



EXECUTIVE REPORT

OF THE

FOOD SECURITY ASSESSMENT
WEST BANK AND GAZA STRIP

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FOOD SECURITY ASSESSMENT WEST BANK AND GAZA STRIP

Introduction

1. In June 2001, the Minister for Agriculture of the Palestinian Authority requested FAO assistance, in cooperation with other agencies, to field a food and nutrition assessment mission to the West Bank and Gaza Strip (WBGs) and to study the obstacles facing Palestinian farmers in their efforts to improve the quantity and quality of food production.
2. Security conditions in the WBGs prevented the fielding of a mission in 2001 and early 2002. However, as soon as it was feasible, FAO mobilised several exploratory missions beginning in June 2002 and between October and November 2002 in order to explore the conditions for undertaking the food and nutrition assessment. Detailed Terms of Reference for the assessment were elaborated and agreed upon with EC and USAID. Following discussions with all potential stakeholders on the scope and timing of possible assistance, agreement was reached on conducting a three-part food security assessment (food access, food availability, strategy building and programming) and a complementary nutrition assessment managed by CARE with its partners John Hopkins and Al Quds Universities, funded by USAID. The European Commission (EC) and United States Agency for International Development (USAID) provided funding for the assessment and during the course of project implementation additional financial resources were provided by FAO. WFP and UNRWA also provided significant support to the project.
3. The Food Security Assessment has two objectives: 1) To assist the Palestinian Authority and relevant stakeholders to better design, target and implement future development programmes and relief interventions for food security and nutrition; and, 2) To provide inputs into the development of a national food security strategy, taking into account all previous related assessments and their findings. The assessment was undertaken beginning February through July 2003.
4. The assessment team was guided by the following widely accepted concept of food security, food insecurity and vulnerability namely:

Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

5. Food security has four different components, all of which need to be present before an individual is considered food and nutritionally secure. These are:
 - *Availability* – Sufficient quantities of food of appropriate qualities are present, whether supplied through domestic production or imports (including food aid).
 - *Access* – Access by individuals to adequate resources (entitlements) to acquire appropriate foods for a nutritious diet. Entitlements are defined as the set of all those commodity bundles over which a person can establish command given the legal, political, economic and social arrangements of the community in which they live (including traditional rights, e.g. access to common resources).

- *Stability* – For food security, a population, household, or individual must have access to adequate food at all times, and should not be at risk of losing access to food as a consequence of a shock, e.g. an economic or climatic crisis, or cyclically, e.g. during a particular period of the year (seasonal food insecurity).
 - *Use* – Consumption and utilisation of food through adequate diet, clean water, sanitation, and health care, to reach a state of nutritional well-being for which all physiological needs are met. This highlights the importance of non-food inputs such as care and health for nutritional outcomes.
6. *Food insecurity exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life.* The main causes are the lack of financial or natural resources to procure or produce sufficient food, the unavailability of adequate supplies of safe and nutritious food, inappropriate consumption patterns, and weak social welfare systems. Food insecurity may be chronic, seasonal or transitory. Food insecure people become undernourished when their habitual food intakes fall below their minimum caloric (energy) requirements, as well do those who are energy and nutrient deficient resulting from an inadequate or unbalanced diet or from the body's inability to use food effectively because of infection or disease.
 7. *Vulnerability relates to the presence of factors that place people under threat of becoming food insecure or malnourished, including those factors that affect their ability to cope.* Vulnerability implies defencelessness, insecurity, exposure to risks, coping difficulties, strain and lack of resilience to shocks. The level of vulnerability of individuals, households or groups of people is determined by the level of exposure to the risk factors and their ability to cope with or withstand stressful situations.
 8. Food security at the level of the household is consequently affected by a range of factors that vary in importance across regions, countries and social groups, as well as over time. These factors (*see Conceptual Framework in the Introduction of Volume I*) can be considered in relation to the socio-economic and political environment; the performance of the food economy; care practices; health and sanitation. All these factors affect household food security of the residents of the WBGS.
 9. In the WBGS physical access to food has been affected by the restrictions on the movement of people and goods and the damages to property. The constraints these events placed on achieving and maintaining food security were therefore assessed at the macro and local levels.
 10. Social access to food was assessed through a review of the food security related humanitarian activities of the Palestinian Authority (PA) and its national and international partners, with special attention to the social welfare system and its food assistance component. At the local level the vulnerability assessment sought to ascertain the constraints to social access to food, including within the household.
 11. To ascertain the situation with respect to economic access to food, particular attention was given to the trends in employment and earnings, remittances, financial assistance from friends, relatives and benefactors and food prices.
 12. The assessment of sufficiency of food supplies involved a detailed review of the trends in food production and food imports (including food aid) in order to assess the availability and stability of food supplies at the aggregate level. Sufficiency of food supplies at the local level was ascertained through the vulnerability assessment.

13. The situation with respect to a safe and nutritious supply of food over time was ascertained primarily from the numerous nutrition assessments and complemented by the findings of the vulnerability assessment and the composition of the diet.
14. Recommendations of the Food and Agriculture Organization (FAO), World Health Organization (WHO), and United Nations University (UNU) for dietary energy and protein intake for each average weight age-sex group were drawn upon in concluding that on average the Palestinian people engaged in light physical activity need to consume 2 100 kcal and 53 grams of protein daily to meet their average daily energy and protein requirements.
15. As called for in the project documents, the recent trends in social, economic and physical access to sufficient, safe and nutritious foods and in the availability, stability and distribution of food supplies were assessed at the macro level and during March-May 2003 at the household level. Interviews at the local level and the pair wise ranking approach (see Annex for a detailed description of the pair wise approach and the methodology used) provided the basis for estimates of the food insecure, those under threat of becoming food insecure and the food secure as well as identifying where the vulnerable live, their main sources of livelihood, and their coping strategies. The food security related activities of the PA and its partners were reviewed.
16. The full set of factors that place the Palestinian population at-risk of being food insecure were assessed. These included restrictions on the movement of people and goods, the damages to personal property, the loss of jobs, earnings, assets and incomes, reductions in the quantity and quality of food consumed, and changes in food production and the available supply of food. The previous studies of nutritional status, food consumption patterns and micronutrient deficiencies complemented the findings.

The Food Security Situation in the WBGS Prior to 1996

17. Since the occupation of the WBGS in 1967 until the signing of the interim peace agreement at the end of 1995 (Paris Protocol), Israel exercised full authority over the WBGS resulting in the close integration of the Palestinian economy with that of Israel. Consequently its development and growth is conditioned by Israeli demand for goods and labour, whose free flow is subject to stable political relations with Israel. Events since the signing of the interim agreements (Oslo II and the Paris Protocol) have shown that the political relations with Israel and their impact on economic development remain the overriding factors that determine the level of food security for the Palestinian people.
18. Between 1968 and 1980 the Palestinian economy experienced strong growth with average annual increases of 7 percent and 9 percent in real per capita GDP and GNP respectively, fuelled by the rapid integration with Israel and the regional economic boom. In the early years there was a sharp expansion in the employment of unskilled Palestinian labour in Israel and a rise in incomes, which in turn spurred domestic economic activity, especially in the construction sector. Earnings of Palestinian workers in Israel rose from negligible levels in 1968 to almost one quarter of GNP in 1975.
19. In the 1980s, real GNP growth for WBGS (excluding East Jerusalem) averaged 4.9 percent annually i.e. approximately 2 percent more than the population growth of 3 percent. Thus, per capita income grew modestly. Palestinian unemployment was

averaging 3 percent during the 1980s and the poverty rate remained under 10 percent. Therefore, during this period average incomes were sufficient for most to meet their essential minimum needs including food needs except for a relatively small number of unemployed and chronic poor who depended on support from relatives, social networks and welfare.

20. Palestinian production largely provided inexpensive, low value-added products for Israeli consumption or re-export, and Palestinian labour filled low-productivity construction and agriculture sector jobs. Trade between the WBGS and Israel effectively became internal, reflecting a customs union trade regime and labour flows into the Israeli labour market typically accounted for a quarter of total Palestinian employment.
21. The customs union with Israel was formalized under the Paris Protocol to cover an Interim Period of six years, but with three main modifications: (i) Free Palestinian access to the Israeli market and a system of permits that regulated the flow of Palestinian labour into the Israeli labour market; (ii) Limited direct Palestinian trade with its Arab neighbours; and (iii) Revenue-sharing through Israeli tax collection and remittance to the PA, coordination of VAT rates and other indirect tax rates.
22. All Palestinian trade must be conducted through Israel rather than directly with third parties. The WBGS gains from being in a customs union with Israel through preferential access to the Israeli market, and vice versa, which makes Israel by far the WBGS's most important trade partner, heavily dominating both imports and exports. The impact (positive and negative) of economic interdependence is however relative to the size of the national economies (Israel's US\$100 billion compared to WBGS's US\$5.4 billion at its peak) and has led to disastrous consequences for the Palestinian economy during economic downturns in Israel and more importantly during periods of prolonged closures.
23. The Oslo Agreement marked a fundamental shift in Israeli labour policy, as permit requirements and other mobility restrictions such as border closures were enforced. The combined effect of permit requirements and closures discouraged Israeli labour demand from hiring Palestinian workers by raising the overall cost of labour. In response, Israeli employers sought alternative sources of labour, facilitated through liberal immigration policies adopted to encourage the importation of foreign workers into Israel.
24. Trade provisions made under the Oslo Agreement also impact upon competitiveness of Palestinian agricultural products. Israeli farm products have free access to the markets of the WBGS, whereas Palestinian agricultural exports to Israel are restricted. The Ministry of Agriculture (MoA) estimates that Palestinian companies pay 30 percent higher transaction costs than Israeli companies for identical export shipments.
25. Although direct support is minimized, the Israeli policy of protective tariffs on agricultural products and inputs apply to the WBGS under the customs union agreed upon in 1994. Import tariffs for most agricultural products and inputs range from 100-350 percent. The result is that prices in the WBGS are far above world market prices for many products and inputs due to the tariffs applied to imports and to the trade being in more highly processed food products. For example meat was US\$3 500 a tonne, when the world price was around US\$1 950 a tonne, for cereals and cereal

products the import price from Israel was US\$670 a tonne when the world price for wheat was US\$205, and for sugar and sugar preparations the import price was US\$1 030 a tonne compared with US\$326 a tonne on the world market.

26. Consequently the post-Oslo period did not lead to an improved development path or convergence with Israel as anticipated despite substantial donor support for infrastructure and institutional development through investment and technical assistance. The Palestinian economy continued to strongly depend on Israeli demand for goods and labour, which did not allow the Palestinian private sector to diversify production for other export markets and entailed significant trade diversion and high domestic wages.

From 1996 to September 2000

27. The food consumption data obtained through PCBS household surveys undertaken during 1996-1998 indicates that food energy and protein consumption by the Palestinian population at that time averaged 2 114 kcal and 56.3 grams per person per day. The food energy amount was essentially equal to the 2 100 kcal threshold considered sufficient if distributed equally for those engaged in light physical activity to meet their daily energy requirements, while the amount of protein consumed was slightly (6 percent) above the threshold. The amount spent on food was 38 percent and 39.5 percent of total cash expenditures in the West Bank and Gaza respectively.
28. However, food energy and protein consumption for those living in the Gaza Strip, at 1 912 kcal and 48.8 grams, were significantly below the 2 227 kcal and 60.1 gram averages for the West Bank. These differences were driven by both food availability and economic access factors. The available supply of animal products and cash expenditures for food were larger in the West Bank. Annual cash expenditures for food were 54 percent greater for the West Bank residents (US\$613 and US\$400 respectively), and those living in the Gaza Strip allocated a higher share of their more limited income to every plant product group and a lower share to every animal product group except fish. The contribution of food produced at home in value terms was small contributing around 5 percent of food expenditures in the West Bank and less than 2 percent in Gaza.
29. Within the West Bank governorates the food energy averages ranged from a low of 2 005 kcal for Jenin to 2 445 kcal for Bethlehem/Jericho, while the low and high protein averages were 50.8 grams for Jenin and 70.5 grams for Jerusalem. Food energy and protein levels were highest in the Bethlehem/Jericho, Ramallah and Jerusalem governorates and lowest in Jenin and Nablus, the only two to have average food energy consumption below 2 100 kcal, and Jenin was the only West Bank governorate to consume less protein than 53 grams. These differences between governorates were the consequence of variations in the relative availability of high protein animal products and in the levels of income.
30. Although the levels of food energy and protein consumption during 1996-98 indicate that the Palestinian population were relatively food secure, as the food supply was not equally distributed and as there were some engaged in moderate to heavy work, it may be assumed that there was still a significant share of the population at that time who were food insecure. The data also indicates that those residing in the West Bank were

substantially more food secure than those living in the Gaza Strip and that the food insecure households were relatively more concentrated in the Gaza Strip and within the West Bank in Jenin and Nablus governorates during these years.

31. When measured in quantity or value terms, most of the food consumed by those living in the WBGS is domestically produced, but when measured in terms of food energy, most of the calories come from external sources with imported cereals, sugar and vegetable oils accounting for 65 percent of the food energy and other imported foods adding to the total. This dependency on imports underlines the importance of maintaining sufficient growth in the economy, employment and per capita incomes to keep pace with the population growth rate. In value terms vegetable and meat production are the most important domestically produced foods, accounting for more than half of the total value of production. Fruits and nuts, olives, milk, eggs, potatoes and fish are the other main foods. Wheat, honey and oilseeds combined account for less than 2 percent of the value of food production.
32. Between 1996 and 1998 the Palestinians obtained three-quarters of their calories from bread and other cereal products, oils and fats, and sweeteners, with nearly one-half (49 percent) of them from cereals. These comprise the low cost calories – three-quarters of the total calories consumed required only 27 percent of total cash expenditures for food. The much more expensive sources of calories – meat, fish, dairy products, eggs, fruits, nuts, vegetables, legumes and tubers – captured 60 percent of the cash expenditures for 25 percent of the calories. The remaining 13 percent was spent for tea, spices and other food items that provided negligible quantities of calories but which are essential to increase palatability of the diet. The large difference in the cost of calories is the dominant reason low income households or those with sudden declines in income, i.e. those with limited economic access to food, shift towards the low cost calorie sources and cut consumption of meat, dairy products, fruits and vegetables, even though this reduces the quality of the diet.
33. Given the Palestinian dependency on Israel for employment, access to the Israeli labour market deserves special attention in the overall context of food security. In 1997, closures were less frequent, labour flows to Israel grew and transaction costs fell, while private investment increased. With the ease in security measures, particularly from 1998 to the first part of 2000, the economy prospered and growth in annual per capita GDP rose to a high of 4 percent in 1999. The Palestinian economy also benefited from an economic boom in Israel through enhanced opportunities for exports of Palestinian goods and labour. The modest overall economic growth in these years was primarily in construction and services, largely explained by the creation of jobs in Israel and in the Palestinian public sector. Growth in these sectors marginally added to real productivity and resulted in Palestinian workers becoming increasingly dependent on Israeli-owned companies for their livelihoods. Nevertheless in the period from 1996 to the third quarter of 2000, job growth had been exceeding growth in the labour force, and unemployment steadily declined. Population and income growth was strong enough under these circumstances to keep upward pressure on food prices.
34. The overall climate for food security was not very favourable in 1996 but improved very significantly over the next two years. Even though the proportion of the population 15 years of age and over increased by 10 percent from 1996 to 1998, the labour force participation rate i.e. the share that was in the labour market climbed from 40 percent to

41.4 percent and the actual labour force expanded by nearly 14 percent. Jobs were being created at a rapid pace – there were 120 000 more employed in 1998 than in 1996, an impressive 28 percent gain, large enough to cut the unemployed from 133 000 to 92 000 persons, dropping the unemployment rate from 23.8 percent to 14.4 percent. Employment of wage workers, especially those working in construction, increased significantly, boosted by the surge in employment in Israel and the settlements. By 1998 these workers accounted for 21.7 percent of the total employed, up from 14.1 percent in 1996. Further, the median daily net wage was 25 percent above the 1996 amount by 1998, with the magnitude of the increase affected by the large and growing share working in Israel and the settlements where wages were much higher. The increases in wages and employment combined to generate a 67 percent increase in earnings, an extremely favourable climate for the food access component of food security.

35. Although the 1995/96 agricultural season (October-September) was not exceptional, the olive harvest was good and the value of livestock production increased by nearly 13 percent. These gains were large enough to more than offset the reductions in the value of vegetable and field crop production so the aggregate value of agricultural production increased from the prior year by 16 percent. The 1996/97 season was an off-year for olive production but this was offset by exceptional vegetable and field crop harvests and the continuing surge in production of livestock products, now led by poultry producers. However the 1997/98 season was an exceptional one for olives. The value of olive and fruit tree production set an all-time record, up 75 percent from the prior season, and the value of livestock production recorded its third double digit increase in a row. These increases were far in excess of the modest declines in the value of vegetable and field crop production so the aggregate value of agriculture production increased 21 percent and even though the cost of production continued to climb, the value added by agriculture increased by 40 percent.
36. The WBGS are not self sufficient in food and rely on commercial imports to supply domestic demand. The value of net food imports for 1996-1998 averaged US\$290 million, about US\$105 for each Palestinian living in the WBGS. The value was significantly higher in 1997 (US\$320 million) due mainly to exceptional amounts expended for dairy products and sugar. The value of imports exceeded the value of exports for every food group every year except in 1998 when the value of exported vegetables exceeded the import value. Food imports accounted for a very large share of the calories and protein consumed by the Palestinian people, especially those obtained from cereals, sugar and vegetable oils but also significant amounts from imported dairy products.
37. Although the food production and trade data indicated a relatively favourable food supply situation during 1996-1998, food prices increased by 4.8 percent from 1995/96 to 1996/97 and by 5 percent from then to 1997/98. The exceptional increase in disposable income (economic access) was large enough to keep moderate upward pressure on food prices.
38. The overall conditions continued to be quite favourable to further gains in food security in 1999 and during the first three quarters of 2000. From the 1998 average to the third quarter of 2000, the 15 years and over population increased by another 150 000 and an exceptional 43.5 percent of them participated in the labour force, which brought the

labour force to 735 000. Another 116 000 new jobs had been created, enough to absorb the increase in the labour force and drive the unemployment rate down to 8.8 percent in the second quarter and to 10.0 percent for the third quarter of 2000. On the eve of the *al Aqsa Intifada*, a record 662 000 Palestinians were employed and only 10 percent of the labour force (73 000) was unemployed.

39. Employment in Israel and the settlements accounted for 23 percent of the employed during 1999, up from the 21.7 percent in 1998, and was at 22.1 percent for the third quarter of 2000. The median daily net wage rose by an impressive 20 percent from 1998 to 1999, again affected by the much higher wages for work in Israel and the settlements, and by the third quarter of 2000 was 21.3 percent above the 1998 level. Taking into account the number of days worked in a month, the employment and wage data suggest an impressive 27 percent increase in aggregate earnings from 1998 to 1999 and, based on the first three quarters of 2000, another 8 percent increase in aggregate disposable income was in prospect.
40. Yet, even before September 2000 the agricultural sector was having some difficulty in keeping production abreast of population growth. Food production during 1998/99 was affected by insufficient rainfall combined with an off year for olive production. The supply and cost of water further limited farmer's options on what to produce. There was an exceptional increase in white meat, and vegetable production was basically maintained, but field crop and fruit production was down significantly. Although the value of imports in 1999 was up sharply, there was a reduction in food availability on a per capita basis, just when the ability of the Palestinians to further enhance food security was in hand. The consequence was an 8.8 percent increase in food prices from 1997/98 to 1998/99 as food prices rose to ration the limited available food supply.
41. The data on the value of imports during 1999 and 2000 suggest that the supply of food even before the imposition of closures was insufficient to maintain per capita food energy consumption at the levels between the years 1996-98. It therefore appears that food availability was declining prior to the imposition of closures and curfews at the start of the *Intifada*.
42. However, the 1999/2000 marketing year, which ended in September 2000, was exceptional. Food production was record high and food prices were relatively stable, having risen only 1.4 percent from the prior season, indicating a sufficient food supply.
43. On balance, the period from 1996 to the third quarter of 2000 was a time for sustained progress in food availability and access to food. Comprehensive data on the quantities of calories and proteins consumed by the Palestinian people during 1999 and up to the third quarter of 2000 are not available. However, the above data, especially with respect to the exceptional increases in employment, wages and earnings (access) as well as in animal product production (availability), support the view that the quality of the diet improved and that a higher proportion of the population were food secure than was indicated from the 1996-98 surveys. The data on Gross National Income and Gross National Product point in the same direction, as do the estimates of the share of the population below the poverty line of US\$2.10 per day - 26.9 percent for 1996, 25.3 percent for 1997, 23.2 percent for 1998 and 20.1 percent for 1999.

44. Nevertheless, by September 2000 some Palestinians obviously were in need of food and financial assistance from official or unofficial sources. Even though the unemployment rate was at 10 percent of the labour force there were 73 000 job seekers that were unemployed and they and their families (358 000 in total) were in need of assistance, which would have had to come mainly from unofficial sources. Food aid was being provided to only 11 000 refugee families and WFP had imported 12.65 thousand tonnes of food during 1999 and 2000, enough when combined with the assistance from UNRWA to provide food assistance to about 2.5 percent of the population. PCBS studies of malnutrition in 1996 and 2000 showed the proportion of children aged 6 to 59 months suffering from acute malnutrition remaining low and maybe even slightly declining further from 2.2 percent to 1.5 percent in the West Bank and from 3.7 percent to 1.4 percent in the Gaza Strip. Chronic malnutrition rates also remained at low levels, 6.7 percent and 7.0 percent respectively in the West Bank and 8.2 percent and 8.3 percent in the Gaza Strip.
45. The increase in revenues from 1996 to the third quarter of 2000, more than 80 percent of which were derived from indirect taxes on consumption particularly VAT, import taxes and excise taxes, was large enough to permit the PA to significantly expand its development budget. By the third quarter of 2000, PA revenues had reached a monthly rate of US\$82 million a month with clearance and domestic revenues respectively at US\$52 million and US\$30 million, a relatively favourable climate for providing development and social welfare support. Further, the commitments of donors for development support were increasing, from US\$692 in 1999 to US\$852 in 2000.
46. The high expectations for economic normalization, growth and income convergence following the peace talks and Paris Protocol, did not materialize. Final status negotiations in 1999 and 2000 could not reach consensus on the issues of borders, control of Jerusalem, access to water resources, and the right of return of Palestinian refugees. Negotiations broke down and tensions erupted into civil conflict in September 2000, plunging the Palestinians into political uncertainty and severe economic crisis that still continues. Palestinian economic performance suffered a sharp decline as a result of measures including closures and curfews under which the WBGS were effectively cut off from Israel and from each other.

After September 2000

47. The overall climate for progress towards achieving increased access to food for all was abruptly disrupted in September 2000. The prospect and unpredictability of closures created an environment of uncertainty and risk within the Palestinian economy that seriously reduced investment. This was compounded by the extraordinarily high transaction costs and restrictions on access to alternative markets for import or export as stipulated under the Paris Protocol. Domestic output and exports declined and labour flows to Israel were sharply curtailed, all of which directly contributed to rising unemployment, poverty and increased levels of food insecurity.
48. The initial impact was mainly with respect to the loss of 183 000 jobs. From the third to the fourth quarter of 2000 the number employed fell from 662 000 to 479 000, an exceptional 28 percent decline, a loss of jobs equivalent to the gain in jobs over the previous 13 quarters. Employment in Israel and the settlements declined from 146 000 to 44 000 (-102 000), a 70 percent reduction, while it fell from 516 000 to

435 000 (-81 000) in the WBGs, a 16 percent reduction, 26 percent in the Gaza Strip and 11 percent in the West Bank. The loss of employment in Israel and the settlements had a huge impact on the Palestinian economy, real GDP fell 6 percent for the year 2000 despite robust growth during the first three quarters.

49. Based on the average daily wage rates and the number of days worked in a month, the aggregate loss in earnings of the 183 000 people who lost their jobs was on the order of NIS 373 million (US\$92 million) a month or NIS 4.48 billion (US\$1.1 billion) a year. With 56 percent of the job losses in Israel and the settlements, and because wages there were much higher, a higher share of the loss in earnings (about 69 percent) arose from the loss of jobs in Israel and in the settlements. The loss of jobs and earnings had a devastating impact on the food access component of food security.
50. The record high level of employment during the third quarter of 2000 had reduced the economic dependency ratio (population divided by those employed) to about 4.9, so the loss of these 183 000 jobs would have directly affected about 900 000 people and indirectly affected thousands more. The population 15 years and over continued to rise but the proportion seeking a job declined from 43.5 percent to 39.2 percent from the third to the fourth quarter of 2000. When the 67 000 who were too discouraged to even seek a job are added to the 189 000 reported to be unemployed, there were 256 000 people without steady employment. Applying the dependency ratio of 4.9 indicates a total of 1 250 000 people in addition to the chronic poor who were in need of assistance during the third quarter of 2000.
51. Before the end of 2000, clearance revenues collected on behalf of the PA were being withheld by the Government of Israel (GoI) and domestic revenues started to decline as a result of rising unemployment and reduced demand. The drastic decline in revenue came just when a much stronger social welfare net was needed. To make matters worse, domestic food production during the marketing year beginning October 2000 was down sharply from the prior year, due mainly to adverse weather but also because closures and curfews were beginning to have an impact.
52. The dwindling resources seriously undermined the ability of the PA to provide basic social services let alone meet the increasing demand for social support. In order to keep government institutions operational, the PA 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.
53. According to the World Bank, revenues fell from the monthly average of US\$82 million in the third quarter of 2000 to an average of US\$23 million for 2001 and US\$25 million for 2002, with US\$75 million in current and past due clearance revenues from GoI paid late in the year. Budget support from donor countries 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 first 27 months of the *Intifada* - almost half of total Palestinian Authority budget outlays over the period.

54. The 183 000 wage workers who lost their jobs and the 900 000 family members who depended upon their wage income together with the families of those who no longer sought a job (350 000) formed the core of the group that became known as the “new poor”, those who had lost their main source of livelihood due to closures and curfews. Some were able to draw upon their savings or obtain assistance from the informal social safety net and their relatives and friends. Those who could not were added to the new caseload for food and cash assistance if they met the eligibility conditions. The surge in the caseload was far too large and sudden to manage. The donor’s response to appeals for emergency assistance and budgetary support was positive, and public sector employment was protected, but assistance for these new poor could not arrive in time to prevent a massive increase in the number of food insecure.
55. During 2001 the overall climate for food security remained difficult as unemployment rose further. The drop in incomes induced by closures and curfews, which on a per capita basis fell 23 percent in real terms, increased the share of the population below the poverty line to 46 percent. Food prices declined slightly even though domestic food production was down during the 2000/2001 marketing year as the new poor cut expenditures wherever they could, including on food. Per capita food consumption declined despite continued expansion of the population, implying another increase in the number of food insecure. However, donor disbursements for emergency and budget support increased sharply as did the quantity of food aid distributed to the poor, which tempered but could not have been enough to prevent a further increase in the food insecure.
56. The initiation of “Operation Defensive Shield” in March 2002, which tightened the restrictions on the movement of people and goods, together with the initial steps towards the construction of the separation barrier in the West Bank, led to an even more difficult situation for food security. For the year 2002, the unemployed and discouraged averaged 284 000 even though employment rose sharply from the third to the fourth quarter.
57. A defining feature of the current *Intifada* is the construction of a separation barrier and a series of buffer zones, ostensibly for security purposes, that involve extensive land requisition and the clearing of land and buildings along its 360 km path. The barrier runs through a substantial part of the best and most productive agricultural land of the West Bank. Approximately 100 000 ha of land have already been confiscated. Direct damage to approximately 53 communities in Jenin, Tulkarem and Qalquilia governorates affecting an estimated population of 141 800 has been documented including the destruction of some 8 400 ha of olive and other fruit trees, 61.5 ha of irrigated land (including greenhouses), 37 km of water networks and 15 km of agricultural roads. In addition, a total of 238 sq km of land are being isolated between the Green Line and the separation barrier, with 57 percent of this land cultivated, mostly with olive trees and field crops.
58. The effects of closures and the separation barrier on the entire food chain (input supply, production, marketing, processing and distribution) have been severe. Food price integration both within and between the WBGS has decreased. For example, the areas producing fruits and vegetables in the Jordan Valley are only a few kilometres from Nablus but shipments have been drastically reduced because of closure. As a result, market activities have been severely scaled down. In some cases, like Hebron, the

central wholesale market has ceased to function. This situation leads to instability in the markets and sharp local variations in food prices between localities.

59. Following the tightening of closures and restrictions, gross domestic product and gross national income steeply declined with real per capita GNI declining by another 23 percent from 2001 to 2002. The World Bank estimated per capita GNI for the WBGS (excluding East Jerusalem) for 2002 in nominal terms at 34 percent below the average for 1996-2000, and in real terms 46 percent below 1999, to a level not seen in many years. Having to cut consumption expenditures on average by 46 percent in two years is a recipe for a massive increase in food insecurity.
60. Sharp rises in poverty and in food insecurity were the result. Taking the prevailing wage rates and the number of days worked each month early in 2003, public sector workers earned around NIS 1 400 a month and private sector workers around NIS1 500 a month. The poverty line for 1998 was estimated at NIS1 460 per month for a benchmark household of two adults and four children, (dependency ratio of 6) equivalent to US\$767 annually or US\$2.10 per person per day. The share of the population below the US\$2.10 per day poverty line grew three-fold from 20 percent in 1999 to 58.5 percent for 2002 and to around 60 percent early in 2003.
61. During the last quarter of 2002 the average daily wage was NIS55 in the Gaza Strip, NIS 66 in the West Bank outside of the Jerusalem governorate, NIS103 in Jerusalem governorate and NIS120 in Israel and the settlements. Applying the average monthly workdays by place of work shows that on average the wage worker in the Gaza Strip earned NIS1 198 a month, those working in the West Bank outside Jerusalem governorate earned NIS1 514, those in Jerusalem governorate NIS2 355 and those working in Israel and the settlements earned NIS2 440.
62. At the prevailing exchange rate during the first quarter of 2003, earnings of NIS1 500 a month would only have been enough to keep families with fewer than five persons above the US\$2.10 per person per day poverty line. With the average economic dependency ratio now around 7.0 persons (8.2 in Gaza and 5.9 in the West Bank) the implication is that even with a fully employed wage worker, households of this size and larger were below the poverty line. Therefore even those who had a job would have been hard pressed to ensure food security for their extended families.
63. The highest wages are paid for work in Israel and the settlements, the average daily net wages being about 70 percent higher than in the West Bank and 127 percent higher than in the Gaza Strip. Those who work in the Gaza Strip earn the lowest daily wage, not only does each employee in the Gaza Strip earn less income, they also have to support more people on it. Wage rates during 2001-2002 were higher in nominal terms, but in real terms they were lower than they were during 1999-2000.
64. During the first quarter of 2003 the number of people reported by PCBS to be without work (unemployed 226 000 plus 109 000 discouraged workers) was 335 000 or 39.3 percent of the population, which at a dependency ratio of 5 would imply that nearly 1.7 million people were in need of assistance. This assumes a very high labour force participation rate, but even if the average rate for 1998-2000 of 41.5 percent is assumed, a very large number of Palestinians, 1.4 million, were in need of assistance. It is this group, the unemployed and their dependents that account for the dominant share

of the “new poor”. At this participation rate the unemployed and discouraged together with their dependents would have averaged 1.1 million in 2001, 1.4 million in 2002 and 1.4 million in early 2003.

65. Disbursements by the donors for emergency and budget support increased slightly in 2002, the quantity of food aid distributed to the poor increased sharply, and late in the year the GoI resumed payments of clearance revenues. And the domestic production of food during the 2001/2002 marketing year was higher than in the previous one, as much more favourable weather more than offset the impact of closures, curfews and the separation barrier, which were most notable with respect to the production of eggs and citrus. The increase in food prices was a modest 1.9 percent.
66. The World Bank calculated that donor emergency funds, excluding support to UNRWA’s regular budget, placed US\$683 million in the hands of people by paying salaries, creating jobs, providing income support and food aid in 2002. Of this, job maintenance or creation accounted for US\$530 million, with US\$75 million for food aid and US\$30 million for cash income support. Unfortunately, donor funds for these purposes were expected to decline by US\$118 million in 2003.
67. Humanitarian assistance including food aid is being provided through the Palestinian Authority, the Ministry of Social Affairs (MoSA) and its partners, by civic social welfare organisations and by international organisations. WFP is the major source of food assistance for the non-refugee population together with its implementing partners MoSA, PARC, CRS, CHF and Ard al-Insan. MoSA is the main Palestinian Authority body for social welfare support to the poor. UNRWA is the main provider of assistance to both chronic and new poor refugees. All face serious problems in meeting the needs of the new poor caseload.
68. ICRC, in addition to distributing WFP food, provides its own food to the poor in the rural areas of the West Bank and has a voucher system worth US\$215 a year per participant for about 120 000 urban residents in West Bank cities, substantially more than the value of the assistance provided by UNRWA for the refugees or by WFP for the non-refugees.
69. Islamic social welfare organizations, the Al Zakat Committees, and other charitable and religious organizations complement the work of MoSA, WFP and UNRWA, providing significant quantities of food to the poor. A number of local NGOs and international NGOs also provide assistance.
70. Food assistance programmes have expanded rapidly from a small programme focused on the chronic poor before the *Intifada* to become a major component of the social welfare system. The quantities of food received by the beneficiaries rose sharply after September 2000, when the quantity delivered was of the order of 25 000 tonnes, to 127 000 tonnes in 2002, enough to meet the minimum calorie needs of 610 000 people. The total tonnage delivered in 2003 was expected to be near 150 000 tonnes and accounted for a significant share of the total consumption requirement for flour, rice, sugar, edible oil and pulses even though 208 000 tonnes were needed to meet the UNRWA and WFP targets.

71. The food security indicators early in 2003 on balance indicated a less positive climate than during the last quarter of 2002. Food production was down from the prior year and food prices, especially for domestically produced foods, were 4.3 percent higher for the marketing year ending with September 2003. But more food was being delivered by WFP, so even though the planned expansion in deliveries by UNRWA could not take place due to funding constraints, the total amount of food aid being delivered was higher. Per capita income was expected to decline again in 2003 below the already dismal level of US\$1 166 GNI per capita (excluding East Jerusalem). The estimate of the share of the population below the poverty line was at 60 percent, and the PCBS reported that 79 percent of the people were in need of humanitarian assistance and that their top priority needs were food and jobs.
72. Donor disbursements for emergency and budget support were expected to decline. The funds available for paying public sector salaries was expected to be down significantly from the prior year and reductions were foreseen for income support and infrastructure repairs, but maintained for employment generation and higher for health and education operating costs, private sector relief and development support. Clearance revenues and clearance arrears were being paid by the GoI. Construction on the separation barrier continued, which was adversely affecting food production and marketing.
73. In the second quarter of 2003, through this Assessment, the first detailed vulnerability assessment was undertaken to identify the food insecure and the factors and causes of their insecurity and vulnerability. It confirmed that closures, constraints and the separation barrier had and were continuing to have a damaging impact on the livelihoods of the Palestinian people. In addition, the impact of the current *Intifada* was much more severe in the West Bank, where the restrictions on movement were tighter, especially after Operation Defensive Shield and where the separation barrier was being constructed.
74. The chronic poor were in extreme circumstances. Their near impossible situation before closures and curfews had deteriorated alarmingly. They had no savings, extremely limited assets and no regular source of income. Although they met the strict criteria for social welfare, many did not receive assistance because of the MoSA's lack of resources (some had been on the waiting list since late 2000). The cash assistance provided to those on the lists, (the equivalent of US\$129 to US\$198 a year per person) was far too little. Some restricted their diet to one or two meals a day without fruit, vegetables or meat. The 115 000 chronic poor refugees who are eligible for support from UNRWA receive an assistance package that provides a little over 1 700 kcal and US\$40 a year in cash (when funds are available) while the 150 000 chronic poor who meet WFP's criteria receive a food basket containing 2 100 kcal of food.
75. About 1.4 million of the new poor, those who lost their main source of livelihood due to closures and curfews, are eligible to receive a smaller food basket than the chronic poor, being provided with about 60 percent of the 1 700 kcal rations received by the chronic poor refugees and two-thirds of the 2 100 kcal rations received by the chronic poor non-refugees. At about 1 020 kcal for the refugees (UNRWA) and 1 406 for the non-refugees (WFP), those who receive food packages with these amounts of food energy have to have access to substantial alternative sources of income or assistance to be food secure. Some did but others did not. Furthermore, due to inadequate relief food supplies, the new poor do not receive even these amounts. This dismal situation

continues for the refugees, as the lack of resources restricts them to fewer than planned distribution cycles. The WFP beneficiaries are better off in 2003, but the substantially larger quantity of food aid delivered still will not permit them to provide even the two-third ration for their caseload. The only food secure new poor therefore are those who have access to income or assistance from other sources.

76. In seeking to cope the poor have reduced expenditures in every way possible, including on food. The diet increasingly resembles that provided by the food agencies, which is dominated by cereals (mainly wheat flour) and complemented with edible oils, sugar and pulses. The flour in the food basket provided by WFP provides 83 percent of the 2 109 calories, and the flour and rice in the UNRWA food basket provides 75 percent of the 1 702 calories, compared with the 49 percent from cereals and cereal products reported in the 1996-1998 food consumption surveys.
77. In addition to cutting expenditures the new poor have sold assets; received assistance from relatives and friends; engaged in low-paid seasonal and casual work; petty trade; room rental; sale of home-made food; relied on credit; failed to pay utility bills; and have seized essentially every other opportunity open to them. Their coping mechanisms are almost exhausted.

Vulnerable Groups

Vulnerability Assessment

78. A vulnerability assessment was undertaken to profile, categorise, describe, quantify and geographically locate the Palestinian population living in the WBGS in terms of livelihoods, food security and nutritional vulnerability. Particular attention was given to identifying the factors and causes of vulnerability and the constraints faced by households whose access to adequate quantities and varieties of food was compromised by social, economic and physical access restrictions.
79. Coping mechanisms that households rely upon for their survival to acquire food and to meet other essential needs were examined in depth to better understand their viability; whether they still are being used effectively; to what extent they have been exhausted, have deteriorated or are no longer available; and how long they can be continued with the view to identify opportunities for improving the food and nutrition security of the most vulnerable households.
80. The assessment involved extensive field visits and information was collected using various tools including semi-structured interviews, focus group discussions, household observations and key informant and individual interviews. A pair wise ranking comparison exercise using a methodology developed by WFP was also undertaken.
81. The vulnerability assessment concluded that in the WBGS food is generally available but access is limited due to physical (curfews, closures) and economic reasons (high unemployment, depletion of resources, exhaustion of coping strategies and strained social support networks). The assessment confirmed the findings of other recent studies that households have until now been able to manage in the difficult circumstances albeit with dwindling resources and increased vulnerability to shocks. However, resilience has been greatly weakened, vulnerability increased and coping mechanisms severely

strained by the rapid and inexorable decline in the economy and the continuation and further tightening of closures and curfews.

82. The pair wise ranking comparison exercise estimates that food insecurity is a real or near constant threat for about 70 percent of both West Bank and Gaza populations, with four out of ten households identified as being chronically insecure. The resultant food insecurity is a reality for 1.4 million people (40 percent of the population) and a near constant threat for an additional 1.1 million people (30 percent). Details of estimated numbers of the food insecure in the West Bank and for Gaza Strip per sampled area (Figs V.2 and V.3 and associated maps) and their locations (see the 16 detailed district maps in the Annex) are provided in the main report.
83. In the West Bank, food insecurity is fairly widespread with 842 000 out of a total population of 2 181 000 including East Jerusalem (about 39 percent) considered food insecure. However greater concentrations of the food insecure were found in pockets near the Green Line and areas affected by the construction of the separation barrier, and near settlements and military zones where internal closure prevents access to land and markets. Lower concentrations were found in areas where markets have relocated due to the closure of West Bank cities, in areas served by a network of alternative roads, and for those who receive remittances.
84. In Gaza, food insecurity is a long standing problem. The economy has been severely affected by movement restrictions for many years with the population unable to move freely since 1991. With the erecting of the 'electronic wall' in 1994 and the introduction of coded IDs in 1995, living conditions deteriorated. The imposition of more stringent pass laws and travel restrictions between the Gaza Strip and Israel and within the Gaza Strip has brought the economy down to an unprecedented low level of bare subsistence.
85. About 41 percent (552 278) of the Gaza Strip population is considered food insecure. Large food insecure groups are localized around Israeli security areas close to settlements, land and sea borders and military bases. Five areas have food insecure populations in excess of 50 percent of the total populations (Jabalia camp, Area 4 in North Gaza district, Area 1 in Gaza district, Area 2 in Deir al Balah district, and Areas 1 and 4 in Rafah district).
86. Prior to the *Intifada*, the Gaza Strip was thought to be more food insecure given more rigid restrictions on travel and curfews, less access to arable land, and the lower wages and opportunities for employment. This impression had been supported by the results of a number of health and nutrition surveys that had found nutritional status three times worse in Gaza than in the West Bank. However in this present study, significant differences in levels of food insecurity between the West Bank and Gaza Strip were not found.
87. The most likely explanation is that the once relatively better food security situation in the West Bank markedly deteriorated since September 2000 as a result of tighter closures, especially in March 2002, increased transport costs and decreased wages and employment rates than in Gaza. At the same time as closure of the West Bank from Israel, internal closures are severing villagers' economic and trading links to nearby towns and neighbouring villages, as roads are blocked by mounds of earth and barricades and curfews prevent people leaving their homes. Residents are prohibited

from using the designated ‘bypass’ roads and many are therefore unable to access their land. The costs of transportation and therefore of goods and services traded, including agricultural inputs, have risen more rapidly in the West Bank than in Gaza due to the long delays experienced at checkpoints, the back-to-back system operating at some checkpoints and the need to use longer, alternative secondary roads.

88. Data collected by the CARE/John Hopkins University/ANERA/Al Quds University sentinel surveys supports this by showing that food consumption has decreased in both the West Bank and Gaza Strip but that the decline in the West Bank has been at a greater rate than in Gaza Strip and most severe in northern and southern areas. Further, a much larger share of the refugees receive food assistance even though the amount provided is limited due to UNRWA’s lack of adequate resources.

Vulnerability Profiles

89. The most vulnerable households are characterised either as chronic poor or new poor. Chronic poor households include “social hardship cases”, known as the Special Hardship Cases (SHC) by UNRWA and the Hardship Social Cases (HSC) by WFP, i.e. households with chronically sick or disabled members, widows, female headed households, large households with unskilled long-term unemployed registered prior to the *Intifada* and households without an able bodied male capable of working. These households have a high proportion of women, elderly and children. Their livelihoods have not drastically changed but they have experienced a gradual deterioration in their situation.
90. Especially vulnerable are those who do not receive assistance or food aid from any of the national welfare institutions or humanitarian organisations. This group is least well-equipped to cope. Before the *Intifada* they had no little or no savings, extremely limited assets and no regular source of income. Since then they have exhausted whatever coping strategies they relied upon; they have been cut off from credit at shops and obtain little support from resource-poor support networks. One of the few remaining options available to them is to seek low-paid, piecemeal work in the informal economy but this is limited due to commitments in caring for children, the elderly and infirm at home. In the worst cases, their diet is restricted to one or two meals a day without fruit, vegetables or meat.
91. New poor households are those who have recently lost their main source of livelihood. These include unemployed former waged workers, those whose land has been confiscated or businesses have been destroyed; people whose homes have been demolished; and farmers, including Bedouin, fisher folk and traders who have lost access to the land, the sea or markets. The productive assets and savings of this group, which initially buffered and cushioned the impact of closure policies, are running out, making it more unlikely that they will be able to rapidly recover to a more food secure situation should conditions improve.
92. Within the chronic and new poor groups, the elderly and children are particularly vulnerable to food insecurity. The elderly no longer obtain support and food from impoverished relatives on whom they had previously depended. Their food needs were seen as lower priority in family and in focus group interviews. Children from these households are eating less food overall, less cereals and more potatoes, and fewer

varieties of food. They are under increasing pressure to combine school with work and in the poorest households, to drop out of school altogether.

Coping Strategies

93. With rising unemployment, falling incomes and increased number of dependent household members, per capita household incomes fall and many households are forced to find alternative means to provide food for their families. Households in the WBGS have responded to these severe livelihood constraints by adopting a variety of short-term coping mechanisms that have helped them get by until now, but the risk is that their ability to recover in the future is being undermined.
94. For many the first coping strategy was to cut expenditures on food, health, key social events and utility bills. Reducing spending on the quality and quantity of food eaten is by far the most widespread coping mechanism followed by reduced spending on clothes, health and education expenses, household maintenance, children's pocket money and social activities. Living with extended family members to save rent and pooling resources is another common strategy. Men try to postpone marriage; women try to marry earlier to reduce family's expenses.
95. Assets are sold, first jewellery, then tools, livestock and land. There is much reliance on credit from shops and from water providers and there is wide-spread non-payment of utility bills. Farming households become more involved in subsistence food production for home consumption. Traditional coping mechanisms such as rearing small livestock and planting home gardens are employed to a greater degree although this rarely can meet all of the households' food requirements. Some former wage earners have returned to agriculture and those farmers who have sold their land seek work from other landowners.
96. Men, women and children from the most vulnerable households seek out alternative income sources such as low-paid seasonal and casual work, informal petty trade, room rental, the sale or barter of foods made at home and of food aid. Often households go into debt, "live on account" with shops and water providers, sell assets and cut consumption. Meals are skipped and expenditures reduced on the more expensive foods such as meat, vegetables, fruits and milk essential for a healthy diet.
97. Home-gardens are used as a source of food by half of the West Bank respondent households. However, the cost of inputs and lack of access to water are constraints. Some new unemployed are rearing poultry in an effort to earn an income but their efforts often fail because of the high cost of feed and lack of access to markets due to curfew and movement restrictions.
98. Those living in urban areas usually have more income earning opportunities than other locations and rely more on monetary income. Rent and utility payments are a significant burden for urban dwellers and those who cannot pay such bills are deeply worried about losing their home and having their supply of water and electricity cut. Around 70 percent of Gaza residents use the non-payment of utility bills as a form of credit. Refugees living in camps are more dependent on food and welfare aid and have fewer assets than in other locations and are unlikely to have access to land. In more rural areas, the cost of living is lower, wood can be used as fuel and it is often easier to

produce food. Credit lines at shops may be more resilient during difficult times in non-urban areas and camps than in urban areas as community bonds may be stronger.

99. After almost three years of living under strict closure policies, the coping mechanisms of many households have been exhausted or are severely strained. Destitution is close at hand. Some of the most vulnerable households are excluded from informal social support networks that provide social protection such as credit, loans and food. The chronic poor cannot cut spending on food any further and are forgoing health and education needs. The new poor have exhausted their savings, sold private and productive assets and are steeped in debt arising from failed income-generating ventures.
100. Movement restrictions are influencing household roles and relations. Women are forced to try and substitute for men as breadwinners. Children are taking on responsibilities for supporting their families from a young age. Elderly people assume greater responsibility for household tasks that require travel. Men feel redundant as their breadwinner role is brought into question.
101. Economic access to food in terms of the ability to purchase food rather than the lack of food *per se* is the main constraint to securing a healthy nutritious diet. Members of vulnerable households consume minimal amounts of the more expensive protein and nutrient-rich foods such as meat, fish, dairy products, eggs and oil. Many meals consist solely of bread and tea. Cereals and increasingly potatoes, pulses, the cheaper vegetables and fruits form the core of their diet. The numbers of meals, the portion size and the frequency by which certain foods are consumed have all been reduced and many reported that meals are prepared only once every three days in order to reduce fuel costs. Households economise on fuel costs by using wood for slow cooking and baking while using gas only for quick purposes such as coffee and tea.
102. The decline in both quality and quantity of food was reported in 73 percent of households. Animal protein intakes have fallen as meat (lamb or chicken) is now considered luxury foods. Households report they may buy lamb on pay day (one/twice a month) but for many poor households meat is beyond their budget and may be eaten only at funerals or social gatherings.
103. Conclusions are that past and present closures have directly created this situation and are contributing to its continuing deterioration, and that the removal of such restrictions can reverse this trend. However, the prolongation of these restrictions risks permanently damaging households' recovery and undermining their ability to attain food security in the long-term.

Nutritional Status

104. CARE, Johns Hopkins and Al Quds Universities in parallel with the assessment mission, conducted a quantitative survey of 2 500 households looking at anthropometry and food consumption. The survey was designed to complement the qualitative food security information collected by the assessment mission and thereby to provide a broader picture of the food and nutrition security situation and trends. The findings of the survey were expected to contribute to the understanding of the linkages between nutritional status and household food security, changes in nutritional status over time, and the similarities and differences between nutritional status in the West Bank and Gaza Strip. However the nutrition survey report is not yet available and the assessment mission had to rely on a review of previous studies and secondary data sources.
105. The assessment team conducted a review of available nutrition and health surveys conducted in West Bank and Gaza Strip households prior to and since September 2000 (Table V.4). Indicators used included acute and chronic malnutrition. Acute malnutrition or wasting may arise over a short period of time and is a “snap-shot” reflecting the most recent nutritional status. It is however reversible and can improve rapidly. Chronic malnutrition or stunting is a longer-term indicator reflecting poor nutritional status over a period of months and years. A normal population can be expected to have levels of acute malnutrition around 2 percent and for chronic malnutrition around 5 percent.
106. The JHU/AQ survey in 2002 reported alarmingly high percentages of acute malnutrition rates three times higher in Gaza (13.3 percent) than in the West Bank (4.3 percent). However surveys conducted by PCBS in 2002 found much lower levels of acute malnutrition (2.3 percent and 2.0 percent respectively). This was in keeping with the low levels PCBS found in their 1996 and 2000 surveys. In 2003 the survey conducted by ACH reported acute malnutrition rates of 4.3 percent and 1.7 percent for Gaza and West Bank respectively. For chronic malnutrition, surveys from 1996-2003 showed the West Bank as having moderate rates (6.7 percent-7.9 percent), a little less than the still moderate rates for Gaza (6.7 percent-17.5 percent).
107. The JHU/AQ assessment found no significant differences in the prevalence of acute or chronic malnutrition between males and females. Significantly higher prevalence of acute malnutrition was found in the non-urban Gaza Strip children (21.6 percent) than urban Gaza Strip children (9.9 percent) and in household with incomes below the poverty level (10.2 percent) versus those above the poverty line (4.3 percent). Chronic malnutrition was significantly higher in households below the poverty line (14.6 percent) than those above (5.7 percent). Only 2.1 percent of the 1 534 non-pregnant reproductive age women (RAW) in the sample were found to be undernourished, with a Body Mass Index (BMI) below 17.5.
108. It is not clear from the available data if there are significant differences in malnutrition rates between the West Bank and Gaza Strip, but the suggestion that Gaza has higher levels of malnutrition is not incompatible with the findings of the pair-wise ranking comparison exercise that finds similar high levels of food insecurity and threats to food security in both the West Bank and Gaza Strip. This is because food insecurity may take some time to be translated into measurable growth failure or discernable physical impairment. In Gaza, food insecurity is long standing and has had time to be translated

into malnutrition, while high food insecurity levels in the West Bank are relatively new. It may be conjectured that this food insecure condition in the West Bank has not persisted long enough to visibly start affecting malnutrition rates. However the current levels of food insecurity if prolonged will likely lead to increased malnutrition levels in the near future.

109. Following the findings of the AQU/JHU nutritional study, UNRWA, WFP, as well as local *Zakat* committees and local NGOs, such as Ard al Insan, responded by increasing food distribution in the Gaza Strip and the ICRC initiated an innovative cash-for-food voucher programme for 20 000 of the most vulnerable in urban areas of the West Bank. Following the increased attention to food distribution it may be expected that the prevalence of acute malnutrition would not be as significant as had been nearly a year earlier, and that an improvement in the longer term indicator of chronic malnutrition might also be seen.

Food Consumption

110. The CARE/Johns Hopkins University/Al Quds University sentinel surveillance system that monitors impact at the household level, found more than half of the residents of the WBGS had decreased the amount of food eaten.
111. The JHU/AQ survey of 2002 using a 24 hour food recall to compare food consumption data prior to the *Intifada* with that collected in 2002 provides clear evidence that the quantities and quantity of the Palestinian dietary intakes are poor and getting worse. It found significant reductions in total energy, protein, carbohydrates and fat intakes for children and for reproductive aged women. Protein consumption was inadequate in 10 percent of the children and in 25 percent of their mothers. Women consumed 14.3 percent less energy compared with 2 000 having a median daily energy intake of 1 748 kcal, well below the minimum dietary energy requirement. The consumption of carbohydrate and fat decreased by 15 percent and 17 percent respectively. Energy intakes of preschool aged children indicate that half of 1-3 year olds and three quarters of 4-5 year olds were eating less than 80 percent of the recommended energy intake for their age.
112. Micronutrient deficiencies are also a concern, especially for folate by reproductive age women, vitamin A and folate for children, vitamin A, iron and zinc for women and iron, zinc and iodine for children.

For children:

- 80 percent ate below the 80 percent RDA for iron
- 59 percent ate below the 80 percent RDA for vitamin A
- 50 percent ate below the 80 percent RDA for folate
- 87 percent ate below the 80 percent RDA for zinc

For reproductive age women:

- 73 percent ate below the 80 percent RDA for iron
- 69 percent ate below the 80 percent RDA for vitamin A
- 27 percent ate below the 80 percent RDA for folate
- 75 percent ate below the 80 percent RDA for zinc

Vitamin and mineral intakes of women between 2000 and 2002:

- 8 percent decrease in vitamin E consumption;
- 8 percent decrease in vitamin A consumption;
- 19 percent decrease in folate consumption;
- 12 percent decrease in calcium consumption;
- 12 percent decrease in iron consumption; and
- 18 percent decrease in zinc consumption.

113. Though the analyses of the nutritional survey results are not conclusive, surveys indicate that childhood malnutrition is a major concern for some groups and that more widespread nutritional problems are emerging. There is a need for further locality specific assessments to identify the specific mix of interventions (food aid, emergency employment, cash assistance, food for work, income generation and support to household food production) for the vulnerable groups.

Agriculture, Food Availability and Food Supplies

114. Since September 2000 farmers have faced several obstacles. Access to their land and markets has been restricted. Checkpoints, blockades, the back-to-back system and destroyed or blocked roads have created logistical chaos and extreme transport cost increases. It has become mostly impossible to move inputs to the producers or outputs to processors or to internal or external markets in a timely manner. The cost of transportation increase has been especially severe in the West Bank.
115. Palestinian farmers have received little, if any, emergency support for physical damages and losses, which according to the MoA reached US\$845 million between September 2000 and December 2002. This estimate includes losses associated with the destruction of greenhouses, poultry and livestock farms, wells, farm houses, irrigation systems and ponds, fences and walls, main water pipelines, packaging and experimental stations, nurseries, crop, tree and vegetable planted land as well as loss of cattle, sheep, goats and poultry and damaged beehives. The Palestinian Authority's Ministry of Agriculture has until now pursued a policy of minimal direct support to farmers. However, the magnitude of the physical damages in agriculture warrants an accelerated effort to rehabilitate orchards, greenhouses, irrigation facilities, and water and sewer systems and to repair roads.
116. The Ministry of Agriculture was established in 1994 and its Extension Service has progressed significantly in the last five years. A medium term plan for extension and applied research has been prepared which includes the establishment of several comprehensive links with NGOs, donor groups, and all sectors of the agricultural economy. Emphasis is on building a participatory approach that links villages, district officials, district MoA officials, and the national MoA office on a variety of issues such as project identification and technical training. The main constraints are lack of funds, staff, and communication facilities or equipment. There are 250 extension agents in the

field, not including research station employees, who are currently focused on rehabilitation and emergency problems.

117. For animal production there are concerns over the carrying capacity of the land grazed by ever more animals as well as regards the reduced capacity to control animal diseases due to restrictions on the availability of veterinary drugs and services, and of testing to monitor disease and for controlling meat safety. There are cases of foot and mouth and of animal diseases that are hazardous to human health (including brucellosis and BSE “mad cow”) creating a potentially dangerous situation, both for the West Bank and Gaza Strip, as well as for Israel. Livestock productivity increases are difficult given restriction on purchases of breeding stock. All animals must be purchased from Israel, but travelling there to choose livestock is impossible for most livestock owners. In effect, orders are made and shipments sent without farmer inspection, making it difficult to obtain high quality breeding stock. In dairy in particular, most animals imported are culls with problems concerning fertility, disease, or mastitis, making increasing productivity in the sector problematic. These and other problems have led to significant losses in productivity, output and assets.
118. Food production varies significantly from one year to the next. This instability in food production is not fully offset by the subsequent changes in food trade and aid, so there remains considerable instability in food supplies. Most of the year-to-year variability in production stems largely from changes in the weather patterns and a large share of the change from year-to-year is associated with olive production. The instability in agricultural production is a major problem for the producers, but is of minor consequence to the consumers as they depend primarily on commercial and food aid imports of flour, rice, wheat and cereal preparations which make up the most essential component of the diet.
119. On a per capita basis, the value of net food imports averaged US\$102 over the five years ending with 2000 (about US\$0.30 per person per day) with cereals accounting for the largest share of net imports and the value of agriculture production averaged US\$273.75 with a low of US\$235.09 (about US\$0.64 per person per day) in 2000/01. Vegetables are the largest earner of foreign exchange, followed by fruits. By 1999-2000 these two food groups accounted for 65 percent of the export value, up from 55 percent the previous two years. The vegetable sector is the only food group showing a net export situation in good weather years. Given the demand for such foods and the important contribution they make to dietary diversification, the implication is that without the production of perishable fruits and vegetables, the import bill would be considerably higher.
120. Agriculture remains an important source of livelihood for the Palestinian people, especially for women. A large share of the agricultural land area is used to produce crops under rainfed conditions. But the characteristics of the land, the variability in annual rainfall and the limited supply of freshwater results in extreme year-to-year changes in the production of food and agricultural products. The limited supply and high cost of water restrict the expansion of irrigated area and the cost can only be covered by relatively high value crops. Cereals, legumes and oilseeds are not high value crops. Production of these crops represents a relatively small share of the consumption requirement and so the solution to instability is to ensure adequate imported stocks to cover shortfalls.

121. Family farms predominate much of the West Bank. In the western hills where most Palestinian farmers live, 90 percent of holdings are less than five hectares. In the least populated areas, notably in the Jordan Valley with the most agricultural potential, landholdings are relatively large with absentee owners living in Jordan. In Gaza, a few large farms run by absentee owners cover half of the area, with the remainder worked as family farms of between 0.5 and 5 ha. Approximately one-third of holdings in the West Bank are owned, 36 percent are shared, and 27 percent are rented. Agricultural credit is extremely low accounting for less than 2 percent of total bank credits and the main source of credit is agricultural suppliers and processors.
122. Available freshwater resources in the WBGS are about 112 CM/caput/annum compared to 377 for Israel and 940 for Lebanon. The agricultural sector takes up more than 60 percent of the total water consumption in WBGS with 70 percent coming from wells and the remaining 30 percent from springs. Only about 23 900 hectares (12.9 percent) of the agricultural land is irrigated or under protected cultivation. The area with access to water for irrigation is used mainly for vegetables and other high value products such as citrus, bananas and strawberries. Only 10 percent of the total cultivated area is in the Gaza Strip, but because about 70 percent is irrigated, a much higher proportion than for the West Bank (7 percent), Gaza's contribution to the total value of production is around 30 percent.
123. There appears to be a very low potential for increasing availability of cereals for food or feed, oilseeds for oil or meal, or sugar from domestic production. All or a very high proportion of these high food energy products are being imported, most by commercial firms but complemented by an already substantial and growing share by the food aid interests. The cereals and oilseeds produced cannot compete for irrigation water with the higher value crops and will continue to depend upon rainfall with large year-to-year variation in production. The expectation is that imports will continue to provide a larger share of the high food energy products. Food security therefore will depend even more than at present on the quantity of imported foods.
124. The imposition of movement and access restrictions fundamentally changed the food demand factors, as strong growth in jobs and incomes turned to a massive loss of jobs and incomes. The cuts in expenditures, including for food, removed the upward pressure on food prices even though population growth continued unabated. Food production on a per capita basis during the two marketing years after the initiation of closures and curfews (2000/01 and 2001/02) was down by 1.3 percent from the average for the prior two years and 6.2 percent below the average for the 1996/97-1997/98 marketing years.
125. As a percent of GDP the value added by agriculture averaged around 11 percent over the last seven years. The combination of reduced value of production and a substantial increase in the cost of agricultural inputs cut the share to 9.6 percent in 2001 when for the first time costs were greater than the value added. The sharp drop in GDP for 2002 together with substantially higher food production led to a larger share of the GDP but this is not because the sector is doing well; instead it is because the rest of the economy is doing worse.

126. When measured in quantity or value terms most of the food consumed by those living in the WBGS is produced within the areas, but when measured in terms of food energy most of the calories come from external sources. Imported cereals, sugar and vegetable oil, the high food energy sources, account for about 65 percent of food energy consumption, and other imported foods add to the percentage. But because large quantities of relatively low food energy foods such as vegetables, fruits and potatoes are consumed the largest share of the kilograms consumed come from domestic production.
127. The detailed review of food availability since the 1996/97 season leads to the overall conclusion that the contribution from agriculture on a per capita basis was gradually declining prior to the initiation of closures and curfews and that there have been further declines subsequently. Further, the data on the value of imports during 1999 and 2000 suggest that the supply of food even before the imposition of closures was insufficient to maintain per capita food energy consumption at the 1996-98 level. It therefore appears that food insecurity was increasing prior to the imposition of closures and curfews, and it has risen since then. The slow drift downward in the ability of the sector to contribute to food availability has been accentuated by the events of the past three years.
128. As the detailed review for each food group reveals, the early season expectations for food production during the 2002/03 marketing year were for a sharp drop from the estimates for 2001/02. The impact of closures and curfews was expected to be greater in the third season after its initiation than during its first two years, and the weather patterns were not expected to be as favourable as during 2001/02. Reductions from the prior season were expected for all the main domestically produced food groups, vegetables, fruits, meat and milk. The trend towards higher production of animal products would be reversed and the trend towards lower production of citrus fruits would be accelerated. The gap between the food consumption requirement and food production would be much larger than ever before and food imports, including food aid, would have to increase sharply to keep food insecurity from rising further. However, the retail price pattern during the 2002/03 marketing year suggests that weather patterns and therefore food production was higher than expected, especially for vegetables and fruits.
129. Retail food prices were 3.8 percent higher during the October-December quarter and 2.3 percent higher for the January-March quarter than they were during the same quarters of the previous marketing year. By April-May 2003 they were 8.4 percent above the prior year, indicating a tighter supply situation, but by July-September were only 2.9 percent above the year earlier level, and were indicating relatively adequate food supplies except for poultry meat. The 4.3 percent higher price for all food this season was led by the main foods provided from local production. In contrast, the retail prices for cereals and sugar have remained below the average for all foods and have not signalled a supply problem. The retail price data therefore indicate that the supply of internally produced food is in fact tighter than a year ago but also that the food aid agencies together with commercial food importers have managed to keep supplies in line with the consumption requirement for cereals and sugar.

Conclusions

130. The review of the longer term trends within the Palestinian economy reveals a strong relationship between closures and growth. When there have been restrictions on the free movement of goods and people, the economy has contracted. When people and goods have been able to move unrestrictedly to and from Israel and within and between the West Bank and the Gaza Strip, the economy has expanded. These surges and declines in national income and product have been associated with surges and declines in jobs for Palestinians in Israel and in the settlements.
131. The restrictions on the movement of goods and people during the current *Intifada* have intensified, especially with respect to internal movement, and the declines in national income and product have been more severe than ever. The need for humanitarian assistance and support therefore has never been as necessary as it is now. The impact of restrictions on the economy and the people has been devastating, and therefore strong and determined actions need to be taken to get the economy moving again.
132. Closures and curfews have curtailed the movement of people and goods and have made accomplishing routine household and business affairs, attending school, finding jobs and going to work, producing and marketing food and providing services difficult everywhere and in many areas impossible. Physical, economic and human losses have reached a very high level and continue to mount. In addition, the separation barrier now under construction, is contributing to economic losses and the physical damage to homes and infrastructure continues.
133. The review of trends also reveals the strong relationships between closures, growth in the economy and food security. Progress towards food security has been made when people and goods can move freely and when earnings and incomes rise. Food insecurity rises when there are restrictions on movements and declines in earnings and incomes, unless these declines can be fully offset by increased social access to food. At present there is a very serious imbalance between economic and social access, with the magnitude of the decline in economic access to food much greater than the increase in social access to food.
134. The severe restrictions on the movement of goods and people both within and between the West Bank and Gaza Strip combined with the loss of jobs and incomes and the destruction of assets and property since the onset of the second *Intifada* in September 2000 has had a major impact on food security. The sharp decreases in both physical and economic access to food has left a very large share of the population in a state of food insecurity, with limited or no social access to food. A large number survive because they receive some food and welfare assistance, but thousands live in a chronic state of food insecurity because they may receive too little assistance too late, live where food cannot reach them, or are not included in the social safety net either because there are too many in need, they are too old or too proud to ask or are ineligible for one reason or another.
135. Access to food is a much bigger problem than the sufficiency of the food supply. The overall supply of food, increasingly from imports, is adequate for the depressed market, but there are problems in getting it to the local markets, and those with money to spend often have problems in getting to the market themselves. However the main problem is

that many do not have the money to buy food even when it is available and a large share of households have shifted to lower cost foods that provide a less nutritious diet. The reductions in quantity and quality of food consumed means that access to a nutritious diet has been seriously affected. Home gardens and animals provide a partial solution for some, but most do not have access to the land or space to do so. Furthermore, the increased cost of inputs, such as feed and pesticides, at a time when incomes have fallen to about one-half the pre-crisis level is a major constraint to subsistence production.

136. Food producers are providing a smaller share of the food available to the Palestinian people. Physical damages and the restrictions noted above prevent farmers from gaining access or timely access to the inputs they need to produce food, to care for their land, plants and animals or to get their products to the processors or to market. In this seriously depressed market the cost of production is rising faster than product prices, and this together with the longer-term problems of overgrazing, water shortages and other factors have combined to place a hold on the growth in agricultural productivity. Restrictions on the movement of goods have had a severe impact on investment and productivity throughout the entire food chain.
137. Food aid accounts for a large and rising share of the diet. A very large share of the population received some food assistance in 2002, but the amount received was too little for most of the beneficiaries. A substantial expansion in the quantity of food aid is underway in 2003, but financial constraints preclude the realization of the food and cash assistance targets. There is insufficient cash assistance and field surveys document the fact that there are serious problems with respect to humanitarian assistance, including food assistance. Too many of the most vulnerable are not receiving any food or other humanitarian assistance and a large share of the new poor receive too little food and very few receive cash assistance from official sources.
138. Although the flow of humanitarian and development assistance from national and international bodies is substantial, it is far below the amount needed to ensure food security for all. Most assistance now is aimed at preventing people becoming more insecure. Activities are underway to maintain public servants jobs, create new jobs, provide food, cash, medical and other humanitarian assistance, repair damaged homes, rehabilitate roads and water systems, enhance productivity in agriculture, and more. But the assistance received since September 2000 has not been near enough to prevent the massive decline in per capita income, offset physical losses to property, create the jobs necessary to begin moving towards a more food secure environment or stop the decline in gross domestic product.
139. The Palestinian Authority is in a weak position to monitor and manage a food security programme. The information necessary to do so does not exist. How much food has been imported since 2000, how much was produced during 2001/02 or how much was likely to be produced during the 2002/03 season was unclear. Although the main food aid agencies keep good records, the PA is unable to keep good records of the flow of food aid into the country or its distribution to the people and therefore the full list of those involved in the provision of food aid or the total quantity of food aid being provided to the people remains uncertain. Considerable relevant data is provided on a timely basis from PCBS, but estimates of GDP and GNI in aggregate or per capita terms must be obtained from non-government sources. Reliable statistics on the food

insecure or the vulnerable, who are they, where they are and what their source of livelihood is, are not being collected.

140. It is a testament to the resilience of Palestinian households that the humanitarian crisis has not been deeper. This assessment has shown that short-term coping mechanisms such as reducing expenditure on food, education and health, selling assets such as land and tools, borrowing money from others and living on account and a return to agricultural production for home consumption largely explain household survival. However, after more than three years of living under closure and curfew, most households' coping mechanisms are severely under strain or already exhausted. The continuation of current closures will impede households' ability to recover in the future should the situation improve as members accumulate debts, sell remaining productive assets and forgo investment in their health, education and social relations.
141. The assessment estimated that approximately 40 percent of the population of the WBGS are food insecure and a further 30 percent are under threat of becoming food insecure should current conditions persist. Although food insecurity is widespread across the WBGS, location influences food insecurity. Proximity to the Green Line and the separation barrier, lack of access to land and lack of access to labour and commodity markets due to tight internal closure are some of the factors that exacerbate households' vulnerability to food insecurity.
142. Despite increased access to food aid, adequate food supplies are not reaching all households and diets are of low quality in terms of vitamin and mineral content. Although acute malnutrition appears to be less of an immediate concern to the humanitarian community, perhaps due in part to the increase in food aid, the longer-term challenge of ensuring all of the Palestinian people consume adequate quantities of safe, good quality and nutritious food specifically that of adequate energy, protein, vitamins and minerals, remains a priority.
143. Though nutrition survey results are not conclusive, surveys indicate that childhood malnutrition is a major concern for some and that more widespread nutritional problems are emerging. There is a need for further locality specific assessments to identify the specific mix of interventions (food aid, emergency employment, cash assistance, food for work, income generation and support to household food production) for the vulnerable groups.
144. Chronic poor households – including households with chronically ill and disabled members, women headed households and large families with an unskilled breadwinner and many dependents – are the least well-equipped to cope. Many of their coping mechanisms are now exhausted. This group is the most food insecure. Pre-*Intifada* they were food insecure and their food situation has worsened since September 2000. The chronic poor restrict themselves to two and sometimes one meal per day. Many meals consist solely of bread and tea. They have substituted expensive for cheaper vegetables and pulses such as potato, lentils, tomatoes and beans and many households have cut meat and fruit altogether from their diet.
145. The new poor, many of whom enjoyed a comfortable standard of living pre-*Intifada*, have either lost their business due to lack of access to markets or have lost employment due to movement restrictions. They are unable to rebuild their livelihoods because they

have many debts, no assets and no access to markets. The new poor had coping mechanisms that initially cushioned the impact but some of these are now running out. The most food insecure new poor households include those whose property has all been confiscated or demolished, Bedouin households living in isolated communities and the new unemployed who were in low-paid jobs in the West Bank pre-*Intifada*. The assessment findings suggest that the elderly and children are particularly vulnerable to food insecurity.

146. The two most important factors underlying the finding that three out of ten Palestinians are food secure are the loss of 28 percent of the jobs from the third to the fourth quarter of 2000, a loss of earnings on an annual basis of US\$1.1 billion, and the withholding of clearance revenues from late 2000 to late 2002, a US\$1.3 billion loss in revenues. The initial loss of wage worker jobs in Israel and the settlements and in the WBGS directly triggered the decline in per capita income, and the withholding of clearance revenues made it impossible for the Palestinian Authority to provide continued social support and services to those who lost their jobs.
147. The donor community quickly responded to the emergency situation but most of the funds provided since September 2000 were for budget support to the Palestinian Authority, mainly to pay salaries of public sector wage workers. This prevented an even steeper decline in food insecurity but also meant that the funds available for job creation in the private sector, where most of the jobs were lost, were limited. In 2002 donors disbursed US\$435 million for Palestinian Authority and municipal salaries (public sector) and US\$95 million for job creation in the private sector.
148. In summary, the food security situation for the Palestinian population remains poor and food insecurity is a real or constant threat for *seven* out of *ten* Palestinians because:
 - The restrictions on the free movement of goods and people remain in place.
 - Construction on the separation barrier continues.
 - Physical damages to household assets and property continue and the cost of repairing continues to mount.
 - Real per capita income is about one-half the 1999 amount; at least six out of ten people are below the poverty line.
 - The initial loss in earnings on an annual basis was US\$1.1 billion and has accumulated since while the loss from the withholding of clearance revenues from late 2000 to late 2002 was US\$1.4 billion.
 - The private sector where most of the jobs were lost remains in a deep depression; investment, including in the agriculture sector, remains on hold, as it has been for more than three years.
 - There are at least 200 000 too few jobs, mainly in the goods producing sectors; an additional 45 000 people reach working age each year.
 - Those who need assistance because the head of the household cannot find a job are at least 1.4 million people; the chronic poor and destitute self-employed families add to those in need of assistance.
 - The amount of cash assistance distributed is a fraction of the need.

- Between half and three-quarters of the population receive food assistance, but most of them get far too little and often too infrequently to be food secure.
 - More than seven out of ten report reductions in the quality and quantity of food consumed, reducing the nutrient adequacy of the diet. Micronutrient deficiencies continue to be observed.
 - Animal health concerns, including some posing a threat to humans, remain unattended.
 - Farmers continue to have difficulty gaining access to tend their fields or flocks, obtaining inputs when they need them, moving products to markets and paying bills, and continue to await compensation for accumulated damages to their property.
 - The entire food chain continues to have difficulty moving goods and absorbing cost increases.
 - Donor disbursements for budget support and for private sector job creation, food aid and cash income support combined was expected to be down by more than US\$100 million in 2003 compared to 2002.
 - Palestinian Authority revenues were expected to be sharply higher, but not enough to maintain services and fully repay debts.
149. In order to reverse the trend towards food insecurity, action needs to be taken with respect to ensuring physical, social and economic access to sufficient supplies of safe and nutritious food. In view of the relative magnitude of the problems the greatest urgency is to take actions to improve economic and social access to food in the short-term and increased investment in agriculture and other sectors as a way out in the medium to longer term.

Recommendations

150. The first step towards improved economic access to food is to sharply expand ongoing job creation activities. Most new job creation should be for the repair of damages and for the rehabilitation of infrastructure and rural roads. In 2002 donors disbursed US\$435 million to pay public worker salaries and US\$95 million for job creation. Now that clearance revenues, including arrears, are being paid, some of the funds that were used to maintain employment through paying Palestinian Authority and municipal worker salaries should be reallocated for creating jobs in the private sector.
151. It is essential to initiate actions that will improve economic access to food and in a manner that provides the greatest possible stimulus to the private sector, but the scale of the economic access problem is such that it will take considerable time to get back to the situation pre-September 2000 when unemployment was 10 percent and the labour force participation rate was 41.5 percent or higher. Therefore, in parallel and as a matter of the utmost urgency, actions need to be taken to improve social access to food. The first step is to ensure sufficient funds to fully meet the UNRWA and WFP food aid appeal targets so that these agencies can ensure that those who are eligible for assistance receive their full entitlement.

152. Recommendations on physical access to food and sufficiency of supplies of safe and nutritious food, as well as administrative matters concerning the establishment of food security strategies, policies and programmes and for developing a management information system are provided. Removal of restrictions on the physical access to food would create a fundamentally different climate for reducing food insecurity. Several actions are recommended to improve sufficiency of food, some with near term benefits and others that will return the investment over the years to come. Although insufficient economic and social access constrains efforts to ensure a more nutritious diet, a number of actions are recommended:

- Formulate a National Food Security Strategy and establish a National Commission for Food Security.
- Ease restrictions on the movement of people and goods, including at the separation barrier, to ensure free access of farmers to their lands, animals and markets.
- Launch a major donor assistance effort for a substantial employment creation programme and a large scale public works programme. Ensure that the job creation/public works effort includes repairing the damages to farmers and fisher folk property and launch a programme to compensate them for losses.
- Sufficient funds need to be made available to meet the UNRWA and WFP appeal targets and to ensure that those who are eligible for food and cash assistance receive their full entitlement.
- Increase donor support for the UNRWA regular programme budget and the MoSA income support programme to enable much larger cash assistance payments for the chronic poor. Ensure that all those who are eligible are enrolled and receive assistance.
- Increase donor support for the UNRWA emergency programme so that the full appeal amounts of assistance, including food and cash assistance, can be distributed.
- WFP to review the composition of the basic food aid packages with the view to provide a more nutritionally balanced food basket. Ensure that all those who meet the MoSA criteria for Hardship Social Cases are enrolled and are receiving food. Expand WFP's Food for Work and Food for Training programmes and extend such programmes to other providers of food aid.
- Seek to harmonize the criteria for providing assistance to the new poor as well as the amount of assistance provided by those providing assistance, especially by MoSA, UNRWA, WFP and ICRC. Special attention should be given to the Bedouin, fisher folk and others who have lost their assets and who are currently ineligible for assistance.
- Seek support for the continuation and expansion of cash assistance programmes, drawing upon the results of the ICRC cash voucher system.
- Establish a minimum wage that enables public and private sector worker families to remain above the national poverty line.
- The PA and the donors should continue to provide non-salary operating cost support to MoH. The PA/Donor/NGO/international organizations network should strengthen monitoring of nutritional status, with attention to micronutrients.

- Review the impact of subsidization programmes in the context of taking initial steps towards accession to the WTO.
- Mount an umbrella programme to enhance food and agriculture productivity.

Detailed recommendations

Implementing and monitoring a food security strategy

153. The MoA should complete work underway on developing and approving a national food security strategy. A formal food security coordinating mechanism such as the proposed National Commission for Food Security should be established to guide the implementation of the National Food Security Strategy, to oversee the drawing up of action plans and programmes for its implementation and of a management information system for monitoring progress towards a more food secure future. The food security strategy and programme should become an important part of the Palestinian Authorities national recovery programme and be included in the national budget.
154. In support of the food security strategy, considerable relevant data is provided on a timely basis from PCBS, but the estimates of GDP and GNI in aggregate or per capita terms are not timely. Data on how much food has been imported since 2000 or how much food was produced in 2001/02 was not available at the time of the assessment (February to July 2003), nor were forecasts of prospects for the forthcoming season. Although the main food aid agencies keep good records, the flow of the overall amounts of food aid into the WBGS and its distribution is not well-coordinated and therefore the full list of those involved in the provision of food aid or the total quantity of food aid being provided remains uncertain and incomplete. Recording and reporting imported food aid is most important but local purchases for food assistance programmes also should be reported to the food security coordinating unit. Periodic surveys of expenditures and consumption similar to those conducted by PCBS during 1996-1998 should be undertaken to measure progress towards food security.
155. While considerable capacity and information infrastructure regarding food security and nutrition monitoring systems is already in place within the West Bank and Gaza, further assistance is required for providing more detailed and timely information for better targeting and better design of programmes and interventions. This requires support for existing thematic multi-disciplinary working groups, under the analytical framework of food security, to conduct a survey of information users and producers, organize public access to a network of databases and information systems, and design and implement a multi-disciplinary food security and nutrition information strategy. This should include an investment plan with a monitoring and evaluation component that links results to action. New initiatives aimed at improving the food security and nutrition monitoring information infrastructure should complement existing capacity.
156. The purpose of a food security and nutrition information strategy document is to provide a guideline for the systematic management of information under a systematic analytical framework using a principled common approach. In the immediate term (6 to 12 months), it should provide a sound basis for an increase in international assistance to address the crisis. Issues to be addressed include coordination and the definition and clarification of the roles and responsibilities of different partners; networking and the

use of existing information and optimisation of data collection and use, (access to data, analysis of data, and dissemination of information); standardisation of approaches, frameworks, definitions, concepts of livelihoods, timing (seasonally); and harmonization and use of complementary qualitative and quantitative information sources. For food production, the registration of land use and water rights as well as damages and compensation of losses at production and processing sites is of fundamental importance.

157. The information strategy should be developed through a process of consultation with key actors in cooperation with the establishment of a Food Security Information Task-force (FSIT). The FSIT should be composed of operational level personnel working on technical and programme issues responsible for overseeing the development and subsequent implementation of food security information systems. The implementation of the strategy should be the responsibility of resource partners identified during the development of the strategy. The FSIT should take responsibility for mobilising actors and a senior level (executive) inter-ministerial working group (IWG) should be appointed together with a Commission for Food Security.

Physical access to food

158. Restrictions on the free movement of people and goods have impeded physical access to food. Curfews prevent food suppliers from getting food to shopkeepers, keep shopkeepers from opening their stores and keep the people away from the markets. Widespread and prolonged curfews with limited security benefits should not be imposed.
159. Restrictions on the free movement of goods, at borders and internally, impede the movement of food, including food aid, as well as of inputs needed to produce food. The constraints on physical access to food are present even when the food or inputs are produced locally but are more severe when the food and inputs must travel from one district to another or when the source is external to the WBGS. The prohibition on the use of bypass roads and the barriers placed on the roads the Palestinians can use further restrict physical access to food. Food producers are affected, as movement restrictions, curfews, occupation and the construction of the separation barrier make difficult and in some cases impossible the tending of animals or plants or the catching of fish. These restrictions should be progressively eased.
160. The movement of inputs to producers, farmers attending their animals and fields, animal health officials performing their duties, producers taking products to processors or markets, processors processing raw agricultural products and distributors of food should not be restricted. Free access of farmers to their fields, animals and markets outside the separation barrier should be formally agreed by the GoI. Transportation of food related items should be permitted on bypass roads and the barriers on roads used by the Palestinians should be removed. "Food security" passes should be issued for the travel of essential workers involved in legitimate food related trade and production services.
161. Food aid should not be subject to the cumbersome clearance measures encountered at the port and at Karni terminal; movement of food aid and humanitarian workers should be free and unhindered at all times and under all circumstances. The Palestinian

Authority should be physically present at checkpoints to assist the IDF with clearances and an appropriate monitoring mechanism should be jointly established.

Economic access to food

162. Prior to September 2000 over one fifth of the Palestinian workforce was working in Israel and the settlements, contributing a quarter of the Palestinian GNP. These workers accounted for more than half (54 percent) of the initial job losses following September 2000 and for up to 69 percent of the initial losses in earnings. Since then the percentage of the unemployed has increased three fold, from 10 percent to 30 percent, real per capita GNI for the WBGS residents has decreased by about one half, and another one third of the total population has fallen below the poverty line, joining the 25 percent of the population in 2000 who were already in this state. The proportion of the population below the poverty line now is around 60 percent.
163. The unprecedented decline in per capita income, an average of 46 percent in real terms from 2000 to 2002, created a crisis situation with respect to economic access to food and a very difficult situation for those from whom they purchased goods and services. A large share of the population has no economic access to food, having lost their source of livelihood. The decline in income for those working in the public sector is modest compared to those in the private sector. The goods producing sector, including agriculture, has been hit harder than those providing services. At present the service sectors account for 61 percent of the employed, compared with 50 percent in 1999 due to the disproportionate loss of jobs in the goods producing sectors of the economy.
164. The creation of additional jobs will immediately improve economic access to food, and as earnings are spent, the incomes of those who sell and produce the foods and other goods they buy will increase. The related increase in the demand for materials will further stimulate the economy. The creation of additional jobs therefore is the key to improving food security and for reducing the new poor caseload.
165. The annual increase in the number of jobs must be large enough to make a difference in the economy. It must be large enough to accommodate the new entrants into the labour force and reduce the existing pool of the unemployed so that economic access steadily improves. As almost all the lost jobs were in the private sector which is in a very depressed state, and given the imbalances between employment in the public and private sectors, the goods producing and service sectors as well as wage and non-wage workers, job creation should be predominantly for private sector wage workers in the goods producing sectors of the economy.
166. Around 45 000 new jobs are needed annually just to accommodate new entrants into the labour force and at least 200 000 jobs are needed to bring the labour force participation rates and unemployment rates back to where they were before the initiation of the *al Aqsa Intifada*. As the largest annual increase in jobs was 75 000, a target for the first year of around 90 000 new jobs would be about the maximum the current system could absorb. This would be large enough to make a difference. At that rate the backlog could be eliminated in four to five years. After the first year the second round effects will generate additional jobs, so the target for the employment creation programme need not be as large. A time phased employment generation programme designed to ensure the creation of 90 000 jobs in each of the next four should be formulated and implemented.

167. The opportunity for productive work is not a constraint. The World Bank estimated physical damage from September 2000 to the end of 2002 at US\$930 million which, after taking into account the additional stress on infrastructure stock, was estimated to take around US\$1.7 billion to replace. A relatively small share of the work has been completed, and both the damage and the replacement amounts obviously are higher now. There is much work to be done to provide the basis for sustained recovery of the private sector.
168. MoA estimated farmers suffered physical damages and losses that reached US\$845 million between September 2000 and December 2002. Losses and damages continue to escalate, including those associated with the continued construction of the separation barrier. Funds disbursed to date to repair, rehabilitate or compensate for physical damages represent a small fraction of the losses and it is therefore evident that the uncovered losses have made a significant impact on economic access to food. There is ample opportunity for an employment creation programme.
169. The advantages to supporting job creation in the agricultural sector include the fact that it is a sector of the Palestinian economy that has potential for growth in the short to medium term and builds on local productive capacity that the assessment has shown does continue to exist. Furthermore, it is pro-poor due to the fact that it creates labour intensive employment, provides food of a range and variety for promoting dietary diversification encourages women's participation in the development process and prevents further asset depletion and welfare dependency. However the effectiveness of the process will depend upon the level of wages that production can sustain over time, taking into account both internal and external demand.
170. During 2002 donors disbursed US\$530 million for employment maintenance and job creation. Most of this was used to pay Palestinian Authority (US\$425 million) and municipal (US\$10 million) employee salaries, but US\$95 million was for job creation. The payment of clearance arrears and current revenues presents the opportunity for some of the employment maintenance funds to be reallocated to job creation. A strong job creation programme will stimulate revenues essential for the development of the economy. The previous and ongoing job creation activities have created a capacity to manage an expanded and well coordinated programme. UNRWA has an emergency employment creation programme through which it hires workers directly or indirectly that could easily absorb substantial resources as it is currently starved for funds.
171. During the first quarter 2003 average earnings for a wage worker in the WBGS was US\$3 600 a year. Under the current circumstances wage workers may be willing to accept a lower rate but the wage offer should not be less than an amount necessary to keep the family above the poverty line which, due to inflation, has now increased from NIS1 460 per month for a family of six in 1998 to NIS1 765 in 2003. However, due to exchange rate changes, the dollar amount is still around US\$2.10 per person per day. Adjusting the monthly amount to a five person household would bring the cost to US\$3 870 a year, so the cost of a 90 000 jobs creation programme would be US\$348 million in the initial year, an amount well below the US\$530 million allocated in 2002 to job maintenance and creation. On the assumption that the Palestinian Authority will be in a position to pay a much larger share of its salaries from clearance revenues at least US\$348 million should be allocated for job creation purposes to initiate the employment creation programme.

172. Adding 90 000 jobs a year over the next four years would add nearly US\$1.4 billion to wage worker earnings, which would be a major improvement in economic access to food. With about 40 percent of cash expenditures spent on food, this would mean an additional US\$557 million available for food. Considering that there would be additional second round effects, the reduction in food insecurity would be substantial, as would be the reduction in the new poor.
173. In addition to funds for job creation, donor disbursements are being made for infrastructure repair and rehabilitation or public works in general. These funds should be linked with the job creation, rehabilitation and infrastructure repair programme.
174. As the loss of jobs was the primary reason for the massive increase in food insecurity, it is the creation of jobs that will have the biggest impact on reducing it. Most of the new jobs may have to be in the WBGS, but although the creation of such jobs would kick start the economy, unless goods are able to be traded and people allowed to travel and work in Israel, the sustainability of such measures is questionable. Resolving the occupation, closures and curfew problems would stimulate trade and open the door for additional jobs in Israel and is essential if the WBGS is to move from a welfare state to a viable entity, given its massive imbalance on the trade account.
175. The Ministry of Labour and other Palestinian authorities with the responsibility for national employment policies and public works should bring together the Palestinian Economic Council for Development and Reconstruction (PECDAR) and those international organizations, donors and NGOs with ongoing employment maintenance and creation programmes, including food for work programmes, to formulate national employment related goals and strategies to achieve them. The goals and strategies should become an essential component of the economic access component of the food security strategy.
176. The rehabilitation and development of damaged houses, orchards, roads, water systems and other facilities should rely upon locally produced materials to the maximum feasible degree in order to stimulate the goods producing sectors of the economy. It is essential to accelerate ongoing job creation efforts in order to generate income and stimulate the economy and thereby begin to move towards a more food secure future.

Social access to food

177. Prior to the emergency the social access to food programmes were mainly to provide cash and food assistance to hardship cases, the poorest of the poor who made up less than 3 percent of the population before September 2000. The sharp initial fall in economic access to food and the subsequent losses in income by a large share of the population placed an unmanageable burden on the social welfare system. It simply was unable to cope with the increase in the numbers in need of assistance.
178. A large number of national and international organizations, governmental and non-governmental, responded to the emergency by providing food and cash assistance. The main providers of food and cash are UNRWA for the refugees and MoSA, WFP and ICRC for the non-refugees. At least 127 000 tonnes of food were distributed in 2002, around 150 000 tonnes in 2003 and UNRWA and WFP need to deliver 208 000 tons in

2004 to meet existing food aid targets. 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.

179. 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.
180. 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.
181. 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.
182. 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.

183. 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.
184. 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.
185. The vulnerability assessment found that some still remain outside of the social safety net and most find the assistance insufficient. Those not provided for live where they cannot be reached or do not meet the eligibility criteria (fisher folk and farmers, including Bedouin who are de facto unemployed), and women headed households that fail to meet all the selection criteria as they may be considered as having a male breadwinner and yet have no means to support themselves and their families. Others find they cannot register because the caseload already is beyond the ability of the agency to cope. The elderly in particular, often do not know how or where to register and others are too proud to do so. Many of those receiving assistance reported that it was not provided on a regular basis or was not enough to meet their needs. Special efforts should be made to ensure that all the eligible are on the rolls. The WFP food for work and food for training programmes are reaching some fisher folk and the Bedouin but need to be expanded and assisted by an information system for targeting by MoSA.
186. UNRWA Gaza has a supplemental food aid programme for pregnant women, nursing mothers and TB patients that provided food assistance to the equivalent of 26 595 persons in 2002. The food baskets provided 1 168 kcal per day. WFP has Institutional and Supplementary feeding programmes that provide food to about 7 000 people in social institutions and hospitals who receive the 2 100 kcal food basket and 6 000 malnourished children who receive a high energy food basket containing a little over 3 000 kcal of food energy. These are small programmes and should be expanded. A higher food energy basket should be provided by UNRWA Gaza and the need for a similar programme for the refugees in the West Bank should be explored.
187. 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.

188. These considerations and comparisons suggest that in addition to the recommended improvements in the food baskets and in order 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.
189. 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.
190. 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.

191. 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.
192. 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.
193. Food and cash assistance provided by all sources should be reported and maintained on a monthly or at least quarterly basis. Separate records should be kept for the refugees and the non-refugees and within these categories for the chronic poor and the new poor. The full rations provided to the refugees and the non-refugees differ significantly as does the composition of the food basket. These differences should be assessed.
194. MoSA, in collaboration with UNRWA, WFP and the ICRC, should together with the other international organizations, donors, Islamic social welfare organizations, charity institutions and other NGOs that are providing cash and food assistance and other income support activities, seek to repair the social safety net. They should review the adequacy of the humanitarian assistance that is being provided, the eligibility criteria and standards being used by the various organizations and agencies and the priorities being followed with a view towards harmonization. Drawing upon the findings of the assessment the review should give careful attention to modifications in the amount of assistance provided to the beneficiaries and to the areas where the vulnerable are concentrated. The series of maps generated by WFP's Vulnerability Analysis and Mapping (VAM) unit highlighting the sub-geographic distribution of food insecurity (*see Annex I*) are a valuable reference in this regard. Special attention should be given to the pros and cons of retaining a cash voucher programme similar to that provided by ICRC.

Safe and nutritious food

195. This assessment together with the nutrition surveys have documented the reduction in consumption in general, and of the more expensive foods as well as significant reductions in total energy, and in protein, carbohydrates and fat intakes by children and in all age groups of reproductive aged women. These reductions are expected to lead to increased levels of protein energy malnutrition as well as to micronutrient deficiencies. Substituting expensive nutritionally rich foods with cheaper foods carries long-term nutrition risks. The most vulnerable households have exhausted this desperate strategy, unable to limit their diet any further.

196. There are indications that malnutrition is becoming a public health problem. So far the nutritional indicators are not conclusive, but there is evidence that nutritional status is under great strain and therefore increased vigilance to closely monitor the nutritional situation is called for. Iron deficiency anaemia, the most common micronutrient deficiency, is endemic throughout the Middle East and has a high prevalence in the WBGs. Several studies conducted between 1998 and 2001 indicate that iron deficiency is a chronic problem. The information from various surveys indicates that although acute malnutrition appears to be less of an immediate concern, perhaps due in part to timely and appropriate interventions, the longer-term challenge of ensuring all of the Palestinian people have access to and consume adequate quantities of safe, good quality and nutritious food, specifically that of adequate macro and micronutrients, must remain a priority.
197. Ministry of Health (MoH) should bring together all the organizations involved in the provision of nutrition related services to ensure that food security and nutrition goals are integrated into their plans, programmes and activities. This will enable building on ongoing activities for preparing and implementing the action plan for protecting and promoting nutrition, and linking current and planned interventions from a variety of disciplines in order to maximize their positive impact on household food security, sustainable and secure livelihoods and nutrition.
198. This MoH-led group should participate in the task of identifying the main constraints and challenges and major nutrition problems and link this information to action. Specific attention should be given to the most food insecure households and to vulnerable groups, especially children and pregnant women. Actions may include early identification of cases of malnutrition in health care centres and schools and effective treatment and intervention according to agreed protocols. Community care, education and family counselling should be provided to reduce the risk of recurrence. A communication strategy should be prepared for transmitting health and nutrition messages to the public in collaboration with the community. This should include specific messages for specific groups. Nutrition and health education should be integrated into school curricula for all ages.
199. MoH should actively promote policies and actions that support and encourage breast feeding and adequate complementary feeding of infants and young children. This requires orienting all relevant health personnel to support appropriate infant and young child feeding and raising awareness of micronutrient deficiencies and combating them using all available strategies such as dietary improvement, supplements and food fortification.
200. The nutrition coalition should integrate a food and nutrition related information surveillance system with the National Food Security Strategy to allow better decision making by policy makers, planners and programmers. This should include conducting user needs surveys to identify what type of information is needed and when to improve planning. Review of existing protocols for data collection will be necessary as will inclusion of survey findings in an integrated data base.
201. The PA should support school feeding programmes with fortified foods and high energy biscuits to encourage school attendance and address nutritional deficiencies. A community or school garden could also be created and agriculture included in the

school's education curriculum. The food could also go to households with the chronically ill and to those without a productive capacity, such as the elderly.

Sufficiency of food supplies

202. Food prices during the October 2000-September 2001 marketing year declined by 0.7 percent and over the next two seasons increased by 1.9 percent and 4.3 percent, indicating that food supplies roughly met the demand for food during the first two seasons after September 2000. This was more the result of the extreme decline in economic access to food, as food production on a per capita basis was 1.3 percent lower than during the prior two seasons. Production during the 2002/03 season was lower for all the main foods produced in the WBGS, due to closures and less favourable weather, so even though income remained depressed food prices increased moderately. Poultry meat price increases were by far the largest, while those for fruits and vegetables increased rapidly early in the season before declining to a level that indicated adequate supplies. Prices for cereals, sugar and vegetable oils, the main imported foods, were relatively small. Imported food supplies were more sufficient than internally produced foods.
203. Food production and marketing have been affected by the restrictions on the movement of goods and people and the construction of the separation barrier. The strong upward trend in poultry meat production has been reversed and the longer term downward trends in citrus fruit, banana and fish production have been accelerated. Markets have broken down to such a degree (indicated by price fluctuations and loss of price integration at local levels as well as between the West Bank and Gaza Strip), that a general downward trend in productivity is continuing in the agricultural sector because of less than average investment in farm assets due to income losses. Associated with this, Israeli imports are substituting domestic production and taking advantage of price distortions.
204. More generally, the imbalance between increases in the cost of production and in revenues has cut incomes and postponed productivity enhancing investments. More rapid growth in productivity is essential to provide sufficient supplies of food over the years to come. Productivity gains can be made in essentially all the animal and plant products. The capacity to assess the costs relative to the benefits should be strengthened and the results used to guide decisions on how best to allocate funds for productivity enhancement. Special attention to the high value products - vegetables, fruits, fish, meat and dairy products – is recommended. Recommended actions to ensure sustained gains in productivity include improving the efficiency of water use, strengthening the agricultural research and extension system, rebuilding the farm credit system, accelerating the shift to vegetable production in plastic houses and improving the quality of animal breeding stock.
205. The decline in food production during 2002/03 was partially due to less rainfall. There are large year-to-year changes in plant production, and usually they have not been fully compensated by imports. The instability in food supplies would be moderated if adequate stocks of food were maintained and current information was available on food imports. Surveys should be conducted during the growing season and the findings released to provide an early warning to importers on prospective food and feed production. Monthly data on food imports should also be released to the public.

206. A most damaging threat to the sufficiency of food supplies arising from the restrictions on the movement of goods and people is the surge in the cost of doing business. This has taken place at the same time that food prices have risen slowly due to the decline in economic access to food. The consequent cost/price squeeze has reduced income throughout the entire food chain, which has seriously affected investment. Initial impacts from inadequate investment already are evident and are likely to become more so in the future. To minimize future consequences it is essential to take actions now that will improve the climate for investment in the food sector. And because food producers appear to have suffered greater physical and economic damage, priority should be accorded the agriculture sector in the ongoing and planned revitalization efforts.
207. The proposed Agricultural Revitalization Programme (ARP) that has been prepared by the Ministry of Agriculture (with FAO assistance) is to provide short term support to maintain the agricultural sector and prevent its collapse. In the first phase, the ARP is to concentrate on activities that improve rural livelihoods, contribute to household food security by creating employment and ensuring availability and access to basic foods, and prevent rural households from falling into extreme poverty. In the second phase when conditions allow, priority will be given to the commercial aspects of agriculture and the revitalisation and improvement of its productivity.
208. The ARP has identified a number of technically feasible and economically viable interventions grouped under five components: livestock (increasing returns on milk and meat through improving animal feed and fodder, management practices at community and households levels, animal health, and rangeland improvements); horticulture (rehabilitate and improve orchards and greenhouses, focus on vegetables and high value non-traditional export crops, integrated pest management and improved varieties and techniques); optimum utilisation of water (water conservation and harvesting and rehabilitation of small scale irrigation to increase efficiency); marketing (commodity studies of agricultural products, supporting community based organisations in implementing participatory activities, market information); and capacity building of the Ministry of Agriculture at national and local levels. A budget of US\$25-30 million for three to four years has been proposed and Italy is supporting the implementation of experimental techniques and pilot activities. After adaptation, relevance and feasibility have been evaluated, the approach is to be expanded leading to longer term agricultural development.
209. Spokespersons for the agriculture sector should continue their efforts to document the impact of restrictions on the movement of goods and people and use them in presenting their case for the removal of impediments to free access. The elimination of barriers to physical access would immediately improve productivity in the production of food. In the meantime a safe food (and food inputs) passage policy should be implemented.
210. Restrictions on the movement of goods and the related constraints on transportation such as back-to-back unloading and reloading are the source of the unprecedented increase in transportation costs, which have been most extreme in the West Bank, and cause chaos in the market place. Removing these restrictions would lower transport costs and greatly facilitate the return to a normal food production and distribution system. The gains in efficiency would improve the climate for investment throughout the food chain. Further, these actions, together with the ability of Palestinians to use

bypass roads would eliminate a major source of unfair competition with Israeli food interests.

211. Restrictions on the movement of livestock producers and animal health specialists have affected productivity in animal agriculture and have made difficult the task of controlling animal diseases. There have been cases of foot and mouth disease and other animal diseases that are hazardous to human health including brucellosis and BSE, creating a potentially dangerous situation for the WBGS as well as for Israel. The ability to control animal diseases is a matter of utmost priority and steps should be taken immediately to address these problems.
212. There is considerable potential for water savings by improving water use efficiency and management for the sustainable utilization of ground and surface water resources. In many cases improvements in domestic food output can only be expected from production activities and benefits (increases in yields as well as water savings) that justify an investment on improved irrigation systems. In such cases, beneficiaries tend to have an invested interest in contributing to the cost of installing new systems. Improving on-farm irrigation systems, in particular using drip irrigation, should be explored. Extension and demonstration work should be undertaken on the operation and maintenance of such introduced technologies through demonstrations of modern systems that are already widely used in the region. Water user associations and possible cost sharing arrangements need to be promoted.
213. Significant improvements in efficiency can be gained with small investments in repairs and reconstruction and in small scale water harvesting schemes, as well as in the selection of less water demanding crop types for increasing food production from limited available water resources at farm level, for domestic use, small greenhouses or for supplementary irrigation. These need to be evaluated, demonstrated and propagated on a larger scale where successful. Feasibility surveys should be undertaken in order to further determine current and future potential.
214. Drought in recent years, and constraints on the accessibility to traditional range-lands have placed considerable strain on both ruminants and on the remaining range-lands. As a result the currently available rangelands have been severely overgrazed, leading to major declines in their carrying capacity. Improving the quality and productivity of rangeland requires the participation of all herders, temporary fencing and rotations, and enrichment of some grazing areas.
215. Physical damages to agricultural property and losses through 2002 are estimated at US\$845 million. Repairing the damages in agriculture should have pride of place in the proposed programme to create jobs and rehabilitate infrastructure, repair roads and damaged property. Those who lost their assets should be compensated through provision of a disaster relief programme to lessen the burden of the current crisis on individual families and to inject cash into rural economies. Such assistance should be targeted towards farmers who have had their land confiscated; assets destroyed, or water sources taken. In addition, there should be support to those Palestinians farmers who incur emergency costs arising from blockades, closure and general isolation. Rural farm families should not be expected to shoulder the cost of the ongoing conflict.

216. Priority should be given to measures that can be taken to stimulate the return to the higher production trend for animal products, meat and milk, and to revitalize the fishing and citrus industries. The shift towards plastic houses for vegetables should be accelerated.
217. Training in capacity to hold trade negotiations, especially in agricultural related issues, requires donor support. It is necessary that the relevant officials in the Ministry of Agriculture (and other Ministries where applicable) receive training in areas such as international trade, the monitoring and implementation of bilateral trade agreements, WTO agreements of direct relevance to agriculture including the Agreement on the Application of Sanitary and Phytosanitary Measures and the Agreement on Technical Barriers to Trade, market access, special and differential treatment for developing countries including protection and subsidies for domestic products, bilateral trade agreements with Israel and with the European Union on the utilization of import quotas and tariff preferences etc.
218. A Market Information and Analysis System (MIAS) should be developed to provide regular and targeted price and market information to producers, cooperatives, marketing groups and intermediaries and exporters on such items as prices, costs of inputs and market opportunities that may be available in the regional countries, including Israel. This will allow key decisions to be made on what crop/variety to plant, when to sell, how much to store, when to buy inputs, etc. This would mitigate the risks associated with high fluctuations of agricultural prices in the region. It is recommended that MoA improve its ability to track overall food supply/demand trends, to enhance its capability in estimating short-term production and consumption, and to identify and record non-tariff barriers to trade (NTBs) that block Palestinian exports and internal trade.