the Gaza Strip and the West Bank.

Table VII.7: UNRWA: Emergency Food Aid, West Bank, 2002

Commodity	Parcel contents (kg) (1 st Appeal: one parcel per family)	Parcel contents (kg) (2 nd Appeal: one parcel for two persons)	Total Number of Parcels	Total kg distributed	Total MT distributed	kg per person per year
Flour	50	30	312 108	11 159 400	11 159.4	24.8
Rice	10	7	312 108	2 454 180	2 454.18	5.45
Sugar	10	7	312 108	2 454 180	2 454.18	5.45
Oil	6lt	4lt	262 300	1 082 125	1 082.13	2.51lt (2.4kg)
Whole Milk	6	4	312 108	1 428 048	1 428.05	3.17
Total	82	52		18 577 933	18 577.9	41.5

Source: UNRWA West Bank.

The Emergency Food Aid programme (EFA) has become the largest UNRWA food assistance programme. Combining the data for the Gaza Strip and the West Bank gives a 2002 distribution total of 41 962 tonnes of flour, 6 801 tonnes of rice and of sugar, 2 447 tonnes of lentils (but none in the West Bank), 2 171 tonnes of whole milk and 2 361 306 litres of edible oil (equivalent to 2 263 tonnes). The EFA programme is designed to be a supplement instead of a full ration programme, geared to about 60 percent of the full ration. But as shown, the target could not be met in 2002 or in 2003 due to insufficient funds from the appeals.

In total the EFA programmes in the West Bank and in the Gaza Strip intended to provide food assistance to a total of 1 058 500 persons, but the tonnage actually distributed was equivalent to only 39.64 kg of flour, 6.4 kg of rice and sugar, 2.31 kg of lentils, 2.05 kg of whole milk and 2.23 litres of vegetable oil. To provide 60 percent of the full rations to 1 058 500 people another 32.36 kg of flour, 0.8 kg of rice and sugar, 1.3 kg of lintels, 1.55 kg of whole milk and about 3.2 litres of vegetable oil would have to be provided. This aggregates to over 42 000 additional tonnes of food, which would cost an additional US\$18.7 million at US\$445 a tonne.

During the first quarter of 2003 the Gaza Strip EFA programme is reported to have had 124 241 households with 594 223 persons. Every 45 days households with 9 or more persons receive 90 kg flour, 6 kg rice and sugar, 4 kg vegetable oil, 2 kg whole milk and 4 kg chickpeas, while those with 3-8 persons receive 60 kg flour, 4 kg rice and sugar, 2 litre oil, with the 6-8 person families also getting 2 kg whole milk and 3 kg chickpeas and the 3-5 person families get 1 kg whole milk and 2 kg chickpeas. Households with 1-2 persons get 30 kg flour, 2 kg rice and sugar, 1 kg whole milk and 1 kg chickpeas. The revised composition of the Fifth Emergency Appeal basket for the West Bank has 30 kg of flour, 6 kg of rice and sugar, 2 kg of whole milk, 3 litres of vegetable oil, 1 litre of olive oil and 2 kg of chickpeas, clearly a better basket than was provided in 2002. Whereas previous distributions allocated one parcel per family, food aid distributed from July 2002 onwards in the West Bank has been based on the actual size of the targeted families. Each food aid parcel is now intended for two people, up to an allocation of five parcels per household. Unfortunately only five of the planned eight food rounds are being provided in 2003.

WFP

Food assistance to the non-refugee Palestinian population in the Gaza Strip and the West Bank is provided mainly by WFP and its implementing partners: MoSA, the Palestinian Agricultural Relief Committees (PARC), the Catholic Relief Service (CRS), the Corporate Housing Foundation (CHF) and Ard el Insan. The International Committee of the Red Cross is partner to an agreement for the distribution of WFP food to 178 536 persons, a large share of the non-refugee beneficiaries of the ICRC's Rural Relief Programme in the West Bank (equivalent to 73 percent of WFP's West Bank non-refugee caseload in 2002); this agreement was extended until the end of 2003.

WFP attends to the needs of its beneficiaries through two different distribution modalities: free food distribution (through MoSA, ICRC, CRS and Ard el Insan), and Food for Work and Food for Training schemes (through PARC and CHF). When food is distributed through a FFW/FFT schemes, beneficiaries receive a monthly family package in exchange for a minimum three days of work in programmes aimed at agriculture rehabilitation, enhancement of food security, opening of secondary access roads, rehabilitation of public buildings, municipal works; or three days in participation to trainings of various types, concerning mainly handling of food, food safety, capacity building, literacy. For both distribution modalities, food is delivered as a monthly or bi-monthly family ration through a network of 34 secondary warehouses, managed by the different implementing partners. Through its Institutional Feeding Programme, WFP delivers food directly to 10 050 beneficiaries living in hospitals and social institutions, and for the Supplementary Feeding Programme it delivers a complete supplementary feeding ration to 6 145 malnourished children and a family ration to their families through Ard-El-Insan centres in Gaza and CRS in Yatta and Samu'a (Hebron Governorate).

WFP attended to the needs of 538 331 beneficiaries in 2002, with 293 500 in the Gaza Strip and 244 831 in the West Bank, as follows:

Table VII.8: WFP Food Distribution/Beneficiaries (2002)

	ICRC*	CRS	PARC	CHF	MoSA	Institutional Feeding	Total
Jenin	25 074	10 000	6 500			549	42 123
Jerusalem			2 250			335	2 585
Hebron	31 146	10 000	5 000			814	46 960
Qalquilia	11 616		2 000			350	13 966
Jericho	3 432		825			460	4 717
Bethlehem	20 580	10 000	1 820			1 009	33 409
Salfit	8 574		2 600			0	11 174
Tulkarem	19 962		3 000			463	23 425
Nablus	34 950		4 250			546	39 746
Ramallah	23 202		3 000			524	26 726
West Bank total	178 536	30 000	31 245			5 050	244 831
Gaza City		4 500	10 250		60 000	2 453	77 203
Jabalia		7 000			38 375	645	46 020
Dair Alballah		8 500	9 250		38 375	566	56 691
Khan Younis			10 500	14 100	38 375	589	63 564
Rafah				10 900	38 375	747	50 022
Gaza total		20 000	30 000	25 000	213 500	5 000	293 500
TOTAL	178 536	50 000	61 245	25 000	213 500	10 050	538 331

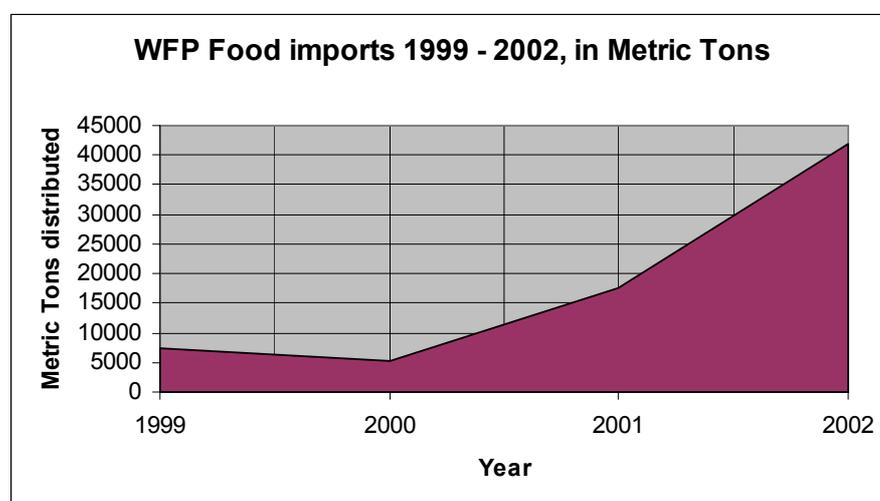
In the Gaza Strip the MoSA was the main implementing partner, with a caseload of 213 500 beneficiaries. In the West Bank, the ICRC was providing WFP food to 178 536 beneficiaries. PARC operated in both the Gaza Strip and the West Bank, with a caseload of 30 000 in the former and 31 245 in the latter. CRS also operated in both areas, with a caseload of 20 000 in the Gaza Strip and 30 000 in the West Bank. The CHF caseload was at 25 000, in the Gaza Strip.

The WFP food assistance programme has expanded rapidly since 2000, as can be seen in Table VII.9. The total amount of food imported by WFP during 1999 and 2000 averaged 6 325 tonnes. In 2001, the first full year of the crisis, it increased to 17 450 tonnes and in 2002 a massive 42 053 tonnes were imported.

Table VII.9. WFP Composition of Food Imports 1999-2002 (tonnes)

Commodity	1999	2000	2001	2002
Wheat flour	4591.2	4615.0	14001.7	27424.5
Rice	2400.0	430.0	2314.6	9730.5
Sugar	190.5	202.4	653.0	1209.5
Vegetable oil	220.8	--	480.5	2019.2
Lentils	--	--	--	1520.1
High Energy Biscuits	--	--	--	38.4
Canned Meat	--	--	--	10.8
Totals	7402.5	5247.4	17449.8	42053.0

Fig.VII.1: Tonnage imported by WFP 1999-2002



During 2002 a record quantity of food, 33 883 tonnes, was distributed to 538 331 beneficiaries targeting 293 500 persons in the Gaza Strip and 244 831 persons in the West Bank. On average the quantity distributed was equivalent to 62.9 kg per person over the full year. The quantities of the commodities distributed and the equivalents on a per person basis are shown in Table VII.10.

Table VII.10: WFP: Total Food Aid Deliveries Jan-Dec 2002

Commodity	MT Distributed in 2002	Kg per person
Wheat Flour	24 946	46.34
Rice	6 188	11.50
Sugar	644	1.20
Pulses	611	1.13
High Energy Biscuits	18	----
Vegetable Oil	1 468	2.73
Canned Meat	8	----
Total	33 883	62.90

Source: WFP.

Table VII.11 shows the planned nutrient values for the beneficiaries in 2002. Those in the Institutional Feeding Programmes and the Supplementary Feeding Programme were to receive the higher rations, with the others receiving the General Ration. The quantities distributed in 2002 were far below the full General Ration equivalents. Converting the grams per day for the general ration in Table VII.11 to a yearly basis gives 146 kg of flour, 36.5 kg of rice, 7.3 kg of sugar and vegetable oil and 11 kg of pulses per person per year. Comparing these amounts with the quantities actually distributed shows the magnitude of the gap between them. That is, the amounts of flour and rice that were distributed were equivalent to only 32 percent of the full general rations for these foods, and only 16 percent for sugar, 10 percent for pulses and 37 percent for vegetable oil. To meet the full ration targets the tonnage would have had to be 2.3 times the amount distributed.

Table VII.11: WFP: Nutrient Value of General and Institutional Feeding Programme Rations, 2002

Commodity	Gram/per/day		Energy (Kcal)		Protein (g)		Fat (g)	
	GR	IFP	GR	IFP	GR	IFP	GR	IFP
Wheat flour	400	400	1 400	1 400	40.25	40.25	5.25	5.25
Rice	100	100	360	360	7	7	0.5	0.5
Sugar	20	20	80	80	0	0	0	0
Vegetable oil	20	20	177	177	0	0	20	20
Pulses	30	30	102	102	6	6	0.18	0.18
HEB	0	150	0	675	0	18	0	22.5
Wheat Soya Blend	0	200	0	740	0	40	0	12
Total	570	870	2 119	3 534	53.25	111.25	25.93	60.43

Source: WFP. (GR=General Ration, IFP=Institutional Feeding Programme)

During the first half of 2003 WFP delivered 27 760 tonnes of food, far more than during the first half of 2002. If timely donor contributions match the requirements, and the various logistical constraints at the port and in the WBGS do not worsen, another 32 148 tonnes was expected to be distributed during the last half of 2003, which would bring the total for the year to 59 908 tonnes, twice the 2002 amount. This should be enough to approach but still not reach the modified targets as per WFP's new Emergency Operation EMOP 10190.1. The total cost to WFP per tonne of food was US\$426 in 2002 and US\$448 in 2003. The value of WFP food assistance for 2002 and 2003 is as follows:

Table VII.12: WFP Distribution 2002/2003

Year	Tonnage distributed	Food cost (US \$)	Cost to WFP (US \$)
2002	33 881	7 961 860	14 425 000
2003	59 908*	15 011 625	26 826 433

* Distributed from January to June plus planned July - December

WFP's current Emergency Operation (EMOP 10190.0) commenced 1 May 2002 for a planned duration of eight months, and was subsequently extended until June 2003. This EMOP sought to provide sufficient food for 500 000 beneficiaries, well above the 373 500 assisted under the previous operations. The tonnage to be supplied for the 500 000 beneficiaries, including stocks and pipeline from the previous EMOP (10072), totalled 70 340 tonnes.

The new WFP appeal – from July 2003 to July 2004

The new appeal, EMOP 10190.1 "Food Assistance to victims of conflict in the Palestinian Territories" targets 530 000 beneficiaries for the duration of one year starting 15 July 2003. The request is for 70 842 tonnes of food with the food costs at US\$17 685 435 and total costs US\$31 060 989 (US\$438 a tonne). The total planned amount, including 11 975 tonnes of carryover stocks, is 82 817 tonnes, 2.4 times the amount distributed in 2002.

The rations provided by WFP are being significantly modified in the new operation for the new poor. Hardship Social Cases, beneficiaries of the Institutional Feeding programme and families of malnourished children enrolled in the Supplementary Feeding Programme (SFD) will continue to receive a full ration. But the new poor category (constituted by unemployed workers, farmers, Bedouins, Gaza fishermen, "lost assets" group), receiving food under FFW/FFT schemes, now receive a ration equivalent to two-thirds of the full ration. Malnourished children will continue to receive a supplementary feeding ration, but the amount of food energy provided will be slightly lower. The new rations are as follows:

Table VII.13: Contents Supplementary Feeding Ration

Commodity	Grams/per/day			Energy (kcal)			Protein (g)			Fat (g)		
	Full	2/3	SFD	Full	2/3	SFD	Full	2/3	SFD	Full	2/3	SFD
Wheat flour	500	333	500	1 750	1 167	1 750	57.5	38.3	57.5	7.5	5	7.5
Sugar	20	13.33	20	80	53.33	80	0	0	0	0	0	0
Veg oil	20	13.33	20	177	118	177	0	0	0	20	13.3	20
Pulses	30	20	30	102	68	102	6	4	6	0.18	0.12	.18
HEB	0	0	38	0	0	171	0	0	4.56	0	0	5.7
WSB	0	0	200	0	0	740	0	0	40	0	0	12
Total	570	379.7	808	2 109	1 406	3 020	63.5	42.3	108.1	27.7	18.4	45.4

In terms of energy, the Hardship and Institutional cases will receive 2 109 kcal per person per day, while the SFD participants will have 3 020 kcal and the new poor 1 406 kcal per person per day. The daily supply of protein per person will now be 63.5 grams for the full ration, 108.1 grams for the SFD and 42.33 grams for the rest. The amount of fat also changes to 27.68 grams for the hardship cases, 45.38 grams for the SFD and 18.45 grams for the rest. The cost of the 2 109 kcal food basket is estimated by WFP at US\$32 per month and for the two-third package at US\$21 per month, but at 2003 market prices the full food basket could be purchased for about US\$92.50 a year if the flour were purchased in 60 kg lots.

Hardship Social Cases

There are about 150 000 Hardship Social Cases, 28 percent of the total caseload, including 30 000 beneficiaries that represent the families of the 6 000 malnourished children enrolled in the Supplementary Feeding Programme. These are the most food insecure. They are predominantly female-headed households, widows with a large number of children, orphans, elderly and chronically ill. These households lack an able-bodied male breadwinner. In Gaza, the MoSA is the implementing partner for this component of the food assistance programme. In the West Bank, the situation is more complex. ICRC is covering Hardship Social Cases through the Urban Voucher Programme and the Rural Relief Programme that are expected to terminate at the end of 2003. WFP has expressed willingness to continue attending to the needs of the beneficiaries currently covered by these two programmes. These two caseloads will be revised according to WFP's selection criteria.

Concerning the beneficiaries of the Urban Voucher Programme, further discussion between MoSA, WFP, the ICRC and donors will take place in order to ensure a smooth transition. These discussions will have to take into account that WFP provides a food package of lower market value than the value of the vouchers. For the rural West Bank, PARC and CRS will cover the requirements of the Hardship Social Cases as well as the New Poor in their respective areas of responsibility. The Hardship Social Cases (chronic poor) are registered with the MoSA and traditionally fall under its income support system and receive cash assistance although the amount reportedly is adjusted for those who receive food assistance. In the absence of other types of assistance these beneficiaries have very limited or no capacity to meet their basic food requirements.

Institutional Feeding

The caseload for the Institutional Feeding programme is around 7 000. These are people living in hospitals and social institutions. This group consists of pregnant women, nursing mothers, infants and young children, the sick and the elderly, all of whom require special care and attention. The beneficiaries belonging to this high priority group will also receive a full ration. In addition, WFP complements its food assistance to them by providing funds for kitchen equipment and utensils.

Supplementary Feeding

There are 6,000 malnourished children in the Supplementary Feeding Programme. They receive the full ration plus 38 grams of High Energy Biscuits and 200 grams of wheat/soya blend. The other members of their families benefit from a full ration equivalent to that of the Hardship Social Cases.

New Poor/Bedouin/Fishermen

Beneficiaries that fall within these categories account for about 70 percent of the total caseload. This includes 340 000 who are classified as the new poor (70 000 in Gaza Strip and 270 000 in the West Bank), 20 000 Bedouins and 1 200 fishermen and their families (7 000 persons). These are households who have lost their income, assets, and livelihoods, and have a limited capacity to earn income and replenish their assets. This category includes farmers who have lost their agricultural produce due to inaccessibility to markets, poor traders whose shops have been destroyed, and daily wage earners who have lost jobs because of restriction of movement. WFP will give priority to the landless and those of the unemployed who have lost their jobs in the WBGS, not including those who used to work in Israel, the assumption being that the latter category is likely to have higher savings. The new poor include 20 000 Bedouins. Traditionally a nomadic population, the Bedouins have lost their livelihood having been denied access to grazing land, water points, and markets. Many Bedouins not involved in animal husbandry have lost their jobs in both Israel and the Palestinian Territories. In addition, 1 200 fishermen and their families in the Gaza Strip are also included in the new poor category. These beneficiaries will receive two-thirds of a full ration and most of them will participate in Food for Work or Food for Training programmes.

Food for Work (FFW) and Food for Training (FFT) schemes are familiar to WFP in many other operations worldwide. It is proposed to introduce such schemes within WFP operations within the WBGS to avoid dependency of poor and vulnerable people on food aid, to empower communities and support local level initiatives, to strengthen and encourage women's participation and to contribute to the sustainability of initiatives undertaken by creating durable assets to the benefit of targeted communities and households.

As FFW activities in the agricultural sector chiefly target unskilled labourers, they often serve as a training tool giving long-term unemployed workers an income-earning opportunity.

Out of the total caseload of EMOP 10 190.1, a planned number of 240 000 beneficiaries will receive food under the FFW/FFT modality. Approximately 40 000 beneficiaries (i.e. one person per household) are envisaged to participate in the FFW/FFT activities, receiving the monthly family ration of 102 kgs per month in exchange. Every month, a minimum of three working days' participation is required. Actual selection is done by the implementing partner in consultation with the MoSA, the Ministry of Labour, and in coordination with NGOs and district emergency committees. Distribution of food rations is carried out by the implementing partner in cooperation with the district emergency committees.

A Vulnerability Analysis and Mapping, Monitoring and Evaluation Unit (VAM/M&E) has been established in the WFP Country Office. The VAM/M&E Unit aims at collecting quantitative and qualitative information to prepare summary analysis on Food Security and the impact of food aid on beneficiaries; it serves also as an early warning system. The VAM/M&E section will contribute to accountability in terms of monitoring and impact assessment, through the use of innovative and dynamic assessment and monitoring tools such as pair wise ranking analysis and the Coping Strategy Index (CSI), in addition to standard WFP monitoring and evaluation tools. In order to harmonize and maximize data collection with other agencies, the VAM section will continue to work closely with OCHA and other partners working with Geographic Information System (GIS) data tools.

WFP Food Monitors participate in the development, implementation, monitoring and evaluation of all WFP assisted projects within their particular geographical area. At present, WFP has hired and deployed a total of nine Food Monitors in the Gaza Strip and the West Bank.

The Palestinian Authority, and in particular the Ministry of Agriculture, is in the process of establishing a National Commission for Food Security, and formulating a National Food Security Strategy. WFP will participate in this process, support the efforts of the MOA in the implementation of the National Food Security Strategy, and streamline its future programmes accordingly.

International Committee of the Red Cross (ICRC)

The two main programmes¹⁹ of the ICRC are the Rural Relief Programme and the Urban Voucher Programme. ICRC interventions are solely seen as an economic input rather than nutritional and therefore assisted input is

¹⁹ The other assistance programmes of ICRC include the House Destruction Programme (food and non food based on needs), Hebron 2 (monthly food distributions to 2000 families in the old city) and Ad Hoc distributions

measured through economic assistance rather than calories. For the Rural programme ICRC provides 15 percent of economic needs compared to the Urban Voucher Programme that provides 50 percent of the monthly economic requirements²⁰. At the average exchange rate for 2003 the amounts on a per person basis would be the equivalent of US\$64.65 a year for the rural participants and US\$215.52 a year for the urban participants. However, ICRC reported that vouchers worth more than US\$10 million were issued from October 2002 to May 2003 and that there were 20 000 families in the programme which would imply each family received vouchers valued at US\$500 over the eight months, equivalent to US\$750 a year. With an average of six persons per family the value of the vouchers would have been US\$125 a year.

ICRC reports that from October 2002 to May 2003 a total of 10 324 tonnes of food was distributed through the village councils to a total of 61 821 families (370 926 people) in the rural West Bank. Between June and the end of the calendar year plans called for an accumulated total of families to be assisted by the Rural Relief Programme of 49 313 families (294 878 people).

The ICRC offers the urban voucher programme to 20 000 families in nine cities in the West Bank. Under the urban voucher programme the beneficiaries receive each month vouchers that can be exchanged at selected shops for food and other essential household items. The 20 000 families enrolled in the programme are located in Nablus (4 000), Ramallah (3 000), Hebron (3 000), Bethlehem (2 900), Jenin (2 600), Tulkarem (1 600), Qalqilia (1 400), Jericho (1 000) and Salfit (500). From October 2002 to May 2003, vouchers worth more than US\$10 million were issued. Between June and the end of the calendar year it is planned that an accumulated total of families to be assisted by the Urban Voucher Programme is 75 200 families.

Islamic Social Welfare Organisations

A significant amount of food aid is being provided by Islamic social welfare organizations. This assistance is difficult to quantify as it tends to be provided on a sporadic and somewhat ad hoc basis and the ration provided differs from one organization to another. Although precise information on the total flow of food aid from these organizations has not been found, it appears that the amount of assistance was larger in 2001 than in 2002 and perhaps even less in 2003. The closure of the Enez crossing between Israel and the Gaza Strip made it much more difficult for them to deliver food aid.

Among those who have been or are most active with respect to food aid are Islamic Relief, American Near East Refugee Aid (ANERA), and the Al-Salah Islamic Society, the Palestinian Trade Union Association, the local Zakat committees and Islamic charities. ANERA reports seven local partners in the purchase and distribution of food, including Islamic Relief Emergency and four Zakat Committees. It also reports that 50 percent of the food delivered to 9 500 families during Ramadan 2002 in partnership with Islamic Relief and the local zakat communities and community charities was purchased locally.

Islamic Relief, in its 21 October 2002 report, informs that 40 000 food parcels were distributed by Islamic Relief Palestine on behalf of all donors between 25 April and 17 September 2002. During this Palestine Crisis Relief Project a total 1 713 tonnes of food were distributed which benefited 277 102 individuals in the Territory, including 80 500 in Nablus, 66 968 in the Gaza Strip, 63 000 in Bethlehem, 42 896 in Jenin, and 3 500 each in Tulkarem, Qalqilia and Ramallah.

Islamic Relief also reported that between September 2000 and 2002 over 1 000 tonnes of food aid was provided to vulnerable families amounting to over 25 400 food packs benefiting over 177 000 individuals. Its October 2002 appeal was for US\$1 million for flour, lentils, rice, beans, sugar, tea and cooking oil. Islamic Relief reports in its 21 May 2003 report that with its partner ANERA milk is being purchased from a local dairy in Nablus for preschool children. Islamic Relief Islamic Relief reports that all their assistance is coordinated with the Social Affairs Ministry and the Health Ministry in order to avoid duplication and wastage of limited resources.

Al-Salah reported that it provided US\$8 million and food baskets to 200 000 families in 2001, consisting of flour, sugar and other staples. For 2002 it reports that 57 758 beneficiaries received food parcels, with 37 315 of them receiving 25 kg of flour and 5 litres of cooking oil and 19 173 of these also receiving 5 kg of sugar. The other 20 443 received a parcel containing 5 kg sugar, 5 kg rice, 1 kg tea, 5 litre oil, 2 kg peas, 2 kg lentils and 2 cans of tomato. For 2003 it reports food parcels to 150 beneficiaries and bread to 2 million people. About

²⁰ The average monetary value that is determined as the basic requirement for a family of six for a one month period is 1000 NIS – reference: Review of ICRC Urban and Rural Economic Security Programmes and Needs Assessments January to February 2003.

1 530 tonnes of food was distributed in 2002, around 26.5 kg per person, compared with around 4 000 tonnes in 2001.

The Palestinian Trade Union Association reports food assistance to 180 000 beneficiaries in 2002 and to 80 000 so far in 2003. Of those receiving assistance in 2002, 100 000 received 6 cans of tomato, 1 kg of pasta, 1 kg of tea, 5 kg of rice, 1 kg of lentils, 2 litre of olive oil, 10 kg of sugar, 2 kg of butter, 1 kg of halawa, 4.5 litre of oil, 1 kg peas and 1 kg liquid milk. The other 80 000 received 10 kg of rice, 10kg of sugar, 1 kg broad beans, 1 kg chickpeas, 1 kg lentil, 1 kg halawa, 2 cans of corned beef, 4 cartons of kashkawan cheese (120 grams each) and 3 packets of powdered milk (400 grams each). Those receiving assistance so far in 2003 received 2 litres of olive oil, 1 kg of tea, 1 200 grams of powdered milk, 4 packets of kashkawan cheese (120 grams each), 1 kg pasta, 1 kg jam, 1 kg tehina and 3 cans of tomato (580 grams each). The total amount of food distributed in 2002 was around 5 330 tonnes, or nearly 30 kg per person.

When conducting the Joint Rapid Food Needs Assessment between 26 April and early May 2002 the number of families registered with the MoSA, the Zakat committees and the Emergency committees and others were recorded. The Zakat committees share in Hebron was 32 percent and 19 percent in Bethlehem, 26 percent in Ramallah, 25 percent in Nablus, 19 percent in Qalqilia, 8 percent in Salfit and 2 percent in the Gaza Strip. The share in Jenin could not be precisely determined due to the overlap with the Emergency committees. The implication is that the Zakat committees were an important player in food assistance.

The Assessment also identified food assistance from Jordan, Israeli Arabs and Saudi Arabia. It is assumed that most of this assistance would have been distributed by local Islamic social welfare organizations. Saudi Arabia's assistance in Qalqilia was through PRCS, UPMRC and the Zakat committee.

There are various estimates of the importance of the Islamic social welfare organizations in the provision of food and cash assistance. UNSCO-OCHA concluded that during October 2000 to August 2001 four of the largest Islamic social welfare organizations (Al-Salah Islamic Association, the Gaza Strip Zakat Committee, the Holy Land Foundation for Relief and Development, the Hebron Islamic Charitable Society) alone were providing food assistance to 145 450 households. According to the International Crisis Group, in 2001 the Islamic social welfare organizations (including Zakat committees) were collectively the largest food donor in the occupied Palestinian territories after UNRWA. The ICG quotes a senior official of the Swiss Development Agency as stating that upwards of "half a million people" may currently be benefiting from emergency cash and food assistance from the Islamic social welfare organizations. The UNSCO-OCHA report also stated that there had been a 15-fold increase in the number of families receiving cash assistance from Zakat committees, but this was from 450 families to 6 550 families, the latter still a relatively small number.

The World Bank draws from the International Crisis Group's Middle East Report No. 13 "Islamic Social Welfare Activism in the Occupied Palestinian Territories: A Legitimate Target", of 2 April 2003 in stating that the Islamic organizations continue to provide, directly or indirectly, emergency cash/food assistance and medical care to at least one out of six Palestinians. However, the fifth IUED report, published in December 2002, is reported to place food distributed by Islamic Organizations at 8 percent of the total, compared to 51 percent by UNRWA.

Finally, the PCBS, in its "Indicators of Living Standards and Humanitarian Aid" reports that the frequency of providing humanitarian assistance by Charity (Zakat) Committees was at 6.2 percent in March 2001 for the Territory and that since then it has ranged from 2.2 percent to 4.9 percent, with the low points in July-August 2001 and April-May 2003. A substantial share of this assistance was in cash instead of commodities. For the Charity Institutions the percentages were at 5.3 percent in March 2001 and ranged between 3.1 percent and 4.1 percent until dropping to 1.3 percent during April-May 2003.

In summary, the many Islamic social welfare organizations obviously provide a significant amount of food and cash assistance to the Palestinian people. The limited information presented above indicates that around 600 000 received some food assistance from ANERA, Islamic Relief, Al-Salah and PTUA in 2002. Around 10 000 tonnes of food was distributed, which implies that the amount of food per person was quite low. It appears to have been as high as 30 kg per person from the PTUA and around 26.5 kg from Al-Salah to only around 7.5 kg during the Palestine Crisis Relief Project. These amounts are well below those for UNRWA and the WFP coalition, because in most cases the food was being distributed only during part of the year.

The above references indicate major uncertainty over the number of beneficiaries and the total amount of food assistance from the full network of Islamic social welfare organizations. And it is impossible to untangle cash

and food assistance. However, both the above macro and the micro views suggest that the amount of food assistance from the Islamic social welfare organizations declined from 2001 to 2002. One of the four reported to be a major source of food assistance, the Holy Land Foundation for Relief and Development, was locked down by the United States in December 2001. The flow of food assistance early in 2003 appeared to be lower than in 2002. There also are indications that a large and growing share of the assistance is in the form of cash. Under current circumstances it is easier to provide cash than food. But it also appears that an increasing share of the food is being purchased locally which is understandable given the difficulties associated with importing food aid.

Other Food Aid Interests

Other organizations and groups known to have been involved in the provision of food aid since September 2000 include Lutheran World Relief, International Orthodox Christian Churches, World Vision, the Church World Service (through Middle East Council of Churches and International Christian Charities) and local Churches. Italian Cooperation is among those that have provided food assistance through MoSA.

According to a May 2001 report from InterAction there were 35 international NGO's providing relief in the form of food and medical supplies. However, most of the members were providing health and medical related assistance or were providing very limited amounts of food assistance. The main exception was ANERA, which is covered in the above section. Those who explicitly mentioned the provision of food assistance were CRS, a WFP partner (see above), Children International (hundreds of needy children in West Bank and Jerusalem), the International Orthodox Christian Churches (US\$30 000 for relief to clinics, schools and individuals), Lutheran World Relief (300 persons with the International Orthodox Christian Churches and 4000 families with the Middle East Council of Churches), United Methodist Committee on Relief (US\$10 000 to Shepard Society in the West Bank) and World Vision (basic food supplies to 30 000 people but according to its website now essentially out of business.) In addition, the Christian World Service reported assisting 7 400 families with food and non-food items through the Middle East Council of Churches and the International Christian Charities. Other NGOs have received funds from the EC or the EC member states, but seldom does this appear to have been for food aid. Essentially all of the food assistance from USAID and ECHO flow to UNRWA, WFP or the ICRC.

It appears that several thousand families have received some food assistance from these sources, but in the large scheme of things the amount of assistance appears to be quite small.

Beneficiaries, Assistance, Costs and Problems

UNRWA provided 83 152 tonnes of food and US\$4.1 million in cash assistance in 2002. The food was distributed to 1 191 100 persons (1 058 500 new poor, 106 000 chronic poor and 26 600 pregnant women, nursing mothers or TB patients). The cash assistance was provided to the chronic poor. The total cost per tonne for the food aid programme is a little less than US\$400 per tonne. To provide the planned amounts of food a total of 126 000 tonnes should have been delivered, about 43 000 more tonnes than were delivered. The shortfall was almost entirely due to inadequate supplies for the new poor as the food and cash assistance provided to the chronic poor was generally in accord with plans. The caseload in 2003 is slightly lower than in 2002, although the chronic poor caseload has risen to around 115 000 persons. To meet the food aid targets about 125 000 tonnes should have been delivered in 2003, but the funds were not available to do so. The shortfall for 2003 is estimated to be around 41 500 tonnes.

WFP provided 33 881 tonnes of food to 538 331 beneficiaries in 2002, and expected to deliver 59 908 tonnes to 530 000 beneficiaries in 2003. The amount provided in 2002 was far below the planned amount, and even with the sharp expansion in tonnage for 2003 there is a shortfall of around 23 000 tonnes. The shortfall is with respect to the new poor, as the chronic poor and those in the institutions and childrens programmes receive priority. The total cost per tonne for the food assistance programmes is around US\$440 a tonne.

The Islamic Social Welfare Organizations, the charity organizations and others distributed at least 10 000 tonnes of food to a reported 608 461 persons in 2002. These distributions were irregular, often with only one distribution during the entire year. The quantity delivered in 2002 appears to have been smaller than in 2001 and may be even lower in 2003. Further, those who received food aid from these sources may have also received assistance for other providers of food and cash assistance.

Nevertheless, according to the above reports there was at least 127 000 tonnes of food distributed to 2 228 000 people in 2002. That is, two-thirds of the entire WBGS population received some food aid. UNRWA and WFP together provided some food to 1.73 million people, which was equivalent to one-half of the total

population. At least 140 000 tonnes and most likely around 150 000 tonnes of food were to be distributed in 2003. The UNRWA and WFP combined caseload was expected to about the same to a little lower in 2003.

These are impressive amounts, but just to reach the 2003 UNRWA and WFP targets around 208 000 tonnes were needed, about 64 500 tonnes more than the 143 500 they expected to deliver in 2003. To be able to deliver the full appeal amounts UNRWA would need an additional US\$16.6 million and WFP would need an additional US\$10 million. Therefore, for less than an additional US\$30 million the full target amounts could be provided to the 1.7 million beneficiaries of the various programmes.

Total costs to UNRWA and WFP for the food aid provided in 2002 was around US\$47.7 million for 117 000 tonnes and if 10 000 tonnes were delivered by others the total cost of food assistance in 2002 would have been around US\$52 million. UNRWA and WFP costs in 2003 were around US\$61 million for 143 000 tonnes and the cost of 150 000 tons would have been about US\$64 million. To ensure the UNRWA and WFP target amounts for 2004 the total cost will be on the order of US\$92.5 million for the required 208 000 tonnes.

In addition US\$4.14 million a year in cash assistance was provided by UNRWA to the chronic poor in 2002. To provide US\$40 a year to a caseload of 115 000 chronic poor would require US\$4.6 million. Vouchers valued at more than US\$10 million were issued by the ICRC over the eight months from October 2002 to May 2003 and at this rate the value of the vouchers issued in 2003 would have been on the order of US\$15 million. However, if the value of the vouchers were at the specified 50 percent of estimated economic needs the cost would have been near US\$26 million. MoSA provided cash assistance to the hardship cases (chronic poor), perhaps as much as US\$30 million, although the amount of cash is reported to be reduced if food aid was received by the household.

While 208 000 tonnes would be enough to enable the food aid recipients to receive the 2003 target amounts for each category of recipients, these amounts may not be enough to enable all the beneficiaries to be food secure. The concern is primarily over the amounts provided to the new poor, around 1 020 kcal per person per day for the refugees and about 1 400 kcal per person per day for the non-refugees. These amounts are far below the 2 100 kcal per person per day minimum for the Palestinian people, based on the belief that the new poor have access to resources or assistance from other sources sufficient to enable them to obtain an adequate diet and the other necessities of life. Some of the new poor likely are able to be food secure with these amounts of food but certainly not all of them can be and the shares that are food secure must be lower now than during the last quarter of 2000, or in 2001 or 2002. The finding that 1.4 million are food insecure and that 1.4 million new poor receive some food from UNRWA or WFP suggests that a high proportion of the new poor are not able to be food secure with the amounts of food received. As a matter of urgency action should be taken to ascertain how much food is required to enable the new poor to be food secure.

The difference in the amount of food assistance provided to refugees and non-refugees also is a matter of concern. There does not seem to be a good rationale for new poor refugees to receive 1 020 kcal per person per day while non-refugees receive 1 400 kcal per person per day. Whatever the appropriate amount is determined to be for the new poor in differing circumstances the amounts should be the same for refugees and non-refugees in the same or similar circumstances.

UNRWA provides food assistance to a much higher share of the refugee population than WFP does for the non-refugees. While the shares for the chronic poor refugees and non-refugees are about the same, at 7 percent of the respective populations, some food is being provided in 2003 to about 1 045 thousand new poor refugees and 367 thousand non-refugees. The new poor refugee caseload is considerably larger than the number of refugees found to be food insecure while the new poor non-refugee caseload is well below the number of food insecure non-refugees. In 2002 the UNRWA new poor caseload was equivalent to 68 percent of the entire refugee population while the WFP new poor caseload was equivalent to about 17 percent of the entire non-refugee population. The shares in 2003 are similar. This massive difference apparently is the consequence of differences in the criteria used by UNRWA and WFP. UNRWA includes within the new poor category those whose income has fallen below the poverty line. The reasons for these differences should be fully explored and appropriate adjustments made.

The chronic poor caseload in 2003 is around 265 000 persons, with 115 000 served by UNRWA and 150 000 by WFP. The WFP chronic poor receive a food basket that provides a little over 2 100 kcal per person per day while the UNRWA chronic poor receive around 1 700 kcal per person per day and US\$40 a year in cash. In addition, MoSA provides up to US\$129 a year in cash to those on its rolls. The WFP food basket contains 208 kg of food per person per year and can be purchased in the market for around US\$90. The food energy provided is

considered to be sufficient to ensure food security. The UNRWA food baskets contain 164 and 169 kg of food per person per year which provide a little over 80 percent of the food energy required to be food secure. However, by allocating some of the cash assistance to low cost high food energy food the chronic poor refugees can obtain an amount of food energy sufficient to reach the food security standard of 2 100 kcal per person per day. But the non-refugees that receive the food basket from WFP and cash assistance from MoSA receive an assistance package that is superior to that received by the refugees.

Although the chronic poor refugees and non-refugees can obtain sufficient food energy from the assistance provided by UNRWA or WFP the value of the food, cash or voucher assistance is far below the amount needed to meet food and non-food necessities. The low cost high food energy food baskets provided by UNRWA and WFP can be purchased in the market for around US\$75 and US\$92.50 a year. Adding the cash assistance of US\$40 a year brings the value of the food and cash assistance to the refugees to US\$115 a year. Cash assistance from MoSA apparently ranges from US\$129 a year to US\$198 a year, depending upon family size, but is reduced if food aid is received. Those enrolled in the Urban Voucher Programme are entitled to vouchers valued at US\$215.52 a year (50 percent of the ICRC determined minimum economic requirement). The market value of the food baskets provided to the new poor by UNRWA and WFP are on the order of US\$43 a year and US\$60 a year and at 15 percent of the economic requirement the ICRC rural beneficiaries receive the equivalent of US\$64.65 a year. These large differences from programme to programme and between refugees and non-refugees document the urgent need for uniform standards for the provision of food and cash assistance.

In contrast to these values, the poverty line on a per person basis is at US\$766.50 a year. Expenditures for food, at 40 percent of the total would be US\$307, leaving US\$460 a year to cover non-food expenditures. During 1996-98 cash expenditures for food alone averaged US\$541 a year, which was slightly below 40 percent of total cash expenditures. Price inflation since then has pushed the cost of the food then consumed to US\$734 a year, which means that even those with incomes at the poverty line cannot afford a diet anywhere near as nutritionally balanced as in 1996-98. Therefore, with total income at the poverty line expenditures would be equivalent to only 42 percent of those required to be at the 1996-98 standard of living. Nevertheless, having US\$307 a year available for food would be a major improvement from the present situation.

These considerations and comparisons suggest that in addition to the recommended improvements in the food baskets and with respect to harmonizing, the cash assistance component of the assistance package should be substantially increased. A uniform minimum standard of living should be established and the assistance package should close the gap between the standard and the cash or in-kind income from all other sources. The case for a standard geared to the poverty line appears to be persuasive but to reach this level a very large increase in the cash component of the assistance programmes would have to be made as the 1.7 million beneficiaries would have to have access from the assistance programmes and other sources that aggregates to US\$1.3 billion. Under the proposed standard a household with negligible income would qualify for an assistance package valued at the poverty line (US\$766.50 per person a year or US\$64 per person a month) while those with income equal to the poverty line would not be eligible for assistance and those in between would receive the assistance necessary to close the gap.

However, according to the recent ICRC study, the basic cash requirement for a family of six was considered to be NIS 1 000 a month, or about US\$431 per person per year at the 2003 exchange rate. Although this is only 56 percent of the poverty line amount and therefore may not be enough to ensure sufficient economic access to food and non-food to be food secure, consideration could be given to its use as the standard as the first step towards a more adequate floor under disposable income. Initially the chronic poor with negligible income from other sources could be provided with an assistance package equivalent to US\$431 per person per year. To provide the 265 000 chronic poor with an assistance package valued at US\$431 a year would require US\$114 million, US\$49 million for the refugees and US\$65 million for the non-refugees. However, taking into account the assistance being provided to the chronic poor and the income received from other sources the net increase would be substantially smaller. Although the chronic poor as a group are in the most difficult situation among the new poor there likely are a considerably larger number of people who are in an extreme situation. The UNRWA proposal to provide a small amount of cash assistance to the new poor refugees therefore should be fully supported by the donors. Further, a similar proposal should be prepared and presented by MoSA and WFP, with a view towards a harmonized programme of assistance to the new poor, refugees and non-refugees.

As previously stated, the 2003 targets for the UNRWA and WFP food assistance programmes could be reached with around 208 000 tons of food. On average, each of the 1.7 million beneficiaries would receive 122 kg of food. To provide a food basket that contained 2,100 kcal per person per day for the 1.7 million in these programmes would require about 350 000 tons, which could be provided for US\$155 million. Obviously not all

of the present beneficiaries need a 2 100 kcal food basket to be food secure, so the cost of a minimally adequate food aid programme would be well below US\$155 million. The reason a food energy sufficient diet can be provided for such a small amount is because the food basket contains mainly the low cost high food energy foods. However, to ensure a more balanced nutritionally adequate diet locally produced food could be added to the food aid baskets or cash assistance could be provided. In the present circumstances providing additional cash assistance appears to be the more appropriate approach.

As reported in Chapter V, the food and cash assistance programmes are not reaching all the eligible poor. A major effort should be made to add those who meet the eligibility criteria for the various programmes to the rolls. Relatively few adults and children are being served by WFP's institutional and supplementary food assistance programmes. Those in need of special care should be reassessed and these programmes expanded if deemed necessary and the WFP food for work and food for training programmes should be expanded. Consideration should be given to extending the UNRWA Gaza supplemental food aid programme to the West Bank.