



## PARLIAMENTARY NETWORK ON THE WORLD BANK

### World Bank in the West Bank and Gaza Videoconference

2 March 2011

PNoWB together with regional World Bank offices on 2 March 2011 organized a special parliamentary meeting on World Bank operations in the West Bank and Gaza. MPs from the MENA region often express their interest in the West Bank and Gaza, which is why World Bank President **Robert B. Zoellick** decided to hold this video conference following a request from former PNoWB Chair **Hugh Bayley, MP, United Kingdom**, and PNoWB Board Member and MENA Representative **Najeeb Ghanem, MP, Yemen**.

The objective of this videoconference was for parliamentarians in the region to discuss with representatives of the World Bank about its latest activities in the West Bank and Gaza and to give feedback on future focus areas.

**Mariam J. Sherman, World Bank Country Director for the West Bank and Gaza** participated in a dialogue with parliamentarians via live video-link between World Bank Country Offices in Jordan, Lebanon, Yemen, Brussels and Paris. Ms. Sherman connected from Jerusalem and Prof. Najeeb Ghanem, MP, Yemen, and PNoWB Board Member for MENA, acted as moderator from Sana'a.

The World Bank has been involved in the West Bank and Gaza since the Oslo Accords in 1993, mainly by trying to support economic recovery for development. The Palestinian Authority is the primary interlocutor for the Bank, which has been supporting its Palestinian Reform and Development Plan for the 2008-2010 period, with the overarching objective of the Palestinian economic recovery. As long as the West Bank and Gaza is not at sovereign state, it cannot apply for membership of the World Bank Group. The World Bank provides support to the area through the Trust Fund for Gaza and West Bank (TFGWB), which is periodically replenished through allocations from the World Bank's net income. To date, the World Bank has invested over US\$608mn, with a last replenishment in June 2010 of US\$55mn. This comes up to US\$37mn per year since the Creation of the Trust Fund in 1993, and this year, it is likely that an additional US\$20mn will be allocated for investments in infrastructure in Gaza. Other foci of the Bank's activities in the region include strengthening economic viability, developing institutions of state and civil society, and assisting the Palestinian private sector. Furthermore, the World Bank has helped to streamline the operations of the international donor community.

Ms. Sherman emphasised that for the Palestinian state to be viable, it needs to reduce donor dependency through sustainable economic growth. Through its reporting and outreach, the World Bank advocates for the removal of the barriers to trade and private investment caused by the Israeli closure system. It also tries to create access to natural resources belonging to the Palestinians such as water, land, frequencies, mineral deposits and tourism sites.

Much of the interest during the discussion focused on the Bank's activities related to corruption, education and alleviating the high level of unemployment. Parliamentarians were concerned by the ongoing restrictions imposed by Israel and their consequences for the development of the region.

#### **How can PNoWB get involved?**

During her presentation, Ms Sherman pointed out that it is important for Parliamentarians to see the development in the West Bank and Gaza. One of PNoWB's main activities is the "Parliamentarians in the Field" programme, where Parliamentarians can see World Bank projects on the ground. Recent field visits include the DRC, Mongolia, Burkina Faso, and Mali. Parliamentarians can assess the projects and make concrete recommendations to the World Bank. PNoWB will look into organising a field visit to the West Bank and Gaza. Considering current events in the Middle East, attention can be diverted from the development aspects in the region. By maintaining direct contact with the local World Bank office, PNoWB can ensure that Parliamentarians receive up to date information on development progress in the West Bank and Gaza.

#### **Summary of the Question and Answer Session between Ms. Sherman and Parliamentarians:**

*Q: Only NGOs are allowed to operate in East Jerusalem. There are many local NGOs in need of funding. Which NGOs does the World Bank support?*

**A:** The World Bank gives funds to the [NGO Development Centre](#), which then distributes the funds to local NGOs. They will have detailed information on which NGOs are funded.

*Q: The World Bank lists only Kuwait as an Arab donor country. Has the World Bank tried to solicit support from other Arab countries for the West Bank and Gaza?*

**A:** Kuwait is listed because the World Bank manages its funds together with those of other donors. There are many Arab countries and private donors which give support to the region.

*Q: Considering the limited activities in Area C (part of the West Bank (59%) under Israeli control), why does the World Bank not use its leverage to push Jerusalem to allow more projects to take place in Area C?*

**A:** The World Bank has managed to achieve some access to area C. Some of the activities there include waste collection and sanitation projects.

*Q: Does the World Bank engage with local Parliamentarians?*

**A:** The Palestinian Legislative Council of a Hamas majority is currently not functional. The term of the Parliament has expired and government rules by decree, merging the executive and legislative arms into one. The Bank knows some of the MPs and hopes that this situation will soon be overcome so that it can take up contact with Parliamentarians.

*Q: How does the World Bank react if there is a conflict of interest between the Palestinian and Israeli authorities?*

**A:** The World Bank does not have the mandate to get involved in political discussions. The focus always remains on meeting economic needs of the people.

**Q:** *Can we already speak about development in the West Bank and Gaza, or are the activities still considered humanitarian aid?*

**A:** There are certainly many constraints to development due to the political environment. However, it is possible to speak about development. There are quite high education standards although the quality of education still needs improvement. There are many sanitation projects.

**Q:** *Can Hamas be a reliable counterpart?*

**A:** The World Bank is not committed to talk to Hamas, but it manages to interact through the Palestinian Authority.

**Q:** *How does the World Bank tackle corruption in the region?*

**A:** A survey of civil servants and households carried out by the World Bank shows that there is a high perception of corruption but not a very high incidence. The World Bank is now investigating the results of the study.

**Q:** *Considering the current restriction imposed by Israel, donor programmes have limited leverage. Will this discourage donors to support the region?*

**A:** The West Bank and Gaza remain an important issue in the foreign policies of many governments in the world. Therefore, it is unlikely that donors will abandon the region as long as it needs their support.

**Q:** *How does the World Bank monitor performance of its projects in the region?*

**A:** Monitoring is an integral part of the World Bank's work. With some projects, such as those related to sanitation progress is easier to measure than with others. The World Bank has specialised teams dealing only with monitoring. The Independent Evaluation Group, the Bank's main watchdog, has been reporting on the Bank's engagement in Gaza for the past 10 years.

**Q:** *Why does the World Bank not use advocacy to push Israel to lift the restrictions, especially on building materials crucial for infrastructure development?*

**A:** The World Bank is trying to play an advocacy role to remove restrictions, in particular for all items that are restricted in addition to those on the international restricted items list.

**Q:** *Does the World Bank consult with communities before prior to project implementation?*

**A:** The World Bank staff consults with their local counterparts.

**Q:** *Many Palestinians are hoping for greater reconstruction efforts in Gaza following the 2008-2009 conflict. Is there future investment planned for reconstruction?*

**A:** Some reconstruction is already taken place. The Bank has been working on waste water systems and access to electricity. One of the main priorities is dealing with solid waste and rebuilding the distribution systems.

**Q:** *What is being done to improve the standards of medical institutions?*

**A:** Health is a vital issue. There are other donors in the region doing important work, which is why the World Bank is less involved in this area at the moment to avoid overlapping.

**Q:** *What is the World Bank doing to tackle the high level of unemployment?*

**A:** The World Bank is pushing for private sector growth to reduce unemployment. In addition, it is working with higher education institutions to create education programmes, which facilitate employment afterwards. The Bank is looking to do more to facilitate the school to work transition.

**Q:** *How will the increase in population affect the Bank's projects?*

**A:** The Bank is trying to create waste management systems for the long-term. It is also trying to build sustainable infrastructure projects.

**Q:** *How are people in the region reacting to the current events in the Middle East?*

**A:** People are concerned about the recent events and are following developments with great interest.

**Q:** *What is the World Bank doing to support education in the region?*

**A:** Education is crucial. The World Bank is trying to improve access but also the quality of teachers.

**Q:** *What can PNoWB do to promote the Bank's work in the region?*

**A:** PNoWB should definitely organise a field visit to the region to see how the World Bank and other donors work in the region, as well as the challenges they face.