



Press Release

UN Report: Palestinian socioeconomic development suffers one of its worst years since 1994;

Large allocations of vaccines to cover priority groups are expected in the Occupied Palestinian Territory in the next two months

Friday, 19 February 2021, Jerusalem – A newly published United Nations report describes 2020 as a year of setbacks for the Palestinians, their institutions, and their economy owing to the COVID-19 pandemic and an unprecedented fiscal crisis. The report highlights that during the first COVID-19 lockdown last spring, around 150,000 Palestinians lost their jobs, and similarly large negative impacts are expected from the present lockdown. “In 2020, the Palestinian economy contracted around 10 to 12 percent—one of the largest annual contractions since the Palestinian Authority was established in 1994.”

The report, issued by the Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO) for the upcoming bi-annual virtual meeting of the Ad Hoc Liaison Committee (AHLC) on 23 February 2021, notes that almost half of the Palestinian population now needs humanitarian aid, with the protracted humanitarian crisis exacerbated by the pandemic. It is expected that the unfortunate events of 2020 will negatively shape Palestinian development trajectories for many years to come. The Special Coordinator said, “The PA and the Palestinian people have been hit hard in 2020, with more than half the population in need, but I’m hopeful that donors will step up and provide much needed support.”

Highlighting some areas of optimism, UN Special Coordinator for the Middle East Peace Process, Tor Wennesland, stated “As of early February, vaccines have also begun arriving in the Occupied Palestinian Territory and, through the efforts of the World Health Organization and UNICEF, the UN is supporting the Palestinian Government’s preparedness to receive and administer vaccines, including through the global COVAX-AMC facility.” The Special Coordinator noted Israel’s logistical support in delivering vaccines to the West Bank and Gaza Strip.

Furthermore, large allocations of vaccines to cover priority groups are expected in the Occupied Palestinian Territory in the next two months, but significant funding gaps remain, according to the report. “These are challenging times, but this is all the more reason for Israeli and Palestinian leaders to demonstrate flexibility and a pragmatic approach to solving urgent issues and ensuring the Palestinian people can bounce back from a tough year,” said Special Coordinator Wennesland.

The report calls on the international community to support a wide range of humanitarian and development projects, alongside technical assistance, to help the Palestinian Government follow through on its pledges of economic reform. In this context, the report also states that “reintegration of the West Bank and Gaza Strip across the greatest number of dimensions should be a priority.” Increased trade and economic opportunities should be supported where possible. UN mechanisms to facilitate access of materials into Gaza such as the Gaza

Reconstruction Mechanism will continue to play a major role in this effort as well as in facilitating critical infrastructure and humanitarian projects inside Gaza.

The report notes some of the initiatives that the UN and its partners will continue, including critical support to Palestinian health services in the occupied West Bank and the Gaza Strip, as well as supporting the PA's socioeconomic response plan to COVID-19, through fundraising, technical assistance, and implementation. Moreover, and depending on donor support, the UN can scale up its ongoing job creation programs and accelerate support for critical infrastructure projects and the private sector, most notably to small- and medium-sized enterprises. The United Nations and its partners commit to significant resource mobilization efforts, further reorienting existing funding and improving donor coordination. Special Coordinator Wennesland said, "I call on the international community to work together to prevent any further backsliding for the Palestinian people and see progress in some important areas of common interest, particularly in the Israeli-Palestinian economic relationship."

Note to Editors: *The Ad Hoc Liaison Committee (AHLC) serves as the principal policy-level coordination mechanism for development assistance to the OPT. The AHLC is chaired by Norway and co-sponsored by the EU and the 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.*