

Introduction and Context – Challenges to Development in Area C

Area C is the largest administrative division of the West Bank as designated by the Oslo II Accord, comprising 63.9% of the West Bank area¹. Critical to the spatial integrity of the West Bank and rich in natural resources, including fertile agricultural lands, water resources, and natural minerals, controlling and harnessing these resources is crucial to the development of the West Bank and thus a point of serious contention between Israel and the State of Palestine. The importance of Area C for Palestinian development cannot be understated; Area C holds the most significant land reserves available for Palestinian development, as well as the bulk of Palestinian agricultural and grazing land. It is also the only contiguous territory in the West Bank; therefore, any large-scale infrastructure projects (roads, water and electricity networks, etc.) also involve work in Area C². As such, Area C is a priority region for the achievement of attainable development³ and for a contiguous and viable State of Palestine.

The Oslo Accord stipulated that Area C would initially be under Israeli control before being transferred gradually to the Palestinian Authority over the course of five years⁴, however this never materialised. Instead, Area C remains under total Israeli civil and military control and is subject to extensive restrictions seen to hamper Palestinian development while simultaneously facilitating Israel's exploitation of Area C's resources. This includes the

²OCHA, 'Under Threat: <u>Demolition Orders in Area C of the West Bank'</u> (p.4)

¹Palestinian Central Bureau of Statistics (BCBS)

³In fact, Area 'C' has become one of the key priorities areas of the Common Humanitarian Action Plan (CHAP) for the oPt and of the Consolidated Appeal mechanism, together with East Jerusalem and Gaza.

⁴UNDP, Arab Development Challenges Background Paper 2011/12, 'The ADCR 2011: Human Deprivation Under Occupation (p.2)

exclusion of Palestinians from their own farmlands, and the extraction and exploitation of resources including water, Dead Sea minerals, and mined commodities. Israel's refusal to allow the Palestinian government to operate as a separate trade entity or control its own borders is disastrous for Area C, where development potential is concentrated in primary commodities like agricultural products or mined rocks and minerals that are reliant on export.

The large-scale and ongoing construction of Israeli settlements in Area C have fragmented the West Bank, thus preventing Palestinians from utilising their own natural resources, as well as undermining the viability of a Palestinian state. Despite being overwhelmingly condemned by the international community as constituting an illegal population transfer under international law, settlement expansion continues unabated, resulting in the eviction of Palestinian communities from their homes and agricultural lands. Ultimately, the failure of the international community to bring measures or exert significant pressure has resulted in continued settlement expansion, at a severe cost to Palestinians, and ultimately, the possibility of a two-state solution. Settlement expansion, combined with efforts by the Israeli government to force Palestinians to leave the area, have resulted in a situation where there are now more Israelis than Palestinians living in Area C⁵.



By retaining the power to control building and planning in Area C, Israel has strictly curtailed Palestinian construction. In 70% of Area C, there is no formal process through which Palestinians can even apply for construction rights, as this land has been designated by Israel as state land, survey land, firing zones, nature reserves and natural parks, or incorporated into illegal Israeli settlements or regional councils⁶. In the remaining 30% of Area C, where Palestinians can apply for the right to construct through Israel's Civil Administration, severe restrictions on building are nevertheless imposed. 90% of villages have been denied any kind of building permission⁷. Even rudimentary structures like tents and fences require permits⁸.

⁵OCHA, 'Under Threat: Demolition Orders in Area C of the West Bank'

⁶B'Tselem, found at: http://www.btselem.org/planning_and_building

⁷lbid.

⁸OCHA, 'Under Thr<u>eat: Demolition Orders in Area C of the West Bank'</u> (p.3)

Only 1.5% of permit applications were approved by Israel between 2010 and 2014⁹, meaning many residents of Area C no longer even bother to submit applications.

Denied a legal avenue to construct dwellings or commercial buildings, Palestinians living in Area C are left with little choice but to build illegally, forcing them to live in rudimentary conditions and under threat of Israeli demolition. From 2006 to August 2016, Israel demolished at least 1179 Palestinian homes in the West Bank (not including East Jerusalem), making 5469 people, including 2784 minors, homeless¹⁰. Israeli demolitions in Area C have increased by 60% in 2016 compared with the same period in 2015¹¹. As the occupying power, Israel is responsible under International Law for the welfare of residents of Area C; Article 53 of the Fourth Geneva Convention states that 'any destruction by the Occupying Power of real or personal property belonging individually or collectively to private persons, or to the State, or to other public authorities, or to social or cooperative organisations, is prohibited, except where such destruction is rendered absolutely necessary by military operations' 12. It is not credible that the destruction of simple dwellings, agricultural buildings, fencing, or water storage constitutes a military necessity in Area C. Israel continues to obstruct or oppose development initiatives in Area C, including through the demolition of donor-funded Water, Sanitation and Hygiene (WASH) and other structures deemed to be in contravention of Area C building restrictions¹³.



As Area C holds the overwhelming majority of Palestinian fertile farmland, agriculture is a crucial industry that provides a backbone to the Palestinian economy, bolsters food security, and employs 11.5% of the Palestinian labour force¹⁴. Yet obstructive Israeli policies, coupled with the effects of climate change, have led to agriculture contributing a decreasing share of

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¹⁰B'Tselem, found at: http://www.btselem.org/planning_and_building/statistics

¹¹European Commission, Humanitarian Aid and Civil Protection: Palestine ECHO Factsheet

¹²ICRC, found at: https://ihl-databases.icrc.org/ihl/WebART/380-600060?OpenDocument

¹³Ma'an News Agency, 'Israel delivers demolition notices for EU-funded water tanks in Hebron', 18.05.2016

¹⁴ARIJ, 'Palestinian Agricultural Production and Marketing between Reality and Challenges', Mar 2015 (p.6)

the State of Palestine's GDP, down to just 3.4% of the West Bank economy in 2013¹⁵. Despite this, the value of agricultural exports grew by 32% from 2011 to reach USD 56.7 million in 2013, with the sector making up 6.3% of Palestinian exports in total¹⁶. Despite sharing virtually identical agro-ecological conditions as their occupying power, the State of Palestine's agriculture yield per dunum is only 43% of Israel's restrictions on the import of fertiliser to the oPt is estimated to have decreased the State of Palestine's agriculture productivity by between 20% and 33%¹⁸.

Import and export costs for Palestinians are also twice as high as Israel's. As the occupation derives Palestinians of 63% of the West Bank's agricultural resources, including the most fertile and best grazing land¹⁹, they are forced to import goods, 85% of which come from Israel. The completion of the Barrier will conclude with a permanent loss of 8% of Palestinian agricultural products, and many Area C farmers have simply abandoned trying to gain the necessary permission to access their land²⁰. Israel's control over planning and building also prevents Palestinians from constructing vital water storage and irrigation systems needed for agriculture. Despite all these challenges, it has been recognised that 'the resilient agricultural sector remains a strategic pillar of the Palestinian economy, with unparalleled potential for sustainable and quicker recovery. Much may be done, even under current conditions, to reverse or at least arrest the decline of the sector²¹.

Israeli restrictions have had a severe impact on economic development in the West Bank, with GDP growth largely concentrated in the service and construction industries in Areas A and B, which constitute urban centres and towns under the control of the Palestinian Government²². Sectoral shares of manufacturing and agriculture have subsequently shrunk throughout the oPt from 33% in 1994 to 19% in 2010²³. A World Bank report estimates that, were Palestinian businesses allowed to develop in Area C, this could add as much as 35% to the State of Palestine's GDP²⁴.

Transformative Resilience and Area C: A New Approach

Palestinians living in Area C have consistently shown themselves to be resilient while living with daily challenges and injustices of the occupation. Nevertheless, Israel's discriminatory policies have led to the steady erosion of resilience and development capacity over time, something humanitarian and development activities have so far failed to reverse. To overcome challenges in Area C, development practitioners must look beyond a simple return to previous circumstances, and instead utilise a transformative approach that enables communities themselves to become emboldened not just to withstand shocks, but to overcome them and ultimately thrive.

¹⁵Ibid (p.6)

¹⁶Ibid (p.7)

¹⁷UNCTAD, 'The Besieged Palestinian Agricultural Sector' (p.i)

¹⁸lbid.

¹⁹lbid.

²⁰lbid. (p.9)

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²²UNDP, Arab Development Challenges Background Paper 2011/12, 'The ADCR 2011: Human Deprivation Under Occupation' (p.2)

²³lbid.

²⁴World Bank, report on "Area C of the West Bank and the Future of the Palestinian Economy," report No: AUS2922, October 2013.

The transformative resilience framework requires a new approach from donors to overcome the complex development challenges in Area C. While a response to Israeli demolitions might previously have been the provision of humanitarian welfare, transformative resilience aims to empower communities through tackling the root causes of problems, and offering dynamic solutions that create lasting change through closer community engagement, long-term vision, and problem analysis rather than needs assessment. In Area C, overcoming Israeli restrictions on construction and reversing settlement expansion must involve closer engagement with residents, to directly involve them in enacting social change within their own communities, and to place their voices at the heart of international diplomacy and engagement. Ultimately, transformative resilience aims to address the various economic, social, and political impediments to the development of Area C directly, with measures outlined to reduce restrictions and thus achieve attainable development.

Areas of Intervention

Consistency and a more holistic approach characterise the transformative resilience framework. Concurrent development and humanitarian challenges must be tackled simultaneously, to confront the root cause of development problems in Area C – namely, the occupation – rather than simply alleviating the symptoms.

Lobbying and Advocacy with the Support of International Partners

The continuation of the occupation and its policies in Area C remains a political problem that requires political solutions. Thus, political lobbying with the assistance of international partners remains critical to reversing unfair policies and crosscuts all areas of intervention within Area C. Even within the confines of occupation, significant changes could be made to Israeli policy regarding Area C that would have a positive impact. Short-term priorities must include:

The transfer of the record of the land registered in Area C to the Palestinian Government

Allowing the Palestinian Government to carry out land registration with technical and financial support

Pressuring Israel to grant permission for Area C construction for Palestinians An end to demolitions

At a policy level, the Palestinian government must focus on improving its diplomatic strength, particularly through engagement with the international community. This must involve the development of a comprehensive diplomatic strategy, which identifies priority partners and establishes key policies with which to engage with these actors.

Given the standstill in the peace process, many Palestinians feel fatigue and antipathy towards diplomatic solutions and the international community. This fatigue is particularly concerning as it creates a sense of hopelessness that can in turn lead to violence. **At a practical level,** diplomatic action requires the support and involvement of local actors, systems, and institutions that can represent Area C's communities when confronting Israel. It is the responsibility of the Palestinian government to locate compelling advocates from Area C and ensuring their engagement with international stakeholders. The diversity of advocates, particularly the inclusion of women, youth, and representatives of minority Bedouin communities, is crucial to achieving this aim.

Local and International Legal Representation

Legal challenges to Israel's policies in Israeli courts have had some success at holding Israel to account by its own standards. However, the avenue remains controversial among Palestinians due to a view expressed from some quarters that it legitimises the authority of Israel's legal system over the occupied Palestinian territory. Nevertheless, with international assistance, the Palestinian village of Bil'in won a landmark case in Israel's High Court of Justice to prevent the annexation of 50% of their farmland behind the Separation Wall²⁵. Using legal avenues can be effective in building resilience by preventing illegal demolitions or annexations and therefore preventing future shocks, reducing the need for humanitarian aid. The Bil'in case also demonstrates the power of community activism when despondency about the broader occupation can be transformed into effective action when channelled towards smaller-scale goals.

At a practical level, legal support must be offered to Palestinians bringing legal challenges against Israel in Israeli courts, particularly where the likelihood of victory is reasonable. Where the potential for Israeli legal mechanisms to permit Palestinians greater access to their lands exists, local communities must have legal support to achieve the best possible outcomes. The creation of legal precedents through strong legal advocacy has the potential to provide lasting benefits to future applicants and Area C residents with regard to their legal rights.



Psychosocial Support and Community Cohesion

In order to create lasting social change, fostering community cohesion and overcoming social division is vital to transformative resilience. As such, the Palestinian government must prioritise fostering closer links between a highly centralised government and local communities. This is particularly prudent in Area C where dwellings are more remote and

²⁵B'Tselem, 'Separation Barrier', found at: http://www.btselem.org/separation_barrier/20070906_bilin_ruling

communities more isolated. **At a policy level,** the provision of psychosocial support, which helps the residents of Area C withstand the everyday reality of living under occupation, is vital to strengthening resilience and allowing people to thrive, even under difficult conditions. **At a practical level,** establishing or supporting community organisations like farmers' cooperatives, local councils, or other grassroots networks can help create forums for idea sharing and positive debate, as well as connecting different communities across Area C and the rest of the State of Palestine. Furthermore, the involvement of local communities in legal action, community development programmes, or other important programmes or causes has the potential to foster solidarity and boost morale, vital for increasing resilience, and building enthusiasm for social transformation.

Economic Development

1) Supporting business in Area C

Israeli restrictions impede business both directly and indirectly. Israeli policies increase the cost of doing business, which stifles competition with Israeli and international companies, making it difficult for business to thrive. The difficulty of obtaining building permits, as well as the Israeli stranglehold over import and export permissions and charges are two critical constraints that must be overcome.

A survey to gain a clear picture of the distribution of employed persons by sector to trace economic patterns would establish what kind of employment prevails in Area C ²⁶. Employment rates in specific sectors could then be juxtaposed with data on economic growth, to understand where investments are failing or succeeding ²⁷. This knowledge could be used to better inform where investment should be targeted. At a policy level, lobbying Israel to allow the Palestinian government to implement its own import policy at its international border crossings – the refusal of which is a violation of Article II (14) of the Paris Protocols ²⁸ – would enable Area C to become less reliant on Israel as a trading partner. Furthermore, gaining permission for Area C businesses to exploit natural resources that are rightfully Palestinian – such as Dead Sea minerals, mined commodities or areas of outstanding natural beauty with tourism potential – is critical for diversifying and expanding the economic development of Area C.

At a practical level, improving organisational capacity through the creation and strengthening of business cooperatives can also have manifold benefits, including improving collective bargaining power to achieve more profitable sales, reducing the impact of export taxes, increasing access to storage and marketing facilities that can add value to products, and fostering mental resilience through improved cooperation and solidarity in the face of oppression. By engaging with communities and building links between them, lasting social change can be achieved that can have a transformative effect on industry in Area C, while simultaneously boosting Palestinian economy.

2) Development of the agricultural sector

Israel's policies towards Area C's farmers has had a disastrous effect on the Palestinian agricultural sector. Many households in Area C rely on agriculture solely for their income, meaning boosting agricultural output and increasing the resilience of Area C farmers is crucial to improving livelihoods, reducing reliance on Israeli imports and exploitative settlement jobs, and contributing to the broader economy. Ultimately, political lobbying is

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 $^{^{26}}$ UNDP, 'Measures of Attainable Development in Area C' (p.11-12)

²⁷ Ibid. (p.12)

²⁸ Ibid.

the only route through which damages made to the Palestinian agricultural sector can be overturned. Notwithstanding this however, there is action that can be taken to foster transformative resilience of Area C's agricultural sector, even within the punitive confines of the occupation.

At a policy level, it is vital the development investment is directed strongly towards the State of Palestine's agricultural sector in Area C. A fund administered by the Palestinian government to compensate farmers for losses due to economic shocks would improve the resilience of the industry, creating certainty that would encourage innovation and private investment that would reverse sectoral decline. This fund must prioritise the protection of small- and medium-sized farms.



Access to water remains a critical challenge for Area C farmers²⁹. While only diplomatic efforts can return Palestinian water sovereignty, at a practical level improving access for Area C farmers to drought resistant seed strains could help alleviate the impact of water scarcity and boost agricultural yields. Agriculturalists across the developing world have been evolving techniques to assist farmers working in parched conditions under increasingly erratic and infrequent rainfall; ensuring access for Area C farmers to these educational farming techniques and practices has the potential to boost yields without increasing access to water³⁰. Knowledge sharing and access to improved materials for drought resistant agriculture has the potential to transform farming in Area C, even while diplomatic efforts to reduce Israel's mistreatment of Palestinian farmers remain fruitless. Diversifying agricultural activities by introducing farmers to complementary income streams, such as beekeeping, kale, or mushroom farming can also be effective at reducing the impact of shocks.

³⁰ See: Greenpeace, 'Ecological farming: Drought-resistant agriculture'

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²⁹ARIJ, 'Palestinian Agricultural Production and Marketing between Reality and Challenges', Mar 2015 (p.9)

3) Boosting tourism potential

Area C has much untapped tourist potential, with estimates that developing the Dead Sea alone would generate at least USD 215 million, with a further USD 900 million from other sources³¹. At a policy level, reclaiming parts of Area C controlled by Israel, such as the West Bank Dead Sea shore, must take priority for tourism development. Across the West Bank, lobbying for building permission for tourism infrastructure is also critical. Tourist activities provide the added benefits of providing jobs to economically marginalised sections of society like women and young people, engaging international visitors, and bolstering investment in Palestinian cultural activities that preserve Palestinian culture and heritage.



Enhancing Service Delivery

Service delivery has improved under the Palestinian government in Area A and B, but residents in Area C still struggle to access even the most basic services.

Access to water and electricity remains a critical challenge throughout Area C. **At a policy level,** lobbying Israel for more equal water distribution and equal prices from Mekorot should be a key priority³². In terms of electricity, a diversification of sources and a focus on the development of renewables is critical for future development. In the case of both electricity and water usage, the installation of meters could help to make resource use in Area C more efficient and prioritise delivery where it is most needed³³. **At a practical level,** in the short-term scaling up water tanker deliveries could improve competition between providers and therefore reduce often exorbitant prices³⁴. The use of solar panels, including

³³ Ibid. (p.7)

 $^{^{31}}$ UNDP, 'Measures of Attainable Development in Area C' (p.12)

³² Ibid. (p.7)

³⁴ Ibid. (p.7)

cattle-carried portables for Bedouin communities, can subvert Israeli refusal to connect communities to the electricity grid.

In the long-term, improving water and electricity networks could dramatically reduce losses and increase coverage³⁵. These and other major infrastructure projects face deliberate obstruction from Israel. Thus, **at a policy level**, a master plan for spatial planning that prioritises projects based on their potential to boost resilience and steadfastness of local communities is necessary. A carefully considered refusal to co-operate with Israel's burdensome permit system, once clear attempts to co-operate have been made, places the State of Palestine in a strong position to engage international actors in lobbying Israel for the right to complete key infrastructure projects that offer clear development benefits to local communities.

Conclusion



Past development initiatives in Area C have frequently failed to acknowledge the root cause of problems, focusing on short-term, programmatic solutions that may have disempowered local communities and failed to lead to long-term change. Ultimately, only sustained diplomacy and the building of international networks will resolve development challenges facing Area C residents. Israel's policies of settlement construction and demolitions can only be fully reversed through international action. While occupation is ongoing and the sustained threat to Palestinian livelihoods continues, transformative resilience in Area C must focus on fostering greater community links, as well as bridging the gap between central government and often remote communities. Doing this will require empowering communities to organise themselves and forge strong networks that boost dialogue, innovation, and economic development. Ultimately, this will reduce the need for short-term humanitarian interventions by empowering Palestinians living in Area C to transform themselves against the continued challenges of occupation. Transformative resilience in Area C must therefore encourage programmes that flexibly bridge the gap between development and humanitarianism, in order to transform the communities in Area C for the better.

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³⁵ Ibid. (p.7)