



PRESS RELEASE

PALESTINIAN INSTITUTIONS PREPARED TO ASSUME RESPONSIBILITIES OF STATEHOOD, BUT ACHIEVEMENT AT RISK FROM LACK OF POLITICAL HORIZON, WARNS UN REPORT

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A UN report to a key donor forum has lauded Palestinian Authority (PA) statebuilding achievements but warned of a dramatically widening gap between far reaching institutional progress and a stagnant political process.

The report entitled, 'Palestinian State Building: an achievement at risk', has been prepared by the Office of Robert Serry, UN Special Coordinator for the Middle East Peace Process (UNSCO), for the Ad Hoc Liaison Committee (AHLC) meeting in New York next week on 18th September. It follows previous UN reports to the AHLC which have assessed the PA's statebuilding progress, and described the situation on the ground in the occupied Palestinian territory (oPt). The current report states that "The PA has completed what it set out to achieve two years ago to prepare its institutions to be able to assume the responsibilities of statehood. This is a considerable achievement which should be recognized, preserved, and built upon".

The report consolidates the conclusions of UNSCO's April 2011 report, which found that in six areas where the UN was most engaged- Governance, Rule of Law and Human Rights; Livelihoods and Productive Sectors; Education and Culture; Health; Social Protection; and Infrastructure and Water - "government functions are now sufficient for the functioning government of a state". The current report notes further progress increasing the breadth and scope of PA improvements in institutional readiness.

However, the report warns that these achievements may not be sustainable in the absence of far-reaching political progress. Commenting on its conclusions, Mr. Serry said "*I am very worried about the disconnect between what the PA has achieved on the ground, and where the political process stands. The reality is that there is only so much that can be done in conditions of prolonged occupation, unresolved final status issues, no serious progress on a two State solution, and a continuing Palestinian divide. Further achievements in statebuilding require that the politics catch up with the impressive progress on the ground. People should realize that if we do not meet this challenge, the achievements the Palestinian Authority has realized will be increasingly at risk.*"

Reviewing conditions on the ground, the report notes that despite earlier and welcome progress in reducing obstacles in the West Bank, restrictions on movement and access continue and have a serious impact on Palestinian lives and the economy. There was also a significant increase in settlement activity which took place in the West Bank, in particular in East Jerusalem, since the AHLC last met. In Gaza, Hamas remains in de facto control and the security situation remains fundamentally fragile. The GoI continues to implement a policy of closure despite some important easing measures.

The report echoes concerns widely expressed by other institutions and warns of an immediate fiscal shortfall facing the Palestinian Authority. *"I hope that this Sunday's meeting also brings renewed focus on the necessity of immediate donor support to ensure that PA financing needs are met through the end of 2011"*, Mr. Serry commented. *"There's a \$300 million shortfall for recurrent financing."*

Noting the need to enable socio-economic development amidst continuing institutional consolidation, the report welcomes the Palestinian Authority's National Development Plan for 2011-2013, and stresses in particular the importance of continuing improvements in the social sector. But the report stresses the need for an enabling environment, which Mr. Serry has said is essential to ensure further progress: *"In addition to the political issues which cannot be delayed, I call for far-reaching steps by Israel to roll back measures of occupation which continue to stifle Palestinian economic growth. We saw good steps in this regard during 2009 and 2010, but we haven't seen bolder steps since then. If the weight of the occupation is not being lifted, all the achievements to date will be increasingly difficult to sustain."*

Note to Editors: The Ad Hoc Liaison Committee (AHLC) is a 15-member committee that serves as the principal policy-level coordination mechanism for development assistance to the Palestinian people. The AHLC is chaired by Norway and cosponsored by the EU and US. In addition, the United Nations participates together with the World Bank and the International Monetary Fund (IMF). The AHLC seeks to promote dialogue between donors, the Palestinian Authority and the Government of Israel.