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**The Palestinian Agricultural Sector  
Strategic objectives and priority interventions  
(General Guidelines)**

*This document outlines the status and main constraints facing the Palestinian agricultural sector, in light of the political, climatic and socio-economic challenges facing the Palestinian people. It addresses the strategic objectives and priority interventions toward sector development; it is intermediary paper that will organize priority interventions toward sector development until a new strategy is developed with participation of all stakeholders. This document was prepared by the Ministry of Agriculture supported by the technical assistance from the Food and Agriculture Organization of the United Nations (FAO) with participation of the national NGOs beside the close cooperation with the Ministry of Planning.*

***Introduction:***

This document was prepared under the prevailing difficult economic and social conditions in Palestine and in response to the current emergency conditions with continuous Israeli aggressions against the Palestinian economy specifically the agriculture sector.

The aim of this document is to institutionalize the short to medium term interventions in order to improve resilience of the agricultural sector against the occupation measures in restricting the access of Palestinian people to their own natural resources (mainly land and water) and as well as local and international markets. This comes also in response to , the climate changes affecting the region causing frequent disasters in the past few years including drought waves, frost and flooding, All these factors have left the sector paralyzed and in urgent for tailored and systematized interventions by all stakeholders.

This document is not an alternative plan of either the Palestinian Reform Development Plan (PRDP) and neither a new strategic plan for MoA and should be approved and integrated with the above mention two plans. The Ministry will in cooperation with major stakeholders begin preparations for a comprehensive sector wide strategy paper that will encompass the developmental, emergency and humanitarian needs, objectives, and policies of the agricultural sector. This document will reflect the work that has been done across the years on agriculture. All partners are requested to forward any and all agriculture related research, studies, assessments, mission reports, evaluations, etc. that have been conducted in the last ten years to the Ministry of Agriculture in order to begin preparations for sector wide planning.

**I. Importance of Agriculture in the OPT**

The importance of agriculture in the OPT goes beyond social and monetary terms, as there are several intangibles and indirect functions that can't easily be quantified or valued, yet agriculture is a major contributor to the following:

1. *Protection of land against confiscation and settlement and protection of entitlements to water resources and use:* land reclamation, water harvesting and tree planting measures have contributed to undermine the Israeli settlers' spurious rationalizing that their presence in Palestine is necessary to protect the environment and offer employment to Palestinians; and to deter confiscation of Palestinian land.
2. *Food security:* local agricultural production achieves self sufficiency in most vegetables, olives, poultry and eggs. By contrast, the self sufficiency of red meat does not exceed 75%, whilst 85-90% of the wheat requirement is imported, depending on actual rainfall each year. In the case of livestock concentrates, only some 5% of that used in Palestine are produced locally.
3. *Jobs and income provider for social stability:* historically, agriculture has been the main employer, as most Palestinians depended on agriculture as a secondary source of income. The employment proportion within the agricultural sector increased from 11.5% in 1996 to 14.2% in 2008, and its contribution to GDP increased from 6.4% in 1997 to 8.2% in 2008. After the second *intifada*, most Palestinians who lost their jobs in Israel became engaged in agriculture. Likewise, when public sector salaries were cut during the period 2006-2007, a sizeable portion of PNA employees reverted to agriculture. In addition to that the agriculture sector is a major provider for formal and informal job creation especially for women.
4. *Contribution to exports:* sizeable quantities of flowers, vegetables and fruits are exported, mainly to Israel, Europe and some Arab Countries. Agricultural exports amounted to 23% of total Palestinian exports in 2006.
5. *Environmental protection:* this is afforded mainly through soil and water conservation measures, olive and other fruit tree planting, rehabilitation of rangelands, afforestation, protection of agro-biodiversity and curbing desertification.

Palestinian agricultural sector in figures<sup>1</sup>:

- Contribution to the Palestinian Economy in 2007 was 8.2% of the GDP.
- Employment in agriculture is estimated at 16.1 % of the total employment in Palestine, with a total number of 103 thousand workers directly employed in the agricultural sector as in 2006, while in 2008, the employment in agriculture is estimated at 14.2%.
- Agricultural products form about 23% of the total value of exported products of Palestine in 2007.
- 1.83 million dunums cultivated in the WBGS (91% in WB & 9% in Gaza), out of which 1.2 million dunums grown with fruit trees, 188 thousand dunums of vegetables, and 483 thousand dunums of field crops ( 92.5% under rainfed condition, 7.5% irrigated).
- Livestock in OPT: 34.3 thousand cattle, 1088 thousand small ruminants, 26.6 million broilers, 2.8 million layers and 66 thousand bee hives.
- Total value of agriculture production in 2007 was estimated at US\$1064 million.
- The Value added estimated as US\$ 496 million.
- 25% of intermediate consumption (IC) goes for plant production, while 75% of IC goes for livestock production, in which feed is estimated at 61.8% of the total IC value.
- 42% of Palestinians in WB and 17% in GS have been earning from the sector as major supplementary income.

<sup>1</sup> Source: Different statistics from PCBS and MoA.

## **II. Constraints, Marginalization and Distortion Aspects of the Agricultural Sector:**

Palestinian agriculture has been suffering from and constrained by the following:

### **II.1 Occupation-related Actions**

Agriculture is the sector that has suffered most from Israeli occupation, resulting in inefficiencies and weak competitiveness in local and foreign markets. Listed below are some of the major distortions resulting and their hugely negative impact on agricultural sustainability, productivity and profitability:

- Gaza's Farmers Unable to recover from the continuous Israeli Attack: Following Operation Cast Lead, a two year-long blockade, restricted access to vital agricultural areas, prolonged water stress and deterioration of water quality, the agriculture community in the Gaza Strip remains on the brink of collapse. In one year alone, the number of people employed in agriculture fell by 60 percent<sup>2</sup>. Coupled with an estimated USD 180 million in direct damages to agricultural assets, agriculture-dependent families have exhausted options for maintaining their livelihoods. Without urgent action this once vital economic sector will take years rather than months to regain even pre-December productivity levels.
- Closures imposed on rangeland and pasture deprive herders of access to these very important grazing areas, and hence cause overgrazing problems in the accessible zones and force herders to rely more and more on imported feeds, which has made them more vulnerable to drought conditions and soaring feed and inputs prices.
- Difficulties related to ownership, accessibility and usage of natural resources including land and water in different zones.
- Restrictions on free trading - the movement of commodities, services and individuals through the border crossings, with punitive taxes, tariffs and delays imposed on movement of imports into, and exports from OPT (Delays at the border crossings contribute to perishable agricultural goods spoiling, harming the reliability and punctuality of trading agreements)
- Prohibition and restriction imposed on movement of shepherds and fishermen, farmers and traders.
- Confiscation of land and water resources for claimed 'security' purposes, and damage to and uprooting of orchards and other infrastructure.
- Construction of the Apartheid Wall, which affected more than 943,000 dunums of Palestinian in WB and establishment of buffer zone along GS, no longer reachable by Palestinians. Additionally the construction of by-pass roads in the West Bank has deprived many Palestinians of accessing their lands.
- The Israeli withhold of authorisation or permits for water rights and water infrastructure projects, preventing rehabilitation of water wells, cisterns and transmission networks, and agricultural infrastructure such as animal shelters and greenhouses.
- Dependency on Israel on vaccines supplement lead to insufficiency of these vaccine which affect badly animal disease control and prevention and lead to bad impact on the livestock as a whole.
- The systematic practices of the Israeli authority to distort the credibility of PNA

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<sup>2</sup> 25 000 in Q4 2007 to 10 000 Q4 2008, PCBS Labor Force Survey. Reported as main source of income.

## **II.2 Poor natural resources base**

- High competition over limited resources of land and water
- Over-use of chemicals (soil contamination and quality degradation), over-pumping of water (Stalinization of agricultural water) and over-grazing of rangelands
- Urbanization and random expansion at the expense of agricultural lands

## **II.3 Technical and Institutional Constraints**

- Obstacles facing extension, veterinary services, plant protection and quarantine services.
- Lack of focused training and capacity building efforts for major player in agriculture MoA, NGOs, private sector farmer groups and gatherings, especially in the field of planning, policy, investment programs as well as monitoring and evaluation.
- Insufficient involvement of private sector in agricultural marketing, processing and finance services.
- Lack of coordination among all stakeholders in the agriculture sector.
- Incomplete and not fully enforced legislation. The “agricultural law” was enacted by the Palestinian authority in 2003. Currently there are two legal statutes submitted to the cabinet, the first regarding the establishment and management of a Farmers’ Compensation Fund against natural disasters, while the second addresses the establishment and management of a special fund for the support of the livestock sector. Until now 10 agricultural by-laws<sup>3</sup> were enacted by the cabinet, further 4 by-laws<sup>4</sup> are being under discussion in the cabinet and 3 are under preparation by the MoA<sup>5</sup>.
- Weak working environment for farmers’ organizations.
- Absence of insurance programs and funds against natural and political risks and calamities.
- Inefficient sector coordination and consistency among stakeholders vis a vis the MoA.
- Protection and supporting programs for local product.
- Limited research and experimental facilities.

## **II.4 Socio-economical Constraints**

- Small and fragmented agricultural holdings
- Low returns and profitability of some agricultural sub sectors, particularly small ruminants, field crops (cereals and legumes).
- Internal immigration of youth and abandon of agriculture

## **II.5 Environmental Constraints**

- The negative impact of climate changes mainly drought and frost
- Over grazing due to the limited access to rangelands imposed by Occupation
- Lack of agricultural waste management and recycling programs.

## **II.6 Financial Constraints**

- **Limited budget and financial support to agriculture sector.** Within the PNA, a limited budget has been allocated to agriculture over the last eight years, evidence of weak domestic support. The MoA average budget was NIS 64.4 million which constitutes, around 0.7%. For

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<sup>3</sup> Nurseries, Agr. Quarantine, Propagation materials, Apiculture, Poultry, Cattle and small ruminants, Agricultural research (NARC), Fisheries, Forestry, Pastures rangeland, Water harvesting.

<sup>4</sup> Pesticides, Veterinary quarantines, Vaccines and veterinary, Feeds

<sup>5</sup> Slaughter houses, Animal hygiene, Agricultural Trade

2009, the MoA's budget has been raised to NIS 139.75 million which constitutes around 1.21% of the total PA budget. Around 58% of MoA's, budget currently goes for salaries, wages and operational expenses, with less than 1% allocated for running costs purposes and 41% allocated for developmental costs.

### II.6.1 National Developmental Plans

The Palestinian Reform and Development Plan (PRDP) included agribusiness (not agriculture) development as one of the economy sector's components, with total allocations of US\$54 million over three years (2008-2010), out of which only around US\$2.3 million (4.3%) have been funded. Within the PRDP total budget of \$1,644 million, the share allocated to agriculture is increased to 54.3 million US\$ which is around 3.3%.

In the PRDP 2009-2011, the total allocation for agriculture has been increased to \$72 million to cover 46 projects categorized in 5 agricultural programs as shown in the table below, with no funding commitments so far.

	<b>Program</b>	<b>No. of Projects</b>	<b>Budget US\$</b>	<b>Percentage %</b>
1	Institutional reform and capacity building	7	9,935,000	13.9
2	Social development and job creation	6	13,690,000	19.1
3	Management and agricultural support services	10	14,197,000	19.9
4	Supporting marketing, agricultural trade and food industries	2	693,000	1.0
5	Food security and agricultural development	21	32,977,000	46.1
	Total	46	71.492.000	100

### II.6.2 Limited and Scattered Donors' Support

Donors' support to the agricultural sector did not exceed US\$ 135 million during the seven-year period 1999-2005, with an annual average of around US \$19.3 million. Most of the funding was for land reclamation (33.6%), infrastructure (28.4%), plant production and irrigation (23.5%).

As a whole, the agricultural sector received 1% of total disbursements each year 2005-2007. Commitments to the sector nearly doubled between 2005 and 2007. However, actual disbursements dropped significantly in 2007. There was extremely little variation in how funding was distributed within the agricultural sector over the three years. Nearly three quarters went to agricultural development (farm development and integrated projects). Land reclamation activities received 12% of disbursements, while overall planning, policy and institutional development for the sector received 6%. It is important to note that food crop production<sup>19</sup> received neither commitments nor disbursements over these years.

This should be considered within the context of the vast amounts of food aid which is funded, as discussed in the humanitarian section below. There were a total of 13 donors to the sector during this period, nine of which disbursed at least a US\$1 million over the three years. The largest donor was the Netherlands, which provided a quarter of disbursements. The smallest four donors collectively contributed only 5% to the sector. (Source: International Assistance to Palestinian People 2005-2007, Ministry of Planning)

The Consolidated Appeal Process (CAP) is a tool used by aid organizations to minimize the negative impact of the compound crisis, and assist ordinary Palestinians to cope with it. During 2008 the total CAP revised budget was US\$ 480.8 million, out of which US\$ 22.2 million constituted the pledged budget for agriculture. The budget actually availed in 2008 was only US\$ 2.8 million out of US\$ 22.2 million, just 1.3 % of the total availed CAP budget. In the framework of the CAP 2009, a total of 32 agricultural projects were proposed with total requested budget of around US\$ 25 Million. As it was for the CAP 2008, the funding level for that year was very low.

### **II.6.3 Recovery of Agriculture in Gaza Strip**

The Flash Appeal for Gaza, which has been launched to address the immediate humanitarian needs of the population, proposes means to deliver crucial recovery actions of key agricultural assets and tackle food security needs over the initial nine months. Agricultural stakeholders requested USD 30 million to fund 27 livelihood recovery projects, aimed at protecting the most vulnerable agriculture-dependent families. Two months after the recent hostilities ended, only USD 2.3 million in funds – less than ten percent of the amount requested – have been pledged towards agriculture projects proposed in the Flash Appeal.

On the longer term, the Palestinian Authority (PA) and UNDP signed an agreement on 26 February 2009 and announced that a further USD 270 million is needed to compensate farmers directly affected by Operation Cast Lead, in the form of direct cash payouts, cash-for-work programmes and rehabilitation of damaged infrastructure. Moreover, despite the USD 4.5 billion pledged at the Sharm el Sheikh Conference on 2 March for the PA reconstruction plan for Gaza, such long term initiatives are subject to complex and lengthy negotiations. To date, no funds have been received for these two initiatives.

## **III. Strategic Objectives**

The strategic objectives are listed below. All of them find at least one cross-reference to the interventions listed and prioritized below.

1. Better working environment for the sector
2. Improved capacities of different stakeholders
3. Improved food security conditions
4. Protected and developed agricultural lands
5. Protected Palestinian water rights and agricultural water share
6. Increased profitability of agriculture.

### **Strategies & Approaches**

1. Review and update the agricultural sector policy and sub-sectoral strategies to respond to the recent new realities and changes (climatic, socio-economic and political)
2. Establish and sustain a decision-support system comprising agricultural data bank (base), early warning and monitoring facilities, and skilled/ well-trained policy analysts and practitioners intervention.
3. Improve institutional capabilities and performance of agricultural institutions and farmers groups, to improve their efficiencies and effectiveness in delivering services. This help economize and formalize the agricultural production patterns and defend the farmer's interest in public institutions and solicit more funds and support to agriculture.
4. Support the research, technology transfer and extension system; more attention should be given to small and poor farmers by public institutions.
5. Expanding of cultivated areas and increase food production locally
6. Increase of water availability and ensure optimal use and sustainable management of natural resources (land, water, and agro-biodiversity).

7. Protecting national products.
8. Developing of micro finance services including farmers' savings schemes, rural finance, marketing facilities and infrastructure need to be regulated and enhanced, made available to farmers (such as but not limited to slaughter houses, packing and packaging housing, cold storage)
9. Strengthening and regulating the relationship among different stakeholders (national and international) working in agriculture sector.
10. Encourage diversification of crops and varieties, and appropriate technologies and practices adopted to ensure product and process quality standards for local and international markets and improve productivity and profitability of farmers
11. Adopt of appropriate varieties and technologies toward cost-effective intensification of livestock production, enhancement of fodder production, range land management and water harvesting, veterinary and animal health services.
12. Provide emergency assistance to be delivered to the most affected groups, mainly small livestock holders and rainfed farmers, who have suffered most because of occupation measures and weather adversities, whilst most of them are already poor or vulnerable to poverty.

## **IV. Priority Interventions:**

### **IV.1 Short-term (immediate) Interventions:**

- **Intervention 1**

*Rehabilitation and reconstruction of damaged agricultural infrastructure in WBGS including, but not limited to, greenhouses, nurseries, irrigation wells, pumps networks, poultry farms and other animal farms, fences, olive and citrus groves and fishing boats.*

- **Intervention 2**

*Emergency support to fishermen and farmers in the Gaza Strip who are suffering from restriction on their movement, and newly-reduced areas and closures. Agricultural and marine culture activity assisted through advocacy and provision of safe access to restricted farming and herding areas (particularly the buffer zone) and fishing grounds so that self-sufficient livelihoods can be resumed.*

- **Intervention 3**

*Delivery of emergency assistance to support input purchases in WBGS (mainly fertilizers and fodder for livestock and rainfed farmers), in addition to supporting fishermen. Supporting small-scale and household agricultural operations and food processing industries to lower demand for imports or processed foods and generate increased employment in non-agricultural sectors.*

- **Intervention 4**

*Lobbying and advocacy to lift the closure on GS and to facilitate internal and external marketing process*

- **Intervention 5**

*Preparation of technical and economical feasibility studies for the establishment/strengthening of certain entities, and conducting economic analyses:*

- Natural calamities and weather adversities insurance system

- Microfinance and saving management schemes including guarantee and collateral – fund and agricultural insurance system
- Agricultural services and marketing company(ies) and cooperatives).

- **Intervention 6**

*Establishment of an impacts assessment, monitoring and early warning system to predict, analyze, study and monitor the incidents, effects and impacts of the major changes affecting agriculture by supporting the public sector in order to assist the agricultural community in its revitalisation process via sectoral coordination mechanisms, capacity and institution building and to conduct monitoring and assessment procedures, conducting risk and vulnerability assessment, formulation a preparedness plan to mitigate possible future drought episode.*

## **IV.2 Medium/long Term Interventions:**

- **Intervention 1**

*Updating and revise agricultural policy and strategies, as the present agricultural policy and strategies were formulated in the late 1990s.*

Policy and strategy need to be developed by Participatory approach that envision a sustainable future for the agricultural sector, possibly constructing an analytical framework and institutional mechanisms capable of harnessing the expertise in the sector into a coherent and deliverable long-term plan

- **Intervention 2**

*Supporting applied research, technology transfer and extension systems.* The adoption and deployment of advanced technological assets and techniques to stimulate efficiency in agricultural production such as optimisation of irrigation water management, waste water treatment, reuse and hence reducing production costs and the negative environmental impact

- **Intervention 3**

*Improving agricultural support services and infrastructure.* This requirement must take place only after the feasibility studies have taken place and reports submitted. The cited ‘improvement’ constitutes a prerequisite to agricultural development, and includes:

- Strengthening marketing mechanisms and developing marketing facilities such as information systems, standards and specification, quality assurance, packing and packaging, cold storage, transport fleet, slaughter houses, trade in inputs and outputs
- Finance, insurance and calamities fund.
- A process for the monitoring of food production, availability, access and consumption to be developed, through the regular collection and analysis of information on land use, harvests, market supplies and prices, income sources, access to external food and non-food assistance and to solidarity mechanisms. In addition to the consideration of the other coping methods of the population, a structure of early warning signs in the food security climate can be created that can swiftly adjust agricultural, food and non-food interventions accordingly.

- **Intervention 4**

*Improving the institutional capabilities and capacities in agriculture mainly within MoA and its departments, including capacity support in the relevant departments of the MoA to effectively manage APIS and its outputs.*



- **Intervention 5**

*Empowering and strengthening farmers groups and organization to defend farmers' interests, through consensus building among different stakeholders, to form a mechanism to lobby for supporting to the agricultural sector and to better serve their members.*

- **Intervention 6**

*Motivate and attract Palestinian and foreign private sector investors in agricultural production for import substitution, and export. Develop and enhance the potential for new and continued agribusiness operations through encouraging active involvement of the private sector in multiple stages of the agricultural development plan, including the Early Recovery and Reconstruction Plan for Gaza, by providing technical and institutional support to business orientated agricultural production.*

- **Intervention 7**

*Enhance the diversification of agricultural production focusing on improvement of small ruminants, forage production and alternative feed sources, range land rehabilitation, management and sustainability.*

- **Intervention 8**

*Improving of water availability and management, through rehabilitation of spring and wells, reusing of non traditional water and enhancing water harvesting techniques and improving the efficiency of irrigation systems and methods.*

- **Intervention 9**

*Advocacy, lobbying and campaigns for the protection of local products and exercise more efforts in boycott of settlements*

- **Intervention 10**

*Expedite the establishment of 'calamities funds' and an agricultural insurance system as key policy tools to encourage farmers to stay in the sector, by minimizing and sharing the risk; special mechanisms to protect small and marginalized farmers need to be developed through such funds intervention*