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Introduction

I am pleased to join you at this first Palestinian Resilience Conference and to speak on behalf of the United Nations team in the occupied Palestinian territory.

In a sense Palestine should be exporting its expertise on this subject. Surely the Palestinian people are amongst the most resilient in the world. Fifty years of occupation. A 24 year-long, 5 year post-Oslo transition. Successive rounds of hostilities in Gaza. Palestinians have learnt to live with uncertainty and with recurrent shocks.

I'm not sure we can bank on this resilience forever however. I'm not sure it is fair, or wise, to do so. Nor am I sure that we have understood the risks of losing the hard-fought gains to date. And I'm not sure that the international community is well equipped to support a protracted, Manmade crisis of this nature either.

I hope we will be better equipped to support Palestinians on each of these and other fronts after this conference. That we will understand the challenge of resilience better. That we will have a shared understanding of how this concept can be adapted to the unique Palestinian context. And that we'll have a plan to translate these ideas into action.

Not taking resilience for granted

Resilience has everything to do with how we manage and recover from shocks. It is all about the coping strategies of the average Palestinian household. Like households all over the world, they dip into their financial savings. They turn to relatives for financial support or even physical shelter in the case of many Gazans in the aftermath of the events of 2014. They borrow money, perhaps dispatch relatives overseas to find work and send money home or to secure permanent residency. A few have insurance policies. These coping strategies are used the world-over to deal with shocks in such a way that hopefully does not derail longer-term plans and aspirations.

As elsewhere, households in Palestine are not alone in this effort either. The Palestinian Government and its partners have also invested heavily in building safety nets for its citizens. It's not complete by any means, and Palestine isn't Sweden yet, but a lot has been built in the 23 years since Oslo. The Palestinian National Cash Transfer Program for example is considered one of the most advanced programs in the region and now reaches about 115,000 households since its launch 12 years ago. Last month only, the Government enacted the first Social Security Law.

Humanitarian operations are also part of the broader safety net in Palestine. This year some 70% of Gazans will have received humanitarian assistance for example. And UNRWA has provided schooling to almost 300,000 Palestinian children and primary health care to 1.7 million people across Gaza and the West Bank.

When households exhaust their assets, be they savings, or insurance policies, or the tolerance of relatives to house them, or the safety nets provided to them by the State or others, their coping strategies shift into negative territory. A negative coping strategy is one that has mostly irreversible consequences. In different settings, negative coping strategies take different forms. It may involve taking a loan that can't be serviced over the long term that puts you into a spiral of debt. Perhaps a farmer borrowing against next year's harvest. Withdrawing children from school to save on expenses. Reducing the quality of your diet. Perhaps encouraging an early marriage for a daughter to reduce the number of people to feed.

When a household is forced to use these kinds of measures to weather a shock, they have traded a short term gain for a long-term, irreversible loss.

And once you are in this negative resilience territory, we see that when the next shock comes along - as they do with regularity in Palestine - you begin the next cycle of coping and recovery more depleted than you did the last. The very real risk then is of a spiral that is hard to break – for household and Government policy-maker alike. And the previous gains that may have taken a generation to build, come under threat.

I think there are signs that families in Palestine are entering this negative territory. We surveyed all 90,000 IDPs in Gaza earlier this year – household by household – and found that an astonishing 87% of them purchased most of their food on credit and 31% had had to sell productive assets like livestock. The number of refugees in Gaza requiring food assistance from UNRWA has increased from 80,000 in the year 2000 to a staggering 900,000 in 2016. We estimate that 225,000 children in Gaza today - about 25 per cent - are in need of psycho-social support. The incidence of child labour has been on a gradual upward trend over the last 5 years or so. The use of contaminated water is on the increase – in Gaza especially.

These are early signs that Palestinian resilience is under threat. We aren't in crisis territory yet perhaps, but some households are not bouncing back as successfully as they once did.

Not all the shocks faced by Palestinians arise from the occupation. Palestine saw food prices increase by about 17% in 2007 for example. The effects of climate change are being felt in increased flooding, winter storms, less predictable rainfall and more. The recent hemorrhaging of budget support from donors is also partly a function of other global crises indirectly hitting these shores.

My key message, in short, is that we can't take this legendary Palestinian resilience for granted. That 'sumud' or steadfastness is not an infinitely-renewable resource. And to remind that

negative coping strategies are essentially <u>ir</u>reversible. You can't really recover the lost education of a child taken out of school too early. Or reverse the impact on a daughter married too young. Or of a poor diet on longer-term health. If we wake up to this reality only *after* the indicators are all in the red, it's probably too late.

Responding to the signals

So if resilience is under threat, what are we going to do about it?

We essentially need to do two things in parallel – first, we must mitigate the current threats while second, we try to remove the drivers that are generating these threats in the first place.

There is a lot we can do to slow this slide into negative coping territory.

The stock of Palestinian resilience has been built-up over many years thanks in part to hard work in the social field. Literacy levels, life expectancy rates, mean years of schooling, vaccination rates that are amongst the highest in the region. Reaching literacy levels of 97% or adding over 10 years to life expectancy since 1980, is the work of a generation. These achievements are a testament to good policies, delivered by successive Governments. And to a loyal donor community that has supported this work, much of it through direct budget support or through the expertise of UN agencies and others. They need to be protected.

While the social stock on the balance sheet is strong, the economic one is much less so. Palestine's unemployment rate continues to soar, at 27%, with Gaza at 42%. Its agriculture and industrial sectors have been hollowed-out over the last decade with agricultural GDP falling in six of the last 10 years, and manufacturing GDP dropping in four of the last 10 years. These trends apply across all of Palestine, but are especially magnified in Gaza. The economic side of this equation, in short, remains anaemic at best. This weakens resilience and threatens the sustainability of some of the great achievements in the social field.

The challenge for the PA is that it has considerably more control on the policy levers for *social* development than it does on the *economic* side. Under military occupation, the ability to import and export, access customs revenues, access a broad range of economic resources, or create infrastructure for example, are determined largely by the occupier. Put frankly, the keys to unlock the Palestinian economy remain with the Ministry of Defence in Tel Aviv. These constraints on building the economic side of a resilience strategy need to be recognized.

Stopping the slide into negative territory also requires us to be vigilant about <u>identifying and tracking who is most at risk</u> in the first place. This year the United Nations Country Team in Palestine undertook a Common Country Analysis in which we identified who are some of the most vulnerable and disadvantaged groups of people in Palestine and why. This report is being released publicly today in fact. Copies are available at the back of the room in English and Arabic.

Better information on who is most at risk needs to be tied to better <u>early warning systems</u> to track shifts in household behavior, especially when communities or households are moving into negative coping territory.

We must continue to strengthen safety nets to mitigate the impact of shocks on especially-vulnerable Palestinians as well. I spoke of the Government's investment in <u>social protection</u>. There is still plenty of unfinished work to be done, not least the expansion of the system to cover unemployment insurance benefits and sickness benefits. And the adoption of a national Social Protection Floor that will catch more people still.

And the Government needs support to get in front of <u>climate change</u>. For example, with the help of the UN, the Government will shortly issue its first Drought Management Plan. And only a few days ago, the PA submitted a \$3.5 billion climate change adaptation plan to the UNFCC Secretariat.

All this is good mitigation.

Better still, we need to think preventively as well, and address the structural drivers of these attacks on resilience. Driver number one, surely, is the occupation. The shocks faced by Palestinians are first and foremost delivered by the occupation. Our resilience strategy needs to keep that thoroughly political challenge in mind.

The PA can also lead us in addressing some of the other <u>structural drivers</u> that are creating vulnerability, not <u>all</u> of which need to wait for the end of occupation. Again, our recent UN Common Country Analysis identified a series of factors that appear to be shaping the vulnerability of certain groups – including socio-cultural attitudes, access to economic assets, lack of political representation for example. Please read the CCA for more!

A strategy that addresses the <u>structural drivers of vulnerability</u> in order to protect and build resilience is also a smart SDG strategy and gives us a glimpse of the potential <u>transformative</u> <u>effects of a resilience strategy for Palestine</u>. As we found when we embarked on our CCA analysis, the road from understanding vulnerability and disadvantage starts with occupation but leads also to issues of inclusion, inequality and discrimination.

What this means for international actors?

While the Government may struggle with some of these challenges, let me admit that the international community is also not well prepared to support this resilience building task.

Humanitarian funding, for example, is not only *not* sustained. It is also not particularly well distributed. Faced with the prolonged nature of this crisis for example, work in supporting livelihoods is a very obvious 'smart' investment with humanitarian money. Yet year after year funding for the livelihoods component of our Appeals languishes far behind food assistance for

example. The same pattern has emerged in funding the reconstruction of Gaza post 2014 hostilities – money comes for infrastructure repair but the productive sector investments are lagging far behind. At no additional costs, donors can start by looking critically at how they can use their existing resources to be smarter vis-à-vis the resilience of beneficiaries.

Much is made of the problematic <u>humanitarian vs. development divide</u>. What this means in practice, is a much better shared understanding of *who* is most vulnerable. Of stronger links between the assistance delivered as 'relief' and the programmes operated by the Ministry of Social Development with the support of many in this room, from development financing. It means shifting from a 12 month planning horizon for humanitarian work to a more multi-year framework with more rational use of limited resources.

Conclusion

Let me close where I began. The Palestinian people are amongst the most resilient in the world, without doubt. But we must not take this as a given; this resilience is under threat, and it needs to be protected and strengthened. We need to join forces across sectors, local and international, across funding divides, humanitarian and developmental, to help reverse the increasing toll of fifty years of occupation on Palestinian households and rising shocks from other quarters too. Now is the right time for a re-think on how we can use our resources smarter, and serve Palestine's most vulnerable people better.

Thank you.