12th Annual Report

The State of Integrity and Combating Corruption in Palestine 2019

Accountability: The Core of Integrity in Governance
Work Team:

The Coalition for Accountability and Integrity - AMAN would like to extend its thanks and gratitude to

Dr. Azmi Shuaibi, AMAN’s Adviser to the Board of Directors on Corruption Issues, for his relentless effort in the development and review of this report. Thanks are also due to Drs. Tafeeda Jerbawi, Dr. Ghassan Al-Khatib, and Mr. Isam Younes for their review and feedback of the draft report.

All Rights are reserved; The Coalition for Accountability & Integrity - AMAN. Any use of information provided in this report must give credit as follows: The Coalition for Accountability & Integrity - AMAN, 12th Annual Report on the State of Integrity and Combating Corruption in Palestine - 2019.

Note: The Coalition for Accountability & Integrity - AMAN has exerted all efforts possible to verify information provided in this report hence will not bear responsibility arising from the use of this information outside the context of the objectives of this report.

AMAN’s core program is funded by the Government of Norway, Netherlands/UNDP, and Luxembourg
## Table of Contents

**Executive Summary**  
Preface  
Methodology  
General Environment of Promoting Integrity and Combating Corruption

### First: State of Integrity, Transparency and Accountability System, in Palestine in 2019

- Integrity of Governance  
- Integrity, Transparency and Accountability in the Palestinian Public Sector  
- Integrity in the public sector  
  - The National Anti-Corruption Strategy  
- Transparency in the public sector  
- Accountability in the public sector  
- Public Office Employment  
- Integrity, Transparency and Accountability in the security sector  
- Values of Integrity, principles of transparency and systems of accountability in Local Government Units (LGUs)  
- Integrity, Transparency and Accountability developments in the Judicial Authority  
- Integrity, Transparency and Accountability in Civil Society Organizations (CSO)  
- Corporate governance in the Private sector

### Second: Corruption Forms; Criminalization and Prosecution of the Corrupt

- Most prominent forms of corruption in 2019  
- Criminalization and prosecution of the corrupt  
- Money Laundering  
- Economic crimes in 2019

### Third: Governance in the Management of Public Funds

- Israeli withholding of the Palestinian Maqassa (clearing tax) and its impact on the 2019 budget
Table of Contents

- Transparency of the 2019 public budget 97
- Financial statements in the Gaza Strip 98
- Allocated expenditures for the development of the social sector 100
- Legal commitment to submit final account reports in accordance with the legal due date 103
- Public debt and its impact on basic services of the Palestinian citizen 104

Fourth: Issues in the Spotlight 106
- Criteria for the classification and selection of the Islamic Alms (zakat) beneficiaries; Integrity in the work of the Zakat Institution in the Gaza Strip (GS) 106
- Salary raise of ministers and heads of public institutions 106
- Public Funds that manage or use public money 108
  - The Palestinian Investment Fund Law is still in-operative 108
  - Governance of The Palestinian Fund for Employment and Social Protection for workers 109
  - Governance of the Palestinian Disaster Risk Reduction and Insurance Fund (PADRRIF) 110
- The General Petroleum Authority continues to function without a governing law 111
- The Natural Gas Agreement 112
- Financial crisis of the Jerusalem District Electricity Company 114
- Dysfunction of the accountability system concerning “the health and safety medical protection right” 115
- Integrity and transparency in the management of state land allocations in the Gaza Strip 116
- The issue of smuggling Israeli colonies Dates 118
- Allocating pilgrimage (hajj) seats unjustly 120
- Pensions for political positions holders 121
- The General Directorate of Traffic Police and Licensing Authority in the Gaza Strip 123
- Tax evasion in contracts of employees of international institutions operating in Palestine 124

Fifth: Recommendations 126
The Coalition for Accountability and Integrity (AMAN) for the past 12 years has been preparing its annual report on the developments of integrity and anti-corruption efforts in Palestine. The report monitors positive developments, challenges and prevailing forms of corruption, as well as follows up on the state of criminalizing and prosecuting the corrupt. It also monitors official anti-corruption efforts exerted during the year, without losing sight of the surrounding environment and its implications on those efforts. The report also follows-up on governance in the management of public funds, especially in terms of transparency of the preparation, approval and implementation of the public budget including revenues and expenditures.

The report is based on a scientific methodology of collecting relevant data from the various and available sources. It also relies on the results of AMAN’s Annual Public Opinion Poll on citizens’ impressions in a number of related areas, as well as the results of the integrity index, which contains a wide range of indicators and is conducted by AMAN every two years.

The report aims to provide specific recommendations to Palestinian decision-makers and related parties to help them adopt measures and procedures that strengthen the national integrity system and fortify its immunity against corruption. It also aims to raise awareness and increase CSOs engagement in anti-corruption efforts, which will in turn ward off risks of corruption and hence protect public funds and its managing institutions. AMAN realizes that building effective institutions free of corruption is in the interest of our Palestinian people who are suffering under Israeli occupation. It also realizes that promoting integrity and anti-corruption efforts does not contradict the Palestinian national project, which seeks to end the occupation and achieve self-determination by establishing an independent, democratic Palestinian state, in the West Bank and Gaza Strip, free of corruption.

However, according to results of our monitoring of the general environment surrounding anti-corruption efforts, 2019 was a continuation of the year before in terms of the escalation of the public’s frustration, lack of hope and lack of confidence in official institutions.
The abovementioned coincided with the deadlock of a political settlement and increased repressive occupation policies. For example, settlements continued to expand on Palestinian confiscated land and house demolitions never stopped, in addition to the difficult economic conditions citizens are living under, mainly due to irregular payment of salaries to the public sector employees, among other reasons. Add to this: the continuing internal division, decline in the democratic process as a result of the dissolution of the Legislative Council, and intervention by the executive branch in judicial affairs. Conclusions for 2019 are as follows:

First: Positive developments

Despite the unfavorable anti-corruption environment mentioned, anti-corruption efforts to immunize the environment continued; mainly:

**Improvement in openness and partnership:**
- Hope was raised upon the formation of the 18th government headed by Dr. Mohammad Shtayyeh who declared his intentions of bringing about change in government policies towards openness and participation with CSO, hence strengthening citizens’ trust in government. Another improvement was seen through the Palestinian Anti-Corruption Commission’s (PACC) approach in partnering with CSOs during the preparation and formulation of the National Strategy for Enhancing Integrity and combating Corruption and in joining efforts to promote integrity and combat corruption. In addition, officials of the ministry of interior and a number of security agencies’ officials also illustrated their intentions of cooperation and openness with CSOs.

**Promoting integrity in public facilities**
- **The government’s Issuance of the “Gift Accepting System” in public service positions:** The issuance of this system through the Council of Ministers’ Resolution 10 for 2019 is intended to control the possibility of an employee accepting gifts/bribes in exchange for providing his/her duties; an issue AMAN has long demanded to be regulated.
- **The government’s issuance of the “Whistleblowers and Witnesses Protection System”:** the issuance of the Council of Ministers’ Resolution 7 for 2019 concerning the establishment of a protection system that will be provided by the PACC

Aman is committed to providing correct and accurate information, which is obtained from trusted sources. However, AMAN is ready to review and correct any error if proven otherwise.
for whistleblowers and witnesses, informants, corruption experts their relatives and close connections is considered an important step towards the completion of the legal system against corruption. The system will serve to encourage public employees and citizens to come forward and place a complaint against any suspicious acts of corruption without fear of retaliation of any kind, since the system will guarantee their personal safety, legal and job security.

- **The General Procurement Council implementation of training on the public procurement law and its regulations:** the training was conducted for 164 government and local government units’ (LGU) employees.

- **The Head of the High Judicial Council issued a decision** stating that the Complaints Department shall be subordinate to the Head of the High Judicial Council.

- **The Ministry of Interior’s distribution of the Code of Ethics and Code of Conduct** to members of the Palestinian Security Forces including all of the new recruits in the military training body. It also insured access and review of the code through lectures and availability on the code on the website of the ministry.

- **The Council of Ministers issued the resolution no. 1 for 2019** to regulate the use of government vehicles in the security sector, and follow up mechanism, by identifying those entitled to use these vehicles.

**Promoting transparency in public procurement:**

- **Activating and widely using the unified public procurement portal (shiraa.gov.ps):** a resolution was issued by the Council of Ministers in June, 2019 obliging all ministries, government institutions and municipalities classified (A) to use this portal. This move brought the total users to 100 out of an original 500 users who should be using it to advertise their bids.

- **Standardized documents** should be prepared for all contracts and tenders.

**Strengthening accountability systems in public services**

- The General Directorate of Complaints of the Council of Ministers issued its government departments’ annual complaints report, which covers complaints for 2018. The report was officially published at the end of 2019 detailing the total number of complaints received, those addressed, as well as complaints that were transferred to the following year.

- The Auditing Profession Council issued Instruction No.2 for 2018 on January 27, 2019 in order to define the international accounting standards, which Palestinian enterprises depend on in the preparation of their financial statements. These include the international standards for preparing reports IFRS and the international financial reporting standards for Small and Medium-sized Enterprises.
Promoting integrity, transparency and accountability in the LGUs

- The majority of LGUs improved in terms of providing citizens access to information.

- Many municipalities involved the public in the preparation of their strategic plans; held regular or intermittent meetings with citizens, even if the Councils’ sessions were not organized, as they are closed to citizens.

- Many local body councils responded positively to the local community accountability sessions; several hearings sessions and consultations with CSOs were held.

Promoting integrity and transparency in the private sector

- Palestine Capital Market Authority (PCMA) issued instructions No. 1 for 2019 to deal with securities. The instructions stated that, until the board’s decisions are made public, all transactions of securities with insiders of any company listed on the financial market are banned for ten days prior to the meeting of the Company’s Board of Directors, where substantive information is discussed. And for the purposes intended, both the members of the Board of Directors and their representatives were considered to have been informed, as well as their affiliates and allies; savings funds for corporate employees and company signatories, CEO and General Manager; department and unit managers; internal and external auditors; employees of the PCMA and the stock exchange. Moreover, the ban on financial statements of the listed company will also remain valid until the annual, semi-annual and quarterly financial statements are disclosed.

- During 2019, PCMA and the Financial Follow-up Unit carried out awareness raising training, on the dangers of money laundering and terrorist financing, for officials and employees in the insurance and leasing sectors.

Increase in the Palestinian Anti-Corruption Commission’s (PACC) referral of corruption files

- An increase was noticed in the number of corruption cases referred by the PACC to the prosecution after verification that the files contained suspicions of corruption. This was attributed to the appointment of the new Head of the PACC, and hence increase in citizens’ expectations, from inside and outside public institutions, that better and more effective policies are going to be implemented. This led to the increase of people submitting complaints to the Commission, who sought to approve the Whistleblowers and Witnesses Protection Law which was approved in 2019. In addition, the PACC became more open to the community, and adopted policies to promote whistleblowing and reporting corruption through all means including the website. All of the above actions taken by the PACC was reflected in the number of complaints received by it reaching 904 complaints and reports, a number that is nearly double the amount of complaints received yearly in the past.
Slight improvement in citizens’ satisfaction

- Results of a comparison review of opinion polls conducted by AMAN in 2018 and 2019 showed a drop in the percentage of people who believe that corruption has increased. In that regard, percentage for 2018 reached 67% compared to 53% in 2019, which is a positive sign.

Second: Challenges facing the integrity system and anti-corruption methods

At the policy level:

- Poor integrity of governance due to the ineffective role of public institutions in decision-making; centralized policy making (i.e., decisions are concentrated in the hands of few individuals); weak rule of law; emergence of few community power centers in place of the constitutional and official institutions, and regress in public confidence in the role and integrity of the judiciary, all of which affected the integrity in governance.

- The lack of accurate public information published, and the poor transparency of actions and decisions of some government officials led to the widening of the gap between officials and official institutions and citizens. It also sparked rumors due to seeping of information, transmission and distortion of public information in informal ways.

- Same as previous governments, the present 18th government believes that the task of building the integrity system and combating corruption, as well as developing plans and supervising their implementations is the sole responsibility of the ACC. Although it is to be said that this government has carried out sporadic activities in combating corruption, contrary to the government’s policy on the cross-sector plans.

- Despite the importance of the many austerity steps taken by the government to address the ongoing financial crisis, these measures have not been formulated or implemented within an effective comprehensive and approved plan for austerity and rationalization that would ensure reduction of net lending, combat tax evasion, and discontinue unnecessary appointments and promotions.

- The Ministry of Finance and The General Authority for Civil Affairs continued to pursue financial audits with Israel in an undetermined and effective manner. This provided opportunities for a number of brokers, including Israeli officers and officials of the Civil Administration, to loot and steal Palestinian public funds. These individuals took advantage of the lack of transparency on the PA’s part of no knowing their own actual rights, or even the accurate amount deducted by the Israeli side for the electricity, water and sanitation debts.

- Appointments and promotions in the public sector continued to take place despite the decision of the President to stop it as part of the rationalization and austerity plan on public expenditures. In this regard, appointments to senior and special posts continued without respecting the principle of equal opportunities, or announcing for job vacancies. Also no competitions were held or an official
oversight party in charge to ensure the integrity and transparency of the recruitment procedures, in both the West Bank and Gaza Strip (WB&GS). Also in 2019 as in previous years, the role of the General Personnel Council (GPC) was limited to appointments and promotions of the special and higher category of employees and literally limited to data presentations of the employees to be promoted to the Council, as well as implementing the President’s decisions, also relating to this issue.

• A preliminary review of the objectives of the 2017-2022 Public Finance Management Strategy, and related procedures, standards and indicators that most of the goals to be achieved under this strategy were not realized as of the end of 2019. This is after half of the time period assigned to the implementation of the strategy has passed.

• Lack of clarity in public debt statements in these areas: the declaration of arrears to the private sector and debts to the Pension Authority Fund, according to accounts agreed upon previously for a formal settlement between the Fund and the public treasury. In this regard, the government announced that it is in the process of adopting a policy to implement a national plan to pay off this debt. It also announced its commitment to make monthly transfers to the Fund of the government’s contribution to be added to the employee's share, in accordance with the law.

• There are suspicions that some employees working in international institutions and UN institutions resort to deception in order to obtain tax exemptions allowed by law. This raises many questions about the tax policy in dealing with international institutions, as well as of the forms of circumventions to evade paying income tax.

At the level of legislations:

• As of the end of 2019, no specific law to regulate the work of the Palestinian Investment Fund (PFI) was passed, as specified in article 21 of the Palestinian Basic Law. This led to confusion and legal overlapping of reference of the Fund's work and identity. In addition, absence of this law limited and will continue to limit the functions and powers of the general assembly and board of directors of the fund.

• The legislative framework governing the work of the General Petroleum Authority (GPA) has not been completed. In addition, the institutional framework also was not completed, hence the Fund’s institutional parties’ roles were unclear and overlapping (i.e., no separation between policy and decision makers and implementing staff).

• Failure to pass the Access to Information Law and the National Archives Law despite repeated promises by successive governments to pass these legislations.
• The government did not fulfill its promise to develop a compulsory, comprehensive and equitable health insurance system in 2019. As a result, the health sector’s allocated funds were mainly spent in the service and payment of the deficit bills in the health insurance budget, which was at the expense of development of government health institutions and hospitals.

• The President approved the resolution on the Medical Protection and Safety Law on September 12, 2018, which is needed in order to balance the interests of doctors and health institutions on the one hand and the interests of patients on the other. The Law also provides procedures for investigating and holding officials accountable concerning medical errors, for example. Unfortunately, the Law was not applied as of the date of the preparation of this report. This was due to the doctors’ union’s objection to it under the justification of not completing the required systems and protocols.

• Despite the important developments that accompanied the reform process in the security sector, one of which is controlling purchases and financial spending, there is weakness in some areas of the legal system governing this sector, such as: Failure to establish a specific financial system; failure to approve the system that defines sensitive security purchases provided for in Resolution 8 of 2014 on public procurement; failure to complete the executive regulations of the laws governing the security services relating to appointments and promotions; failure to complete legislations concerning the military judiciary, and legislations on procedures for prosecuting security personnel.

• There are no written, accredited and published criteria governing the selection of hajj (Pilgrimage to Mecca) seats chosen outside the draw system used, to ensure fairness and equal opportunity. Moreover, the administrative and financial instructions on Hajj and Umrah for 2014, issued by the Minister of Awqaf, do not cover members of missions that are granted seats to the Hajj and Umrah such as: the administrative mission, medical and media missions, and those honored by the President and the Prime Minister. The instructions are broad and subject to different interpretations leaving room for exceptions, hence providing an opportunity for abuse, wasta, favoritism and nepotism.

• Although the Council of Ministers issued the system of accepting gifts in the public service, this system did not specify the acceptable ceiling for gifts in kind. In other words, it does not specify that any gift in kind that exceeds the specified ceiling is rejected, as is the absolute rejection of the cash gift. Nor did it explicitly instruct violators of its provisions will be subject to administrative accountability, or to PACC if it appears that he/she did not disclose the gift he received.
At the level of measures and procedures

Transparency

- Although the 18th government, led by the Prime Minister Dr. Mohammad Shtayyeh, publishes titles of decisions issued by the Council on an electronic platform dedicated for this purpose is considered a positive development, the task remains incomplete since the decisions are not fully published. In addition, previous archives of past governments have also not been republished.

- The Ministry of Finance (MoF) does not commit to issuing the final account in accordance within the legal time period (issuing the final account within one year from the ended fiscal year). The MoF issued the final account statement for 2013 in 2019.

- The Civil Society Team for Enhancing Public Budget Transparency (CSTPBT) was not able to monitor any financial data on the budget administered by the Authority in the GS, despite all efforts. This in turn hindered the work of experts and researchers, as well as experts of the CSTPBT, in providing analysis and recommendations on the budget, and in particular data related to the 2019 estimated revenues.

- During 2019, the administrative public records of all ministries and institutions were not regulated and classified in preparation for archiving it electronically.

- The nature of the Palestinian participation in the announced Eastern Mediterranean Gas Forum, which includes Egypt, Israel, Greece, Cyprus, Italy, Jordan and Palestine, remains ambiguous. Moreover, no official announcement has been made by the Palestinian government, the PIF or the Energy and Natural Resources Authority to clarify this issue as of the writing of this report. Regardless, work is on-going in the absence of publication of relevant information concerning the Palestinian side’s participation in the forum. This includes lack of information of Palestinian rights to the Mediterranean gas and the subsequent obligations stated in the signed agreements. This ambiguity also applies to the agreements and understandings reached in the electricity sector between the Palestinian side and the Israeli occupation.

- Results of the LGU Transparency Index indicated that the majority of the LGUs, especially those classified C, do not have an approved policy concerning publishing and disclosure. The index also revealed that most of the publishing and disclosure processes are executed without relying on a procedure manual that provides clear mechanisms. Presently, the majority of LGUs do not rely on standardized systems to provide information and data. It all depends on the size, team’s capacity and sometimes leadership style and degree of awareness and commitment of the principles of transparency of that leadership. Some LGUs publish information in the traditional style by only describing their work and listing names such as: names of the council members and mechanisms of communicating with them; activities, events and media-matters only.
• Distribution of cash and in-kind assistance by a number of official entities outside the framework of the Unified Social Assistance Portal continued in 2019. This is contrary to Council of Minister’s Resolution 136, which stipulates that the unified portal for social assistance is to be adopted as a channel by which all social assistance passes.

• Although some there was development within the public procurement system, there are some challenges facing the High Council for Public Procurement Policies. For example, there is lack of clarity of relationship between the Council and the General Secretariat of the Council of Ministers in regard to exceptions made for direct purchases, especially those cases that fall within the scope of article 28 of Resolution 8 of 2014 on public procurement. In that regard, the Government issued a number of decisions concerning direct purchases without informing the Council or providing any details to justify those decisions.

• It was noted that there was a clear discrepancy in the content and nature of annual reports issued by public institutions, where some contained substance, and included useful and important information for citizens and officials, and others were clearly written as matter of formality. There was also a significant disparity in the dates of issuance and publication of the reports hence affecting their role in achieving accountability (loss of time).

At the level of accountability

• Despite the President’s issuance of the resolution 19 in August 2019, which stipulates that the President and members of the 17th Government shall be obliged to return the money they had been paid by raising their salaries unjustly and in violation of the Law. The Law also required that all those who received rent allowance and live in Ramallah must also pay back the money. However, to date, there is no official information confirming that all ministers have returned the amounts they have received in accordance with the President’s decision.

• The government complaints management process is still traditional in terms of style and content. Presently, the report is void of any substantial information and resembles a statistical report as it gives no details of how the complaint is addressed, or the extent to which the complainants are satisfied with solutions by which their complaints were dealt with. The reports also do not specify “lessons learned” in order to avoid recurrence of certain complaints in public institutions. This type of management defeats the purpose of having a government unified system for complaints, which is to facilitate the process of monitoring complaints as well as their management by the different institutions and also to benefit from their conclusions. The real assessment of complaints lies in the extent to which citizens’ complaints are seriously addressed (i.e., by carefully studying each complaint and finding solutions). It is not about providing numbers of those addressed and those closed.

• Failure to form the Palestinian Telecommunications Regulatory Authority despite the approval of its specific law in 2009. This setback has affected the accountability for telecommunications companies, as well as the effectiveness of ensuring fair competition among service providers. In addition,
it weakened oversight, accountability and auditing mechanisms for companies. It also contradicted good governance rules as applied and approved by international standards and experiences.

**At the level of promoting integrity**

- The state of integrity and judicial independence witnessed a decline in 2019. Most notably, the continuation of interference of some members of the executive authority in the work of the judiciary and judicial matters. Although clearly it is in violation of the law, interference in appointing presidents of the Supreme Court continued without judicial recommendations. This in itself deepened the structural crisis in the judiciary and sparked conflicts between the parties of the judicial sector. It also provided an arena for some individuals to settle accounts and others to gain personal interest by exploiting the judiciary’s authority.

- A study carried out by AMAN on the Zakat Institution in the GS showed the following: No specific criteria is adopted for classifying and selecting the beneficiaries of zakat; weakness in the accountability mechanisms at hand; ineffective control on the work of the Commission; poor transparency with regard to the Commission’s revenues and expenditures; inability of beneficiaries to access data and information about the selection terms or financial information; absence of instructions that prevent conflict-of-interest; and failure to adopt a code of conduct for employees of the Commission.

**Recommendations**

In order to move forward in enhancing governance, the challenges cited in this report must be addressed, first and foremost the strengthening of the government’s accountability in regard to the executive and public institutions. Secondly, it is vital to correct the imbalance resulting from the lack of separation of powers in accordance with the Basic Law. Thirdly, to hold legislative and presidential general elections in all Palestinian territories including Jerusalem. With that in mind, we believe that the issuance of a presidential decree setting the date for the elections will contribute to the speedy end of the internal Palestinian division and unite efforts in support of a unified and comprehensive national strategy to address the critical threats facing the Palestinian people and its national project. This is necessary in order to ensure the defeat of the American-Israeli project aiming to settle the Palestinian cause and keeping the Gaza Strip separated from the West Bank, as well as ensure Judaization and annexation of Jerusalem, the Jordan Valley and other areas of the West Bank. We therefore **call on the government to take into consideration the following recommendations:**
First: at the political level:

- To take further steps towards openness with society, and to involve its representatives in the development of public decisions in order to enhance citizens’ trust in the government and its decisions. This is especially crucial in light of the difficult phase the country is going through.

- To follow-up on the implementation of the 2017-2022 national policy agenda concerning management of public funds, rationalization of expenditures, and revision of the sectoral and cross-sectoral plans in light of developments and basic needs. It is important to note that the principles of enhancing accountability and transparency stated in the 9th and 10th policies of the agenda must be upheld.

- The government must effectively adopt the implementation of the national cross-sectoral anti-corruption plan in order to build an integrity and anti-corruption system that is impermeable and preventive. This will help to erase the belief that the anti-corruption file is entrusted solely with the ACC, and will also ensure that the government’s directions are implemented in this regard, as outlined in the national policy agenda.

- The Government should take the initiative to define its policy and instructions concerning classifying administrative files. Classification should determine what is public files and information and hence should be posted on their websites, and what is confidential and private.

- The government must urgently complete tools and procedures needed to complete the e-government.

- The government must follow-up on the adoption of a firm policy of auditing and defining accounts and amounts related to the electricity, water and medical referrals’ debts with the Israeli side.

- AMAN confirms its earlier recommendations presented to the government regarding adherence to the rationalization and austerity plan for public spending while taking into account the equitable distribution of resources and burdens. AMAN also called for giving priority to the health sector, and to programs in support of the poor, marginalized and needy groups.

- The government must suspend public appointments (civil and security) in the public sector, as well as in cases where it is necessary and as the need arises. It should also ensure compliance with competition procedures for job vacancies. In this regard, it is important to establish an “oversight committee for the integrity of public job appointments” in order to ensure that only officials who are suitable in terms of competence and merit are selected for these positions. Furthermore, the government should adopt a firm and binding policy to prevent the politicization of public service positions; activate the role of oversight bodies including the State Audit and Administrative Control Bureau (SAACB) to hold accountable any official who uses public office for factional political purposes, or to settle personal accounts.
• The Ministry of Finance must:
  - Carry out its pledge, stated in the 2017-2022 Public Finance Management Strategy, regarding the standards and criteria of integrity, transparency and accountability in the management of public funds.
  - Complete the preparation and publication of the final accounts for the 2014-2018 financial years in accordance with the law.
  - Ensure that full and detailed data on public debt are made public.
  - Determine the amount of debt owed to the Public Pension Fund and take binding measures that do not compromise staff retirement funds. To also ensure the transfer of the amounts deducted from employees' salaries for this purpose.
  - Open a discussion with the United Nations on projects funded by donor countries to the Palestinian people. To also discuss the extent to which tax exemptions apply to employees working in these international institutions.

• Demand from the existing Authority in the GS to reveal and disclose financial data relating to the management of public funds in the Strip.

• Re-evaluate the retirement system for political office holders. This is to right the wrong concerning the violation of justice and equality of rights of the public sector employees, in addition to mitigating the huge financial burdens it imposes on the public budget. Moreover, this will be in line with the international trends towards stopping the old system and replacing it with other mechanisms to guarantee the financial rights of political office holders such as: awarding an end-of-service bonus, or providing them with a lump sum to be granted for a transitional and specific period of time.

Second: at the level of legislations:

• Draft and approve a special law to regulate the work of the PIF as a sovereign fund, as stipulated in the Basic Law.

• Emphasize AMAN’s previous recommendations on the approval of the General Petroleum Authority Law.

• Approve the Right to Access to Information Law, which entails provisions concerning the duties of officials and public employees in providing public information to citizens.

• Approve the National Archives Law.

• Adopt a law for appointing governors, which defines the terms of their appointment on the basis of competence and experience, clarifies their tasks, defines limits of their powers and provides mechanisms for holding them accountable.
• Develop and issue a compulsory, comprehensive and equitable health insurance system for all citizens (Symbiosis system), which takes into account the poor and marginalized, and in order to stop the depletion of the health sector allocations that have been going to pay the bills of the health insurance fund.

• Comply with the implementation of the resolution of the Medical Protection and Safety Law, by speeding up development of its executive regulations, noting that failure to implement the law is considered a legal violation and a disruption to one form of accountability.

• Issue a system that defines sensitive security purchases as stipulated in resolution 8 of 2014 on public procurement.

• Approve a specific financial system for the security institution; ensure publication of the exceptional financial regulations issued by the Prime Minister.

• Issue the executive regulations included in the Security Forces Service Law in order to implement the controls and conditions relating to appointments and promotions in the security sector. This will preserve a balance between the number of officers and the number of soldiers in the security services.

• Establish a special system with clear standards for the lottery used for selecting individuals going to the (Hajj) from the registered name list. Similarly, the system can be applied for accompanying administrative and technical missions. Finally, stop all exceptions in this area.

• Develop a “Gift Acceptance System” in public service, ensuring that the system differentiates clearly between what is permissible as gifts and what is absolutely unacceptable. The system should also specify the acceptable ceiling for the in-kind gifts, where any gift that exceeds the specified ceiling should be considered, as a cash gift, and hence must be rejected. And to be extremely strict if the gift is given to a senior employee or those hired through special contracts. Any violators of this system must be referred to the ACC, noting that disclosure of gifts is a must.

• AMAN believes that the ACC should be granted discretion and the right to provide protection to anyone found to have reported corruption suspicions, in accordance with the law, and was threatened or retaliated against a result of his/her reporting, even if he/she does not apply for formal protection to the ACC.

• Include criminalization of corruption acts committed in the private sector in the Anti-Corruption Law (Public shareholding companies and companies that run public facilities).
Third: at the level of measures and procedures

The government must:

- Publish all its decisions on public affairs, fully not only titles, on the official website of the Council of Ministers; publish all legal, regulatory and financial documents voluntarily; provide the public with easy, short-and no-cost access to decisions, statistics and general contracts; apply banning restrictions only on personal issues and data, confidential trade secrets, secret foreign relations, and any information that harms the Palestinian national security.

- Speed up the completion of the electronic archiving system for all files entrusted in its ministries and institutions, as a proactive step necessary to pass the Right to Access Information Law, and commit to its implementation.

- Repossess all the funds granted to ministers and some heads of non-ministerial public bodies through illegally raised salaries, as well as the rent allowance concessions that some received unjustly. This must be carried out in accordance with the President’s decision to return the money that these officials have unjustly received.

- Disclose the full and correct information concerning the Palestinian role, rights, commitments and degree of participation in the Eastern Mediterranean Gas Forum in order to deter rumors.

- Publish all agreements and understandings reached between the Israeli occupation and the Jerusalem Electricity Company.

- Call on the Ministry of Local Government (MoLG) to recognize the important role the LGUs play in the community. This requires strengthening the principles of transparency in these bodies, particularly those that are classified C. LGUs must publish information on services rendered and budgets on their web pages. And to raise the awareness of the members of the councils of their role in demanding accountability of the head of the LGU, and their role in decisions issued by the local unit.

- Support local and international initiatives that provide social assistance to those in need through the unified portal for social assistance, to avoid any manipulations that may arise in this area.

- Inform the the High Council for Public Procurement, in its capacity as the official tender follow-up body, regarding the direct purchase requests as exceptions; review and scrutinize “exceptions” for purchases, in accordance with the Public Procurement Law; publish all tenders for public procurement on the unified public procurement portal.

- Develop a unified guideline for official reports issued by ministerial and non-ministerial institutions. The guideline should include a procedural hand-book for writing these reports including highlighting achievements and challenges when implementing their annual action plans, in addition to specifying set dates for publishing their reports, as well as, follow-up procedures for subsequent challenges accordingly.
• The unified complaints system should be dealt with as a control mechanism by examining the extent by which citizens’ complaints are taken seriously. The government must not settle for a statistical report on complaints detailing only the number of files addressed and those closed without illustrating methods used to study and resolve these files.

• Adopt a clear and comprehensive concept of accountability in public institutions, where it is not limited to submitting a complaint to a specific department, but rather to consider it the duty of those in charge of public office (whether elected or appointed, ministers or officials and affiliates). It should be made clear that all are responsible for providing periodic reports on the progress of the work of the institution or ministry. Reports should be written clearly and include explanations of decisions and policies, and the willingness to assume responsibilities for these decisions. In addition, they must be committed to report on the progress of their organization, explaining the pros and cons, and the extent to which they succeed or fail in the implementation of their policies. They also need to ensure that citizens are informed and have access to these reports, public administrations reports, and other reports such as: reports issued by the legislative council, the Council of Ministers, ministries and official public institutions, non-ministerial institutions, non-governmental institutions, and companies that manage or provide public services such as electricity, water and telecommunications... etc.

• Commit to the establishment of the Palestinian Telecommunications Regulatory Commission in compliance with the 2009 law, and to ensure effective oversight of companies that provide telecommunications to citizens.

• Support recommendations put forth by the National Coalition for the Reform of the Judiciary, which called for respecting procedures followed for appointing the Head of the High Judicial Council and other judicial positions. Also allow community membership in the Council; promote the integrity system in the Council, as well as in the forming of its committees and units.

• Strengthen the role of regulators such as the Corporate Controller and CMA over private sector companies that operate a public facility and provide services to the public.

• Adopt and publish standards used for the disbursement of zakat money to its beneficiaries. In addition, enable regulators to access related files, and disseminate information about them to the public through the official web pages.
Preface

For the 12\textsuperscript{th} consecutive year, The Coalition for Accountability and Integrity- AMAN continues to prepare its annual report on the developments of the state of integrity and combating corruption in Palestine. The report monitors positive developments, challenges, forms of corruption, actual criminalization and prosecution of corrupt people, and official efforts to combat corruption during 2019, without losing sight of the surrounding environment and its ramifications on those efforts. The report also follows-up on governance in the management of public funds, and in particular, transparency of the public budget during its various phases; preparation, approval and implementation, as well as methods of spending and revenues received. The report is based on a scientific methodology for collecting relevant data from the various and available sources, in addition to the results of AMAN’s annual public opinion poll on citizens’ impressions concerning a number of related areas. It also relies on results of the Integrity Index, which contains a wide range of indicators and is prepared and conducted by AMAN every two years.

The report aims to deliver to Palestinian decision makers and related parties specific recommendations that would help them to adopt measures and procedures that would strengthen the national integrity system against corruption. This constitutes one of the most important objectives of this report, in addition to promoting further engagement of advocates from CSOs in the anti-corruption efforts, which in turn will ward off risks of corruption and hence protect public funds and managing institutions. AMAN realizes that building effective institutions free of corruption is in the interest of our Palestinian people who are suffering under Israeli occupation. And that promoting integrity and anti-corruption efforts does not contradict the Palestinian national project, which seeks to end the occupation and achieve self-determination and the return of all Palestinian refugees, in accordance with UN resolutions on Palestine. Needless to say that success in this area enhances citizens’ confidence in the leadership and government institutions and their willingness to bear the burdens resulting from this major challenge. Therefore, AMAN is determined to continue to issue and publish this annual report.

AMAN is fully responsible for its methodology, the reliable sources and accuracy and precision of information in this report. AMAN is also prepared to review and evaluate any new data when and if it arises. In addition, AMAN maintains an objective and professional analysis of data when reaching conclusions and in providing recommendations. AMAN’s stance and choices are taken freely and without political or partisan interference.
Methodology

First: Monitoring and collecting information

In its preparation for this report, AMAN relies on collected information and data related to developments in the field of promoting the values of integrity, principles of transparency and systems of accountability in the Palestinian society in general and in public institutions in particular. In addition, AMAN ensures that the state of corruption and efforts to combat it are monitored and assessed from their various sources to be used in this report; most important of which:

- Relevant information and data monitored and documented during the year by the Monitoring and Research Unit at AMAN headquarters. This information is usually included in reports issued by official public commissions and institutions, and in particular: decisions and procedures of the Council of Ministers, ministries, the ACC, decisions issued by the Prosecution and the Corruption Crimes Court, the Palestinian Central Bureau of Statistics (PCBS), the State Audit and Administrative Control Bureau (SAACB), The Independent Commission for Human Rights (ICHR), some of the World Bank’s reports on Palestine, and Transparency International (TI).

- Conclusions and recommendations of special reports and working papers prepared by AMAN throughout the year by its researchers, departments, and various units, especially the Advocacy and Legal Advice Center (ALAC), where results of analysis of cases brought forth by people seeking advice, and responses of expertise parties are utilized. Finally, main conclusions of participatory forums functions in which AMAN participates jointly with CSOs.

- Data and information from face-to-face interviews with officials, and documented debates of the various events such as workshops, conferences, dialogues and public discussions.

- Variables included in a number of indexes of indicators on integrity, transparency and accountability in the management of public funds and affairs.

- In 2019, The AMAN contacted several ministerial and non-ministerial public institutions in order to collect relative information for this report from its original source. In this regard, AMAN, would like to extend its gratitude and thanks to all the institutions and ministries that have provided responses to these communications.

- Data and conclusions from analysis of the public opinion poll’s results, conducted annually by AMAN on the state of and combating corruption. Also results of related opinion polls on corruption conducted by Palestinian research and studies centers during the year.

- Cases published in investigative press reports on the abuse of power of officials in positions of management of public funds, which become public knowledge. In addition, conclusions of some of the investigative reports prepared by AMAN in collaboration with media organizations and journalists, where the information is subject to a process of verification of the accuracy and reliability of its sources by the reporting team.
Second: Information analysis

- The information is analyzed based on the objectives of the report in order to reach conclusions supported by facts and not just impressions.
- The information is quantitatively and qualitatively analyzed by the analysis team.
- The analysis team meetings are documented in a separate and specific file.
- The first draft of the report is prepared based on the results of the collection and analysis of information. This method is repeated when all drafts are prepared, and until the final version is finished.
- AMAN’s Anti-Corruption Board Advisor reviews and makes detailed written observations on the report throughout the phases of its preparation.

Results of the Palestinian integrity system index prepared annually by AMAN to measure integrity transparency and accountability in management of public affairs

Report recommendations: conclusions and recommendations of reports, studies and assessment working paper performance of some public institutions

Results of the Integrity Index in the Palestinian Security Sector

The advocacy and legal advice center - AMAN: conclusions and recommendation provided by the center on some cases received

Anti-corruption monitor: directly collected and documented by the center for promoting integrity and anti-corruption – AMAN. Cases related to the national integrity system, and anti-corruption efforts and measures

Opinion polls: conclusions related to results analysis of the opinion poll on corruption and combating it

Local & international public institutions: data included in issued official reports of financial reports in issued official reports of financial and administrative institutions and commissions

Direct interviews with decision makers: collected by AMAN’s work teams for purposes of reports
• External experts who are familiar with the state of integrity and anti-corruption at the national level are invited to a special meeting to discuss the semi-final draft report prior to its approval by AMAN’s Board of Directors. Members of AMAN’s Board of Directors are also invited to participate in these meetings.

• Once the internal and external reviews are over, AMAN’s Executive Director submits the report to the Board of Directors, where the final review and approval is left to them.

• The report is finally edited to ensure that it is error-free and linguistically sound.

Contents of the report

This report is divided into five sections:

First section: The State of Integrity and Anti-corruption System in Palestine; Positive Developments and Challenges in 2019.


Third section: Governance in the Management of Public Funds in 2019.

Fourth section: Issues in the Spotlight (issues AMAN believes should be highlighted for public opinion and officials).

Fifth section: Main Recommendations.
General Environment of Promoting Integrity and Combating Corruption

2019 was no different than 2018 in terms of the environment that surrounds integrity and anti-corruption efforts in Palestine. It was as perilous on many levels, beginning with the continuous Israeli oppressive practices that hinder the building of effective Palestinian institutions and ending with internal issues that add “insult to injury”. In that regard, the negative impact of the internal division and the absence of the Palestinian Legislative Council (PLC) are in the forefront of these issues. Furthermore, there was continued decline in the prestige and effectiveness of the judiciary, which allowed the President to dissolve the High Judicial Council and form a transitional high judicial council. This is in addition to the deteriorating economic situation which took a turn for the worst due to the Israeli authorities pirating of the Maqassa (clearing tax) money and the Palestinian refusal for eight months to receive the incomplete amount. Also, there was the resignation of the 17th government headed by Dr. Rami Al-Hamdallah and the forming of the 18th government headed by Dr. Mohammad Shtayyeh. All of the above had impact on the integrity and anti-corruption efforts during 2019. Following are the elements affecting the general environment:

The impact of occupation on the environment of integrity and anti-corruption

- The persistent aggressive policies of the occupation
  The Israeli occupation continued to impose its daily aggressive policies against the Palestinian people and land. Following are few examples of the practices inflicted on Palestinians: The colonists, under the protection of the Israeli occupation army, intensified their attacks on citizens; the number of Palestinian political prisoners in Israeli jails reached more than 5500 as of the end of 2019, where 889 of them are children, and at least 128 are women; daily incursions into al-Aqsa Mosque and house demolitions were and are on-going. Moreover, the occupation carried out the building or expansion of several colonies’ projects in Jerusalem and in the Northern Jordan Valley, not to mention its policy of continually confiscating Palestinian land.


The continued arbitrary measures imposed by the occupation hinder the building of effective Palestinian institutions. In addition, its full control over Palestinian natural resources, piracy of Palestinian’s funds, lack of transparency of its data and refusal to submit to independent audits deepen the deficit and the financial crisis in the PA Government’s budget.

The amount Israel deducted from clearing tax money over the past five years amounted to approximately $3.5 billion dollars.
The Government’s Budget continues to suffer from a deficit caused mainly by the Israeli pirating of Palestinian funds (confiscation of the clearance tax)

In 2019, and precisely since February, the Israeli occupation authorities began to deduct part of the Palestinian clearing funds under the pretense that these funds are given by the PA to the families of prisoners in Israeli prisons. The total amount stolen was 502 million New Israeli Shekels (NIS). The Israeli decision caused a financial crisis that forced the PA government to adopt an emergency budget, especially since foreign financial assistance to the State of Palestine continued to decline. The occupation’s negative impact on Palestinians is multi-layered and does not stop at stealing their funds. For example, Israeli Prime Minister Benjamin Netanyahu pledged during his election campaign to impose Israeli sovereignty over parts of the occupied WB, hence the Israeli elections’ propaganda reflected on the Palestinian reality epitomized by the piracy of Palestinian money as part of this campaign. Moreover, the United States of America (U.S) also contributed to supporting Israel and its policies by cutting off U.S. aid to the Palestinian people and adopting Israeli positions. Furthermore, the Israeli occupation continued its siege of the GS for the 13th consecutive year, which included restrictions on the movement of goods, citizens and fuel for the power plant. Also in the GS, the Palestinian Return Marches continued on weekly basis, where Israeli oppressive measures were escalated under the pretext of “security” which reflected the increase in the number of martyrs, wounded and disabled among the population of the GS.

As a result of the clearing tax crisis, on March 25, 2019, the President issued the resolution No. (26) For 2019 stating that the 2018 budget is to be adopted for 2019, and monthly stipends by a percentage

---

2 Statement by Prime Minister Dr. Rami Hamdallah for Palestine TV on Feb.2019, 27
3 Press conference for the Secretary of the Executive Committee of the Palestine Liberation Organization, Sa’eb Areiqat, on the suspension of U.S. aid to the Palestinian people on Jan.2019,31
of 1/12 for each month of the last fiscal year’s budget. In addition, all appointments and promotions, buying and renting buildings and cars, or decisions that result in financial commitments that conflict with the state of austerity are to be discontinued, until the adoption of the regular budget law for the fiscal year, which was not approved in 2019.

- **Israeli violations of human rights and public freedoms**

Violations of human rights and public freedoms in occupied Palestine continued in 2019 by the Israeli occupation, with escalated arbitrary measures against the Palestinian people. In addition, violations by social media companies (Facebook, WhatsApp, and Twitter) were also noted in 2019 by banning Palestinian media content. Reports of the Palestinian Center for Development and Media Freedoms (Mada) identified approximately 678 violations of media freedoms in 2019. 297 of these violations were carried out by the Israeli occupation; journalists were arrested, injured or killed by live and rubber bullets such as the case of the journalist Moaz Amarna who lost one of his eyes, by a live bullet. In addition, arrests and detentions of journalists, summonses for investigation; prohibition from covering events, and the closure of press sites and offices were common practices by the occupation forces against Palestinian journalists.

Also in 2019, social media companies (Facebook, WhatsApp, and Twitter) were guilty of violating freedom of the press in Palestine, where 181 violations were recorded, including closing, blocking or preventing publications on websites and pages of Palestinian journalists in the WB&GS.

Furthermore, the online content of Palestinian journalists continued to be targeted by Israel, where the highest numbers of violations were recorded with 250 accounts blocked or shut down. Followed by denying journalists access to cover events... where 92 cases were recorded in 2019, in addition to 18 journalists who remain in detention in Israeli prisons as of the end of 2019. Further violations included cases of raids on press organizations and the homes of journalists, targeting them with tear gas, fines and travel bans.4

---

4 The Freedoms Committee Report issued by the Journalists Syndicate on Aug. 2019, 1.
The recent dissolution of the Legislative Council and long term paralysis prior to that kept official accountability for the new Palestinian government weak. It also gave the executive authority a “green light” to solely draft legislations, in addition to providing opportunities, including through legislations, for certain powerful individuals to abuse power granted to them to serve their personal interest.

The year 2019 witnessed important developments the Palestinian political system that had an impact on the environment of the integrity system and the fight against corruption, most important of which:

- **Dismantling of the Palestinian Legislation Council without setting a date for general elections**

Based on a decision by the Palestinian Constitutional Court, which called for legislative elections to be held within six months of the publication of the decision in the Official Newspaper⁵, President Mahmoud Abbas declared at the end of 2018 the dissolution of the PLC, which had been dysfunctional for the past 12 years; the President expressed his commitment to calling for general elections during his speech to the United Nations General Assembly on September 26, 2019⁶. Lastly, the Change and Reform Bloc (Hamas) in the GS continued to hold legislative council sessions for its members.

---

⁶ President’s speech link, 26.9.2019 https://www.youtube.com/watch?v=FZJ856VAeDo
• Formation of the 18th Government in the absence of formal accountability (PLC)

At the beginning of March 2019, President Mahmoud Abbas appointed a member of Fatah’s central committee, Dr. Mohammed Shtayyeh, to form the 18th government, replacing the government of Dr. Rami Hamdallah. The Law No. 12 of 2019 was passed to give the confidence to the new government, and its formation was adopted by Decree No. 5 for 2019. The new government included 16 new ministers five of whom are from the previous one, and with the participation of some political factions and the refusal of others. The government resumed its duties after it took the oath of office before The President. No vote of confidence was granted to the new government, as required by the Palestinian Basic Law, due to the absence of the PLC.

Above is a copy of the of the President’s letter of assignment to Dr. Mohammed Shtayyeh to form the 18th government.

7 Issue No.154 Official Gazette, Al-Waqa’i Al-Filisteeniya on April 2019,16.
• **Growth and expansion of the clan power as an alternative to the rule of law and state institutions**

During 2019, some issues emerged that demanded attention, and indicate to the weakness of the rule of law. These issues, among others, included the growth of the role and influence of some politicized religious groups, and the undeniable growth of the clans allied with them. This led to accelerate the issuance of a law to stop the implementation of the Resolution 19 of 2016, on social security and its amendments. The clans and allies were supported by influential people in the private sector despite the law’s provision for the continuation of dialogue between all relevant authorities, in order to reach a national consensus on the provisions of the law and date it goes into force.\(^8\)

The establishment and abolition of public institutions and the retreat of the State of Palestine from its decisions under societal and clan pressure have encouraged some groups to establish the authority and influence of representatives of tribal institutions, as an alternative to state institutions. As one example illustrates, Palestinian clans, families and other forces in the West Bank have called for the de-legitimatization of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), under the pretext of violating Islamic law. It is worthy to note that the State of Palestine signed the agreement five years ago, and no objection was raised at the time. The situation in Gaza was no different from the West Bank, as some families chose their representatives (family councils) from the community, encouraged by the existing authority in the GS, as an alternative to holding LGUs elections, which have been disrupted there for more than a decade ago.

---

Economic and social indicators
The Palestinian economy in 2019 maintained a growth rate close to that of 2018. In 2019, the GDP increased by 1.2% compared to 2018, which was 0.7\%\(^9\), despite the withholding of the clearing tax funds for eight consecutive months, and the consequences that followed such as: shortage of cash-flow and accumulation of government arrears. The Palestinian economy was also affected by continued decline in foreign aid and grants, and particularly with the discontinuing of U.S. aid to the government, UNRWA and CSOs. It was also affected by Israel's banning Palestinians from utilizing their natural resources. The total number of workers in the labour market remained stable in 2019 compared to 2018.

In contrast, the unemployment rate in 2019 is estimated to have dropped to about 26.0%, compared to 26.8% in 2018.10

The labour force participation rate was 46% of the total workforce for those aged 15 and over, with a significant decline among women, which reached 21%. In 2017, poverty in Palestine was 29% (14% WB and 53% GS).11

The continued and increasing number of Palestinian workers from the WB working in Israel has helped reduce immigration. Unfortunately, risky migration of Palestinians living in the GS continued, which resulted in the death of a number of young people.

Results of an opinion poll conducted in July 2019, on corruption in Palestine and methods of combating it, showed that the Palestinians are pessimistic, and important challenges are waiting to be addressed, such as: the economic crisis, combating corruption, and ending the occupation and the internal division. 27% of respondents said that priority should be to address the escalating economic crisis, while 26% said that corruption should take priority; followed by issues related to the occupation’s policies and the continuation of the internal division by 15% and 22% consecutively.12

---

11 Statement issued by the PCBS on July 2019, 11 on the occasion of the World Population Day.
The state of human rights and public freedoms

At the Palestinian internal level, the year 2019 witnessed several violations of public freedoms by the Palestinian authorities, both, in the WB and the GS, in term of abuse of power, hence compromising the integrity system all together. According to MADA Media Freedom Center, a total of 200 violations were reported in the WB&GS. These violations consisted of summoning, interrogating, arresting and sometimes torturing journalists for their publications\(^\text{13}\). In the GS, during the repression of the authorities of the movement “We want to live”, 72 violations were recorded, with the majority of them relating to media freedom. As for the WB, despite the decrease in the number of violations related to media freedoms under the 18th government compared to the previous one, 49 websites were either banned or closed by judiciary orders.\(^\text{14}\)

According to the Committee of Freedoms report, issued by the Journalists Syndicate, 160 violations against journalists in the GS have been recorded. The violations included 43 arrests, 23 incursions on journalists’ homes, 22 summons for investigation and 20 cases of battery\(^\text{15}\). Similarly, the ICHR's monthly reports in 2019 also monitored a range of human rights violations in the WB&GS. These included 365 complaints of torture and ill-treatment; more than 440 complaints concerning the right to proper legal proceedings, and detentions without guarantees of a fair trial; approximately 224 complaints were related to the arrest of individuals in the governor’s custody; 53 complaints about non-implementation or delay in the execution of judicial decisions; 69 complaints about assaults on the freedom of opinion, expression and peaceful assembly.

\(^{14}\) Palestinian Center for Development and Media Freedoms « MADA” https://www.madacenter.org.
\(^{15}\) Report of the Freedoms Committee issued by the Journalists Syndicate on January 2020.
While these complaints covered both the WB&GS with a degree of similarity, the majority of complaints on the following were in the WB: torture, violation of the right to fair trial, freedom of opinion, expression and peaceful assembly, as well as the majority of complaints related to the detention by the governor, and those related to failure to implement or delay execution of judicial decisions.\textsuperscript{16}

A report by the Al-Mezan Center for Human Rights documented 37 violations of the right to peaceful assembly in the GS during the period covered by it. Among them were 34 violations of open-space gatherings; 3 in closed-space gatherings; 2 “un-allowed to carry out activities; 35 breaking the assembly by force. These violations caused 10 injuries to participants of these gatherings, among them 3 children. In addition, there (784) citizens were arrested for participating in peaceful gatherings.\textsuperscript{17}

It is safe to say that the 18\textsuperscript{th} government headed by Dr. Mohammed Shtayyeh and his stated goal of strengthening citizens’ confidence in the government has given hope to citizens that government’s policies might be changing towards CSO in terms of openness and joint participation. In addition, the partnership between the ACC and civil society organizations in the preparation and development of the National Anti-Corruption Strategy indicates that joint efforts to enhance integrity in governance and in combating corruption are possible. In contrast, the monitoring and follow-up sources on the general environment surrounding the anti-corruption efforts indicate that 2019 was a continuation of the past year in terms of the escalation of frustration, lack of hope and lack of confidence in the official institutions among citizens. This coincided with the deadlock of the political negotiations in reaching a just settlement and the difficult living and economic conditions of citizens due to the PA’s irregular payment of salaries to public employees who make up a large and important segment of Palestinian society.

The continuation of internal division; the decline in the democratic situation as a result of the dissolution of the PLC; the interference of the executive authority in the judiciary; and the intensifying of the repressive policies of the occupation such as the judaization of Palestinian Jerusalem, expansion of colonies, and house demolitions, to name a few. All of which worsened the situation in 2019.

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{16} Independent Human Rights Commission «Ombudsman’s Office» https://www.ichr.ps.
\item \textsuperscript{17} Semi-annual report on freedom of opinion and expression, right to peaceful assembly and the right not to be arbitrarily arrested- Aug.2019,8. http://www.mezan.org/post/29088
\end{itemize}
\end{footnotesize}
First: State of Integrity, Transparency and Accountability System, in Palestine in 2019

**Integrity of governance**

The integrity of governance is a prerequisite condition for achieving democracy and building a national integrity system for any political system. This means officials responsible for running institutions (i.e., managing public funds) make their decisions in favor of public interest, and not for the benefit of any other party (segment, a ruling group, or a ruling party). Integrity of governance encompasses various areas of the state’s work and institutions, and is based on the principle of separation of powers, in theory and practice, and stemming for the principle that (an absolute authority is a corrupt authority).

Through its annual reports, AMAN seeks to monitor the foundations of integrity in governance, since it is a key pillar for democracy and the building a sound political system that obliges all parties to take decisions, policies and legislations for the public interest, as well as hold violators to accountability.

Integrity of governance also means that the three authorities adopt and respect the values of integrity, principles of transparency and accountability systems in their decisions and actions and to manage public funds transparently and in the public interest. Integrity of governance also must include independent and effective regulatory bodies, where all public employees are subject to its control and no official is granted immunity from censorship and scrutiny of his actions. It also means: having a civil society that is empowered and able to exercise community accountability; enjoys free media and investigative means; able to expose corruption cases. It also means having an official media that expresses the opinion of all citizens and reflects the state of diversity in society. It is these basic principles that ensure the integrity of governance and prevent officials from abusing power to legislate, adopt policies, or take action in favor of their personal interests. Nor does it allow anyone to use the authority granted to appoint loyalists or relatives in public positions, especially in regulatory institutions. These rules are considered basic behaviors for leaders and associates espouse in order to be an example for others.

In its previous annual reports, AMAN sought to shed light on the pillars of integrity in governance. Therefore, this report will focus on some of the challenges facing the integrity of governance in Palestine. 2019 witnessed a number of challenges in establishing the principle of the separation of powers in governance in Palestine. One of the main hurdles is the on-going internal division since 2007, among other things, that has contributed to the decline in the stability of this principle. Moreover, the dysfunction of PLC since mid-2007, and its dismantlement at the end of 2018, in addition to the influence of the executive branch on the judiciary and its independence, as well as the suspension of the general elections to date, all led to the exclusive control of the executive authority in decision-making of public affairs. Therefore, the absence of the PLC and the disruption of holding elections deleted the first authority that has oversight power over the executive authority, the branch in charge of the management of public funds, first and foremost, the public budget. Here the government continued to prepare and
implement public budgets year after year without PLC review, approval or control over implementation. In addition, the executive authority also took over the legislative process, which is the primary function of the PLC. In that regard, failure to pass a general and comprehensive legislation to address conflict of interest allowed for those in power to take public decisions at times for the benefit of a group of individuals and not for the common good. This created confusion and rumors and shook peoples’ trust in officials hence weakening the integrity of governance. More details will be provided on integrity in governance when addressing individual sectors in this report.

Weak integrity of governance is the main factor for the widespread corruption in the Middle East, according to the results of the Corruption Perceptions Index (CPI) 2019

Results of the 2019 CPI, conducted by TI, revealed that little progress was noted in controlling corruption in the Middle East and North Africa region. However, within the overall rate many countries did not achieve the mark of success, where the average for these countries was 34%. As for Palestine, it is not included in this year’s CPI because it does not have the minimum number of sources required by the index (3).

The table below illustrates the scores of countries in the Middle East and North Africa

![Image of Corruption Perceptions Index 2019]

Palestine is not included in this year’s CPI, as it has not been rated by the minimum three sources required.
To reduce corruption and restore confidence in public policy, Transparency International recommends that governments do the following:
- Strengthen checks and balances and promote a balanced separation of powers.
- Build transparent and accountable institutions, hold offenders accountable and prevent them from impunity. Governments also should hold free and fair elections, and engage citizens and allow them to be involved in decision-making.
- Control political funds to prevent excessive money and the influence of politicians.
- Address preferential treatment (favoritism) to ensure that public budgets and services are not driven by personal ties or biased to personal interests at the expense of the public interest.
- Address conflict of interest and “revolving doors”.
- Organize lobbying activities by encouraging and facilitating open access to the decision-making process.
- Promote electoral integrity, prevent misleading campaigns and punish those who violate.
- Empower citizens and protect activists, journalists and those reporting corruption.

State of Palestine
Integrity, transparency and accountability in the Palestinian public sector

In 2019, the monitoring and follow-up process on the integrity, transparency and accountability system in the management of public affairs showed improvement in some areas while other areas showed little or no progress. Moreover, data and results of special reports prepared by the AMAN, and information collected from the public sector (civil and security branches) on developments and challenges in promoting integrity and combating corruption during the year, have shown that progress has been made in this area.\(^{18}\)

The government performance report for 2019, issued 100 days after its mandate, points out that one of the government’s focal points at work focuses on: safeguarding of public freedoms; promoting transparency and trust between citizens and the government, and on reform and development of laws, regulations and procedures that promote these values. However, the report is void of information concerning development and progress on legal frameworks of some sectors, establishment of regulatory bodies for other sectors, and government’s efforts to implement laws issued long ago but have neglected, such as the Medical Safety Law, for example. It also does not mention other challenges facing the government and public institutions in implementing their action plans.

---

18 It is worthy to note that AMAN in 2019 did not prepare any reports on certain institutions or sectors such as the presidential institution due to the lack of possibility to monitor the development and challenges that occurred during the year. However, AMAN’s next report will focus on this issue.
The government and policies to promote integrity and anti-corruption in the National Policy Agenda

The 18th government performance report for 2019 relied on the National Policy Agenda “Citizen First” (2017-2022) to achieve the stated goals at all levels, as well as the sectors’ plans that stem from it. AMAN’s interest has been mainly focused on following up on the 9th and 10th policies of the agenda, on the promotion of accountability and transparency by institutionalizing commitment within public institutions to: govern by the Public Service Code of Conduct; combat corruption in all its forms; promote transparency at work, including the right to access to information; strengthen the role of financial and administrative regulatory institutions; promote result-based and performance-based public administration; enhance the efficiency and effectiveness in the management of public funds by ensuring financial sustainability; focus on the development of a total fiscal policy; focus on public debt management and procurement management; improve tax collection; increase revenues by focusing on expanding the tax base; mobilize external support; rationalize expenditures and reform the retirement system for public sector employees; reform and restructure public institutions to enhance their efficiency in service delivery; Establish basic public service providers, particularly water and electricity services.

The 18th government, same as previous governments, continues to believe that the task of building an integrity system, combating corruption, preparing plans and supervising their implementation is the sole responsibility of the ACC although it, the government, has carried out sporadic activities in this regard. And also despite the realization that the Commission cannot replace ministries and other official institutions to build this preventive system, as most experiences of countries that succeeded in this respect have indicated. The report of the UNCAC Implementation Review Committee on Palestine confirmed that one of the challenges facing Palestine’s commitment to the Convention is the lack of clarity in the relationship of public institutions with the ACC.19

---

19 An unpublished report on the review of the implementation of the State of Palestine for chapters 2 and 5 of the UNCAC 2019.
Integrity in the public sector

The state of integrity in many public institutions in 2019 remained the same as in 2018, particularly in regard to providing training for officials and employees of public institutions on provisions of the adopting Code of Conduct for Public Servants, as well as relying on it as a mean for evaluating employees performance and an accountability tool.

Other developments include the publication of the Council of Minister’s decision on the gift acceptance system on December 26, 2019 in the Official Newspaper “Al-Waqa’i Al-Filisteeniya.” This is considered a step forward in promoting integrity in public institutions, and it could bring about positive effects if implemented in 2020. It should be noted that the Council of Ministers approved the “Gift Acceptance” system on August 19, 2019, i.e. a delay of more than four months.

AMAN stresses the need to implement the conflict of interest system in 2020, which was issued at the beginning of 2020, in all public institutions along with follow-up mechanisms. This will reflect positively on the values of integrity in the public sector and eliminate many of the problems that emerged in this area in 2019, including:

• Conflict of interest was ignored in the Council of Ministers’ decision of the previous Government to raise the salaries of ministers and heads of some public institutions with minister’s rank, since the beneficiaries of the decision are those who took the decision. The decision was executed without paying attention to amending the provisions of Law No. 11 of 2004, which determines the financial rights of governors, PLC members and government officials including salaries and rewards.

• Some officials and ministers were granted housing allowances despite having houses in Ramallah.

• Hindering the issuance of the Right to Access to Information Law and the National Archive Law.

• Conflict over key positions and senior posts in the executive and judicial authorities, as well as in embassies. This became apparent as other parties came forth, in the context of the disputes between these groups, to challenge procedures by which the appointments were conducted. This encouraged the emergence of the “mob”phenomenon that reached the basic structure of the judiciary, exemplified by (challenging the procedures for appointing the president’s legal adviser, the attorney general, and the head of the Advisory and Legislation Bureau... Etc.).
• Decline in the independence of the judiciary and questioning of its integrity, which weakened the role of the judiciary in overseeing the government’s administrative actions, such as: interfering in the appointment of the head of the judiciary; manipulating its judges; interfering in the formation of its committees; not to mention the on-going controversy over the independence and impartiality of the Constitutional Court, and the opposing voices of the majority of CSO and many political forces and parties to its establishment.22

• The Ministry of Justice and the High Council of Justice in the GS adopted codes of conduct. However, these codes are weak and do not meet the best standards of judicial codes of conduct. Moreover, the Public Prosecutor’s Office has not adopted a code of conduct to date. Also the justice sector lacks policies to prevent conflict of interest; it also has no instructions or policies requiring employees to file financial disclosures. In addition, the justice sector institutions do not publish procedural handbooks, or periodic reports that contain substantive and sufficient information about work, and there are no specialized complaint units within the Ministry of Justice or the High Council of Justice or in the Islamic Court of Justice.

Reducing and weakening the role of institutions for the interest of giving the power of decision making to a handful of individuals; also the decline in the rule of law and the emergence of local power centers in place of constitutional and official institutions, and weakening the role of the judiciary and its integrity, will inevitably lead to weak governance. And that will in turn diminish the will and hinder anti-corruption efforts.

Despite the abovementioned, 2019 witnessed a series of developments related to promoting the integrity values in public institutions, such as the various regulations issued by the Council of Ministers that promote these values and encourage public employees to report corruption acts and suspected acts, in addition to providing protection for those who report. Many ministerial institutions contributed to these efforts, including:

22 Position paper issued by Palestinian civil society institutions and the ICHR on the Constitutional Court’s decision to dissolve the PLC and call for legislative elections, on Dec. 2019. http://www.alhaq.org/ar/advocacy/2216.html
• **Issuance of the gifts acceptance system in the public service**

Decision No. 10 for 2019, issued by the Council of Ministers on gift giving and receiving addressed a matter that AMAN has long demanded to be regulated in order to control the possibility of employees receiving special benefits from his/her work under the pretense of gifts. The system will contribute to bringing an end to the possibility of receiving bribes.23

• **Issuance of the Whistleblowers and Witnesses Protection system is an important step to encourage officials and citizens to report corruption**

The issuance of the decision No. 7 of 2019 concerning the system of the protection of whistleblowers, witnesses, informants and experts in corruption cases, their relatives and people that are closely related to them24, presented by the ACC, is an important step towards having a comprehensive legal system to fight corruption. It will also serve to encourage whistleblowers and complainants, especially public employees, to report suspicions of corruption acts without anxiety or fear of retaliation, since it provides them with personal, job and legal security. It is worth noting that the system meets the urgent need of filling the legislative vacuum that existed in this regard, and is in line with the requirements of the UNCAC in this respect. As a matter fact, some of its provisions go beyond provisions of the UNCAC in terms of protection of the whistleblowers. Additional positives aspects of the system other than mentioned include:

1. Acknowledging that reporting corruption can be reported to other than the ACC.

2. Detailing protection measures to include legal, personal and job/work dimensions, not only for the whistleblower, informant, witness or the expert, but also for their relatives.

3. Granting incentives, financial assistance and compensation to whistleblowers hence encouraging reporting of corruption.


Financial disclosure/ declarations of assets
The total number of officials required to fill out financial disclosure statements under the Anti-Corruption Law is 67,382 persons. By the end of 2019, the total number of those who complied with submitting declarations was 55,027\(^{25}\) individual. Amendment made to the Anti-Corruption Law at the end of 2018 with regard to financial disclosures is considered a positive development in terms of narrowing the scope of those responsible for filing financial disclosures, hence enabling the ACC to follow up on these declarations. And in spite of this, the review of Palestine’s compliance with the UNCAC noted many aspects impacting the effectiveness of the financial disclosure system, including: the extent penalties are applied to violators; absence of penalties for non-compliant personalities in political positions; failure to include financial disclosure of certain issues such as membership in boards; failure to publish statements by considering them confidential; access to these files requires a court order; lack of review of disclosures; and the extent to which the ACC is able to access other records such as property and tax records to verify information provided in disclosures.

The National Anti-Corruption Strategy
2019 witnessed a marked improvement in the ACC’s openness to CSOs symbolized by enhancing consultation with many organizations representatives in the development of the national cross-sectoral anti-corruption strategy 2019-2022. Another example is its positive response to the remarks of the Jerusalem Coalition concerning its observations on the draft strategy, in addition to including representatives from the Jerusalem Coalition in the strategy development team. It is worth noting that AMAN is the current executive secretariat of the Jerusalem Coalition. However, although the Commission exercised openness with CSOs in relations to the Strategy, there remains a number of requirements in this area in which progress must be made. These requirements include: the extent to which the strategy and its plans are binding; the extent of the Government’s involvement in its implementation given the ambiguity surrounding commitment; and the government’s failure to approve the allocated budgets to the Strategy. These issues were clearly indicated by the review of Palestine’s commitment to the implementation of policies and preventive measures to prevent corruption, stipulated in the UNCAC. This raised many questions about the lack of clarity in the

\(^{25}\) A letter of reply received from the ACC dated January 2019.
relationship concerning the role of the Commission and that of other corruption preventive bodies as: the SAACB, the GPC, ministries and Council of Ministers, as well as the extent of CSO’s participation in the development and implementation of the Strategy. Questions were also on the standards adopted for assessing implementation compliance; implications of the implementation; role of ministries in activities and in allocated budgets for implementation; reports related to the compliance in the implementation of the Strategy and the party to be submitted to; extent of representation of the technical committee in following up on the strategy implementation by all parties involved; the extent to which the public is informed about the results of the strategy assessment, and publication of the assessment; the need to focus on results and not just on activities; and lack of concrete assessments of the impact of these measures.  

The recent amendment to the Anti-Corruption Law No. 1 of 2005, stipulated in the Law by Decision No. 27 of 2019 (published in the official newspaper, issue No.162) that “The head of the Commission receives a salary equivalent to that allocated to the minister and enjoys the privileges and pension rights granted to him”. This ended the controversy and debate, which was circulating over the pension salary of the former head of the ACC.

The public opinion poll conducted in July 2019 on the state of corruption and anti-corruption indicates that 70% of respondents in the WB believe that the ACC lacks independence, and 85% of them find that its role is medium or weak. 54% see that the President’s office is the party most interfering in the work of the ACC, followed by the security apparatus and Council of Ministers. Compared with previous poll reports, a significant rise was noticed among those who believe that the ACC is operating independently, reaching close to 23% compared to 18% in 2017 and 16% in 2018. In the GS, the poll indicated that 68% of respondents believe that the parties in charge of monitoring corruption (the Anti-corruption and money crime prosecution) lack independence. And 83% of them find that its role is medium or weak in effectiveness, (55% medium and 28% ineffective).

26 Signed memorandum of cooperation and partnership between AMAN and ACC-2019-providing for joint cooperation in several areas, first and foremost is the implementation of the comprehensive cross-sectoral national anti-corruption strategy; regional and international cooperation; transfer of complaints of corruption received by AMAN via its Advocacy and Legal Advice Center, as soon as complaints are received, to ACC for investigation.

27 Citizens’ Opinion Poll on The State of Corruption and Anti-Corruption 2019. AMAN.
Transparency in the Public Sector

The state of transparency in public institutions remained weak in 2019, same as in the year before. However, the Council of Ministers, headed by Dr. Mohammad Shtayyeh since April 2019, has been updating of the government’s services on the General Secretariat of the Council’s website, as well as publishing titles of decisions taken by the Council on the special electronic site designed for this purpose, contrary to the 17th government who withheld its decisions from the official website of the Council.

Despite the abovementioned, publications of the council’s resolutions remain incomplete, since decisions are not fully published and archives of previous governments have not been republished. Hence the 18th government has settled for only publishing titles of its decisions, with no details posted on a newly established electronic site. This development has only been since the new government was commissioned on April 15, 2019. The ACC’s openness and consultation with CSOs in the drafting of the national cross-sectoral anti-corruption strategy, 2019-2022, is a positive participatory approach in building national efforts to promote integrity and combat corruption.

Lack of published information from its official sources further weakens citizens’ confidence in the government, and widens the gap between them. It also serves to spark rumors and possibly leaking public information in an informal and distorted ways.

implemented. Some ministries websites do not provide standard databases and statistics of their work, where implementations’ plans and decisions and performance measurement indicators can be tracked. Moreover, flow of information between units and departments within the same organization is poor. This is one of the consequences of the failure to pass the Right to Access to Information Law and the National Archives Law, in addition to the poor organization of administrative records.

Despite AMAN’s repeated recommendations for the past three years calling on the government to issue instructions on the classification of administrative files by defining files as confidential, personal or special, after which the files should be organized within a unified model. However, as of the writing of this report, the government has not issued any such instructions to all its ministries and public institutions under its jurisdiction. Nor did it oblige these institutions to publish required documents on their websites.

AMAN reaffirms that transparency within the government and the majority of public institutions progressed very little. This assessment is based on the fact that a number of these institutions issued decisions, but did not make them available to the public. They also published titles of issued decision without details or content of these decisions.

In conclusion, lack of published information from its official sources further weakens citizens’ confidence in the government, and widens the gap between them. It also serves to spark rumors and possibly leaking public information in informal and distorted ways.

Issuing annual reports in accordance with the law

Annual reports were issued and published by some agencies at different time periods in 2019, which is a positive development. Some of these institutions include, but is not limited to, issued their 2018 report: The Palestinian Police Agency; The Islamic Court of Justice; And the Palestinian Agency for International Cooperation; the government complaints report; the PIF; the CMA; the ICHR; the Wall and Settlement Resistance Committee; Palestinian Monetary Fund; Land and Water Settlement Authority; Annual Health Report issued by the Ministry of Health; the ACC annual report.

In this regard, it was noticed that some institutions were late in submitting their reports (i.e., 6-9 months into the new-year), which undermines the principles of transparency and weakens social accountability. As for the content of these reports, some of them contained substantial information, and others were issued more as a matter of formality.

As for the GS, the situation does not differ concerning public institutions and transparency. For example, although the SAACB in the GS is active in monitoring the work of the various government departments, it is not committed to publishing its annual reports; results of investigative committees; it also did not establish an electronic site in addition to being characterized as reserved in providing information or cooperating with CSO.

29 http://www.palestinecabinet.gov.ps/portal
30 The National Archives Law is a law that aims to protect decisions, documents and administrative records issued by state institutions in a safe place with easy access to official and civil parties, researchers and scholars, and is considered one of the centers for historical and social documentation.
31 Report on integrity and independence in the work of the SAACB, in the Gaza Strip September 2019. AMAN.
Delay in completing procedures required for implementation of the electronic archiving system in ministries and public institutions

The government announced the completion of the electronic archiving project for all files and in all departments of the Ministry of Transport and Communications (MoT&C). It also announced that it fully applied the electronic archiving system for human resources in the security sector. However, in 2019, no administrative public records were organized for all ministries and institutions, as step towards electronic archiving of e-government.

As for the electronic sites of public institutions in the GS, a report by AMAN on a sample of 34 public institutions showed that 5 of these institutions do not have websites, and 3 have not updated their websites for the past three years or more. As for those institutions who do have activated websites, nearly 62% have published all services provided to public, 44% publish directory of services on their websites, 60% have no informative materials on services provided to the public, and 59% did not clearly specify the internal contact party within the institution. Another 80% of the institutions did not assign a section for receiving suggestions from the public, and only 59% have electronic windows for complaints.

In addition, 73.5% of them do not publish results of the tenders and purchases of the organization, and 76.5% do not publish any ads concerning conditions and results of appointments. While 76.5% of them do not publish any reports on services provided, and 97% do not publish their budgets. Also 65% of the institutions do not publish their annual reports, and 70.5% do not publish their strategy. In addition, 79% do not publish their annual action plans, and 76.5% of them do not publish performance evaluation reports.

Despite the weakness in transparency in public institutions, mentioned above, the monitoring and follow-up process carried out by AMAN showed an improvement in transparency in some areas related to practices of service ministries, such as in the Public Procurement Council, and the Ministries of Education and Social Affairs. Achievements in applying transparency were revealed in the following services:

---

During 2019, the Ministry of Higher Education and Scientific Research continued to announce the availability of scholarships for 2019/2020 in the field of bachelor’s and post graduate studies.\(^{33}\)

In 2019, promoting the use of the unified portal for social assistance continued; the portal that all social assistance must pass through under the supervision of the Ministry of Social Development MoSD). The system is designed to eliminate duplications of assistance among beneficiaries, hence achieving a larger degree of equality of distribution. During 2019, the Ministry regulated access to the gate by signing memorandums of understanding (MoU) with 70 institutions and governorates, in addition to schools; Al-Quds Open University and Al-Quds University; and Zakat Committees. Committees have also been set up to market the needs of the poor through the portal at the level of the directorate and the ministry.

And yet, in 2019, cash and in-kind assistance continued to be distributed by a number of official entities outside the unified social assistance portal. This is a violation of the Council of Ministers decision taken during its session No. 136, on January 1, 2017, which requires the adoption of the unified portal for distribution of all social assistance.

The PCBS held a number of regular press conferences during 2019 either to launch official statistical figures related to different fields, or to address inquiries asked by the media and civil society organizations.\(^{34}\)

**Improvement in the transparency of the public procurement system**

The year 2019 witnessed a range of developments that enhance transparency in the procurement and public tenders processes, including\(^{35}\):

Despite weakness of transparency in some government institutions, AMAN’s monitoring and follow-up processes showed progress in transparency in some areas in 2019. In particular in service-providing ministries such as education, social affairs and in services of the High Procurement Council. AMAN also sees that all ministers, ministries, ministerial public institutions and state institutions, should be obliged to issue and publish adequate reports on their work.

---

33  The MoE Website. https://www.mohe.ps/
34  Written letter received by AMAN from the PCBS on December, 2019,11
35  Letter from the High Council for Public Procurement Policy to Aman on October22, 2019
• Launching of The Unified Public Procurement Portal

In November 2019, the High Council for Public Procurement Policy launched the unified public procurement portal, which is an electronic platform through which ministries, government institutions and LGUs publish their purchasing plans; calls for tenders, and tender granting decisions. The Council announced its readiness to work on the second phase, which will enable the Council to collect data and information related to public procurement, and to draw indicators as a prerequisite for the development and performance of the system, until achieving an on-line service. Moreover, the Board will provide a dispute review unit, which will provide an independent administrative review of grievances that may be submitted by tender complainants, as a second stage of the complaint system. In addition, the Board plans to develop standardized documents for tenders and contracts for non-advisory services; purchase of medicines and medical supplies.36

http://www.shiraa.gov.ps/News/Id/1
In order to limit exceeding ceilings set by the law concerning direct purchases, and the completion of the establishment of the Higher Council for Public Procurement Policy, and units stemming from it such as the oversight and audit unit, the dispute review unit and dispute resolution commission, it is important to promote the electronic unified portal for procurement. This done through obliging all ministries, public institutions and LGUs to publish their procurement plans, tenders and selection decisions on the portal.

- Activating the Unified Public Procurement Portal (shiraa.gov.ps) to ensure its wide use, since there are 100 institutions out of 500 that should use it for their tender announcements. This was achieved after the Council of Ministers issued its decision in June, 2019 obliging all ministries, government institutions and LGUs classified (A) to use this portal.
- The Public Procurement Council conducted training on the Public Procurement Law and its executive regulations for 164 government and LGU employees.
- Developing standardized documents for contracts and tenders.
- In spite of the development of the public procurement system, challenges remain an issue, such as: Lack of clarity in communication between the Council and the General Secretariat of the Council of Ministers, which presents a problem, since it is crucial to ensure that information on public procurement is collected in the unified portal of the Public Procurement Council concerning the exception requests for direct purchase by some entities. This is especially crucial in cases within the scope of article 28 of the law-by-decision No. 8 of 2014 on public procurement, as the Government issued a number of decisions on direct purchases without informing the Council or clarifying details of those decisions, such as the approval for the purchase of passport printers, issued on 19 April 2019, and the decision to approve a tender to purchase and supply medicine for the military medical services, issued on November 18, 2019.37

Review of Palestine’s commitment to the implementation of the UNCAC raised many questions about issues related to the public procurement system, such as: the extent ceilings defined by the law for direct purchases were violated. Questions were also raised concerning the effectiveness of the High Council for Public Procurement Policy and related units, namely, the oversight and audit unit, the dispute review unit and the trouble-shooting committee.

The state of declared Public procurement processes in the Gaza Strip

In 2019, the number of public procurement processes carried out by the existing authority in the GS reached 99 processes for the various public institutions and ministries. Purchases for the Ministries of Health (MoH) and Interior accounted for 51% of the total government tenders in the Strip, with no disclosure of the cost value of these bids.

The state of declared Public procurement processes in the Gaza Strip

In 2019, the number of public procurement processes carried out by the existing authority in the GS reached 99 processes for the various public institutions and ministries. Purchases for the Ministries of Health (MoH) and Interior accounted for 51% of the total government tenders in the Strip, with no disclosure of the cost value of these bids.

The cost value of the tenders implemented by the authority in GS during 2019 was not disclosed. A total of 99 purchase operations were carried out for various ministries and public institutions under its jurisdiction.

The legal framework governing public procurement in the GS is inconsistent with the legislative developments in the WB, given that the Public Supplies and Tenders for Government Works Law is the law in force in the GS. In the WB, however, the Law-by-Decision of 2014 on Public Procurement is the governing law. Therefore, the integrity of public procurement in the GS is not up to par due to the non-inclusion of the best criteria, and standards of integrity and accountability provided in law in-force in the WB, such as: complaints and behavioral principles governing the conduct of public procurement officers and tenderers.

As there is no system for submitting financial declaration statements to members of the Central Tenders Committee at the MoF, nor does the Committee have a code of conduct or instructions on gift acceptance. In addition, there is no specific complaints department that deals with public procurement grievances. It is also noticed that the mechanisms for submitting complaints are unclear to those working in the field, and depend mainly on written complaints submitted to the deputy minister of the competent ministry.

Accountability in the public sector

In 2019, many challenges stood in the face of attempts to strengthen accountability systems in ministerial and non-ministerial public institutions, especially where under the pretext of independence, some parties refused to submit to official accountability. The main example, which emerged in 2019, is the
SAACB’s suspension of its staff in charge of the financial and administrative oversight of the financial and administrative control of the judiciary, which was due to the procrastination of the previous High Judicial Council to provide SAACB with the necessary data. In this regard, the High Judicial Council decided in its 4th session held on May 5th, 2019, to resort to the Constitutional Court to re-consider the oversight powers of the Bureau on the judiciary.40

Under the pretext of independence, some parties refuse to submit to official accountability. Main example in 2019, is the SAACB’s suspension of its staff in charge of the financial and administrative oversight of the financial and administrative control of the judiciary, which was due to the procrastination of the previous High Judicial Council to provide SAACB with the necessary data.

Government complaints departments

The General Directorate of Complaints of the Council of Ministers issued its annual complaints report, which covers complaints for 2018 in the various government departments. It was officially published at the end of 2019. The report illustrates the total number of complaints received, addressed, and those transferred for the following year. It also shows institutions that received the most complaints in 2018.

Complaints submitted, in 2018, to ministerial and non-ministerial institutions and security agencies

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Ministry</th>
<th>Non-Ministerial Inst</th>
<th>Governorate</th>
<th>Sec. Agency</th>
<th>Total 2018</th>
<th>Total 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of departments dealing with public complaints</td>
<td>18</td>
<td>16</td>
<td>11</td>
<td>9</td>
<td>54</td>
<td>58</td>
</tr>
<tr>
<td>No. of complaints received during 2018</td>
<td>2600</td>
<td>1444</td>
<td>3828</td>
<td>1126</td>
<td>8998</td>
<td>12654</td>
</tr>
<tr>
<td>No. of complaints accepted in 2018</td>
<td>2084</td>
<td>1344</td>
<td>3510</td>
<td>1106</td>
<td>8044</td>
<td>11823</td>
</tr>
<tr>
<td>No. of complaints dismissed in 2018</td>
<td>516</td>
<td>100</td>
<td>318</td>
<td>20</td>
<td>954</td>
<td>831</td>
</tr>
<tr>
<td>No. of complaints transferred from 2017</td>
<td>218</td>
<td>178</td>
<td>156</td>
<td>17</td>
<td>569</td>
<td>Transferred from 2016 (881)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No. of addressed complaints in 2018</th>
<th>2002</th>
<th>1338</th>
<th>3443</th>
<th>1094</th>
<th>7877</th>
<th>11957</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of complaints transferred at the end of 2018 to 2019</td>
<td>300</td>
<td>184</td>
<td>223</td>
<td>29</td>
<td>736</td>
<td></td>
</tr>
</tbody>
</table>


The data presented in the annual complaints’ report show that the number of parties included in the report dropped from 58 parties in 2017 to 54 in 2018. Similarly, the number of complaints received in 2018 also declined from (12654) in 2017 to (8998) complaints in 2018. From the 8998 complaints only 1619 complaints were submitted through the government electronic complaint system. While filing complaints through personal attendance was the number one method with (4339) complaints. The government report did not explain the decline in numbers or methods of receiving complaints mentioned above, if this was due to a decline in confidence in this system, or an improvement in the overall performance of institutions, for example.

**Most public complaint-receiving institutions in 2018**

<table>
<thead>
<tr>
<th>Most complaint-receiving Institutions</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministries</td>
<td>2600</td>
</tr>
<tr>
<td>Ministry of Local Government</td>
<td>551</td>
</tr>
<tr>
<td>Ministry of Social Development</td>
<td>385</td>
</tr>
<tr>
<td>Ministry of Communications and Information Technology</td>
<td>383</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>276</td>
</tr>
<tr>
<td>Ministry of Transport and Communications</td>
<td>141</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>117</td>
</tr>
<tr>
<td>Governorates</td>
<td>3828</td>
</tr>
<tr>
<td>Hebron</td>
<td>951</td>
</tr>
<tr>
<td>Nablus</td>
<td>502</td>
</tr>
<tr>
<td>Tulkarem</td>
<td>441</td>
</tr>
<tr>
<td>Bethlehem</td>
<td>436</td>
</tr>
<tr>
<td>Qalqeeiya</td>
<td>374</td>
</tr>
<tr>
<td>Ramallah/Bireh</td>
<td>335</td>
</tr>
<tr>
<td>Non-ministerial institutions</td>
<td>1444</td>
</tr>
<tr>
<td>SAACB</td>
<td>341</td>
</tr>
</tbody>
</table>
Classification of complaints in sectors included in the Government Complaints’ Report are not consistent, as each sector contains different classifications, as follows: Complaints received by the governorates, for example, mainly deal with civil peace and services provided by government institutions and departments and LGUs, in addition to public safety and consumer protection. While classification of complaints in the security services relate mainly to violations of the right to life, physical and emotional well-being; failure to perform one’s job and bad conduct of the security personnel, and failure to implement court decisions and illegal detention. There are also complaints classified as corruption crimes such as bribery and job exploitation, which was addressed by security services without transferring it to the ACC or the Anti-corruption prosecution, in their capacities as the competent parties in this field.

It is obvious that the mechanism used for management of complaints by government institutions remains traditional where reports are limited to numbers (i.e., statistical). Reports do not include details on: methods of dealing with complaints; complainants’ satisfaction of solutions by which complaints are addressed; identification of weak areas to avoid recurrence in public institutions etc. Needless to say that the basic purpose of having a unified government complained system is to facilitate the monitoring process and methods of management of complaints by the various institutions, and about drawing conclusions concerning the overall process. Real evaluation of complaints lies in the seriousness of dealing with citizens’ complaints by thoroughly studying each individual complaint and determining the proper solution before closing the file. It is not about providing numbers of addressed and closed files.

As for the GS, approximately 3556 complaints were received through the central complaint system from 1/1/2019 and 31/12/2019. 2486 of those files were closed, while 1070 of them are being processed. Moreover, 50% of these requests took 26 days to be processed. The following table illustrates distribution of complaints received by the various public institutions in the GS.

| The Environmental Quality Authority | 323 |
| Capital Market Authority | 171 |
| Prisoners and Freed Prisoners Affairs Authority | 140 |
| Land and Water Settlement Authority | 126 |
| Office of the Chief Justice | 80 |
| **Security Institutions** | **1126** |
| Police | 770 |
| The Intelligence Branch | 145 |
| Preventive Security | 80 |
| Military Intelligence | 65 |

---

41 Written letter received by AMAN from Mr. Suheil Mdoukh, Deputy Minister of the Ministry of Communications and Information Technology in the GS, on October 2019.
<table>
<thead>
<tr>
<th>Public Institutions in the GS</th>
<th>No. of Complaints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Prosecution</td>
<td>35</td>
</tr>
<tr>
<td>General Secretariat of the Council of Ministers</td>
<td>45</td>
</tr>
<tr>
<td>The High Judicial Council</td>
<td>35</td>
</tr>
<tr>
<td>Advisory And Legislation Bureau</td>
<td>2</td>
</tr>
<tr>
<td>The Higher Shariah Court Council</td>
<td>10</td>
</tr>
<tr>
<td>The State Audit and Administrative Control Bureau</td>
<td>48</td>
</tr>
<tr>
<td>The General Personnel Council</td>
<td>132</td>
</tr>
<tr>
<td>Land Authority</td>
<td>5</td>
</tr>
<tr>
<td>Water Authority</td>
<td>1</td>
</tr>
<tr>
<td>Environmental Quality Authority</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Communications and Information Technology</td>
<td>189</td>
</tr>
<tr>
<td>Ministry of Public Works and Housing</td>
<td>195</td>
</tr>
<tr>
<td>Ministry of Information</td>
<td>4</td>
</tr>
<tr>
<td>Ministry of Economy</td>
<td>37</td>
</tr>
<tr>
<td>Al-Waqf Ministry</td>
<td>24</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>47</td>
</tr>
<tr>
<td>Ministry of Social Development</td>
<td>1412</td>
</tr>
<tr>
<td>Ministry of Culture</td>
<td>3</td>
</tr>
<tr>
<td>Ministry of Interior-Military Branch</td>
<td>78</td>
</tr>
<tr>
<td>Ministry of Interior-Civil Branch</td>
<td>98</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>8</td>
</tr>
<tr>
<td>Ministry of Foreign Affairs</td>
<td>1</td>
</tr>
<tr>
<td>Ministry of Youth and Sports</td>
<td>6</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>25</td>
</tr>
<tr>
<td>Ministry of Justice</td>
<td>12</td>
</tr>
<tr>
<td>Ministry of Labor</td>
<td>981</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>111</td>
</tr>
<tr>
<td>Ministry of Transport and Communications</td>
<td>2</td>
</tr>
<tr>
<td>Ministry of Prisoners and Free Prisoners Affairs</td>
<td>3</td>
</tr>
<tr>
<td>Ministry of Local Government</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3556</strong></td>
</tr>
</tbody>
</table>
It is safe to say that statistics related to government complaints, whether in the WB or the GS, do not reflect the nature of complaints received, nor does it reflect the mechanism by which complaints are addressed. For example, the SAACB is considered the official party for receiving complaints related to all public institutions. While the security services receive citizens’ complaints related to disputes between people in the community. Also the Ministry of labor receives complaints related to worker’s rights, and complaints concerning social assistance are received by the MoSD. Therefore, important results cannot be drawn from the endocrine numbers provided in reports. To achieve important and fruitful results, complaints must be thoroughly examined and studied by the abovementioned parties by organizing them according to the issues entailed and finding solutions accordingly, in addition to following up with complainants to set the situation straight.

Statistics related to government complaints, whether in the WB or Gaza, do not reflect the nature of complaints received, nor do they reflect the mechanism by which complaints are addressed.

In 2019, the High Judicial Council received 175 complaints. The judicial inspection department took the responsibility to document and follow-up on these files. However, on the 29th of October, 2019, a decision was issued by the head of the Council stating that the complaint’s department shall be subordinate to the Head of the Council. Since that date, 40 complaints were received, 19 of which were addressed and are in the complaints’ unit, and the remainder of complaints are still under processing. Within this context, the judicial inspection department made 49 periodic surprise inspection visits, in 2019.

It is apparent that the sovereignty of the inspection department remains in need of strengthening in terms of technical and human resources, and put a limit to the interference of the Judicial Council in its work. In this regard, the refusal of the High Judicial Council of the SAACB’s demand to see the Council’s records and decisions, have caused confusion between the judge’s independence in taking his decision, and the tasks assigned to the Council as an administrative entity.

Accountability of the telecommunications sector

Although a law by decision was issued in 2009 specifically for the establishment of a Telecommunications Regulatory Commission, this body has not been established as of the writing of this report. This kept issues such as policies, plans and licenses for companies providing these service, supervision of contracts, and control of commitment to deliver good service at an acceptable price, in the hands of the Ministry of Communications. This is contrary to the rules of good governance of the sector, as planned and approved by international standards and experiences to avoid conflicts of interest.

Moreover, it is important to point out the role played by the occupation in hindering the organization and management of the telecommunications sector in Palestine by controlling the frequencies, and by facilitating the work of Israeli companies in the Palestinian market. Moreover, the occupation further impedes the work and development of Palestinian companies by granting concessions to investors, and preventing monopoly, which is one of the important reasons for lack of completion of the regulation of this sector.

42 A letter of reply received from the High Judicial Council by AMAN on January 2020.
One example on the failure to complete the franchising and antitrust legislation is the case of the Jerusalem Electric Company relating to the use of the fiber optic network. Apparently this network has the capacity to extend over an area of 450 square kilometers, costing $20 million dollars, and has the ability to broadcast, and provide fast communication at a low Internet cost. However, the company’s function is limited to reading electronic meters, and unjustified slowdown has been transferred to the Ministry of Communications and Information Technology for two full years. This was done without giving a license to the Wamda Company, or what is commercially known as the Jerusalem Fiber Optics affiliated with the PIF who is in partnership with the Jerusalem Electric Company, in order to move forward in the provision of internet to citizens, as a competitor to the National Telecommunications Group.43

- Although the Palestinian market is flooded with Israeli electronic chips, and some improvement has occurred on the prices of some services provided by Palestinian companies, citizens continue to complain of the high cost of services provided by Palestinian companies. A survey conducted for AMAN in 2019 on citizens’ satisfaction with the telecommunications services (fixed, mobile & internet) revealed that 71% of respondents in the WB believe that the service cost for a landline phone is high; while 53% of them see that mobile phone services are high, and 57% said that the cost of internet services are high.44

43 An investigative report/documentary entitled “Hornet's Nest”; produced in collaboration between AMAN and Watan News Agency on September 2019, 11. The video is available at the link: https://www.youtube.com/watch?v=Jvng_8dSLY.
44 Citizen’s opinion poll on «Citizens’ satisfaction with the management and delivery of telecommunications services in Palestine», AMAN. The poll was implemented through a special contract with Qiyas center during the period 20-13 of July, 2019 in the WB with Jerusalem included and the GS. The survey at measuring citizens’ satisfaction in the management and delivery of telecommunications services in Palestine. The sample size of this survey was 1,320 individuals aged 18 and over. 792 of them from the WB and Jerusalem and 528 from the GS, distributed over 60 residential communities represented in cities, villages, towns and camps. By a margin of error of +3%; face-to-face interviews were conducted at home.
Similarly, results of another public survey, conducted by AMAN via its official Facebook page, on the satisfaction of citizens of the communication services in terms of prices. 83% of respondents expressed their dissatisfaction, versus 17% who were satisfied.

- As of to date, no independent telecommunications regulatory commission has been established though its law was approved in 2009. This weakens effective accountability of the telecommunications companies. The independent commission, if formed, would be tasked with implementation of a clear oversight policy for the Ministry of Communication and the Palestinian government by defining deterrent penalties and irregularities of telecommunications companies. It would also oblige companies to be transparent through disclosure and publication of information, and government’s guarantee of fair competitions between the telecommunications providers, and that there are mechanisms for oversight, accountability and auditing of telecommunications providers.

Despite all of the above, 2019 witnessed some progress in accountability, especially in the services sector, such as:

- The Advisory and Legislation Bureau created an icon “Citizen Inquiries” that aims at enabling citizens to directly receive responses to legal inquiries. The Bureau is also commitment to produce and publish periodic issues of the official newspaper in an electronic and paper form. This will have a positive impact on raising the awareness of citizens and their ability to access information, in addition to promoting social accountability.  

45 Written letter sent by the Advisory and Legislative Bureau to AMAN on October 2019, 15.
• **Activation of some Regulatory Councils of the energy (electricity) and water sectors**
  - The Electricity Regulatory Council solved 459 citizens’ complaints on electricity related issues. The Council also announced its decision on electrical service connection fees, after having been approved by the Council of Ministers. The decision became valid at the beginning of 2019, noting that the Council issued the first system for service connection fees in 2011, which was revised in 2015 and 2018, by reviewing the net measurement and the electrical tariff system.

• Restructuring of the Water Sector Regulatory Board: Approved by a Council of Ministers’ decision, the restructuring of the Board will hopefully result in the activation of its role in oversight and accountability of this important sector. It seems, however, that this new formation is mainly a formality with weak representation of CSO and experts. Meanwhile, the redefining of the tasks and powers of the Regulatory Board will bring an end to the overlapping of powers that existed between the water authority and the governing body of the water sector, in accordance with Law by-Decision No.18, of 2019 of the amended Law by-Decision No.14, of 2014.

The absence of a clear and approved government’s definition for accountability, led to the lack of understanding of the concept among staff in charge of complaints units hence limiting their role to a mere formality. i.e., the concept of accountability was limited to a specific means of submitting complaints to departments assigned for the purpose, and not based on known international standards that define accountability as: it is the duty of public officials, whether elected or appointed, ministers or employees and all staff under their jurisdiction, to report periodically on the functioning of the institution or ministry. This means that the public servants are obliged to: clarify their decisions and policies; be ready to answer inquiries concerning their work, and be ready to bear responsibility for their decisions and actions. It is also important to point out that progress reports should illustrate the pros and cons at work, and the extent of success or failure to implement policies. It should also be clear that ordinary citizens have the right to access these public reports, as well as the work of public administrations, such as: the legislative council, the Council of Ministers, ministries and other public institutions (ministerial and non-ministerial, CSO, service providing companies such as the electricity, water and communications companies etc.)

---

46 Al-Quds Newspaper, January 2019, 24
47 Working Paper on water sector governance, Hama Zeidan
Public Office Employment

Efforts to enhance the integrity and transparency of public positions

The General Personnel Council exerted great efforts, in 2019, to enhance transparency and integrity in the process of public appointments, whether the appointment was for a full or part-time positions or on the contract system. It also invested in promoting the e-recruitment system, as follows:

- The data of contract employees has been updated and linked to the budget and salary program for 10 government departments. This enhances transparency and the oversight and accountability processes for this category of public employees.
- Services for users of the portal and applicants for e-employment jobs have been improved, in addition to providing an electronic service to civil service recruitment committees.
- The electronic recruitment system become the only means of applying for government jobs.

The state of public appointments in 2019

AMAN monitored all aspects of public appointments for senior positions (appointments, promotions, transfers and extensions) to include positions of: ambassadors, heads of non-ministerial institutions, deputies and assistant deputies, attorney general’s assistant positions, judges, governors and deputy governor positions, president’s advisors and legal consultants, and general directors. Following is a summary of these appointments, as published in 2019, in the formal newspaper “Al-Waqi’i Al-Filisteeniya”.

Excluding appointments and promotions of some senior officials, the GPC exerted efforts that enhanced the integrity and transparency of permanent or temporary (special contracts) public employment.
### Changes within senior positions in 2019

<table>
<thead>
<tr>
<th>Appointments</th>
<th>Targeted number</th>
<th>Number of Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50</td>
<td>Issued in 25 resolutions</td>
</tr>
<tr>
<td>Promotions</td>
<td>37</td>
<td>Issued in 16 resolutions</td>
</tr>
<tr>
<td>Transfers</td>
<td>21</td>
<td>Issued in 20 resolutions</td>
</tr>
</tbody>
</table>

**Extensions**

1. Decision No. 36, for the yr. 2019, on extension of service for the Head of the President’s Office-No. 155.
2. Decision No. 22, for the yr. 2019, on the extension of the service for Shari’a judge for one year-No. 153.
3. Decision No. 103 for the yr. 2019, on the extension of service for the Grand Mufti of the Rafah governorate, for one year.

**End of service**

Decision to terminate the services of the President’s advisers.

---

**Based on the above monitoring of appointments, promotions and transfers made in senior positions in 2019, AMAN notes the following:**

1. That in spite of the decision taken by the President to stop appointments and promotions in public positions, stemming from the point of view of rationalization and austerity in public expenditures, as well as AMAN’s acknowledgment of the importance and need of some appointments, such as those in the judiciary seeking reform of the justice system in Palestine, appointments and promotions took place after the decision was issued.

2. Appointments in higher positions continued without respecting the principle of equal opportunity, announcement of job vacancies, competition or official oversight in, both, the WB&GS. In this regard, the review report on Palestine’s commitment to the implementation of chapters 2 and 5 of the UNCAC noted several observations on measures related to the integrity of appointments and promotions in public employment, and to the extent these measures relied on competency and transparency in the selection of public positions’ employees.
3. A number of staff members were transferred to positions in the President's Office without clarifying the title of the position in the official transfer decisions, and without announcing the job vacancy, which led to the inflation of the Office's budget.

4. Appointments to the position of governor and deputy governor do not abide by specific conditions, such as job vacancy announcements and job disruptions. This is due to the failure of adopting a Palestinian law to regulate governors’ offices’ appointments. Moreover, political affiliation was used as a criteria for obtaining governors’ positions, and not the principles of competence, fair competition and equal opportunity.

5. The phenomenon of employees selected to work for Palestinian factions, NGOs and charities, or national figures continued to receive their salaries from the MoF, and being granted promotions; (copy of the Decision 156/39). Moreover, staff from PLO institutions have also been transferred to state institutions, such as those transferred from the Palestinian Economic Council for Development and Reconstruction (PECDAR) to the Council of Ministers (copy of the Decision 158/56) and (copy of the decision 155/29).

6. Some appointments to the diplomatic corps were granted without adhering to the principles of equality, equal opportunity, competence or fairness, or justification for the selection. (Decision 153/12), (Decision 151/2) (Decision 155/29).

7. In the GS, a new Head for the High Council of Justice was appointed in 2019, where he worked as the Head of the GPC prior to his new appointment. No disclosure of the mechanism by which this appointment took place. This practice also applied to the appointment of the Attorney General, where three attorney generals have been appointed since 2007, and their services terminated by the ruling authority in the GS.

8. In violation of the Civil Service and Pension Laws and other public service related laws, extensions of service have been granted to some senior officials by presidential decrees, despite exceeding the legal age stipulated in the mentioned laws.
The state of public employment Politicization in Palestine

The concept of politicization of public office encompasses many aspects, such as “subjecting government positions to political calculations and political polarization” by using the political power granted. Examples include: granting appointments and promotions to loyalists and excluding political opponents from assuming these public posts, especially senior positions. It also means exploitation of the responsibilities and powers assigned to the employee by law to serve partisan interests or against other partisan interests. A range of problems and challenges in this area have emerged and ended, and some remain in practice to date; summed up as follows:

- Appointments and promotions to government positions for senior and diplomatic posts are sometimes still conducted without adhering to the principles of equal opportunity and fair and transparent competition, as well as without the monitoring of an impartial official body, to ensure that the appointees meet the professional standards required for these positions.
- In some cases, privileges are granted for personal interests at the expense of public funds such cases include granting someone the status of minister, ambassador or governor without any justification, since the appointed individual is in reality not assuming the responsibilities of a minister, ambassador or governor. These ranks are granted solely as a reward to show loyalty or gain their affection.
- Although the government did officially declare that it no longer requires a security clearance certificate to assume public office, 2019 witnessed a number of cases where the security clearance check was conducted in both the WB and GS to determine whether the applicant is a supporter or an opponent of the ruling political party. And at times just to affirm the applicant’s political affiliation. Also some official institutions requested the clearance claiming that it is a condition for recruitment hence needed for the completion of the recruitment procedures. This was confirmed after AMAN received allegations from citizens who said that their appointment was refused due to the security in-

50 Conclusions of annual and specialized reports conducted by AMAN on public employment.
Summoning employees to participate in activities during working hours, will serve to politicize the public service, which is a form of abuse of position for factional purposes.

Institution's lack of approval. Therefore, we at AMAN, are unsure if institutions are complying with the government's declaration on cancelling the security check request for employment.

- Supporters conduct party work during official working hours, and inside the corridors and offices of government institutions, while at the same time opponents are being constrained due to their political affiliation, both in the WB&GS.

- Salaries of some civil and military employees continue to be withheld under the pretext of violating legitimacy. It is executed blatantly in violation of the law and without a Presidential decree or a decision by-law or decision by the Council of Ministers. It is, however, in response to instructions based on top political orders, as the case of a number of staff members working with the PLC in Ramallah.

- The policy of dismissal from public office against the background of political affiliation was a feature of the post-division era. Forced retirement, for example, emerged as a distinct aspect of politicizing public employment to punish opponents. The concept of a relationship between the two sides of the division has exceeded its limit to include the punishment of activists. Moreover, some officials used it to settle partisan or personal accounts as in the execution of early retirement without being based on a clear and stated criteria.

- The phenomenon of summoning employees to participate in political activities continued. Such as requesting the support of employees to the President during his speech at the United Nations during official working hours, which at times it is used for political purposes. This is considered one form of exploitation, since the public employee is being used for political purposes. The same applies if employees are asked to hold a general strike and refrain from working, for factional political reasons.

Despite efforts exerted by the GPC in promoting integrity and transparency of public employment, its role in the appointments and promotions of senior positions and special contract employees remains limited in 2019, as in the years past. Precisely, its role is limited to presenting data of employees, from the upper category, nominated for promotions; in addition to implementing the President’s decisions concerning appointments and promotions of this category. On another note: despite the fact that there are approved job descriptions for senior posts, it is not certain that it is complied with when appointments and promotions are executed.
Integrity, Transparency and Accountability in the Security Sector

- The security institution’s level in the Integrity Index is average

The Security Sector Integrity Index\(^{51}\), conducted by AMAN, ranked areas of integrity in the security sector as follows: Procurement and tendering, recruitment and conduct of security employees received a high grade, while its budget earned a low rank. The area of political will and oversight of the security services received a very low rank.\(^{52}\)

Classification of marks in the Security Sector's integrity Index by degree of progress

<table>
<thead>
<tr>
<th>Code</th>
<th>Lower Mark</th>
<th>Higher Mark</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81</td>
<td>100</td>
<td>V. advanced</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>80</td>
<td>Advanced</td>
</tr>
<tr>
<td></td>
<td>51</td>
<td>65</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>50</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>35</td>
<td>V. low</td>
</tr>
<tr>
<td></td>
<td>00</td>
<td>20</td>
<td>Critical</td>
</tr>
</tbody>
</table>

\(^{51}\) The Security Sector Integrity Index- AMAN, 2019, is considered a periodic description of the state of the security sector's vulnerability to corruption. The index consists of 80 indicators that are carefully selected for their ability to measure the Palestinian security sector's immunity against corruption. The index is a tool for identifying areas of integrity in the security sector by defining the most vulnerable areas within the sector. It also measures the vulnerability of the integrity system, i.e. the prevention of corruption, including the set of values to which officials are committed in order to combat corruption and protect public funds, as well as the extent the foundations and principles of transparency and the effectiveness of accountability systems are respected at work. The index also aims to define gaps that prevent the security sector from being immune against corruption.

\(^{52}\) The Security Sector Integrity Index- AMAN, 2019.
• **Integrity rankings in the security sector**

The index revealed the following problems and challenges in the area of ITA in the security sector:

1) The security sector earned a “medium rating” on the Security Sector’s Integrity Index. This indicates that the integrity of the sector lacks immunity against corruption, and that is at the beginning of its path to effectiveness (i.e., needs many steps for its enhancement).

2) Results of the Index revealed that the main problem and challenge to the integrity system in the Palestinian security sector is manifested in its practices, earning a “low” score. This beats the challenge of “legislations” due to lack or weakness in legislations that earned an “advanced rating”.

3) As for areas covered by the Index, the biggest challenge was revealed in two areas; first: Poor oversight of the intelligence services, and the second is its weak political will. This is mainly due to the paralysis of the Legislative Council, which has greatly affected the marks obtained by the Index. In contrast, the areas of “Procurement and Tenders”, and ‘Appointment and Employees’ Behavior’, were awarded an “Advanced Rating” due to having oversight mechanisms and techniques provided by competent and internal government agencies, in addition to the security sector’s will to improve staff performance.

4) Although the index indicated that there are sufficient legislations in general, legislations governing the oversight of intelligence services as well as those related to promoting transparency remain weak. This is due to the failure in passing the Access to Information Law and the government document classification system, which defines mechanisms for handling information; security and government documents, and the declaration time limit allowed. Also the majority of regulations of laws governing the security services have yet to be completed, in addition to the weak accountability of the legal system, and in particular, legislations on the military judiciary, and those on procedures for prosecuting employees of the security services.

6) The classifications obtained by the security sector transparency indicators indicate that they are the weakest of the three pillars of the integrity system, earning a “low” rating in comparison with the integrity and accountability pillars that earned a “medium” rating.
The public budget for the last six years (2018 - 2013) shows a constant decrease in the proportion of the budget allocated to the security sector from the total budget.

- **Issuance of the unified code of conduct for all employees of the security sector**

A unified Code of Conduct and Ethics for Members of the Palestinian Security Forces was issued on February 26, 2018. This was post issuance of individual codes for the various branches of the security services, as:

2) Code of Conduct for the Preventive Security employees, issued by the Preventive Security agency in 2013 and cooperation with the High Commissioner for Human Rights Office.
3) The Code of Conduct of Members of the Palestinian Police Service; was not published until the end of 2016.
4) The National Security forces issued a code of conduct in 2013 specifically for officers and members of its force.
5) The Civil Defense Agency approved the code of conduct at the beginning of 2015.
6) The Military Intelligence Service adopted a code of conduct at the beginning of 2017.

Moreover, the code of conduct is distributed to all new recruits of the Military Training Commission to read, in addition to the lecture that is given as partial material of their training. The General code of conduct for the security forces is published on the Ministry of Interior website, which is a positive development.

- **Budget, Financial Management and Procurement in the Security Sector**

**The security sectors budget**

The current budget for the security sector reached 3.475 billion shekels (NIS) in 2018, 2.900 billion NIS goes to salaries and wages accounting for 83.5% of the sector’s budget. The remaining amounts of the budget is distributed as follows: operational expenditures 7.6%; transferrable expenditures 8.6%; capital expenses less than 1%. These percentages do not differ from those in 2017.

---

53 For full provisions of the Palestinian Security Forces Code of Conduct, please visit: https://drive.google.com/file/d/1uZigS_XHcZkisuFHSkJe8VZbbtWvQR/view.
54 The Security Sector Integrity Index, AMAN 2019.
55 The security sector’s budget within the Palestinian public budget, AMAN’s publications 2019.
56 Report entitled: The State of the Security Sector’s Budget within the Public Budget.
Review of the last six years of the public budget (2013-2018) points to a constant decline in the security sector’s allocated budget. It dropped six points from the 2014 budget where it accounted for 28.5% of the current budget (the highest among the past six years) to 22.7% in 2018. Both, the current and development expenditures of the sector’s budget amounts to 21% of the overall Palestinian government budget, which accounts for the lowest rate possible in the history of the Palestinian state. This is due to the government’s decisions to implement voluntary and forced early retirement, where 18 thousand out of 27 thousand public servants were referred to early retirement since 2017; 18 thousand of those were military, out of a total of 62 thousand military personnel serving in the WB&GS.57

The continuation of listing the security sector’s budget as one lump sum within the public budget without clarifying the funds and expenditures of the responsible centers operating in the sector is contrary to the 2018 budget law, which made the Ministry of Interior and the Central Financial Department two independent financial centers. Added to the above mentioned are the following reasons, which calls for a more transparent policy in the management of public funds, these are: lack of publishing of financial reports on expenditures allocated to the security services, by the “Military” Central Financial Management; the general administration of the military financial supervision does not publish its monitoring reports on the security agencies including the “military” central financial management; absence of a specific financial system for the security services and the reliance on instructions issued annually by the MoF. Although the SAACB has in recent years monitored some of the security institutions, it did not publish the reports it prepared, but settled for including a summary of these reports in its annual report.58 On the other hand, the public budget does show the distribution of employees within the security services, hence it making it impossible to know each agency’s share of funds.

- **Financial management and procurement in the security sector**59

  - The Council of Ministers did not issue a system that defines sensitive security purchases stipulated in resolution No. 8 of 2014 on public procurement that regulates procurement mechanisms for these type of purchases. In addition, the security sector also continued to use the financial regulations issued in 2010 by Prime Minister Dr. Salam Fayyad, where it is renewed annually by the Finance Minister without publishing; or seek to approve a specific financial system by the Council of Ministers that defines expenditure mechanisms and responsibilities of the various parties.
  - Despite the important developments that accompanied the reform process in the security sector

---

59 The security sector’s budget within the Palestinian public budget, AMAN’s publications 2019.
and the control over procurement and financial spending of the sector, some expenditure items, such as internal tasks and petty cash expenditures that still lacking a clear and structured mechanism, which provides opportunities for favoritism in the spending mechanisms of these funds.

- Purchases in the security sector still need more disclosure of procurement details; issuing procurement data in an accessible format; all contracts must be made available to the public, including amendments after bids are chosen.
- The security sector budget is still characterized by a poor availability of information accessible to citizens, media and civil society prior to its approval in a timely manner. As details of the security sector budget are not declared when reviewing the public budget bill.
- CSOs and the media have difficulty in obtaining information related to the budget of the security sector. Cooperation of security officials with CSOs on public issues varies from agency to another.⁶⁰

• **Regulating the allocation and purchase of vehicles in the security sector**

The Council of Ministers issued the Decision No. 1 for 2019 to regulate the use of government vehicles in the security sector. The regulating system defines the categories entitled to use government vehicles and follow-up mechanisms, represented by the standing committee, formed by the Council of Ministers. The system also determines the need for the security sector vehicles in terms of; specifications, purchases, licensing, insurance, maintenance, and organization of their use and removal from service, as well as, the right of the security forces’ pensioners to purchase the vehicles in their possession. The draw-back of this system is that it allowed for a wide range of groups from the security services to be entitled to acquire government vehicles, which included the heads and leaders of the security services and those under their jurisdictions, their deputies, general directors, and departments’ heads. This is opposite of the trend in the civil sector in defining categories entitled to acquire vehicles, which was limited to ministers, deputy ministers and heads of institutions only. Add to that, the subsequent expenses of licensing, insurance, maintenance and provision of fuel allocations for these vehicles.

• **Appointments in the Security Sector**
- Many of the security agencies adopted professionalism as a basic criteria for appointments in the lower categories of the services, especially after the services relied on the development of leadership skills for officers. For example, in the Preventive Security Agency assuming a leadership position is executed in accordance with the established structure, and based on a job description that sets specialization and educational degrees as a prerequisite condition for holding these positions. However, as of now, the standard of efficiency and competition are not mandatory for appointments in senior positions.

- The promotional system in the security services still depends on the principle of seniority and not job vacancy and fair competition that is based on competence for assuming vacant positions. This leads to continued accumulation of large numbers of employees at the higher levels, despite early retirements.61

• **Salary gap between the military ranks**

The total monthly salaries allocated to security forces workers amounted to 242 million NIS.62 152 million NIS, accounting for 63% are salaries of officers of various ranks, (lieutenant to general) who number 30979 officers. 90 million NIS, equivalent to 37%, were allocated for the monthly salaries of officers and soldiers who number 31466. This is due to the large number and salaries of officers in comparison to those in lower ranks. Examples: one general’s salary is equivalent to the salaries of six soldiers, and the salary of a brigadier is to equivalent to the salaries of five soldiers, and the colonel’s salary is equivalent to that of four soldiers.

Therefore, the budget of the security sector suffers from a structural imbalance in specifically in the structure of expenditures. This, without a doubt, affect the ability of the security sector to function effectively, since the majority of expenditures (83.5%) go to salaries. While operational and capital expenses account for only 17%. On the other hand, there is a large salary gap between the higher and lower military ranks.

Moreover, the inflated number of officers weighs heavily on the security establishment and the public treasury. In addition, the approval of the optional or forced retirement laws without adopting a regulatory structure for the security forces may reduce the number of employees in the security services, but will not repair the existing structural flaw; as the decrease in the number of employees in 2015 and 2018 did not affect the percentage of officers of the total number of members of the security services.

The Security Forces Service Law established the necessary controls and conditions to regulate service matters relating to appointments and promotions, which prevent the number of officers from inflation. However, failure of the Council of Ministers to issue executive regulations is one of the reasons for the current imbalance in the distribution of military ranks and the inflated number of officers.

---

61 The Security Sector Integrity Index, AMAN 2019.
• **Objective and subjective challenges undermining the effectiveness of oversight of the security bodies**

The absence of the role of PLC constitutes the cornerstone in weakening control over the executive authority, including the security services despite the SAACB’s preparation of reports on the security service. The SAACB’s ability to control the security services is still limited, especially on some spending items and in ensuring that proper procedures are followed concerning internal “petty-cash” transactions.

The intelligence service is controlled by the PA President through the financial controller appointed by him. However, the controller’s reports are not made available, despite the improvement in cooperation and openness of the interior ministry officials and officials of a number of security agencies, and in particular the police and customs agencies, to CSOs. However, this openness remains limited, which weakens social accountability.
Corruption index in the security and defense sector

On November 25, 2019, Transparency International (TI) released the results of the Global Government Defense Anti-corruption Index (GI). The index included 12 countries from the Middle East and North Africa region for 2020. 11 of them received an E or F rating, which indicates “V. High” or “critical” risks of corruption in its defense and security institutions. Tunisia received a D score (i.e., high risk of corruption) even if it indicates a better performance “relatively speaking” to other countries, according to the classification mentioned above. These results come against the backdrop of the precarious and fragile situation prevailing in the region.

In this Index, Palestine was granted an average of 27%, which is an advanced evaluation, to a certain degree, if compared to the countries in the region earning 17%. The Index findings on Palestine point to the potential for corruption in the defense and security sector, and discusses many challenges facing it in order to limit risks of corruption and enhance integrity in this sector. Some of these challenges include: the unjustified influence and interference of political parties, and influential individuals in the work of the security services. Moreover, lack of transparency in the work of this sector, specifically as it relates to the budget, constituted a main issue, which is believed to be a key factor for the low levels of public confidence in the security institution.

The index proposes several reforms to strengthen the integrity system in the security sector, one of which is activating and restoring the legislative life, which guarantees the formation of a competent legislative committee with members who are experts in promoting accountability and integrity standards, which leads to the strengthening of the oversight system.

In conclusion, it is safe to say that the Palestinian Security Sector Integrity Index and the GI are important measuring tools in providing a more accurate data and results about the Palestinian security establishment, while taking into account the exceptional circumstances by which this institution is working under (i.e., being under occupation and in the institution building phase).63
Values of Integrity, principles of transparency and systems of accountability in Local Government Units (LGUs)

- Significant challenges facing the integrity system in local government units
  Although some LGUs have adopted codes of conducts in their local bodies, both, in the WB&GS, results of studies, reports and opinion polls conducted by AMAN on LGUs in 2019 showed that the integrity system of LGUs is weak in spite of the progress witnessed.\textsuperscript{64}

- Weakness in procedures related to promoting the values of integrity
  The LGUs continue to suffer from a lack of autonomy in making public decisions due to the pressure of partisan, family and clan considerations when making decisions, especially small local units. In addition, some of these units do not apply the provisions of the special code of conduct for its President, members and staff; also if some of these local bodies do have a code of conduct, there is no evidence that they are applied or that violators of its provisions are held accountable. In particular, LGUs do not have instructions to deal with the issues of gift-acceptance by the president, members of boards and employees of the local unit, in addition to the absence of instructions on conflict of interest.
  Despite LGUs confirmation of compliance to the Public Procurement Law and its regulations, as well as training employees on applying the law and procedures stated in it, they have faced difficulties in applying all provisions of the mentioned Law.

- Discrepancies in compliance of the principles of transparency, according to the classification of LGUs
  Many of the bigger LGUs that are classified (A) implement their work activities using procedural work guides. They also publish on their web pages or social media sites: conditions and criteria for obtaining services rendered by the LGUs; budgets; some details related to projects’ tenders, and administrative structure systems. However, some LGUS do not publish all their decisions or the state

\textsuperscript{64} The Local Integrity System in the Municipality of Jericho and Qalqelyia, AMAN’s publications 2019.
of their financial situation such as: external audit reports, with the exceptions of some who do publish, but not periodically. In addition, some LGUs still have no websites, but use their pages on social media instead.

The amended LGUs employees system includes many provisions that promote integrity and transparency in appointments and promotions of LGU’s employees. Such as: the necessity to conduct competitive examinations and personal interviews of candidates at the time of appointment, and to organize internal announcements and a competitions when it’s time for promotion.

Results of the “Transparency Index in Local Government Units”65, conducted by AMAN on LGUs classified (C)66 have shown that commitment to provide citizens with the required information remains limited, especially in terms of financial information. The results also revealed that the majority of information published is weak and most often traditional-news report style in content. Even if there is publications according to known disclosure levels, it is also traditional such as: audited financial reports that ordinary people are unable either to understand or analyze. Moreover, there are shortcomings in updating published reports, data and information, in addition to the limited capacities of some LGUs, especially the small bodies, in building their own websites. Moreover, most of LGUs do not have a publishing and disclosure approved policy, according to the results of the Index. Also that disclosures and publications are executed without relying on a procedural guide. Presently, the majority of LGUs do not follow a unified systems in providing data and information to the public.

An LGU’s capability and level of providing information depends on size and staff capacity, and at times on the leadership style and the degree of awareness of officials as well as their commitment to the standards of transparency. Information published by some LGUs is limited to names of board members and means of communicating with them; activities; events and actions for the media. The Index also showed a direct correlation between LGUs classified (A.B.C) and the disclosure and publication processes, where the higher-ranking local bodies tend to apply electronic dissemination and disclosure of data and information more than smaller local bodies in terms of classification. Hence the problem is cumulative in regard to LGUs classified as C in comparison with those classified as B, where the biggest shortcomings are found in areas of financial disclosure, recruitment and bidding, which earned low marks.

65 Transparency index in Local Government Units: is an index that measures the extent to which the LGUs adhere to publishing and disclosure policies. It also points out Shows excellence and shortcomings LGUs performances. The index aims to measure the extent to which transparency principles are applied in the work of targeted LGUs By measuring the level of disclosure of information related to it and to its board members; action plans; budgets; decisions; etc.

66 The Municipal Development and Lending Fund classifies municipalities based on three main criteria: performance (%50); Population of the local body (%30); project’s need assessment (%20). Local bodies are classified based on the possession of performance enhancing tools and the extent to which they are used. Accordingly, 16 indicators were formulated to reflect the actual performance of LGUs in the area of good governance. Hence funds will be allocated based on the classification of each body (i.e., higher-ranking LGUs receive more funding than those with lower ratings).
• **The council’s role in holding the mayor and the executive body accountable**
  - Some administrative councils do not exercise their oversight role in their capacity as the body of reference to the Head of the Council of the LGU and its employees, and that the Head of the Council is accountable before the council. In addition, general reports as well as internal control units’ reports should be submitted to the LGU Council.
  - The majority of LGUs lack a unified complaints system. Public complaints are often dealt with by one or more party within the LGU.
  - The SAACB annually monitors and audits the work of a sample of LGUs. Reports issued by the Bureau in this regard show that there are many financial and administrative violations within the work of some of these bodies.

Weaknesses in the organizational structure of LGUs
- Absence of approved publishing and disclosure policies
- Absence of oversight in the majority of LGUs
- Fragile organizational structures and human resource management
- Interference by political parties and clans in the management of the LGUs

• **Raising awareness of the dangers of corruption crimes and benefits of anti-corruption in LGUs**
  Few municipalities conducted special meetings with LGUs employees related to awareness raising of the fight against corruption. Representatives of many local councils do not receive any information on corruption and particularly on mechanisms of reporting corruption crimes; with the exception of a few public workshops organized by the ACC and in cooperation with the MoLG post the announcement of the local elections results.

• **Heads of LGUs in the GS-appointed as substitute for elections**
  In the Gaza Strip, the last local elections were held in 2005. Hamas, since then, has refused to hold these elections in 2012 and 2017. In contrast, these elections were held in the West Bank. And in 2019, heads of LGUs were appointed during a general meeting held for what is called the “community elites”. Head of the Gaza City Municipality and that of Rafah were elected by those invited to the meeting whose number usually does not exceed 100 individuals.67 Also a steering committee was established in Al-Maghraqa municipality.68 All of the abovementioned constitutes a continuation of violation of provisions of the Law on the Election of Local Councils No. (10) Of 2005, which stipulates that the selection of members of the local councils is carried out by a direct public ballot that is free, private, personal and on the basis of equal opportunity. Also it is not permissible to vote in elections by proxy. This is also bypassing the role of the Central Election Commission CEC, which exclusively has the right to manage and supervise elections.

67 Source: https://www.maannews.net/Content.aspx?id=990875
68 Source: https://paltimesps.ps/post.
Obstructing LGUs elections in the GS for the past 15 years constitutes an obstacle to governance, and a breach of citizens’ right to hold these bodies accountable.

The disruption of local elections in the GS for 15 years is a hindrance to the governance of local bodies. It also infringes on the right of citizens to hold LGUs accountable, especially in regard to procedures of service provision and the declaration of mechanisms, conditions and criteria for obtaining these services. It is also a hindrance to disclosing decisions on management, policies, strategic plans, statements and budgets of LGUs. It also violates the fundamental right of citizens and weakens community accountability; promotes manifestations of favoritism and nepotism; denial of political participation, especially for the youth where the majority of them never had the chance to vote.

The transparency index, applied in the GS on a sample of LGUs classified C, indicated to the absence of the following documents and features in these bodies: a unified framework; reference documents on the transparency; classification of information that should be published voluntarily; or information that cannot be published or needs prior procedures before accessing it. Moreover, the majority of these LGUs do not have official websites to post information, hence the disclosure rate amongst them is low 2.39 out of 4.69

Within this context, a report prepared by AMAN on the integrity system in the Rafah municipality showed that the municipality earned a low score on the indicator related to elections, independence, and the values of integrity and accountability. This is clearly connected to the lack of periodic elections, and the one party rule of LGUs councils, and hence the weakening of social accountability.70 Another report, on the Local Integrity System in the Municipality of Rafah, revealed that municipality earned a “weak” rating on the indicator related to elections and sovereignty of the Council, where the one party rule also is applied. As for representation, monitoring and implementation of ITA principles71, the municipality received a “Medium” rating.

---

69 Transparency Index Report and its Applicability to Palestinian LGUs, AMAN, 2019.
70 Integrity, Transparency and Accountability in the work of the local government units: Study on the Local Integrity System in the Municipality of Rafah, AMAN, 2019.
71 Study on the Local Integrity System in LGUs: AL-Breij Municipality –case study. AMAN, 2019.
On January 27, 2019, the Council of Ministers issued the decision No. 19 of 2018, amending the LGUs system No. 1, of 2009, which includes several provisions related to employees of LGUs such as: emphasizing the need to conduct competitive examinations and interviews of candidates at the time of appointments and or promotions; organizing announcements and competitions (articles 7, 14 of the System), which will promote integrity and transparency in appointments and promotions of positions in local bodies.72

The Council of Ministers’ Decisions No. 4 and 5- 2019 allowed local elections in 17 LGUs in the WB. These decisions were taken after the loss of quorum for one or more of the following reasons: the resignation of some of members of these bodies; as a result of the dissolution of the local council by decision of the Council of Ministers; lack of participation of some of them in the run-off elections; or the dissolving of the merger that existed between some bodies. This is a positive trend, however, related to the election of LGUs councils and moving away from the policy of appointing councils, which prevailed during the previous periods.73

In 2019, the MoLG instructed LGUs to appoint legal auditors to review their financial statements and final accounts, and to regulate external audit on local bodies.74

Summary of main positive developments in the areas of integrity, transparency and accountability as follows:

• The commitment of all heads and members of the boards and officials of LGUs to fill out and submit financial disclosure declarations to the competent party.
• The majority of LGUs showed improvement in allowing citizens access information.
• Many municipalities engaged citizens in the development of their strategic plans, and held regular or intermittent meetings with them; even though attending council sessions was not feasible since these sessions are closed to the citizens.
• Many LGUs responded positively to attending local social accountability sessions; also several hearing sessions and consultations with local CSOs were held.

**Integrity, Transparency and Accountability developments in the Judicial Authority**

2019 witnessed a continuous decline in the state of integrity and independence of the judiciary. The main underlying reason for that is the interference of individuals from the executive authority in functions of the judiciary authority and in judicial affairs. For example, the executive authority continued to interfere in the appointment of Heads of the Supreme Court without judicial placement, which is in violation of the law. This deepened the structural crisis in the judiciary; sparked conflicts between the parties of justice, where it was used at time to settle accounts and achieve personal gains.75

---

74 Letter from the MoLG to AMAN on October 2019, 20.
75 Issue No. 157 of the official newspaper on June 2019, 16.
In light of the repeated calls by local and international parties to reform the judiciary, and civil society’s escalating demands for judicial reform and the cessation of executive intervention in its affairs, the President issued two resolutions on July 15, 2019. The first resolution is a Law-by-Decision No. 16 of 2019, amending The Judiciary Law No. 1 of 2002, lowering the retirement age for judges to 60 instead of 70 years. The second resolution is a Law-by-Decision No. 17 of 2019, dissolving the High Judicial Council and forming a transitional high judicial council, headed by the former Head of the Judicial Council, Judge Issa Abu-Sharrar for a period of one year, extendable for an additional six months by decision of the President. The newly appointed head is to assume all the powers of the High Judicial Council legally; restructure all courts’ commissions at all levels; organize all judicial issues; prepare the necessary laws required for the development and reform of the judiciary; enhanced access to justice and shorten litigation period; finally, restructure the High Judicial Council in accordance with provisions of the law.76

After appealing the decision on retirement for judges at the age of 60 to the Constitutional Court, the decision was reversed and a number of judges aged 60 and 70 were reinstated. After which, the President issued a decision to form a higher coordinating council for the justice sector and to include the President’s Legal Advisor, the Minister of Justice, the General Attorney, The General Director of Police, the President of the Bar Association, and the Director General of the ICHR.77

---

76 Issue No. 157 of the official newspaper on June 2019, 16.
77 Issue No. 157 of the official newspaper on June 2019, 16.
The High Court of Justice’ Decision to suspend the former Attorney General from work was issued on 15 January 2019, under the pretext that the placement report, issued by the High Judicial Council, did not have a legal quorum. In this regard, AMAN believes that the suspension of the Attorney General was not purely a legal issue, but rather an outcome of the internal alliances and coalitions amid a power struggle between the centers of influence to obtain senior positions. This is not the first or only time decisions like this were taken. Similar decisions have been issued and for the same reasons, such as the appointment of the former President of the High Judicial Council and the revoking of the appointment decision of the Head of the Advisory And Legislative Bureau. This is indicative of the tension between the pillars of the justice system (the judiciary, the Ministry of Justice, the Public Prosecutor’s Office and the Constitutional Court). This indicates a decline in the integrity of governance and reveals that appointments to senior positions are not subject to any oversight, especially since the decision came three years after the former Attorney General took office, not to mention that he is a member of the Higher Judicial Council.

Indicators of integrity, transparency and accountability in the Gaza Strip

In the Gaza Strip, decisions on judicial matters remain plagued with instability, whether in terms of decision-making, or the lack of transparency and clarity of the procedures. For example, the appointment of the Head of the High Justice Council, before 2014, was carried out via placement by the existing authority in the GS. Presently, however, it is carried out in an unannounced manner, such as that of the newly appointed Head of the Council in 2019 who prior to that was the Head of the GPC. Similarly, appointment of the Attorney General was conducted in the same way. In this regard, it is worth noting that since 2007, three attorney generals have been appointed in the GS, and their services terminated through resolutions issued by the existing Authority in the GS. For example, a decision was issued to appoint Chancellor Ismail Jabr as attorney general in the GS, who was later appointed as head of the Advisory and Legislative Bureau, after which a decision was taken to appoint The Chancellor/ Diya’ Al-Madhoun as Attorney General. The decision to appoint the former Attorney General, Mr. Ismail Jabr, was issued by the existing government carrying the No. (6/63/11/M.O. A.H.) - 2008 after being recommended by the Minister of Justice. In the meantime, the appointment of the current Attorney General, Mr. Diya’ Al-Madhoun, was carried out through placement of the Government Administrative Committee of the Legislative Council and approved by resolution No. (3841/G. G5/1).

78 The environment of integrity, transparency and accountability in the justice sector. AMAN publications. 2019.
79 Issue No. 157 of the official newspaper on June 2019, 16.
Cancelling the Law of the Grand Criminal Court was a positive development
The Law- by-Decision No. 14 of 2019 to repeal the Decision No. 9 of 2018 concerning the Grand Criminal Court, and the return to applying the laws, procedures and provisions that were previously in place, is in line with the demands of CSOs call to cancel the decision. The CSO, demands are based on the conviction that the decision is in violation of the provisions of the amended Basic Law; the International Covenant on Civil and Political Rights; the Judiciary Law; the Formation of Statutory Courts Law, and the Criminal Proceedings Law. It also constitutes a serious violation of guarantees of fair trials, the powers and independence of the judiciary and the proper functioning of justice.\textsuperscript{80}

Integrity, Transparency and Accountability in Civil Society Organizations (CSO)
in 2019, some Non-governmental organizations (NGO) sought to enhance ITA principles and play an active role in the fight against corruption through many activities such as: holding accountability sessions for decision-makers in: the agricultural sector\textsuperscript{81}; public budget; the participatory budget to promote participatory approaches and ITA principles in the development of the special budget of the Ministry of Social Development\textsuperscript{82}; LGUs 2019 budgets; launching of the Financial Transparency Index for Palestinian Local Municipalities\textsuperscript{83}, as well as promoting social accountability and all its pillars, and ensuring that citizens have access to needed information concerning services and projects provided;\textsuperscript{84} as well as of the complaint systems available, as a mechanism for social accountability. Other activities include: promotion of civil peace; information on opportunities and challenges concerning Palestine’s joining to the UNCAC; in addition to the signing of MoUs between a number of CSO and

\textsuperscript{80} Statement issued on Jan. 2019,16, by the National Coalition to Oversee the Legislative Process, Council of Human Rights Organizations, the NGO Network, and Coalition for Economic and Social Rights, representing more than 200 civil institutions.

\textsuperscript{81} AMAN’s joint activities with CSO on the National Accountability Day.

\textsuperscript{82} Palestinian Initiative to Deepen Global Dialogue and Democracy- MIFTAH, Nov. 2019, 27

\textsuperscript{83} http://www.arij.org/ar/latest-news-ar

\textsuperscript{84} http://nablus.org/index.php/ar/newsarchive/29-46-06-30-03-2019-2453

Some NGOs exerted sporadic efforts in terms of complying with provisions of the special code of conduct and in promoting transparency and accountability at work, in addition to efforts in combating corruption.
the ACC in order to involve these institutions in implementing activities, programs and policies of the National Anti-Corruption Strategy, each within its respective area of work.

- **Exerted efforts to comply with the NGOs Code of Conduct**
  - 620 NGOs have signed the Palestinian NGOs Code of Conduct (CoC) since it's been launched on February 28, 2008 and until the end of 2019.
  - Approximately 197 NGO received technical assistance to apply the Code.
  - 34 NGOs received the “Certificate of Commitment” from 2014-2018 (Implementation period of the project “Activation of the code of conduct compliance system”).
  - The last verification of compliance with the (CoC) was conducted in 2018, by the NGO Development Center (NDC) on 7 NGOs partnering with Save the Children Foundation. No verification process for the CoC was conducted in 2019.

NGOs in the GS also exerted efforts to promote integrity and combat corruption through “Knowledge production” means. In this regard, the NGOs published a “Supervisory policy paper for Palestinian NGOs in the face of corruption”. They also distributed information on NGOs best practices concerning accountability that are in harmony with the basic standards on humanitarian actions. In addition, they developed strategies and accountability mechanisms that were adopted by NGOs and developed a general framework for humanitarian strategic assessment and participatory empowerment. Moreover, they launched an Arabic online learning platform offering a variety of courses, training topics in life skills and civil and technical issues. NGOs also carried out numerous social accountability sessions on “Women’s Issues from the Perspective of Gender”, and on “ITA in Facing Corruption”. In addition, NGOs integrated concepts, tools and means of promoting integrity and combating corruption into the programs and strategic plans of a number of institutions, hence enhancing their role in social accountability.

- **Challenges that hinder accountability practices in Palestinian NGOs**
  - A report conducted by the Palestinian NGO Network in the GS showed that NGOs in the GS face many challenges in regard to social accountability; most notably, lack of financial resources and lack of knowledge of the concept of “social accountability”; which is translated into a discouraging culture for holding such sessions. Unfortunately, social accountability is limited to follow-up on public complaints and the extent by which public institutions respond to that. Moreover, NGOs lack sufficient policies and guidelines on accountability.

  - Although 20 years have passed on the approval of the Non-Governmental Institutions and Charitable Organizations Law, and despite that many CSOs have carried out actions to promote integrity and anti-corruption within their programs and activities, some NGOs continue to pay the price for the weak internal and external oversight and accountability systems. As it stands, oversight of CSOs continues to rely on evaluation and auditing which preceded the organizations’ licensing, and on founders of these organizations. As for subsequent oversight it is weak in terms of compliance with the institutions’ internal regulations; transparency; provisions of the CoC, and weak in the role played by their general assemblies. All of the abovementioned was confirmed by the SAACB’s 2018 annual report, which stated that the oversight results of several NGOs showed weakness in their...
internal control systems, and absence of transparency in others.

- A number of CSOs, including NGOs, labor Federations, and trade unions publish details of their budget on their website. Few of these institutions publish decisions, plans, organizational structure and their decision-making mechanism on their website. And despite the number of corruption cases investigated by the ACC relating to CSOs officials involvement, the number remains small when compared to those involved from the public government and LGUs sectors. According to the ACC, prosecution and the Anti-Corruption Court’s records, few cases emerged during 2019, which pointed out that the most prominent forms of corruption in CSO is the exploitation of public office, favoritism and nepotism in the appointments and tenders’ processes.

**Corporate governance in the Private sector**

2019 witnessed many efforts aiming at promoting good governance in the Palestinian private sector and to support the community’ anti-corruption efforts, including:

- The Auditing Profession Council\(^{88}\) issued instructions No. 1 of 2018 on January 1, 2019, related to quality control standards, audit, review and other relevant verification means. The instructions mentioned coached the legal auditor in practice, whether it’s an individual, a local audit company, a representative branch of an international company, or an employee of any of them, to comply with international standards for quality control. It also instructed that it be applied when auditing, reviewing, or exercising other verifications processes and related services issued by the Board. It emphasized applying standards of the IAASB, which emanated from the International Federation of Accountants (IFAC), when carrying out all his/her tasks during the examination, reviewing and auditing accounts of individuals, companies, institutions and commissions, or when providing advice or professional experience, or when arbitrating, as well as when testifying to the validity and integrity of the final accounts and financial statements.\(^{89}\)

- The auditing Profession Council issued instructions No. 2 of 2018 on Jan. 2019, which sets the international accounting standards that Palestinian enterprises depend on in the preparation of their financial statements. Among those are the International Financial Reporting Standards IFRS, and international standards for financial reporting for small and medium-sized enterprises.\(^{90}\)

---

88 The Audit Practice Law No. (9) of 2004 established the Auditing Profession Council to take charge of the following tasks and competencies: 1. Grant licenses to practice the auditing profession in accordance with the provisions of this law. 2. Propose executive regulations for the application of this law. 3. Impose disciplinary sanctions on offending auditors. 4. Conduct exams required for licensing in accordance with the executive regulations. 5. To be in charge of any other functions and powers provided for by this Law and the regulations issued under it.

89 Issue No. 151 of the official newspaper, Jan. 27, 2019.

90 Issue No. 151 of the official newspaper, Jan. 27, 2019.
The CMA issued instructions No. 1 for 2019 to deal with securities, which banned dealing with the security of the company listed on the financial market to insiders ten days prior to the meeting of the company’s board of directors, where core issues are discussed, and until the board’s decisions are made public. It stated that for all purposes concerned, the following entities are considered to be informed: members of the Board of Directors and their representatives; affiliate companies and allies; corporate employees’ savings funds, the company’s signature commissioners, CEOs and general managers; departments and units managers; internal and external auditors; employees of the CMA, and the stock exchange. Moreover, ban on the financial statements of a listed company remains valid until the annual, semi-annual and quarterly financial statements are disclosed.\(^91\)

In 2019, the CMA and the Financial Follow-up Unit carried out training to raise awareness of officials and employees in the insurance and leasing sectors of the risks of money laundering and terrorist financing.

At the level of transparency, the ratio of companies committed to disclosing basic data in published financial reports increased:

- Public shareholding companies, listed on the Financial Market “Palestine Stock Exchange”, that committed to disclosing periodic reports, during 2019:

\(^91\) Issue No. 152 of the official newspaper, Feb.2019 .19.
29 public shareholding companies, out of 48 listed on the Palestine Stock Exchange as of December 31, 2018, agreed to include details of the rewards and expenses of their board members in their 2018 annual reports, a commitment rate of 60.41%.

Despite the abovementioned, the private sector faced many challenges in 2019 relating to ITA, some of which:

- To date, the private sector has not been listed as one of the sectors subject to the Palestinian Anti-Corruption Law. In this regard, the review of Palestine’s commitment to the implementation of the UNCAC raised many questions concerning the underlying reasons that may prevent the involvement of the Palestinian private sector in anti-corruption efforts, some of which are: The effectiveness of the role of the oversight institutions on the private sector, and the lack of clarity of the ACC role in following up on corruption cases in this sector.
- The oversight role of the CMA and that of the corporate controller on public shareholding companies is insufficient. For example, some companies still do not comply with all provisions of the Corporate Governance Code, particularly on transparency. For instance, the two telecommunications companies do not publish the concession agreement and related annexes, and especially the financial part of those agreements.
- The Board of Directors of the two telecommunications companies, Jawwal and Ooredo are still required to adopt a detailed and publically announced systems that identify conflicts of interest for their board members. Also required; disclosure of board members’ size and expenses, privileges and assistances granted to them, as well as the number of shares they own. In addition, the companies’ internal systems, and salary scales should be published on their websites.
- Defining the number of terms allowed for chairing the company’s board of directors.
In 2019, the ACC received 904 complaints and reports

Second: Corruption Forms; Criminalizing and Prosecuting of the Corrupt

Most prominent forms of corruption in 2019

- A total of 904 complaints and reports on corruption were received by the ACC in 2019. 245 of those were rejected for lack of jurisdiction, while 282 were remaining complaints and reports from 2018.
- Corruption crimes received by the ACC in 2019 were as follows: Wasta and favoritism, illicit gain, complicity in performing public service duties, forgery, bribery, abuse of power, breach of trust, abuse of public funds, abuse of career investment, embezzlement, failure to disclose conflict of interest, and money laundering.

Distribution of complaints and reports received by the ACC in 2019 as per sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of Complaints &amp; Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Sector</td>
<td>456</td>
</tr>
<tr>
<td>LGUs</td>
<td>245</td>
</tr>
<tr>
<td>Federations and Unions</td>
<td>13</td>
</tr>
<tr>
<td>Organizations</td>
<td>36</td>
</tr>
<tr>
<td>Not subject</td>
<td>21</td>
</tr>
<tr>
<td>Political Parties</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>771</strong></td>
</tr>
</tbody>
</table>

It is noticed that a number of complaints and reports received by the ACC, on suspicion or allegation of corruption, is concentrated mostly in the public sector by a ratio of 60.2% of the total number of complaints, and 28.5% in LGUs. While the remaining sectors (civil society, unions, federations, charitable organizations) accounted for 11.3% of the total number.
In 2019, the number of complaints and reports received by the ACC relating to the higher category was 162; distributed as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior</td>
<td>23</td>
</tr>
<tr>
<td>Senior</td>
<td>107 including the judiciary &amp; members of prosecution</td>
</tr>
<tr>
<td>Ministers/Minister’s rank</td>
<td>32 Including heads of institutions, departments and government commissions of all degrees, noting that there are repeated complaints and reports on the same person.</td>
</tr>
</tbody>
</table>

82% of citizens believe that corruption is concentrated in the senior group, versus 17% of them who believe that corruption is concentrated among junior officials. Approximately one-third of respondents believe that promotions and appointments to senior positions are the most areas vulnerable to corruption.\(^94\)

In 2019, the ACC referred 86 cases of corruption to the prosecution, where the number of referred cases in 2018 was 19. On another note, the Commission was provided with new employees in the form of secondments, or by contracting employees for the general department of legal affairs and the general department of follow-up and information, which no doubt boosted the process of addressing complaints and hence increasing the number referred cases to the prosecution.\(^95\)

---

94 Public Opinion Poll on the State of Corruption and Anti-corruption in Palestine, 2019, AMAN.
95 A email sent by Ms. Rasha Amarneh/ ACC’s legal consultant, on Jan. 2019,19.
The increase in the number of referred corruption cases by the ACC to the prosecution, after verification of the suspicion of corruption, is attributed to several factors, mainly: the appointment of a new head for the Commission, and the belief among citizens that a more effective policy than in the past will be applied. Also, the Commission’s efforts to approve “the whistleblower and witness protection system”, which was issued in 2019; its adoption of the openness policy to the public; its promotional efforts on whistleblowing in various ways including through the website, are all factors that led to the increase in the number of complaints and reports reaching to 904, which is twice the number previously received by the Commission yearly.

The 2019 opinion poll on the state of corruption and combating corruption showed that 30% of respondents believe that ministries and public bodies are most vulnerable to corruption, followed by the President’s Office with 21%. The security services came in third place with a ratio of 20%.

The amount of funds recovered from acts of corruption since the establishment of the ACC and until 2019 is as follows:96

<table>
<thead>
<tr>
<th>Statement</th>
<th>Jordanian Dinar</th>
<th>Israeli Shekle (NIS)</th>
<th>U.S. Dollars</th>
<th>Egyptian Pounds</th>
<th>UAE Dirham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds generated through crimes</td>
<td>96,117</td>
<td>26,456,878</td>
<td>52,499,028</td>
<td>227,468</td>
<td>8,864,341</td>
</tr>
<tr>
<td>Recovered funds do not include assets, shares and real estate</td>
<td>70,325</td>
<td>3,275,827</td>
<td>5,121,231</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

96 Ms. Rasha Amarneh/ ACC’s legal Advisor, on Feb.2020.
The Palestinian Anti-Corruption Law did not differentiate between recovered funds and returned funds. In its Article 1 the Law defined criminal proceeds as: “All property recovered or received/returned directly or indirectly from a committed crime.” In this regard, the UNCAC in its fifth chapter related to international cooperation, used the term “Recovery”. This means that the Convention considers “the recovery procedure” is linked to funds looted from one country and sent to another country, which requires the cooperation of the country receiving the looted funds to return it.

AMAN finds that “Recovery” is the procedure by which looted funds taken through a corruption crime are returned. While “Returned” funds, are funds generated by a corruption crime, directly or indirectly and includes interest, savings, proceeds and profits earned from utilizing funds collected through a corruption crime.

In regard with dealing with funds recovered or returned both types must be confiscated by a court’s order, according to the Anti-Corruption Law, paragraph 5 of article 9. Article 9 defined the ACC’s competencies as follows: “coordination with the competent authorities to track, control, seize and recover funds and proceeds from corruption offences, conditional that the confiscation order be issued by the competent court to hear the case.”

This means that the recovered funds are to be deposited in the “trust accounts” of the MoF. Once a final rule is issued concerning these funds, it should be returned to the public treasury if the original amount was stolen from public funds. If otherwise, it should be returned to its original owner, such as to: municipalities, coalitions, federation and or charitable organizations etc.97

The review of Palestine’s commitment to the implementation of the UNCAC on International cooperation in anti-corruption efforts-chapter 5 indicated to Palestine’s partial commitment of the provisions of this chapter, which earned it an average score, which raised many questions and comments on the following issues:

- Direct asset recovery and confiscation measures: the need to identify mechanisms for asset recovery; absence of a Palestinian legislation specifically on legal accountability (Law on International Judicial Cooperation); failure to disclose information on proceeds of crimes; Palestinian legislations are void of any text that allows for an automatic exchange of information without prior request.
- Return of assets and dealing with it: Lack of legal provisions to ensure the return of confiscated assets to its rightful owners; lack of clarity in the forms and methods of compensation for damages to victims of crimes; failure to conclude agreements relating to taking action concerning confiscated assets.
Disputes between former agriculture ministers over a financial prize reveals the need for a code of conduct for ministers; Interferences in the work of the ACC must be stopped in due respect for its independence.

The winning of a Palestinian agricultural project of the Khalifa International Award for Date Palm and Agricultural Innovation led to a lot of controversy concerning the eligibility of employees for the cash award of 300 thousand UAE Dirhams. The project by which the award was granted was called “Development of the palm sector in the Palestinian Jordan Valley”. The project was submitted to the contest by two of the Ministry’s employees, since both of them contributed to the success of the project. However, conflicted points of view flooded the Ministry as to whether the Ministry or the two employees have the right to the cash prize, or should it be shared between the Ministry and the two employees, half and half. However, it was noted that conditions of the prize only allows transfer of the money in the name of the participants, and hence it was deposited in the employees’ accounts.

On August 2.2015, a letter was sent by the Head of the ACC to the Minister of Agriculture, requesting all the documents of the project in order for the ACC to complete its procedures in verifying the legality of the employees’ eligibility or lack thereof to the award. Based on that the Minister sent all documents needed. However, on September 11.2015, the PA President sent a letter to the Head of the ACC saying that the Khalifa Award should be a grant to the employees, and any objection received by the ACC on this issue is to be considered as if it never happened.

Summary of the above information: the fact is that three ministers approached the Ministry of Agriculture during the period of submission and winning of the award. All three had different opinions as to the entitlement of the employees mentioned to the award money personally or it should be given to the Ministry. Moreover, it is a fact that a complaint letter was received by the ACC requesting arbitration on the matter. However, before the matter can be solved by the ACC, the President’s office interfered and ended the issue in favor of the employees by granting them the prize money.

Most prevalent forms of corruption according to citizens problems
According to the 2019 opinion poll, the most prevalent forms of corruption in Palestine were as follows:

- 26% of respondents said that Wasta and favoritism were the most prevalent forms and with a bigger increase in the WB than the GS (34% WB; 14% GS).
- 14% see that embezzlement of public funds and bribery in exchange for public service provision is the most prevalent.
- 12% see that abuse of power and money laundering is tops.
- 11% see it is breach of trust
- 10% feel that infringement on public funds is the most prevalent.

---

98 Private source to AMAN 2019.
99 The 2019 Opinion Poll on the State of Corruption and Combating it. AMAN.
Reasons for resorting to Wasta, as seen by respondents:
Results of the 2019 opinion poll on the state of corruption and combating it showed that 22% of respondents feel that it is the lack of confidence in the integrity of service providers. While 19% said that it was fear of the inability to access the service due to the limited opportunities available, and 18% of them said it was “fear that an undeserving person will get it due to corruption. And approximately the same percentage said it was save time by by-passing bureaucratic procedures.\(^{100}\)

Criminalization and prosecution of the corrupt

**Corruption cases at the Corruption Crime Court- 2019\(^ {101}\)**

<table>
<thead>
<tr>
<th>Number of cases referred to the court</th>
<th>23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cases turned-over from previous years</td>
<td>37</td>
</tr>
<tr>
<td>Number of cases dismissed</td>
<td>28</td>
</tr>
</tbody>
</table>

The most prominent corruption charges for cases received, addressed or dismissed in the Corruption Crimes Court in 2019 were: cases related to forgery, whether forging official or personal documents, or using forged documents, which was the most used and amounted to 6 cases. It was followed by bribery cases, offered, requested and accepted (4 cases). Cases related to achieving personal gains came in 3rd place (3 cases), then breach of trust and embezzlement (2 cases). The remaining cases were distributed among career investment, illicit gain, money laundering, abuse of power and abuse of position etc.

The following institutions constitute the areas where most perpetrators convicted of corruption crimes worked in 2019, according to the Anti-Corruption Crimes Court: 16 persons from ministerial and non-ministerial institutions; 6 from LGUs; 3 –Private establishments; 2 from CSO and professional unions.\(^ {102}\)

Since its establishment and until end of 2019, the ACC received (3949) complaints and reports. The complaints were addressed, and legal actions and measures were taken as required. Moreover, the ACC referred 465 files to the competent judicial authorities after thorough investigations to ensure validity of information. Statistics show that the number of cases referred to the Corruption Crimes Court as of end, 2019 reached (194) cases. 173 cases were dismissed and 123 were convicted.\(^ {103}\)

---

\(^{100}\) The 2019 Opinion Poll on the State of Corruption and Combating it. AMAN.

\(^{101}\) Response letter from the High Judicial Council to AMAN, on Jan.2020, 16.


\(^{103}\) ACC website: https://www.pacc.ps/Blog/Post/40703
In the GS, the Money Crimes and Anti-Corruption Prosecution charged 3 employees with embezzlement of public funds, and charged 5 others with bribery. In addition, the SAACB received in 2018, 60 complaints related to financial and administrative violations, where 40 of these were addressed in 2018 and 13 were referred to the competent parties for follow-up, as the prosecution and 7 files remained undealt with.  

In the WB, the number of citizens seeking legal advice from AMAN’s ALAC, in 2019 reached 919 people. The center provided procedural and legal advice to about 93% of them, and adopted 7%. In 2019, the percentage of cases suspected of corruption or are related to integrity issues, hence requiring more information, accounted for 18% of received complaints. 82% of the accused parties were related to official ministerial and non-ministerial institutions, security services, judiciary and prosecution. The LGUs share was 16% and CSOs and professional unions 2%. Wasta and favoritism were among the top forms of corruption followed up by the Center with 36%. Exploitation of the job, and abuse of public office for personal interest accounted for 34%, with the remaining cases being distributed among other corruption crimes.

53% of respondents believe that corruption increased in 2019. In comparing results of the 2019 opinion poll with the poll of 2018, a definite decline was noted in regard to respondents who believe that corruption increased, 67% in 2018 versus 53% in 2019. This is a positive indicator of people’s perception concerning corruption.

Money Laundering

Combating money laundering in Palestine is considered vital in order to support the National Committee against Money Laundering and Terrorist Financing by publishing any report, data or significant statistics on the spread of this crime and the money received from it. In that regard, a year has passed since the Head of the Committee submitted his evaluation report on the dangers of the two crimes, money laundering and terrorist financing, to the Prime Minister. However, until the end of 2019, the report has not been published through official channels in charge of publishing. This is in violation of the provision of the two Laws by Decision No. 20 of 2015 and No. 13 of 2016 on combating money laundering and terrorist financing and specifically article 25, which provides for the following reports to be prepared by the Director of the Financial Follow-up Unit: 1. Periodic reports determined by the regulations and systems issued under the provisions of this Decision by law, as well as an annual report that provides the Committee’s information on the activities of the unit and activities related to money laundering or financing terrorism. The annual report must be published in the form adopted by the Committee. 2. The director of the unit issues a statistical report on the trends, mechanisms, methods, cases of money laundering and financing of terrorism and original crimes.

At the level of procedures and measures related to money laundering, the UNCAC review on Palestine indicated the need to: identify politically vulnerable people; intensive procedures of due diligence for the client, in the case of politically exposed persons; determine measures for investigating financial and non-financial institutions; methods by which financial and non-financial institutions determine

---

104 Report on “Effectiveness and Independence of the SAACB in the GS2019.”
105 AMNA, ALAC 2019.
The National Anti-Money Laundering Committee is required to publish the report related to money laundering and terrorist financing in order to know the magnitude of the crime and money netted from corruption crimes.

Ownership earned. Finally, the need to examine the feasibility of obtaining the list for high-risk persons from another country in order to impose specific actions against them.

**Challenges faced by the Financial Follow-up Unit, as illustrated in the SAACB’s 2018 report**

- There is weakness in follow-up on corruption suspicions reports received by the Unit, as some reports received in the period of 2007-2014 are still undergoing follow up procedures. This weakens access to evidence as well as hinders legal procedures and actions to be taken against perpetrators of these crimes.
- Failure to coordinate with prosecution to obtain needed information on the actions taken concerning suspected cases of corruption referred by the Unit.
- The National Committee against Money Laundering and Terrorist Financing issued and adopted an internal system and salary scale without verification by the Council of Ministers, which is in violation of the Basic Law and the Anti-Money Laundering and Terrorism financing Law.

Therefore, it is vital that the National Committee activate the Anti-Money Laundering and Terrorist Financing Law and its amendments, and to carry out its duty by publishing the report related to the money laundering and terrorist financing crimes submitted to it by the Financial Follow-up Unit. In this regard, it is worth noting that AMAN has repeatedly called for publication of the mentioned report in order to know the size and magnitude of this crime in Palestine, and in particular, concerning funds received from assets related to corruption crimes.

After reviewing the national risk assessment report on money laundering and terrorist financing crimes, AMAN noted that results of the report shows weakness (medium-low) in the effectiveness of supervision and follow up role of the Palestine Monetary Authority (PMA) on institutions under its jurisdiction concerning anti-money laundering. This weakness had a negative impact on the degree of risk and threats on these institutions, supervised by the PMA such as banks and financial institutions. The reason might be attributed to the lack of qualified human resources trained in the follow-up process within the financial follow-up unit in particular. On the other hand, the CMI’s role was better (medium-high), as illustrated by the results. This too is reflected in terms of the degree of risks and dangers on institutions under its supervision as the insurance and securities sectors. Moreover, the absence of a regulatory framework for the real estate sector as well as lack of control over its actions is a major hindrance in prosecuting money laundering, and raises the risk factor to a high level.

In addition, drug trafficking and trade in prohibited medicine has been an important area in terms of the magnitude of its impact on money-laundering.

The results also showed the need for enhancing the accountability and integrity systems for all parties concerned such as: accountants’ federations and bank associations…etc., in addition to familiarizing employees of the compliance sections of companies in regard to money laundering and the governing legal framework. Also to review and assess policy on drug trafficking and prohibited medicine and the effectiveness of the official parties in charge. The results also showed a need for an awareness raising campaign on this crime; activation of a code of conduct in cases where one exists and developing one for each party involved where there is not one, in addition to conducting training on the code provisions, as well as on accountability skills and tools.

The National Committee and the Financial Follow-up Unit did not respond to AMAN’s request for information concerning money laundering, although the report in this regard was submitted to the external regulators. Needless to say that failure of the National Anti-Money Laundering Committee to issue the risk assessment report after one year of submitting it to the Prime Minister, as well as failure to respond to AMAN’s request for information, undermines transparency and knowledge of the size and magnitude of a serious corruption crime, and raises doubts about the justifications of the Chairman of the National Committee.

**Economic crimes in 2019**

The number of cases of individuals who committed economic crime in the GS and were referred to prosecution reached (1350) files. A settlement was reached in 851 cases. The consumer protection teams also carried out 3,465 inspection visits through daily tours organized by shops, markets and stores, where 35,854 establishments and points of sale were visited. Moreover, 1,658 samples underwent laboratory testing; 2071 violations were recorded, and a total amount of 524,694.95 kg of food products was damaged in addition to 15,024.64 kg of non-food items.\(^\text{107}\)

Concerning economic crimes in the WB, AMAN was not able to collect the relevant data on the subject. It is important to note that economic corruption issues are of interest to ordinary citizens and are harmful to all. However, the segment of society that is most affected by food corruption is the marginalized (poor).

Third: Governance in the Management of Public Funds

• Israeli withholding of the Palestinian Maqassa (clearing tax) and its impact on the 2019 budget

In the context of the exceptional circumstances, resulting from Israel’s deduction of the amount of allowances paid by the government to families of prisoners, the Minister of Finance announced on March 10, 2019 the adoption of an emergency budget that is based on monetary rationalization, until the clearing tax crisis with Israel ends, which is before the end of the legal period for approval of the budget. It is important to note, that the delay in preparing and approving the budget law for the fiscal year 2019 is unjustified, since the government was supposed to complete consultations and preparation of the budget before the end of October 2018 (i.e., before the resignation of the past government and before the Israeli occupation seized part of the clearance tax.

Accordingly, a plan was carried out concerning public employees’ salaries, which ranged between 50%-60%, while family allowances of the prisoners were paid in full. In 2019, Part of foreign aid ceased, as has been the case with U.S. assistance.

On the other hand, the government adopted financial policies which harmed a large number of employees, by implementing a temporary law known as “Financial Retirement” on thousands of employees, in addition to referring others to early retirement, which of course had a negative impact on citizens’ lives. This was accompanied by the decision of the existing Authority in the GS to reinstate the collection system, and impose fees on points of entry to the Strip. These decisions and actions were taken after the formation of a committee in 2019 to rule, under the name of “The Committee for Follow-up on Government’s Actions”, which is a committee similar to the one dismantled in 2017. After these changes, it is safe to say that the situation in the GS has returned completely to the pre-Cairo agreement of 2017.

Based on the President’s adoption of the above step, the Finance Minister’ made his announcement about the emergency budget, and that he plans to spend the “available cash” and secure delayed obligations according to a fair and just salary scale, while ensuring that basic services provided to citizens are not affected. The Minister also announced the formation of a leadership team consisting of ministers, members of Fateh’s executive committee and the Head of the General Intelligence Agency to managethecrisis.

---

108 Press conference for the Minister of Finance, Shukri Bishara, on March 2019.
109 National News Agency, Gaza: Actual government rotation of power or a secret new management committee?
https://www.watania.net/news/.
Moreover, although there was talk of the issuance of a decision or presidential decree in the official media on the formation of a leadership team to manage the financial crisis, no presidential decree or decision has been published, explaining the powers and mechanisms of action of the so-called “emergency budget”, which has no legal basis in terms of designation.

Following the understanding between the Palestinian and Israeli Ministries of Finance, and with the intervention by the head of the General Authority for Civil Affairs, which entailed the following: that the government buy fuel in early September 2019 at its price without the Fuel Tax (Blue Tax), and that the Palestinian government would receive 2 billion NIS for the fuel tax collected by the Israelis since the start of the clearing crisis up until the end of October (i.e. 8 months) in exchange for activating the joint committees to discuss all issues. Israel has transferred the rest of the clearing funds to the Palestinian MOF, with the issue of prisoner stipends remaining controversial.

On another note, According to the Minister of finance, bank loans amounted to $486 million dollars from the beginning of the crisis until August 2019, which is the maximum amount that the Palestinian financial system and banking system can bear.\textsuperscript{111}

\begin{quote}
The Civil Society Team for enhancing transparency of the public budget called on the government to begin implementing the decisions issued by the Palestinian National Council concerning the economic relationship with the occupation and the disengagement from these ties.\textsuperscript{112}
\end{quote}

\begin{itemize}
  \item For years, Israel has taken billions of dollars from the clearing tax money without transparency
\end{itemize}

According to the Minister of Finance, money deducted by the Israeli occupation from the clearing tax amounted to 3.5 billion dollars for the past five years (2015-2019), an equivalent of 13 billion NIS. 11 billion NIS were deducted in exchange for services: electricity, water, sanitation and medical referrals with accounts that are neither audited nor transparent (listed as net lending).\textsuperscript{113}

This shows that enhancing financial transparency in calculating and auditing deductions will disable Israel from stealing the rights and funds of the Palestinian people in this area.

AMAN has been warning for years to the weakness in pursuing financial audits with Israel, especially since there is a group of brokers and officials, including Israeli officers and officials in the civil administration of the occupation who have a vested interest in maintaining lack of transparency of funds deducted for payment for electricity, water and sanitation. This requires that Palestinians audit these accounts before the Israeli side deducts Palestinian funds. Palestinians must also stop any direct relationship with the Israeli side, and to deal only with official government officials with regard to the purchase of electricity or water or any other interaction in this area.

\textsuperscript{111} Statement issued by the Civil Society Team for enhancing transparency of the public budget, AMAN, Oct. 2019, 9.
\textsuperscript{112} Statement issued by the Civil Society Team for enhancing transparency of the public budget on Feb 2019, 23.
\textsuperscript{113} Remarks by Finance Minister Shukri Bishara during his meeting with media personnel and economic journalists at the Financial and Accounting Training Centre of the Ministry of Finance in Al-Bireh, on Sept.2019, 4. Published in Al-Hayyah Newspaper.
• **Government fiscal policies to address the financial crisis**

As a result of the financial crisis faced by the government in 2019, it adopted fiscal policies that depended on tax collection horizontally, and to follow an austerity policy defined by declared decisions that are based on controlling public spending and domestic borrowing in order to overcome the deficit, including:

• Suspension of appointments and promotions in public service positions; maintaining operational expenses at a minimum by: stopping the replacement of government vehicles, reducing fuel allocations, and stopping real estate purchases.¹¹⁴

• The Council of Ministers Decision during its meeting no. (4), which was held on May 6, 2019; to control and rationalize rental of buildings for government headquarters through the establishment and implementation of a system and mechanism that ensures optimal investment of buildings, to be distributed to government departments for their use.¹¹⁵

• The President issued resolution No. 37 of 2019 on August 19, 2019 on the termination of services of all his advisers “in their advisory capacity” regardless of their titles or grades, and to cancel all work contracts and decisions related, and to stop the rights and privileges that are theirs as advisers.¹¹⁶

• The Council of Ministers Decision during its meeting held on April 15, 2019 on ministers’ travel abroad. The decision specifically stated that all ministers’ travel is banned except in necessary cases. Otherwise, they are to be represented in all external invitations by ambassadors of the State of Palestine in those countries or by an employee of the relevant senior category. Ministers are also to abide by the Council of Ministers decisions governing official travel tasks, and must obtain the prime minister’s written consent before traveling, as well as inform the General Secretariat of the Council of of any travel.¹¹⁷

---

¹¹⁴ Decision by Law issued by President Mahmoud Abass, on March 2019, p. 25.
¹¹⁶ Issue 159 of the official newspaper Al-Waqa’i on Sept. 2019, p. 18.
¹¹⁷ Issue 156 of the official newspaper Al-Waqa’i on June 2019, p. 16.
• **Austerity plan for public financial centers**

Despite the importance of steps taken by the government to address the ongoing financial crisis, these measures are not part of a serious austerity and rationalization plan that includes reducing net lending and combating tax evasion. The Civil Society Team in that regard, has called since 2015 for the adoption of a realistic, comprehensive and participatory plans for austerity and rationalization of public spending; plans that reflect the serious attitudes and will of rationalization. The Plans should be built on the basis of a fair distribution of resources and distribution of burdens without compromising in any way programs that support the poor and marginalized groups, and specifically those implemented by the MoSD. In addition, it is also important to comply with the commitments made in the Public Funds Management Strategy relating to the good management of available public funds; transform austerity into binding plans, and to hold accountable parties that do not comply with or violate the declared general guidelines, such as:

- During 2019, new bodies and ministries were established, such as: Decree No. 6 of 2019 on the establishment of the Palestinian National Library, as a new institution with a new independent and distinguished status and is financially and administratively independent. The Decision by Law No. 39 of 2018 on the establishment of a Ministry of Information; The decision by Law No. 11 of 2019 on the separation of the Ministry of Education and Higher Education to two ministries, (the Ministry of Education and the Ministry of Higher Education and Scientific Research), and the creation of the Ministry of Leadership and Empowerment, all of which was carried out without informing the public of any convincing explanations or justifications for issuing these decisions.

• **Transparency of the 2019 Public Budget**

Through the Open Budgets Initiative, the International Budget Partnership and its partners, from the various countries, identified 8 key documents that must be provided to ensure minimum budget transparency.

1) Pre-Budget Statement.
2) Executive’s Budget Proposal.
3) Citizens’ Budget.
4) Enacted Budget.
5) In-Year Reports (monthly & quarterly).
6) Mid-Year Review.
7) End-Year Report.
8) Audit Report.

Results of following up in 2019 on the MoF&P publishing of budget documents in due time based on the relevant legal provisions of the “Palestinian Basic Law and the Public Budget Law, and guided by the international budgetary standards, were as follows:

---

118 Issue 155 of the official newspaper Al-Waqa’i on May 2019,15.
119 Issue 154 of the official newspaper Al-Waqa’i on April 2019,16.
As illustrated in the table above, only two documents out of eight required documents were published. These are the pre-budget statement and the in-year reports. Taking into account the specificity of the financial situation during 2019 and the adoption of the emergency budget with no public budget law for 2019, but rather, it was implemented according to a set of procedures and principles that were published in the official newspaper, it can be said that in 2019 the criteria for budget transparency compared to 2018 has declined. In 2018, four document out of the eight were published, these are: the pre-budget statement, the enacted Budget; citizens budget; periodic reports. At the same time, the executive summary of the budget proposal, mid-year, end of the year and audit reports were not published.

### Financial statements in the Gaza Strip

The Civil Society Team called on the Authority in the GS to disclose their financial reports. It also requested the financial statement for the 2019 approved plan in order for the team to review, analyze and provide suggestions that will improve management of public funds. However, the Civil Society Team was unable to monitor any financial data on the budget managed by the existing Authority in the GS despite addressing officials in this regard. This hindered the work of specialists in the team, CSOs experts and researchers in analyzing the data and providing recommendations, especially data related to the 2019 estimated revenues and local revenues (tax and non-tax). Also included is the 2019 estimated expenditures and salaries and wages, as well as the operational, transferrable, capital, and development expenditures; in addition to the actual revenues and expenditures, the budget deficit and external aid; the monthly and mid-year financial reports and the final closing account statement for 2018. However, non- of this information was provided.120

---

120 Letter issued by the Civil Society Team for Transparency of the Public Budget to the MoF in Gaza, on Oct. 2019 .29.
• Public Fund Management Strategy 2017-2022

A preliminary review of the objectives of the Public Fund Management Strategy including procedures, indicators and criteria shows that most of the objectives stated in the strategy have not been achieved until 2019, which is half of the time assigned for implementation. Note that work has been conducted on some of the required procedures and therefore it be said that the strategy and specifically the procedures involved in development need to be implemented and applied.

Not to take away from the importance of thoroughly examining the extent of development in achieving the three strategic objectives included in the strategy, the second strategic objective which relates to the commitment of a transparent and comprehensive accounting systems, that are committed to international standards and linked to an effective internal and external control and auditing system, is the most important one to enhancing efforts that promote integrity and combat corruption in the management of public funds. However, many measures are needed to achieve this goal, such as the publishing of the all budget documents; preparing data on financial risks and quantifying tax expenditures; Providing a comprehensive and integrated presentation of information on the performance and outcomes of public service provision, which must be an integral part of the supporting documents provided by the MoF with the proposed budget. Also to allow public access to financial statements as the criteria presuppose that the budget law proposal be published before it is approved.

Despite measures taken to improve the accuracy, timing and compliance of financial reports and the development of internal and external audit and control systems on the management of public funds, such as those that were partially or fully implemented as in improving the process of monitoring the budget during its implementation year; the integration of international accounting standards; SAACB’s follow up and oversight on the application of all the standards of Antosai as well as on all the standards governing the public sector, more procedures are required to examine its progress within the MoF, such as: Monitoring processes that are not included in financial reports; development of a quality control unit and financial control systems; and expanding and activating the powers of the internal audit units, not achieved thus far, in accordance with the objectives of the strategic plan.
The 2017-2022 Public Fund Management Strategy demonstrates the urgent need for a systematic public fund management reform process, through clear and specific interventions with a time limit to ensure achievement of the strategy objectives. Moreover, it is necessary to further assess the commitment by which the strategy is implemented, since good management of public funds requires prevention of public funds abuse and as well as curtailing corruption. In addition, the National Anti-Corruption Plan should include procedures, measures and interventions to ensure compliance with the abovementioned strategy, and ensure realization of the sectoral strategy for management of public funds. Lastly, it should ensure going forward with the systematic reform of public fund management.

Allocated expenditures for the development of the social sector

Often, development expenditures, from the perspective of the Palestinian budget, are considered non-binding and its importance is linked to outside funding and resources. Therefore its priorities are usually delayed due to lack of financial means and weak local revenue resources. Development funding depends on donor countries or on revenues from outside the Tax Revenue Fund. This is what the Palestinian Government has followed during the previous years. According to the MoF data, the largest proportion of financing for development expenditures comes from outside the Palestinian local revenues framework, i.e. from donor countries.

Development expenditures 2019- commitment based and compared to 2018

<table>
<thead>
<tr>
<th>Center of Responsibility</th>
<th>2019</th>
<th>Ratio of development expenditures per responsibility center from the total development expenditure-2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total development expenditures</td>
<td>1,214,844,000</td>
<td></td>
<td>1,297,857,000</td>
</tr>
<tr>
<td>Ministry of Interior &amp; General Security</td>
<td>136,903,000</td>
<td>11%</td>
<td>187,369,000</td>
</tr>
<tr>
<td>Ministry of Local Government</td>
<td>198,131,000</td>
<td>16%</td>
<td>112,807,000</td>
</tr>
<tr>
<td>Water Authority</td>
<td>152,745,000</td>
<td>13%</td>
<td>173,013,000</td>
</tr>
<tr>
<td>Ministry of Agriculture</td>
<td>50,727,000</td>
<td>4%</td>
<td>67,331,000</td>
</tr>
<tr>
<td>Ministry of Education</td>
<td>300,206,000</td>
<td>25%</td>
<td>304,386,000</td>
</tr>
<tr>
<td>Ministry of Health</td>
<td>68,067,000</td>
<td>6%</td>
<td>33,420,000</td>
</tr>
<tr>
<td>Remaining ministries and government institutions</td>
<td>308,065,000</td>
<td>25%</td>
<td>419,531,000</td>
</tr>
</tbody>
</table>


121 The state of development expenditures in the public budget in light of the decline in grants and foreign aid and its impact on the provision of public services for education, health and social development, 2019.
As illustrated in the table above, the highest development spending was for the MoE, which exceeded 300 million NIS. It was followed by the Ministry of Local Government, Water Authority, the Ministry of Interior and Public Security. In contrast, development expenses of the Health Ministry amounted to 68 million NIS, accounting for 6% of the total development expenditures. Taking this into account, AMAN believes that the Ministry of Health’s share of development expenditures should be increased for the purpose of improving government health services and nationalization of its services (i.e., use local medical facilities). AMAN also believes that medical referrals abroad should be reduced, specifically, in light of the decision to stop medical referrals to Israeli hospitals.

Figure: Distribution of development expenditures during 2019 per sectors

The (actual) development expenses for 2019 amounted to (1,214,844,000) NIS, distributed according to sectors as follows:124

<table>
<thead>
<tr>
<th>Sector</th>
<th>Development Expenditures/NIS</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration</td>
<td>95,911,000</td>
<td>8%</td>
</tr>
<tr>
<td>Security and Order</td>
<td>358,464,000</td>
<td>30%</td>
</tr>
<tr>
<td>Financial Affairs</td>
<td>180,893,000</td>
<td>15%</td>
</tr>
<tr>
<td>Foreign Affairs</td>
<td>3,236,000</td>
<td>2%</td>
</tr>
<tr>
<td>Economic Development</td>
<td>143,657,000</td>
<td>12%</td>
</tr>
<tr>
<td>Social Services</td>
<td>376,917,000</td>
<td>31%</td>
</tr>
<tr>
<td>Cultural and Information Services</td>
<td>34,815,000</td>
<td>3%</td>
</tr>
<tr>
<td>Transport and Communications Services</td>
<td>20,951,000</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,214,844,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Conclusions from the above data:
- Social services accounted for the largest proportion of development expenditures.
- The Ministry of Education and Higher Education received the highest percentage of development expenditures, compared to other centers of responsibility, which in 2019 amounted to (300,206,000) NIS. This is mainly due to the co-financing basket JFA to support the education sector, which is considered part of the development expenses, noting that the 2019 financial reports still adopts standard expenditures for each of the ministries (the Ministry of Education) and (the Ministry of Higher Education and Scientific Research).
- The second largest responsibility center in terms of development expenditures is the Ministry of Local Government, which reached (198,131,000) NIS in 2019.
- Although a clear difference was noticed in the MoH’s development expenditure in 2019, totaling 68,067,000 NIS, compared to 33,420,000 NIS in 2018 (i.e., double the amount). However, development expenditures of the health sector needs to be increased.
- In general, the impact of the clearing tax crisis on development expenditures was limited due to the fact that development expenditures depend on external support and financial support allocated in the public treasury.

AMAN noted that the current expenditures have risen to a point that is difficult to reverse, all at the expense of the development expenditures, which has become difficult to cover by increasing allocations from local revenues (The proportion of development expenditures from current expenditures ranges from 20%-25% in recent years). This means that if an emergency occurs or a financial commitment is due and cannot be abandoned, it will be given priority over development expenditures. In conclusion, the decline in external funding, which is depended on to finance development expenditures, has had a negative impact on these expenditures.126

125 Detailed data for each responsibility center in each sector is available.
126 The state of development expenditures in the public budget in light of the decline in grants and foreign aid and its impact on the provision of public services; education, health and social development. AMAN’s publications, 2019.
There are two issues with the ceilings allocated for development expenses. The first one is in terms of value and the second is related to commitment. These allocations are low to begin with, and are insufficient to bring about any significant development and growth, not to mention that the full allocation is never fully disbursed. This created a funding gap and increased the value of arrears to the social sector, and consequently no additional funds were allocated for development expenditures. It also led to bringing the planning process for future budgets to a halt.

- With regard to the Ministry of Social Development expenditures, development and humanitarian expenditures for poor and marginalized families have declined, noting that and additional 200,000 families in 2019 became in need of assistance. In addition, part of the ongoing operational expenditures related to the provision of services have also been affected and has not kept pace with the increase in demand for these services, whether health or education.

**Legal commitment to submit final account reports in accordance with the legal due date**

At the end of 2019, the MoF issued the final account statements for 2014 and 2015. The SAACB annual report for 2018, issued in the middle of 2019, included a report on the final account statement for the fiscal year 2013. The Bureau audited the data, which consisted of the “Budget comparison list with actual and consolidated statement of receipts and cash payments”, as presented in the December 31, 2013 summary of important accounting policies and other explanatory explanations.

The SAACB report referred to a number of financial reservations on the final account statement concerning revenues, tax and non-tax receipts, clearance tax and accompanying deductions and lending.

More funds and a well prepared plan is needed to reform the health system, and in particular, the infrastructure. Equally important is the establishment of the mandatory comprehensive insurance system. This is vital to the advancement of the government health services, localizing medical treatment and reducing medical referrals abroad, in addition to suspending all unnecessary expenditures.

127 http://www.pmof.ps/pmo/ accounts/finalAccounts/2015-2014/ Consolidated20%20Statement20%of20%20%Comparison20%of20%Budget20%and20% Actual20%Arb.pdf
The SAACB report referred to a number of financial reservations on the final account statement concerning revenues, tax and non-tax receipts, clearance tax and accompanying deductions and lending (LGUs, water, electricity, relending and clearance tax 2013); LGUs revenues (property tax, work licenses) and revenues of the central budget institutions. The Bureau’s reservations also included expenditures of salaries and wages, and the ambiguity surrounding the net cash flow of the General Petroleum Corporation, in addition to a list of tens of technical and procedural comments, not to mention its reference concerning the gap between the end of the fiscal year and the preparation of the final account statement, and all that entails of legal violations. The Bureau concluded its report with a number of observations on the 2013 final account.  

The President does approve the public budgets laws before issuance, but he does not, in practice or theory, monitor compliance during implementation, which makes these documents useless. In theory, however, all documents related to public budgets are supposed to be prepared by the MoF, audited by the SAACB and verified by the PLC for accountability.

• Public debt and its impact on basic services of the Palestinian citizen

The Palestinian government continued to borrow internally from banks and externally from foreign institutions and governments in order to compensate for the budget deficit. In this regard, the total financial obligations of the government for 2019 reached approximately 17.8 billion NIS. This includes public debt of 9.6 billion NIS and the debts of the Pension Fund, which is estimated at 8.2 billion NIS. The danger of the continuing increase in public debt lies in its negative impact on the necessary services of future generations. It also violates the principle of social justice.

It is vital that the public debt declaration be clearly stated and to include arrears owed to the private sector and debts owed to the Pension Fund, according to previously agreed upon calculations. This is necessary in order that an official settlement is reached between the Fund and the public treasury. In this regard, the government had previously announced that it is in the process of preparing a plan to pay all debts, and that it is committed to paying the Pension Fund’s debt through a monthly deposit of the government’s contribution in addition to the employee’s share in accordance with the law.
Fourth: Issues under the Spotlight

- **Criteria for the classification and selection of the Islamic Alms (zakat) beneficiaries; Integrity in the work of the Zakat Institution in the Gaza Strip (GS)**

The management of the Zakat file is of great importance to a large segment of society and sectors in the GS. This is due to the role it plays in compensating partially for some of the needs of the majority of citizens living in the GS, and the decline of the economic situation there caused by the occupation’s siege, poverty, dire economic situation and high unemployment. By the way, the unemployment rate among graduates in the GS at the end of 2018 reached 50%, while the average rate of unemployment for the WB&GS is 31%.131

By examining mechanisms used by the Zakat Authority in the GS to classify and select beneficiaries, it was noticed that there were no approved criteria applied in the process. Also discovered is: the weak accountability mechanisms and lack of effectiveness of the regulatory parties that oversee the work of the committee. There is also the weak transparency concerning management and expenditures; lack of access to information on conditions of the selection process or financial issues; absence of information related to conflict of interest; and no code of conduct for members and employees of the committee has been adopted.

---

AMAN recommends that: criteria for disbursement of Zakat be adopted and published; regulatory parties must be able to review files related to the management of Zakat, especially financial information relating to revenues and expenditures; enhancing transparency of websites, ensuring that the public has access to information, criteria and conditions for applying for Zakat; and contact numbers for receiving complaints.

- **Salary raise of ministers and heads of public institutions**

Salaries of minister and those under their jurisdiction were raised under the 17th Palestinian government led by Dr. Rami Al-Hamdallah. This was after the President had endorsed a memo in this regard by parties in government, which is in violation of the Law No. 11 of 2004 regarding bonuses and salaries of members of the legislative council, members of government and governors, where the Law defines the financial rights of these groups. This is not only a violation of the law that clearly and unambiguously defined the rewards of the prime minister and ministers, which may not be modified except by amending the law, rather it revealed a state of conflict of interest by the government or ministers determining financial concessions for themselves. Moreover, this measure lacked integrity and transparency since the government carried out this action without announcing to the public or publishing it in the official newspaper. The presidential decision to raise the salaries of the abovementioned group was revealed through social media. It is worth noting that the prime minister’s salary was raised from 4 thousand to 6 thousand dollars, and the ministers from 3 thousands to 5 thousand dollars.

---

Study conducted by the PCBS on the gap between education and the job market, on July. 2019, 14.
In addition to the abovementioned, implementation of the decision was marred with lack of integrity, where many of them requested that they be paid retroactively. Also the Pension Fund demanded payment according to the value of the new reward and not the one stated in the law.

Within the above context, the President issued a decision on August 19, 2019—which has not been published to date—obligates the Prime Minister and Ministers of the 17th government to pay back money they have been paid for the period prior to the President’s “endorsement” concerning their salaries and bonuses. They are also obliged to pay the amount they owe in one payment, and to consider the amounts they subsequently received after the endorsement as a reward. However, as of the end of 2019, there is no official information confirming that the ministers have returned the amounts they have received in accordance with the President’s decision, with the exception of the Minister of Finance who returned 81,600 dollars to the public treasury. Moreover, Dr. Mohammad Shtayyeh, the current Prime Minister, promised to reverse the decision of increasing his salary and those of other ministers by 2,000 dollars.

As follow up on the above issue, AMAN addressed the Minister of Finance to inquire about the extent to which the President’s decision was applied and enforced? AMAN wanted to know this information and more, such as: how did the present government deal with retrieving money paid to the ministers of the previous government? And how did ministers who are currently in government and also were in the previous one, and heads of commissions with a degree of minister respond to returning the additional amounts they received in the first months knowing that it was contrary to the Law No. 11 of 2004? In any case, although a lot of information about the issue has been circulating via social media, AMAN sought to obtain information from its original source, but to no avail. It did not receive a response on the subject.

- Salaries of senior officials need fair and binding regulation to prevent exploitation of position

The Presidential Decree No. 15 of 2019 was issued and published in the official newspaper on July 10, 2019 on the formation of a committee to be tasked with rectifying the issue of the salaries and benefits of senior state officials and those under their power, conditional that the committee submits its recommendations to the President within one month of the date of the decision. These recommendations were not published despite demand for their publication. In addition, no pursuant decisions related to the issue were taken. It is worth noting that AMAN had called in the past for regulating the salaries of all officials who head ministerial or non-ministerial public institutions according to binding standards and bases that take into account the rate of salaries in the public sector, and prevent opportunities of abuse of the concept of independence granted to these institutions.

- Some ministers and officials were granted housing allowances although they have homes owned or rented in Ramallah

Some ministers and employees under their power were granted housing allowances, although the majority of them have either rented or owned private apartments in Ramallah, the temporary headquarters of the government. The President’s Decision in this regard included demand the return of the full

---

132 Statement issued by the Prime Minister's Office on August 2019, 26 after receiving a statement of a transfer of the amount.
133 Al-Hadath Newspaper, June 2019, 15.
134 A letter sent from AMAN to the Minister of Finance on minister’s salaries on October 2019, 3.
135 The official Newspaper Al-Waqa’I, issue No. 157, issued on July 2019, 10.
amount of housing allowances received, or proof that they did not have a home in Ramallah during the period in question. It is uncertain that the decision has been implemented, since the MoF does not publish information related to its implementation. This type of practices affect the degree of citizens’ confidence in the integrity of officials on the one hand, and in the transparency of the government, on the other hand. It is easy to conclude, therefore, that the government’s spending of public money in non-essential areas in light of the current financial crisis the State of Palestine is going through, in addition to the limited financial resources resulting from the decline in international support, and the piracy of the Israeli occupation of the clearing tax funds undermines the government’s credibility and seriousness in implementing the announced austerity policy.

- Public Funds that manage or use public money
  - The Palestinian Investment Fund Law is still in-operative

Until 2019, no special law was issued for regulating the work of the Palestinian Investment Fund (PIF) in accordance with provisions of the Basic Law, which stipulates in its article 21, that a specific law be developed to govern the PIF. Absence of this law made it difficult to subject the Fund to laws governing shareholding companies in Palestine, including the Companies’ Law, which led to confusion and legal overlap in terms of defining its work references and identity. It also affected the tasks and powers of its general assembly and board of directors.

The PIF joined the International Forum of Sovereign Wealth Fund (IFSWF), hence meeting the Groups’ membership conditions. Being committed to the governance principles of the Santiago Conference, however, does not prevent the Fund from adhering to the Palestine Corporate Governance Code, approved in 2009, in accordance with Palestinian law. For example, granting rewards for board members by the Board of Directors is in itself contrary to due process, good governance and conflict of interest avoidance standards. It also contradicts one of the principles of integrity that is recognized internationally and in Palestinian laws, which is that a particular party (e.g. a board of directors) is not entitled to place a decision in which it is the stakeholder.

In terms of promoting transparency, the Fund publishes its budget on its website, except there is a real issue concerning disclosure of salaries, privileges and investments, especially foreign investments. In addition, there is lack of publishing of the value of returns and profits, and is not included as an annex to the public budget. The Fund also has no computerized complaint system in place.

---

136 Palestinian News and Information Agency – WAFA http://www.wafa.ps/ar_page.aspx?id=q5b7T3a859726098924aq5b7T3
The review and evaluation of the work and policies of the executive management of the Sanad company by the Board of Directors limits the losses incurred by the company prior to 2019 for various reasons. One of these reasons is ending the monopoly on cement imports and opening the way for imports from abroad. The Board also took a number of measures related to enhancing transparency within the company by emphasizing adherence to policies and procedures of internal auditing. This step was taken to ensure the continued financial and administrative discipline and commitment to international standards. In this respect, a number of measures have been taken such as: to reduce and regulate expenses; to better control expenses and operational processes; disposal of non-core assets of the company; and restructuring of its core subsidiaries. It is worth noting that the company’s preliminary financial results for 2019 showed that its losses were continuing at the collective level from its various activities. Accordingly, the Board of Directors decided to limit Sanad’s work to cement trading and manufacturing, and to withdraw from iron trade, and its work with stone crushers. It also decided to accelerate the construction of the cement mill. AMAN believes that the construction of the cement mill is a positive change towards the complete disengagement from the Israeli cement company Necher, which had a monopoly on importing cement.

- Governance of The Palestinian Fund for Employment and Social Protection for workers

The PFESP faced many obstacles since its establishment in 2003, which affected its duties as an essential tool to address the unemployment issue in Palestine, and as a reference for organizations working in this field. Moreover, in addressing the Fund’s affairs, it was found that the its legal framework (Decree No. 9 of 2003) lacked many provisions necessary for laws relating to private Funds and institutions that manage public funds. Specifically, it lacked: a clear and explicit identification of the Fund’s objectives, tasks, powers and the relationship between the oversight bodies (the board of directors) and its executive parties. The Fund also had suffered from instability in its institutional structure throughout the previous phase and frequent change in its senior management; failure to approve its own financial system; and weak financial resources, all of which prevented the building of a stable institution and accumulation of policies, expertise and capabilities of the Fund.

138 Sanad’s initial financial statements for 2019 disclosed on the Palestine Stock Exchange. Published on February 2020, 27 in Al-Quds Newspaper.
The Fund has guide-books on hand that includes criteria on service provision. However, part of that criteria has not been approved, and not necessarily applied. This provides opportunities for other factors to interfere in service provision, or conflicting and non-uniform standards due to the absence of a computerized system for submitting applications for services. A system that examines and evaluates standards electronically and without personal intervention from employees. Having this system will strengthen integrity, transparency, oversight and accountability in utilizing the Fund’s money and its projects. The SAACB’s report on auditing projects run by the Fund indicated to cases of conflict of interest in the selection of institutions that carry out the Fund’s projects, whether the temporary program or self-operated projects.

- **Governance of the Palestinian Disaster Risk Reduction and Insurance Fund (PADRRIF)**

The Fund was established under the provisions of Law No. 12 of 2013. It is an independent institution specialized in compensation for natural disasters and agricultural insurance in all its forms. The Fund was to have two accounts, the natural disaster compensation account, and an agricultural insurance account. However, the Fund continued to falter in the area of insurance and compensation for agricultural damages, due to lack of financial resources. Hence the Fund’s role basically remained limited to providing assistance to farmers.

The review of the Fund’s legal and institutional framework clearly shows many shortcomings concerning the Fund’s good governance practices, especially in terms of integrity, transparency and accountability. In this regard, The Head of the Fund was given very broad powers, which made the board’s role marginal in many ways. This led to numerous conflicts of interest cases and other issues in the recruitment process and jobs; a clear example of absence of the board’s role.

Governance issues in the majority of Palestinian funds is mainly due to lack of accountability. In other words, people in charge of running these funds are not held accountable for their actions neither by government, their general assemblies or their boards of directors. Governance issues are also related to
lack of compliance with the principles of transparency especially in decision-taking and publishing of these decisions. Moreover, these funds were established without an approved and binding government policy in this area.

The Council of Ministers issued the decision no. 09/13/18 on the formation of a ministerial committee to study the mechanisms for joining a number of specialized existing funds under an integrated framework by the establishment of the “Government Investment and Development Bank” to be headed by the Prime Minister.

- **The General Petroleum Authority continues to function without a governing law**

Until the end of 2019, the government’s uncertainty about the official supervisory body for the petroleum sector and its derivatives and resources (the Energy Authority, MoF or the Council of Ministers) has not been resolved. Moreover, the government was also uncertain about whether it will continue to be the party in charge of the distribution process or will it leave it open to competition between the private sector companies. This hindered the completion of the legislative and institutional frameworks governing the GPA, hence roles of parties responsible for setting and approving policies and those in charge of implementation and overseeing remained unclear. In that regard, the 17th government in its session No. 233 on Dec 18, 2018\(^{139}\) had referred the draft law of the GPA to the Council of Ministers to review and provide feedback, in preparation for its approval.

\(^{139}\) Governments' session on July 2018, 17.
In conclusion, this confusion and hesitation that has been going on for years requires quick actions by conducting a serious review of the issue in order to end the power struggle between the official parties mentioned. This is especially important since the Palestinian side reached an agreement with the Israeli side in August 2019 to collect the fuel tax (blue) instead of Israel, which could affect the amount of revenues collected.\textsuperscript{140}

AMAN’s reports for the past three years and the SAACB’s 2018 annual report warned from the danger of the absence of a regulating law to govern the GPA and the impact it leaves on internal control and other controls governing the Authority. The absence of the law, for example, affected the smooth running of the Authority at many levels, which had many negative ramifications, especially in the financial balances of the debt accounts and the quantities of fuel among others. In addition, the status quo, the GPA being part of the Ministry of Finance, is not suitable given the nature of its work as an institution that manages public funds and practices business transactions. As a result, the GPA and hence the public treasury incurred costs in the form of interest and commissions resulting from the banking facilitations granted to the GPA, in exchange for transporting fuel, warehouses’ rental, and loss of fuel. This is in addition to the GPA’s failure to follow up on files of companies/ gas and hydrocarbons stations and licenses related to these stations and companies, as well as procedures for changing ownership without renewing its license, and without paying of its debts.\textsuperscript{141}

If the GPA continues to operate without a regulating law, cases of corruption will continue to re-emerge such as those in the past where millions of dollars of the people’s money were wasted, and impunity was granted to perpetrators.

• The Natural Gas Agreement

In 2019, the official Israeli authorities, and specifically Prime Minister Netanyahu, issued more than one statement concerning the natural gas fields in the eastern Mediterranean, one of which was the establishment of the “Eastern Mediterranean Gas Forum”. This entity was to be established in participation with Egypt, Israel, Greece, Cyprus, Italy, Jordan and the State of Palestine. Within this context, the gas extracted from the territorial waters is transported to Egypt where it is liquefied and then transported to Europe via the Mediterranean Sea. It is well known that part of this gas is the natural right and resource of the Palestinian people. Jordan will be provided with the gas, in accordance with the agreement signed with a Jordanian company, whose owners are not declared and is registered on one of the islands known to be a tax haven. Turkey, being a neighboring country, made special moves in defense of its interests at the same time the Jordanian parliament decided to pass a law preventing the import of gas from Israel.

In the meantime, no official statement on the subject was given by the Palestinian government, the In-
vestment Fund, or the Energy and Natural Resources Authority. Moreover, all this was being implement-ed without any published information on the nature of the Palestinian participation in the forum, (i.e., whether it is a consumer of gas or a partner who has ownership in the gas field in the GS). As mentioned, no information has been published concerning the rights of Palestinians to the Mediterranean gas, nor in regard to the subsequent obligations on Palestinians or the benefits of signing those agreements.

![Photo of the third ministerial meeting of the Eastern Mediterranean Gas Forum held in Cairo on January 16, 2020. The photo shows members of the forum established in January 2019; Egypt, Israel, Cyprus, Greece, Italy, Jordan and Palestine](image)

It should be noted that in March 2018, the Palestinian Council of Ministers adopted a decision to approve the exit of the Royal Dutch Shell Company from the gas field off the coast of Gaza. Royal Dutch is a British-Dutch company that was granted the rights to develop the gas field off the coast of Gaza after its takeover of the British company BG in 2015 that had been granted concession to develop the field in 2000. Last April, rights to develop the Palestinian gas field was granted to a new alliance, which includes: the PIF, the Global Consolidated Contractors Company (CCC) along with an authorization granted to the PIF to negotiate with a global company, to be a third party to this alliance in place of “Shell”. Based on this decision the PIF conducted negotiations with several global companies to join the new alliance in the development of the above-mentioned field.142

AMAN believes that the State of Palestine is obliged, due to its signing of the UNCAC, to take action needed to improve transparency of public information and to adopt procedures for access to information, especially in light of the developments occurring of the State’s investments. This is mainly in reference to investments in the Gaza Marin gas field and the nature and details of Palestine’s participation in the Eastern Mediterranean Gas Forum, which held its first ministerial meeting in Cairo with the Head of the PIF, Dr. Mohammed Mustafa as representative of the State of Palestine. In regard to access to information, AMAN is in agreement with the international anti-corruption covenation in emphasizing that “information has the power to detect corruption, prosecute the corrupt and prevent impunity”.

- **Financial crisis of the Jerusalem District Electricity Company**

The current financial crisis the Jerusalem Electricity Company (JEC) is going through is not new, but a crisis that has been accumulating for years. This is attributed to several reasons, most prominent of which are: weak internal governance of the company, weak accountability by regulators of the company (the Energy Authority, the Electricity Regulatory Council, the Registrar General of Companies and the SAACB). Moreover, the ill-considered decisions taken by official Palestinian parties to exempt specific areas from paying dues have also contributed significantly to worsen the crisis. Also the direct extortion imposed on the JEC...
by the Israel Electric Corporation who took advantage of the ambiguity within the MoU signed between Israel and the State of Palestine in 2016. It can therefore be concluded that the lack of clarity of the financial relationship between the company and the Palestinian government has greatly contributed to the electricity crisis. Unfortunately, consequences of all the above are borne by citizens who pay their electricity bills, but are forced to suffer power outages through no fault of their. The constant power outages, despite the fact that the majority of citizens do pay their electricity bills, demand identifying the problem and an answer and a solution to it. It is necessary, however, to treat the crisis of the electricity company as a national security issue in the face of Israeli attempts to control it or liquidate it, on the one hand, and to regulate an effective and fair revenue collection; as well as improve the company’s performance and expand energy sources on the other hand.143

- **Dysfunction of the accountability system concerning “the health and safety medical protection right”**

The President approved the Right to Medical and Health Safety Protection Law on September 12, 2018, which aims at finding balance between interests of physicians and medical institutions on the one hand, and that of patients on the other hand. The law also aimed to enhance medical accountability, and provide investigative measures to hold officials accountable for medical errors incurred. However, due to the objection and pressure by the Medical Association calling to stop its implementation upon its issuance, the law has not been enforced, as of the writing of this report. The justification given was that the required systems and protocols were not completed.144

143 Meeting conducted by AMAN and held at the Ramallah Chamber of Commerce and Industry on October 2019.
144 Interview with the Health Minister, Mai Keileh, on the program “Shid Heilak Ya Wattan” on July 2019.
The Medical and Health Safety Protection Law is still dysfunctional under the pretext that the required systems and protocols have not been completed.

This is despite the stipulation in article 33 of the law stating that the law is to be implemented three months after date of publication in the Official newspaper. In addition, article 30 of the Law also stated that “The Council of Ministers shall issue the necessary regulations to implement provisions of this law based on placement by the Minister; and, the Minister shall issue the necessary instructions and decisions to implement the provisions of this law and the regulations under which it was issued, in consultation with the relevant union. However, until to date, no such regulations were issued, and no other law was passed to amend the date of the new law. This is a clear violation of the law and a disruption of one form of accountability.

The government did not fulfill its promise concerning the development of a compulsory, comprehensive and equitable health insurance system in 2019. The consequence of this failure was the depletion of most of the health sector’s allocated funds, which were used to pay off the deficit bills in the Health Insurance Fund’s budget. All of this is at the expense of the development needs of government health institutions and hospitals. However, it is worth noting that the government took many public health decisions, such as stopping medical referrals to Israeli hospitals and the purchase of medicines and medical supplies from Israel.

• Integrity and transparency in the management of state land allocations in the Gaza Strip

An important issue concerning land allocations in the GS has been the granting of state-owned land to people who owe money to the existing authority there, with freedom to do as they please with it. In other words, these people can sell or rent the land that was given as a compensation for their salaries and or benefits owed by the mentioned government. This is a blatant violation of the constitution and contrary to the principle of allocation for the public interest, since the land was granted to specific individuals.

According to data from the Land Authority in the GS, the area of state-owned land in the GS is 112,840 dunums, accounting for approximately 30% of the total area of the Strip. The total area of land allocated from 2007 to 2017 was approximately 59,991 dunums, according to the Land Authority’s website. That is more than half of the state land in the GS. The number of allocations of public land during this period was 667, part of which was utilized for public purposes such as health centers, schools, mosques, government and security headquarters, and the other part for special purposes such as agricultural and housing projects.

The majority of the state land allocations were carried out by decisions and legislations issued by the Hamas Reform and Change Bloc, in the Legislative Council, and executive institutions that are under its government’s control, first and foremost by the Administrative Committee.

---

Most of the allocation of state land and its estimation process were executed under circumstances lacking the requirements of integrity, transparency and accountability, in addition to the confusion and lack of clarity in the legal and institutional frameworks, as well as the lack of clarity of mechanisms and standards. These conditions provide a fertile environment for multiple forms of corruption such as bribery, illicit gain, Wasta, favoritism and exploitation of position at the expense of public funds. Also, conflict of interest practices will go unnoticed; the majority of beneficiaries will most likely be from the same political party; the use of state land to serve partisan purposes at the expense of the public interest will become widespread, and the lack of equal opportunities among citizens will be the norm.

In examining the extent to which the set of principles and values to be applied in the institution that allocates state land, the following was revealed:
• There is no codes of conduct for public land allocation workers.
• Employees and workers of the Land Authority in the GS do not disclose their financial statements.
• There is no gift acceptance system.
• There is no system for disclosing conflicts of interest.
• The authorities overseeing the allocation of public land in the GS do not provide work manuals, or a written reference document that is unified and published on the process of allocating public lands and or evaluating its value.
• After the allocation of some land, cases of exploitation for personal interests emerged through the repurchase of these lands, from employees who are unable to build on his/her piece of land, by some merchants and influential individuals for half the real value of the land.

In examining transparency in the allocation of state land by the Land Authority in the GS, the following was revealed:
Weak publishing and public disclosure policies concerning allocation of state land. Mainly in regard to: decisions; reports; statistics and numbers related to the allocation process; information on vouchers and allocated land (area size, location, purpose of allocation, etc.). In addition, no periodic or annual reports on the allocation of public land in the GS are published.
As for accountability, no written unified systems for receiving complaints, appeals, or criticism and objections is provided by those overseeing the allocations processes of public land in the GS. The public service departments are relied upon for receiving the abovementioned public grievances and issues. However, these departments do not provide periodic quantitative or qualitative reports on the complaints received and how they are addressed.146
The issue of smuggling dates from the occupation’s colonies is a public matter, since it goes beyond violating the law and national ethics. It also hinders the achievement of the political goals of the Palestinian people and their legitimate rights. Hence all those involved in this crime must be held accountable.

- The issue of smuggling Israeli colonies Dates

Large areas were forested in the Jericho area and the Jordan Valley with Palestinian palm plantations, most of which were built on Waqf land through leasing. Thousands of Palestinian workers and farmers worked in these plantations, which became a source of income and livelihood for them and for Palestinian investors. In the same place, the occupation’s colonies built on Palestinian land in the area, house many palm plantations. More recently, particularly in 2019, the colonists are seeking to market their production of dates by flooding the Palestinian market through Palestinian intermediaries and traders, or by exporting it through Palestinian producers as a Palestinian product through complicity of powerful brokers to circumvent the Palestinian law. And to also pass it as Palestinian product to countries which Palestinians are exporting to, such as Turkey, who facilitated exporting the Palestinian product to Turkey. Consequently, restrictions on dealing with Israeli colonial products locally and internationally are evaded using Palestinian certificates of origin.

In accordance with Article 4 of The Law by Decision No. 4 of 2010, on the prohibition and control of colonial products, which stipulates that: “All products of the colonies are considered illegal goods, and it is prohibited for any person to trade any product and or service with the colonies. It is also prohibited for any person to provide any goods or service to the colonies.”
Although the issue of smuggling dates is an old issue, but has reappeared in 2019 with force. This was made tangible through complaints, submitted by businessmen and economists, to the Ministries of Agriculture and economy and to the Jericho governorate, at the start of the date-picking season. The complaints contained information concerning Israeli dates being sold in foreign markets with a Palestinian certification stamp; and that at times these products use Palestinian names for disguise, such as Jerusalem or the Holy Land. They also resort to Arab and religious names where more than a dozen names have been tracked, in order to market the products of the colonies in the international markets as Palestinian products.

According to Palestinian experts in palm cultivation, the date-picking season starts at the beginning of September and ends at the end of November. Once picked, the dates are sterilized and placed in refrigerators. One expert on dates, Dr. Samir Halila confirms that most of the quota granted by Turkey to Palestinian dates, estimated at 1000 tons, has been covered with the start of the season. This confirms the leaking of Israeli dates smuggled from the colonies in the Wadi Araba area and the area south of the Dead Sea, where the picking season begins 15 days before the picking season of Palestinian dates. Thus, dates brought from these areas and exported to Turkey and were deceptively granted a Palestinian certificate of origin was to benefit from the Turkish quota of “customs exemption”. Dr. Halila goes on to say that on more than one occasion cars were seen coming from the colonies, and unloading dates on a Palestinian farm during the night. And in the morning, a representative of the ministry arrives and signs the packages of dates that it is of Palestinian origin. And in this regard, granting of the Palestinian certificate of origin for dates is not an easy task, according to the Palestinian Ministry of Agriculture. And that to obtain it, one must go through several parties that have the authority to grant the certificate, which based on a specific criteria. The parties responsible for granting this certificate are the Ministry of Agriculture, the Ministry of National Economy and the Chamber of Commerce, all of whom are.

Furthermore, many cartons of dates are found in the local markets, specifically in Ramallah, bearing many names other than those produced by the main sources. Attempts to access the addresses printed on the boxes were unsuccessful, since they didn't exist on the ground. Also phone numbers printed on the boxes were always closed.

The Anti-Corruption Commission has initiated an investigation into the illegal marketing of the colonies products. It is also investigating the unjust awarding of the certificate of origin. Moreover, investigation surrounding the circumstances by which the colonizers provide the brokers and middlemen with bribery and privileges has also started by the ACC. In addition, the Commission is also investigating the issue of registered Palestinian companies that may have violated Palestinian laws by contributing or facilitating these crimes through storing dates in their warehouses.
The issue of smuggling colonial dates has become a matter of public opinion due to its violation of the law and national morals, in addition to contradicting the political objectives of the Palestinian people and their legitimate rights to prevent Israel from confiscating Palestinian land in the Jordan Valley. Accordingly, the government, the Ministry of Agriculture, the Ministry of Economy, the Chamber of Commerce in the Jericho governorate, and in particular the ACC are required to disclose the truth about the brokers or people in position of power who carried out this unpatriotic act that is also in violation of the law; noting that covering up for such acts constitutes a corruption crime, according to the law.

- Allocating pilgrimage (hajj) seats unjustly

The subject of hajj is of great interest to the Palestinian public. It is an annual event where more than 8000 pilgrims, men and women, from Jerusalem, the WB and GS take part. Each year, the selection process, adopted criteria and mechanisms constitute a real test of the integrity and transparency of the management of the hajj season. This is due to the limited number of seats allowed and the high demand to reserve a place. The Ministry of Al-Waqf adopts two mechanisms for selecting pilgrims: the first is by way of public lottery, which is carried out in all governorates to select a total of 6600 pilgrims; in 2019, the lottery was conducted on-line. The second mechanism is conducted outside the framework of the lottery, which is a subject of controversy, since election is carried out by the missions accompanying the pilgrims and consist of administrative, medical, media and security missions, which accounted for 650 seats in 2019. In addition to those, there are honorary seats reserved for certain categories, such as the 1000 honorary seats of the custodian of the two holy mosques (The Saudi King or prince) for the families of the martyrs. There are also the honorary seats reserved for the President and the Prime Minister, numbering 250 seats.

Gaps in the Hajj selection process outside the scope of the lottery, some of which are:

- The absence of written references that can effectively regulate the selection of hajj seats outside the lottery. And the administrative and financial instructions on Hajj and Umrah for 2014, issued by the Minister of Awqaf, do not cover all cases under this framework, and are not definitive and are subject to too many interpretations. For example, they allow for exceptions, which may constitute an entry point to abuse, favoritism and Wasta.

- Exceptions granted to the Minister of Awqaf are inflated, amounting to 35% of the total number of administrative missions. Moreover, these seats are granted to staff who do not meet the requirements, or for state employees and retirees, as suits the minister.

- Although instructions issued in 2014 included criteria and mechanisms for selecting members of the administrative mission, many exceptions have happened in terms of their number, mechanism and conditions applied in selecting them.

- There are no written rules, specific criteria and mechanisms for selecting members of the accompanying missions for pilgrims, namely medical and media missions.

- There are no legal basis for the honorary seats assigned to the President and the Prime Minister, under which 250 seats are awarded annually outside the lottery mechanism. Moreover, there are no rules, standards, or written mechanisms for nominating pilgrims for these seats. This presents op-
opportunities for foul play, since those who have connections with the president and Prime Minister’s offices such as ministers, top officials, ambassadors, and governors have a better chance at being selected, hence leaving ordinary citizens outside the game.

- Although the Foundation for the Care of the Families of Martyrs and Wounded had developed written criteria for the selection of the 1,000 seats assigned for the Custodian of the Two Holy Mosques, an exception is given to the President’s office to allocate 50 seats from the families of the martyrs. These seats are not subject to the criteria specified and remain outside the jurisdiction of the institution.

- Special cases constitute an entry point for abuse, Wasta and favoritism. And since there are no established grounds and criteria for the selection of such cases, the door becomes open for illegal exceptions, personal, partisan and political relationships. Furthermore, there are several parties that nominate special cases, namely, the Office of the President, the Office of the Prime Minister and Al-Waqf Ministry, which compounds the problem.

● Pensions for political positions holders

Prior to its approval of the Public Pension Law No. 7 of 2005, the Legislative Council passed The Remuneration and Salary Law No. 11 of 2004 specifically for PLC members, members of the government and governors, which differed in terms of the standards and foundations of the retirement system for ordinary public servants. In doing so, the Palestinian legislator differentiated between groups subject to the retirement laws. In this case, the legislator provided those holding political positions in Palestine with special retirement laws that grant them highly privileged monthly pension salaries, and without requiring that they make any contribution, hence violating the principle of justice. The unfairness is in the fact that, while the employee has to spend dozens of years in his/her job, to receive a limited salary resulting from a monthly contribution deducted from his/her salary, a representative, minister or governor who spends a maximum of four years in office, he and “his/her heirs” receive a pension and without any contribution, as the law illustrates.

Politicians’ pensions violate the principle of justice among those subject to public pension laws, and also violates the principle of social justice.

Moreover, the monthly pension of these groups is approximately three times higher than the average monthly pension stipend for a civil servant. In addition, the law also granted those subject to it the right to retire with a minimum of 50% regardless of the period served. This is contrary to the rates set for retirement benefits (10%, 12.5%, 20%, 30%) for every year the employee/official has spent in office. This means that anyone who spent one year in office or less will not receive the percentages set by law, but will receive a minimum retirement of 50%. Moreover, the MoF’s stabilization of the exchange of the dollar against the shekel to approximately 4.2 NIS when calculating the pension stipends for this category is also considered to be an added preferential treatment of this group compared to other state employees, as well as being an illegal procedure.

149 AMAN, Pension stipends for political office holders, 2019.
Pensions are paid directly from the State Treasury to those subject to the special retirement laws. This is because no contributions are deducted from their salaries, like those who are subject to the ordinary public pension system. For that reason they weren’t included in the Palestinian Pension Fund, and hence costing the public treasury approximately (26,546,928 NIS) annually. These amounts constitute a burden on the treasury, since there is no revenue source for these expenditures. This means that these expenses are paid from taxes, fees and other sources of state revenues, noting, however, that the political instability in Palestine, the disruption of the democratic process and lack holding elections on time contributed to the reduction of these figures and the reverting to figures and benefits offered by the law.

In addition to the financial burdens incurred by the public treasury, this mechanism entails a breach of the principle of justice between those subject to these laws and those subject to the Public Pension Law. It also violates the principle of social justice in regard to the generation benefiting from this law and future generations that will bear the burden of the public treasury, where salaries of these groups will be paid for by increasing taxes on the next generation.

The First Legislative Council drafted the Salary Rewards Law for PLC members, members of the government and governors. It was reviewed by the government after the second reading, approved and implemented, to be applied on the same category that initiated it (i.e., PLC and Government members) which enfolds a form of conflict of interest. The original procedure is that the law referred to, if adopted, should be applied to subsequent legislative members and members of government, as is customary in the work of parliaments. Furthermore, the law, during its drafting, did not rely on actuarial studies, which is contrary to what is in place in retirement legislation and systems that are formulated on the basis of financial calculations that show the consequences of the law on the state treasury and its beneficiaries.

On the other hand, this privilege is no longer limited to ministers, members of the Legislative Council and governors, due to subsequent laws that have been passed granting retirement with the same privileges to other positions such as heads of commissions and Non-ministerial institutions and state institutions, which means increasing the burden on the public treasury.

The majority of nations have experiences that differ from the Palestinian one in this regard. Some are based on the principle of contribution, and others on the disbursement of the end-of-service bonus, while others apply retirement for transitional periods. And even those that have similar experiences as the Palestinian one, they apply due diligence to reform their financial situation resulting from these privileges that are definitely part of the issues exhausting the public budget. Fixing his wrong requires adopting new policies that will bring about relief for the public budget. Perhaps the most common trend in international experience in this field, which corresponds with the Palestinian situation, is to pay the end-of-service reward to holders of these positions.
The General Directorate of Traffic Police and Licensing Authority in the Gaza Strip 150

The General Directorate of the Licensing Authority and the Traffic Police in the GS are working to implement the general policies relating to licenses and levies in the transportation sector, monitor their implementation and respect the rule of law governing these policies. They are government agencies that work directly with large number of citizens in the GS. The number of vehicles in the Strip is estimated at 74,137151, where a large number of them work in provision of public transport services.

In examining the values of integrity, principles of transparency and systems of accountability in both of these institutions, it was discovered that the High Traffic Council in the GS, responsible for oversight and implementation of the traffic policy and control, is facing many challenges. For instance, the administrative staff of both the traffic police and the Ministry of Transport and Transportation is not sufficient. This led many citizens to resort to tribal or traditional methods for solving problems related to traffic accidents hence weakening citizens’ confidence in the law and its sovereignty. In addition, both institutions have no code of conduct for their employees; no procedural manual on traffic violations; the Licensing Authority’s Procedural Guide needs development; financial disclosures are not provided in either the Ministry or the police service. Moreover, although the National Islamic Bank is in charge of the financial collection for licensing and traffic violations, it is not licensed or approved by the Monetary Authority and is therefore not subject to its control. Also, complaints systems for both institutions need to be developed since they lacks clarity of procedures.

• Tax evasion in contracts of employees of international institutions operating in Palestine

The Income Tax Law, Article 7, items 9 and 11 stipulates: that (income tax exempts salaries and allowances paid by the United Nations from its budget to its employees and users), also, (incomes exempted by a special law or bilateral or multilateral agreements concluded by the State of Palestine). 

This tax exemption policy created the feeling of injustices between Palestinians working in local institutions and those working with international institutions operating in Palestine, noting that the cost of living is the same for both employees. The problem does not end with the feeling of inequality, but extends to create suspicions about cases of fraudulent behavior of some employees to be included in the exemption mentioned in the law. This raises many questions about the effectiveness of the tax policy in terms of dealing with international institutions. And also about the forms of deceptions to evade paying income tax by exploiting the exemptions provided by the law.

AMAN indicated in its previous reports more than once of cases of employees who held positions in Palestinian government departments and ministries, and who ran their ministries’ relations with international parties by circumventing their position in projects listed on the donor’s state budget. For example, some staff members of government institutions are recruited to work on United Nations (UN) projects, or take a leave without pay, where the given employee does not receive his/her salary from the public budget, but from the UN, and hence he/she is exempt from income tax, in addition to receiving a higher salary. This is despite the fact that the legal provision did exclude from income tax international institutions operating under the umbrella of UN contracts, as well as salaries and allocations paid by the UN from its budget to its staff and employees.

In this regard, the director of the tax and computer department in the MoF noted that the ministry has documented, through its periodic and or special audits conducted on foreign institutions, a number of cases of fraud and evasion of tax brackets stated in the Income Tax Law in regard to residents of Palestine. This includes, for example, a non-Palestinian person who resided in Palestine during the year in which his/her income was earned for a minimum of (183) days, whether his/her stay was continuous or intermittent. In this case, his/her income is taxable (The exemption given covers the first 36,000 NIS of his/her income). This is one of the ways of deception (i.e., the person is considered a resident and is granted an exemption as a resident, but he/she actually is not a resident). Another example of fraud concerns non-profit organizations where they have foreign employees, where income tax is not paid on their behalf, and under the pretext that they pay taxes in their countries. another examples is where the institution pays the supplier for goods or service without requesting the source discount certificate. And in such cases, since there was no verification of this, the foundation is obliged to deduct income tax from the value of the goods or services.

Another major gap is related to the place of residence of the highly paid international staff who are paid between 17-20 thousand dollars monthly and are “not allowed” to sleep in Palestinian occupied cities even if they work there, but have to take residence within Palestine 1948 (i.e., Israel,) or in Jerusalem, under the pretext of security. This action by itself costs the Palestinian state large amounts of income tax that would have been deducted from their salaries had they stayed on Palestinian occupied land the period of time stipulated by law. It is possible that Israel is benefiting from this condition. However, if the law stated that any employee working under an international contract must pay income tax, regardless of place of residence, it would prevent evasion and loss of funds exemplified above. Addressing the issues mentioned above demands a discussion with the UN concerning management of its projects, which the source of funding comes from donor countries as a contribution to the Palestinian people in the first place and not to the UN programs in Palestine. In addition, individuals working on these projects should not be described as United Nations staff, hence obligating them to pay income tax.
Fifth: Recommendations

To address the challenges noted in the report, namely: enhance integrity of governance and in particular accountability of institutions, correct the imbalance resulting from the lack of separation of powers, and hold legislative and presidential elections in the West Bank, Gaza Strip and Jerusalem, we believe, first and foremost that it is important for the President to issue a decree setting the date for the elections. This will contribute to ending the internal Palestinian division and bring Palestinians to join efforts to support a unified and comprehensive national strategy that will counter threats against their national project, and specifically, the U.S.-Israeli project intending to settle the Palestinian issue to their liking. (i.e., to keep the Gaza Strip separated geographically and politically from the West Bank and to Judaize and annex Jerusalem, the Jordan Valley and other areas of the West Bank).

We also call on the government to take into considerations the following recommendations:

First: At the level of policy:

• The government must take further steps to reinforce the open policy with the Palestinian society by engaging its representatives in the development of public decisions. This will enhance citizens’ confidence in the government and its decisions, especially in light of the difficult phase the country is going through.

• The government must ensure follow-up on the implementation of the 2017-2022 national policy agenda on public fund management and expenditure rationalization; review the sectoral and cross-sectoral plans taking into consideration the developments and basic needs of citizens. In all cases, it is of the utmost importance that the principles transparency and strengthening of the accountability systems, mentioned in the ninth and tenth policies of the agenda be maintained.

• The government must adopt and effectively implement the national cross-sectoral anti-corruption plan in order to build a strong integrity system that resists and combats corruption. And since this is a “system” (i.e., involves large segments of society and institutions), it will diminish the belief that the anti-corruption file is solely the responsibility of the ACC. This in turn, will ensure that the government’s directions are implemented in this regard, as outlined in the national policy agenda.

• The government must take the initiative to define its policy and instructions on classifying administrative files since they are considered public information and files. This means to identify confidential information from that which is public and hence be published on their websites.

• The government must urgently complete the tools and procedures needed for the e-government to function.

• The government must follow-up on the adoption of a mechanism for auditing electricity, water and medical transfers’ debt with the Israeli side. And to ensure dealing only with official Israeli governmental parties in this regard.
• AMAN reaffirms its earlier recommendations on the importance of adherence to the rationalization and austerity plan on public spending. It’s to be executed while taking into account the equitable distribution of burdens and limited resources by giving priority to the health sector and programs supporting the poor, the marginalized and needy groups.

• The government must suspend all public appointments (civil and security) in the public sector, and to limit it to cases where it is absolutely necessary where certain needs impose themselves. It is also necessary to ensure adherence to apply competition procedures for job vacancies and to establish a committee to control the integrity of the public appointment process in order to avoid the appointment of officials who are not appropriate in terms of their competence and merit for these positions. Moreover, it is necessary to adopt a firm and binding policy to prevent politicization of the public service, in addition to activating the role of oversight bodies, including the SAACB, to hold accountable any official who uses public service positions for factional political purposes or to settle personal accounts.

• The Ministry of Finance must commit to:
  - Implementing its commitment to the 2017-2022 Public Fund Management Strategy concerning integrity, transparency and accountability in the management of public funds.
  - Completing the preparation and publication of the final accounts for the 2014-2018 financial years in accordance with the law.
  - Publishing of the full and detailed data on public debt.
  - Determining the debts of the Public Pension Fund; taking binding measures not to compromise staff retirement funds, and maintaining transfers of amounts deducted from salaries of employees for this purpose.
  - Opening a discussion with the UN concerning its projects, funded by donor countries to the Palestinian people, and the extent to which tax exemptions apply to employees working on these projects.

• Requiring the Authority in the GS to disclose financial statements related to the management of public funds in the Strip.

• Reviewing the retirement system for political office holders, to right the wrong concerning justice and equality of the rights of workers in the public sector, and the huge financial burden it imposes on the public treasury. The review will also be in line with international trends towards abandoning this system and replacing it with other mechanisms to guarantee the financial rights of political office holders, where an end-of-service bonus, or a lump sum granted for a transitional and specified period of time, can be adopted.

Second: At the level of legislations

• To draft a specific law to regulate the work of the PIF as a sovereign fund, as stipulated in the Basic Law.
• To give emphasis to AMAN's previous recommendations on the approval of the General Petroleum Authority Law.

• Approve the Right to access to Information Law, which entails provisions concerning the duties of officials and public employees in providing public information to citizens.

• To approve the National Archives Law.

• Adopt a law for appointing governors, which defines the terms of their appointment on the basis of competence and experience, clarifies their tasks, defines limits of their powers and provides mechanisms for holding them accountable.

• Develop and issue a compulsory, comprehensive and equitable health insurance system for all citizens (Symbiosis system), which takes into account the poor and marginalized.

• Ensure the implementation of the resolution on the Medical Protection and Safety Law, by speeding up development of its executive regulations, noting that failure to implement the law is a violation of law and a disruption of one form of accountability.

• Issue a system that defines sensitive security purchases as stipulated in resolution 8 of 2014 on public procurement.

• Approve a specific financial system for the security institution; ensure publication of the exceptional financial regulations issued by the Prime Minister.

• Issue the executive regulations included in the Security Forces Service Law in order to implement the controls and conditions relating to appointments and promotions in the security sector. This will preserve a balance between the number of officers and the number of soldiers in the security services.

• Establish a special system with clear standards for the lottery used for selecting individuals going to the pilgrimage to Mecca (Hajj) from the registered name list. Similarly, the system can be applied on accompanying administrative and technical missions. Finally, stop all exceptions in this area.

• Develop a “Gift acceptance System” in public service, ensuring that the system differentiates clearly between what is permissible as gifts and what is absolutely unacceptable. The system should also specify the acceptable ceiling for the in-kind gifts, where any gift that exceeds the specified ceiling would be considered, as a cash gift, and hence must be rejected. And to be extremely strict if the gift is given to a senior employee or those hired through special contracts. Any violators of this system must be referred to the ACC, noting that disclosure of gifts is a must.

• AMAN believes that the Anti-Corruption Commission should be granted discretion and the right to provide protection to anyone found to have reported corruption suspicions, in accordance with the
law, and was threatened or retaliated against as a result of reporting, even if he/she does not apply for formal protection.

• Consider corruption acts in the private sector (Public shareholding companies and companies that run public facilities) as crimes.

Third: At the level of measures and procedures

The government must:

• Publish all its decisions on public affairs, fully not only titles, on the official website of the Council of Ministers; publish all legal, regulatory and financial documents voluntarily; provide the public with easy, short-and no-cost access to decisions, statistics and general contracts; apply banning restrictions only on personal issues and data, confidential trade secrets, secret foreign relations, and any information that harms the Palestinian national security.

• Speed up the completion of the electronic archiving system for all files in its ministries and institutions, as a proactive step necessary to pass the Right to Access Information Law, and commit to its implementation.

• Collect all the funds granted to ministers and some heads of non-ministerial public bodies through illegally raised salaries, as well as the rent allowance concessions that some received unjustly. This must be carried out in accordance with the President’s decision to return the money that these officials have unjustly received. All these actions should be made in public.

• Disclose the full and correct information concerning the Palestinian role, rights, commitments and degree of participation in the Eastern Mediterranean Gas Forum in order to deter rumors, for one.

• Publish all agreements and understandings that have been made in the name of the Palestinian People concerning electricity, water and telecommunication sectors in an automatic and retroactive manner.

• Call on the Ministry of Local Government (MoLG) to recognize the important role the LGUs play in the community. This requires strengthening the principles of transparency in these bodies, particularly those that are classified C. LGUs must also publish information on services rendered and budgets on their web pages. And to raise the awareness of the members of the councils of their role to demand accountability of the president of the LGU, as well as their role in decisions issued by the local unit.

• Support local and international initiatives that provide social assistance to those in need through the unified portal for social assistance, to avoid any manipulations that may arise in this area.
• Inform the Higher General Procurement Council, in its capacity as the official tender follow-up body, regarding the direct purchase requests presented as exceptions; review and scrutinize exceptions of purchases, in accordance with the Public Procurement Law; publish all tenders for public procurement on the unified public procurement portal.

• Develop a unified guideline with specified timeline for official reports issued by ministerial and non-ministerial institutions. It should include a procedural guide-instructions for writing these reports and ways to highlight achievements and challenges, set dates for publishing their reports, and follow-up procedures for subsequent challenges accordingly when implementing their annual action plans.

• The unified complaints system should be dealt with as a control mechanism by examining the extent by which citizens’ complaints are taken seriously. The government must not settle for a statistical report on complaints detailing only the number of files addressed and those closed without illustrating methods used to study these files.

• Adopt a clear and comprehensive concept of accountability in public institutions, where it is not limited to submitting a complaint to a specific department, but rather to consider it the duty of those in charge of public office (whether elected or appointed, ministers or officials and affiliates). It should be made clear that all are responsible for providing periodic reports on the progress of the work of the institution or ministry. Reports should be written clearly, and informative by explaining decisions, policies, and the willingness to assume responsibilities for these decisions. In addition, all must be committed to report on the progress of their organization, explaining the pros and cons, and the extent to which they succeed or fail in the implementation of their policies. They also need to ensure that citizens are informed and have access to the public administrations reports, and other reports such as: reports issued by the legislative council, the Council of Ministers, ministries and official public institutions, non-ministerial institutions, non-governmental institutions, and companies that manage or provide public services such as electricity, water and telecommunications, ... etc.

• Commit to the establishment of the Palestinian Telecommunications Regulatory Authority in compliance with the 2009 law, and ensure effective oversight of companies that provide telecommunications services to citizens.

• Support recommendations put forth by the National Coalition for the Reform of the Judiciary, which called for respecting procedures followed on appointing the Head of the High Judicial Council and other judicial positions. Also allow community membership in the Council; promote the integrity system in the Council, as well as in the forming of its committees and units.

• Strengthen the role of regulators such as the Corporate Controller and the CMA over private sector companies that manage public facilities and provide services to the public.

• Adopt and publish standards used for the disbursement of zakat money to its beneficiaries. In addition, enable regulators to access related files, and disseminate information about them to the public through the official web pages.
About AMAN
About AMAN

Vision
Palestine free of Corruption.

Mission
Empowering and mobilizing community efforts to protect the Palestinian society from corruption as well as influencing the adoption of transparency principles, integrity values and accountability systems in the Palestinian institutions within the framework of the National Integrity System and in accordance with the Palestinian laws, conventions and best administrative and financial rules.

The Coalition for Accountability and Integrity (AMAN)
AMAN was established in 2000 as a civil society organization that seeks to combat corruption and promote integrity, transparency and accountability in the Palestinian society. The Coalition was first formed by an initiative from a number of civil society organizations working in the field of democracy, human rights and good governance. In 2006, the Coalition was accredited as a national chapter for Transparency International.

AMAN is a Palestinian think tank and a specialized body providing knowledge on corruption at the local and regional level through producing specialized reports and studies. The periodic publications include: The annual Integrity and Anti-Corruption Report, the annual Palestinian Integrity Index and the National Integrity System studies and reports, in addition to the Coalition’s continued contributions to produce reports and studies on the status of corruption in the Arab region.

As part of the global anti-corruption movement - and of international alliances and partnerships with relevant specialized coalitions and organizations - AMAN plays a key role in the transfer and contextualization of necessary international knowledge and tools to combat corruption in all sectors.

Why AMAN
• To enhance integrity and transparency in the management of funds and public affairs.
• To create a genuine political will to fight corruption and prevent impunity of senior officials by adopting a comprehensive national anti-corruption plan.
• To lobby for activating the role of official oversight bodies, including the Palestinian Legislative Council and the State Audit and Administrative Control Bureau, in controlling the management of public funds and public affairs.
• To encourage creating an integrated partnership between official institutions and civil society organizations and accepting the civil society watchdog role and the citizens’ right to accountability and access to information.
• To promote respecting the rule of law and a balanced separation of powers.
• To promote the culture of social accountability among citizens and civil society organizations including media institutions.
Our Local Partners

- Civil society organizations, federations, networks and coalitions that believe in the oversight role over the management of public funds and public affairs as well as the importance of combating corruption.
- The Civil Society Team for Enhancing Public Budget Transparency (CSTPBT)
- Palestinian Parliamentarians Against Corruption.
- Media institutions and Journalists who believe in the role of media in watching over the management of public affairs and funds.
- Active individuals, experts, researchers and academics interested in the fight against corruption.

Our International Partners

- Transparency International (TI) and all its accredited members around the world.
- Arab Parliamentarians Against Corruption Network (ARPAC).
- The Arab Anti-Corruption and Integrity Network.
- CS Coalition for UN Convention Against Corruption (UNCAC Coalition).
- Arab Network for Social Accountability (ANSA)

Our Donors

- A consortium of core donors (The Governments of Norway, Netherlands and Luxembourg), which provides funding for AMAN core program since 2003.
- Oxfam.
- Other Donors like “EU, Transparency International, UNDEF, UNDP, DFID, NED, World Bank, Integrity Action, Konrad Adenauer Stiftung, Heinrich Boll Foundation, The Friedrich Naumann Foundation, used to support AMAN in previous years.

Our Work Aspects

Prevention and People Engagement

AMAN seeks to foster community activism which rejects and combats corruption. This is done by prompting citizen’s interest in the issue of corruption, educating them on combat mechanisms, and on preserving money and public property, as well as encouraging the practice of social accountability.

AMAN also believes that the fight against corruption requires the involvement of NGOs from various fields of work and specialty in this national effort. AMAN promotes and builds partnerships with many NGOs every year and works to transfer the knowledge gained in combating corruption to these institutions. It also works towards enabling them to play a supervisory role by including the Integrity and Anti-Corruption systems in their programs and strategies.

Furthermore, AMAN works on empowering youth groups and their institutions including women, youth, and academic centers by providing them with community accountability tools and encouraging their
participation in planning monitoring and ensuring accountability over the delivery of services

**Criminalization and prosecution of corruption**

AMAN seeks to develop and reinforce the necessary procedures and laws to prevent corruption, hold corrupt people accountable and prevent them from escaping punishment. AMAN is also contributing to detect corrupt people by monitoring and documenting corruption developments in the Palestinian society. This also includes following-up on the cases prosecuted at the Corruption Crimes Court and the Anti-Corruption Commission as well as monitoring all the reports and verdicts of relevant institutions.

**Strengthening our Presence at the International Level**

AMAN seeks to promote knowledge-sharing on the mechanisms that have succeeded in combatting corruption. This will be done through strengthening partnerships and presence at international level in addition to incorporating new fields in its work by linking the adverse consequences of corruption with the human rights framework and UN sustainable development goals 2030 focusing on Goal 16. AMAN is also aiming to increase its interventions in the Arab region and play a key role in the knowledge production at the international level, especially with regard to political corruption in Palestine and the Arab region.

**AMAN’s Initiatives**

**Advocacy and Legal Advice Center (ALAC)**

AMAN has established the Center in 2008 which contributes to citizen engagement in anti-corruption efforts by promoting a culture of Corruption Reporting and Community Accountability. The Center provides legal support and guidance to whistle-blowers about corruption and its victims. The center receives approximately one thousand visitors annually, with an annual increase of approximately 25% of visitors. The Center also continuously analyzes the types and forms of its received cases and carries out lobbying, advocacy and hearings in the light of this analysis. It is also worth mentioning that a specialized team of the Center conducts field visits to marginalized areas and groups on a permanent basis, paying particular attention to women and youth, in order to raise their awareness of the Center’s services and encourage them to report corruption and refuse to deal with it.

**The Civil Society Team for Enhancing Public Budget Transparency (CSTPBT)**

The team includes several Palestinian civil society organizations which are active in various vital sectors such as health, education and social development. It was established in 2010 as a result of an initiative by AMAN to enhance transparency and improve the management of public funds. The team plays a key role in the oversight of the public budget and the enforcement of government accountability on its spending. It also provides solutions and recommendations to the Palestinian government to adopt policies that aim at rationalizing public expenditure.

**The Civil Society Platform for Enhancing Good Governance in the Security Sector**

The platform was established through an AMAN initiative in 2014 to activate the civil surveillance over the performance of the security institution in providing services to the public or in the management
of public funds with integrity, transparency and neutrality. AMAN is also working on the development of mechanisms of communication and openness between civil society and the security institution, in addition to encouraging community accountability over their performance by citizens and civil society organizations and the media.

This platform also carries out several activities and monitoring initiatives, namely the publication of an annual report on the integrity and anti-corruption system in the work of the security institutions, and the announcement of its results at an annual conference. Based on these results, the platform produces further specialized working papers and reports and implements advocacy and lobbying campaigns.

## Contributions in Strengthening Integrity and Anti-Corruption system in

### Local Government Sector

AMAN believes that the management of the local authorities ‘sector is weak and not immune to corruption, which led AMAN to devote a permanent work program to enhance integrity, transparency and accountability in their work. The program also aimed to improve and upgrade the level of services provided to citizens and to ensure their delivery with full integrity, fairness and transparency. AMAN also works annually to shape and build the capacity of community groups to enable them to exercise their role in monitoring and accountability for municipal performance.

To develop its intervention, AMAN prepares localized LIS studies that are internationally accredited for many municipalities on an annual basis. The studies provide practical recommendations for targeted municipalities to bridge gaps in their work environment. Many international organizations have asked AMAN for assistance or knowledge transfer in the field of promoting integrity in the work of Arab local bodies. One recent example was AMAN’s contribution to prepare studies on establishing local integrity systems for seven Libyan municipalities and supporting them to implement the recommendations of these studies.

### Justice Sector

Since its establishment, AMAN realized the importance of the Judiciary authority as a cornerstone in the National Integrity System. AMAN is working to strengthen the independence of the Judiciary system and to protect it from the interference of other parties, particularly the Executive Authority. Among the initiatives implemented by AMAN were the development of codes of conduct for both the Judiciary authority and the Public Prosecutor’s Office. As well as the implementation of various awareness and capacity-building programs to strengthen the work of the Judicial Inspection Unit. In cooperation with many NGOs and Palestinian experts, AMAN was also one of the first initiators to develop the vision of the civil society towards the reform of the Palestinian Judicial System in 2012.

### The Health Sector

The right to health is one of the most important rights that was affected by corruption in Palestine. Corruption may occur in many areas including medical referrals, medical errors and health insurance system as well as the management of the health sector budget. One of the most important initiatives AMAN had conducted in this regard is the preparation of the first study of its kind on the relationship
between corruption and its impact on the right to health. The study is currently deemed a Palestinian pillar for AMAN's intervention in many aspects to promote good governance in the management of health sector.

AMAN is putting more effort to investigate corruption in the health sector through producing diagnosis reports and assessments.

https://www.aman-palestine.org/ar/reports-and-studies.6363.html

**Appointments in Public Positions**

The management of the public office - which accounts for half of the general budget annually - is one of the permanent files that AMAN seeks to improve the level of integrity and transparency in. This is especially true with regard to appointments in senior positions, which lack the principles of fair competition and equal opportunity. Problems also include issues such as the lack of official supervision, and the lack of policies and criteria to determine job grades, salaries and bonuses for heads of public non-ministerial institutions. A number of reports related to civil service, security and diplomacy are prepared annually by AMAN, as well as several regular hearing and accountability sessions targeting decision makers are implemented.

**Procurement Public**

Public procurement and bidding management are still loose in the National Integrity System due to the weak oversight and continuous exceptions in this field, as well as the inactivity and passivity of the Public Procurement Council. AMAN, through the Civil Society Team for Enhancing Public Budget Transparency (CSTPBT), is exercising civic oversight on public procurement management and making recommendations to enhance transparency and integrity as a requirement for successful policy interventions.

The team also works on enhancing public funds management and ensures financial sustainability, including designing and developing national public procurement policies, adopting consolidated contract templates, standard documents for tenders and qualification documents, collecting data on procurement, analysis, studying and concluding necessary recommendations to improve performance. This also includes enabling the public to interactively access the database online, prepare annual reports on procurement and evaluate the effectiveness of public procurement policy as outlined in the Public Fund Management Strategy.

AMAN is keen to play its monitoring/watchdog role on the National Integrity System by focusing on community participation, activating the role of civil society institutions and media in monitoring and accountability. Furthermore, AMAN is working on creating a national work environment that contributes to unmask corruption and restricts its spread through intensive supervision, pressure and advocacy activities. In addition, AMAN aims to build the capacity of the civil and public sector to contribute to anti-corruption national efforts.