

Paper on The Governance of the Management of the Natural Gas Portfolio





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2022

AMAN
Transparency Palestine



The Coalition for Accountability and Integrity (AMAN) and the Civil Society Team for Enhancing Public Budget Transparency would like to extend their profound thanks to researcher Razan Al-Barghouthi for preparing this paper and to Dr. Azmi Shuaiby and the AMAN team for supervising, reviewing, and editing this paper.

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For citations, please refer to this publication as follows: Coalition for Accountability and Integrity (AMAN). 2022. The Governance of the Management of the Natural Gas Portfolio. Ramallah – Palestine.

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► Introduction:

Rule of law is a fundamental pillar of states' legal and political systems, whereby all state authorities and members of society are subject to the law and adhere to the provisions therein, thereby ensuring and safeguarding the rights and freedoms of citizens in the society to which they belong.

The principle of rule of law does not imply impartial adherence to the provisions of the law without respect for the rights and freedoms of individuals, but rather its primacy and the rule of law with provisions guaranteeing the protection of the rights and freedoms of all individuals in the state.

Preservation and protection of natural wealth and resources, and their optimal management and exploitation may very well be the most important contribution to protecting and preserving the rights of citizens and future generations in a state under the rule of law. Natural resources of all kinds, the most prominent of which is natural gas, represent an important foundation for the national economic growth of states. Natural gas is one of the most important energy sources used in all fields. At present, natural gas plays a key role in global energy consumption because of its properties as raw material, as it can be used as an alternative to petroleum and coal in sectors such as the electricity sector, industrial sector, transport sector among many others. Therefore, states that discover natural gas fields on their soil seek to manage this type of energy source in a manner that contributes to the preservation of their peoples' resources and property, achieve self-sufficiency and enable themselves to build trade relations with other states, ensuring sustainable development, the development of their national economy and competitiveness in the global market.

Given the scarcity of natural resources and wealth in Palestine, the natural gas discovered in Palestinian territorial waters in the Gaza Strip is promising hope for improving public revenues. However, the issue of exploitation, operation, and extraction of this gas continues to face problems at several levels:

- 1- The executive authorities responsible for the management of this portfolio continue to suffer from the Israeli occupation's arbitrary policies that undermine the Palestinian people's right to exploit their natural resources.
- 2- The legislative void and legal shortcomings in the management of this portfolio, including the regulation of concession contracts granted to the private sector to exploit these resources.
- 3- The lack of clarity of the national policy on which management of natural resources is built, particularly natural gas. There is also a lack of transparency concerning relevant agreements and decision provisions.



Purpose of this paper:

The purpose of this paper is to make clear and specific recommendations to Palestinian decision-makers to improve the management of Palestine's gas portfolio, at both the local and regional levels, by examining the extent of the availability of an adopted national policy for the management of the gas portfolio given the absence of a legal framework regulating the management of natural resources and wealth and awarding concession contracts. In addition, this paper aims, in particular, to examine the commitment of the parties mandated to implement the policy regarding gas investment, its management as a public natural resource, and the extent to which parties concerned are committed to governance indicators; such as involving representatives of citizens and civil society organizations. It also aims to prevent conflict of interest, ensure adherence to principles of transparency when making decisions about the management of this portfolio, the extent of compliance of such parties to provide effective accountability systems to ensure those tasked with its management are subject to oversight and accountability by pertinent official oversight bodies such as the State Audit and Administrative Control Bureau (SAACB).

Paper preparation methodology:

The preparation of this paper is based on the analytical descriptive approach, through:

- 1- Collect and inventory pertinent information from various sources.
- 2- Review relevant literature and legislation.
- 3- Analyzing the information and building on the information contained therein and reaching conclusions and recommendations.
- 4- Holding a workshop for entities concerned with the management of the gas portfolio to make observations and propose amendments to prepare the final draft of the paper.

► State of affairs of the management of the natural gas portfolio

The people's right to self-determination is reflected in the sovereignty of states over their natural wealth and resources¹. An essential condition for affirming a state's sovereignty is its sovereignty over its resources. According to international law², there is no dispute over the Palestinians' rights and ownership of the gas. Nevertheless, since its occupation of Palestine, the Israel occupation has continued to exploit the Palestinian people's natural resources, methodically stealing and depriving Palestinians of their right to their resources, and indirectly restricting and impeding the use of this right to extract, develop and exploit natural resources, especially those located in Palestinian territorial waters such as natural gas.

In 1999, natural gas was discovered within 35-30 meters off the baseline of the coast of Gaza, 603 meters below the sea bed, called the "Gaza Marine" gas field³, containing 1 trillion cubic feet, about 31 billion cubic meters⁴. Another field called the Border Field was discovered⁵. Accordingly, the Palestinian Government concluded an agreement granting British Gas the right to explore for and extract gas within the coastal and maritime boundaries stipulated by the 1982 United Nations Convention on the Law of the Sea.

The Israeli occupation's attempts, contrary to international laws and norms, continued to control the extraction, production, and purchase of this gas at discounted prices below its market value. The Israeli occupation insisted that the gas be transported from the field to the liquefaction plant in Ashkelon to be sold in the West Bank, Gaza Strip, and elsewhere. This contradicts the British company's plan to construct a pipeline from the Gaza Marine gas field to Al-Arish, where it is converted into liquefied gas to be owned by the Palestinians, thereby disrupting the extraction of gas from the Gaza Marine gas field. Negotiations between the British company and the Israeli Government continued until 2007. Following the rejection of the Israeli occupation's demand by the concessionaire's "British Gas", the Israeli occupation blocked the exploitation and development of this field⁶.

Accordingly, in 2015 the British company sold its share in this agreement to the Dutch company Royal Dutch Shell, originally a British-Dutch company that acquired British Gas that same year, which had been granted a concession to extract and develop the gas field in 2000. Following numerous attempts to persuade the Israeli side to allow it to take advantage and develop the Gaza Marine gas field, the Israeli occupation rejected that, prompting them to withdraw from the agreement⁷. In 2018, the Palestinian Cabinet issued a decision to ratify Royal Dutch Shell's exit from this agreement⁸.

1 Ahmed Saeed Al-Agha, Protection of Natural Resources in Accordance with the Provisions of Public International Law: The Model Palestinian Case, Journal of the Arab American University for Research, vol. 3, No. 1, University of Palestine, Gaza Palestine, page 43.

2 General Assembly resolution 1803 (XVII) of 14 December 1962, entitled «Permanent Sovereignty Over Natural Resources».

3 Walid Mustafa, Natural Resources in Palestine: Determinants of Exploitation and Maximization, Palestine Economic Policy Research Institute (MAS), Ramallah, Palestine, p. 60.

4 Palestine Investment Fund, Annual Report 2021, Ramallah, 2021, p. 31.

5 Mohammed Mustafa, Petroleum and Natural Gas in Palestine: Potential and Constraints, Journal of Palestinian Studies, No. 102, 2015, p. 72.

6 Walid Mustafa, *ibid*, p. 50.

7 Coalition for Accountability and Integrity (AMAN), 12th Annual Report: The Reality of Integrity and the Fight against Corruption in Palestine 2019, Ramallah, 2019, p. 117.

8 *Ibid*, p. 117.research

It should be noted that according to the decision by the Palestinian Council of Ministers, the rights to develop the Gaza Marine gas field consist of a coalition consisting of: (the Palestine Investment Fund (PIF), Consolidated Contractors Company (CCC), at 27.5% each, and 45% to be allocated to an international company approved by the Palestinian Council of Ministers)⁹.

In 2019, Palestine joined the East Mediterranean Gas Forum, which brings together the founding States of: (Palestine, Egypt, Jordan, Greece, Cyprus, Italy, the Israeli occupation, and later on France), to work to establish an international organization that supports efforts to benefit from gas reserves, use and development of new infrastructure, and secure energy and the well-being of these states. In 2020, the Palestinian Council of Ministers ratified Palestine's accession to the amended Charter of the East Mediterranean Gas Forum, which began its work as a regional organization that same year. Subsequently, a memorandum of intent was signed between the Palestine Investment Fund and the Consolidated Contractors Company (CCC) with Egyptian Natural Gas Holding Company (EGAS) in 2021, as the first step for cooperation in the field of energy in general, and the development of the infrastructure of the gas field "Gaza Marine", particularly gas extraction. Subsequently, the Palestinian Council of Ministers decided to establish a gas company on 7/9/2021¹⁰, to manage the gas portfolio and conclude contracts related to purchasing the gas.

A trilateral agreement was signed between the Arab Republic of Egypt, the European Union, and Israel, during the seventh ministerial meeting of the East Mediterranean Gas Forum, which included connecting a pipeline between the Leviathan field in Israel to the natural gas liquefaction plant in Egypt to transport the gas to Europe. The agreement disregarded the Palestinian people's right to exploit the "Gaza Marine" gas field in the absence of the ability of some member states to exercise control to exploit and develop their resources freely such as in the case of Palestine¹¹. As a result, the State of Palestine declared its reservation to this (European, Israeli, and Egyptian) agreement about the export of gas to Europe¹², and noted the need to ensure that all member states adhere to the fundamental principles of international law as a precondition for any regional or international cooperation¹³.

9 Palestine Investment Fund, *ibid*, p. 31.

10 Council of Ministries Session no. (123) on 7/9/2021.

11 Trilateral Gas Agreement between Egypt, Israel and the European Union, news item published on the following website: <https://www.aliqtisadi.ps> date of website visit: 16/6/2022.

12 The reservations expressed by the State of Palestine to the European Union were: (Refuse to buy or sell any gas originating from any field within Palestinian maritime areas or passing through Israeli platforms located in Palestinian maritime areas in addition to refusing to buy or sell any Israeli gas transported through pipes passing through the maritime areas of the State of Palestine without its prior consent, The requirement to provide assurances to the State of Palestine that the source of any gas used in FSPO or FLNG shall not be from any of the fields within Palestinian maritime areas. " Source: Ministry of Foreign Affairs paper on the most important steps taken by the State of Palestine through the Ministry of Foreign Affairs "Defining Palestinian maritime boundaries", delivered on 16/8/2022.

13 Source: «Commentary» Paper on the First Draft of the Gas portfolio Governance Report, Palestine Investment Fund, delivered on 16/8/2022.

► Policy for the management of natural resources “gas”

Concessions are considered essential for states' economic growth and encouraging investment. Some States mandate the management of their natural resources and public utilities solely to the public sector, while others assign the management of such resources to the private sector. Some states adopt a merger of both approaches regarding the management of these resources between the public and private sectors, based on the principle of freedom of economic activity. However, the absence of a legal framework regulating concession contracts for natural resources and utilities in Palestine, caused Palestine to resort to direct contracting or negotiation for the management of its resources with investors and entrepreneurs to work on the privatization of certain sectors and the granting of concession contracts to the private sector for their operation.

The Palestinian Basic Law amended in 2003¹⁴, after its promulgation, granted the executive authority the right to establish public companies regulated by law, as stipulated in article 21¹⁵ of the Basic Law, which stated that the objective was to facilitate the activation of the government's role in the management of the various sectors that are vital to the development of the economy of the State by the principles of its economic system¹⁶. Article 94 further stipulates: "The law shall establish rules and procedures for granting concessions, or obligations relating to the exploitation of natural resources and public utilities... etc."¹⁷.

Although the government included in the public policy document of 2021-2023 the "National Development Plan for Palestine - Resilience, resistance, disassociation, and development by clusters towards independence" a policy on ensuring environmental sustainability, as policy intervention will be through "sustainable management and protection of natural resources, especially land, water, and energy". However, it did not define the nature of this policy and the mechanisms for implementing policy interventions.

The absence of a public policy and a clear strategic vision adopted and published by the government with regard to the management of this portfolio, its pursuit of the policy of obfuscation regarding its management mechanisms, the non-disclosure of the provisions of the agreements signed, and the non-publication of any clauses or information on the Palestinians obligations arising from these agreements, such as information on the charter for joining the East Mediterranean Gas Forum and its amended charter, the memorandum of intent signed in this context to exploit the gas resource, as well as the absence of the institutional and public oversight role over this type of portfolio. All of this provides opportunities for the raise of many rumors and skepticisms concerning the management of this portfolio, particularly in light of the absence of the Legislative Council and its oversight role over the executive authority and government actions. The government must submit such agreements to the Palestinian people and their public institutions and frameworks, and provide them access to review and comment on the articles of these agreements.

14 The Palestinian Basic Law Amended 2003, published in Issue No. 0 of the Palestinian Official Gazette "Palestinian National Authority", p. 5, 19/3/2003.

15 Article 1/21 of the amended Palestinian Basic Law of 2003 states: "Palestine's economic system is based on the principles of a free economy, and the executive authority may establish public companies regulated by law". Ibid.

16 Coalition for Accountability and Integrity (AMAN), Public Companies Owned by the Government in Palestine, a series of reports (96), Palestine, Ramallah, 2015, p. 2.

17 Palestine Economic Policy Research Institute "Mas", Critical Study of The Palestinian Concessions Law, Ramallah, Palestine, 2005, p. 11. Coalition for Accountability and Integrity (AMAN), Contracts for Concession Guarantees of Competition and Monopoly Prevention, a series of reports No. (61), Ramallah, 2013, p. 14.

► Institutional framework for the management of the gas portfolio

Several institutional frameworks supervise natural resources, particularly energy resources including natural gas, the subject of this study. The Palestinian Energy Authority's law granted the Energy Authority the power¹⁸, for purpose of achieving its objectives, the right to conduct research and studies, explore all sources of energy¹⁹, and cooperate with any natural or legal person; to maximize the utilization of energy, conclude contracts and agreements with others, and authorize those on their behalf to sign them, as provided for in the Energy Authority Law No. 12 of 1995.

The Palestinian Council of Ministers' decision in 2015 mandated the creation of a supervisory committee to manage the development of the gas field off the coast of Gaza headed by the Prime Minister and the membership of the Chairman of the Palestine Investment Fund, the Minister of Finance and the Head of the Energy Authority²⁰, and although the President assigned his economic adviser, who at the same time serves as Chairman of the Palestine Investment Fund (the body tasked with the development of the gas field on the shores of the Gaza Strip) tasks related to the management of the gas portfolio (such as ratifying the East Mediterranean Gas Forum Charter, signing the memorandum of understanding with the Egyptian Natural Gas Holding Company (EGAS), and negotiating with international companies to develop the Gaza Marine gas field) which is the responsibility of the government. However, this mandate does not absolve the government and its main competent authority (Energy Authority) of its responsibilities in managing the natural gas portfolio as one of its natural resources, and the minutes of meetings of the Council of Ministers do not reflect any decisions issued by the Council indicating it effectively exercises its role in the management of the gas portfolio.

Additionally, the Palestinian Council of Ministers, despite issuing a decision to establish a state gas company on 7/9/2021, where energy authority chief Zafir Melhem pointed out during an interview with the Palestinian News Agency (Wafa) that the purpose of the establishment of this company is to manage the gas facility in Palestine, enter into contracts to purchase gas from various sources, and most importantly is the gas discovered in Palestinian territorial waters in the Gaza Strip, and build and own natural gas carrier lines from their sources to consumption centers. The first phase of this company's work is to focus on supplying power plants with natural gas, then supplying desalination plants and industrial zones with this gas²¹. However, to date, this company has not materialized, and there are no signs indicating the registration of this company and the nature of the people who will manage it and their relationship with the parties involved in the management of the gas portfolio in Palestine. The relationship between the above company and the Palestine Investment Fund, the body charged with developing the gas field, was also unclear.

18 Article 2 of the Palestinian Energy Authority Law No. 12 of 1995 on the Establishment of the Palestinian Energy Authority, published in Issue 7 of the Palestinian Official Gazette «Palestinian National Authority», p. 10 of 25/10/1995.

19 Article 4 of Law No. 12 of 1995 on establishing the Palestinian Energy Authority, *ibid*.

20 «Commentary» Paper on the First Draft of the Gas File Governance Report, Palestine Investment Fund, delivered on 16/8/2022.

21 See Wafa's website: <https://wafa.ps/Pages/Details/32265>

Governance indicators in the management of the gas portfolio

The concept of good governance in a state refers to the exercise of political, economic, and administrative authority in the management of the affairs of the state at all levels, with regulations and rules that ensure the implementation of public policies, the provision of services to citizens in a participatory and transparent manner, and the commitment of officials and personnel to the values of integrity in their conduct and their willingness to be held accountable for tasks assigned to them, to avoid the risk of corruption, ensure the public good for society, promote community participation in the management of public affairs, safeguard, and protect human rights and freedoms in various forms.

Therefore, the commitment of Palestinian public institutions' officials to governance indicators in the management of the gas portfolio is a key requirement to avoid corruption suspicions or mismanagement of such portfolios in Palestine.

1- Partnership with representative bodies and civil society organizations

Engaging citizens' representatives and relevant civil society organizations in the management of natural resources, including the management of the gas portfolio, as well as in the formulation of public policies and strategies, is one of the mechanisms that contribute to the promotion of national ownership of natural resources and supports transparency and integrity of the work of institutions overseeing the management of this portfolio through opening up to the relevant bodies, especially civil society organizations. Although representatives of the Palestine Investment Fund met with some representatives of civil society organizations in 2022, this meeting did not result in opening consultations or involving civil society organizations in contributing to the management of this portfolio.

In practical terms, none of the official bodies supervising the gas portfolio held national consultations with representatives of citizens or NGOs, but rather monopolized the management of this portfolio despite numerous calls by civil society organizations and the Movement to Boycott, Divest and Sanction Israel (BDS) to open a dialogue with them and to inform the community of the decision-making mechanism in this portfolio.

The relationship between the government and its management of state affairs at all levels and citizens, should be based on clarity, openness, and transparency in service delivery procedures, the disclosure of the mechanisms and conditions for obtaining them, the adoption of government decisions on the management of all aspects of its affairs and its financial and administrative policy adopted in all its ministries and institutions.

2- Reducing opportunity for conflict of interest in the management of the gas portfolio

Mechanisms and regulations for the prevention and disclosure of conflicts of interest when they occur are one of the main indicators of the proper management of this portfolio and are the guarantor for preventing opportunities to exploit the position for special benefits which may be in the interest of an entity, enterprise or company. The continued involvement of the President's Economic Adviser in the management of the gas portfolio, such as his mandate to conduct negotiations on the development of the gas field with third parties, sign the charter of the East Mediterranean Gas Forum, or with Egyptian parties while chairing the Palestine Investment Fund "the local developer of the gas field", provides opportunities for conflicts of interest by virtue of his position as a negotiator with the parties and the work nature of the sovereign fund "as a company" tasked with the management of the investments of the State of Palestine.

3- Transparency in the management of the gas portfolio

One of the key indicators that contribute to enhancing the transparency of an institution that manages public affairs in general, and the management of the gas portfolio in particular, is the empowerment of institutions and individuals to access public information about the enterprise's work, policies, services, programs and budgets by various means, including the provision of information to the public on its web pages, as well as its commitment to publishing the institution's periodic reports on its management, publicizing job vacancies, and information on their decision-making process. By reviewing the websites of institutions related to the gas portfolio such as the Council of Ministers, Energy Authority, Ministry of National Economy, and Ministry of Foreign Affairs, it becomes evident that none of the said institutions published the procedures or documents about the management of the gas portfolio, as well as what relates to Palestine's accession to the East Mediterranean Gas Forum. On the other hand, the Palestine Investment Fund, as the developer, included some information, though brief, about the gas portfolio in its annual report for 2021, but did not provide an opportunity to review the Fund's management mechanisms regarding its role as the developer of this portfolio, and how investment decisions are made regarding this natural resource belonging to the Palestinian people.

Information plays a crucial role in activating institutional and public oversight role with regard to the work of the institutions that manage the gas portfolio. Contrary to what the national policy agenda «Citizen First» for 2017-2022 stipulates, which includes promoting accountability and transparency in the work of the government, including the right of access to information and the combat against corruption in all its forms, strengthening the role of administrative and financial supervisory institutions, still none of the details on information concerning the management of the gas portfolio and its policies, terms of the agreements, memorandums, and charters signed in this context are unpublished.

Information on the management of the gas portfolio contained in the Palestine Investment Fund's Report 2021

Gaza Marine Natural Gas Field; Located in Palestine's coastal areas. The field holds a reserve estimated at 1 trillion cubic feet of natural gas, approximately 31 billion cubic meters. The gas field was discovered in 1999 by British Gas.

The development of Gaza Marine field is potentially a central pillar for energy security in Palestine, contributing to self-sufficiency in energy generation, reducing dependence on imported sources of energy. The cost for developing the Gaza Marine field is estimated at \$1 billion.

Under the decision of the Council of Ministers of Palestine, development rights consist of an alliance of the Palestine Investment Fund and the Consolidated Contractors Company (CCC) at 27.5% each according to the rights granted to them under the current license agreement. The remaining 45% shall be allocated to an international development company following approval by the Palestinian Council of Ministers.

In 2021, the parties involved in the Gaza gas field, the Palestine Investment fund, the Egyptian Natural Gas Holding Company (EGAS), and the Consolidated Contractors Company signed a "Memorandum of Understanding on cooperation to develop the Gaza gas field and the necessary infrastructure, the purpose of which is to provide Palestine's need of natural gas, and to enhance cooperation between the two states, and to export a portion of the gas to Egypt. Talks are ongoing between the two parties to reach an agreement to develop the field that will have a significant impact on the energy sector in Palestine".

Source: Palestinian Investment Fund. Annual Report 2021. p. 32-31.

http://www.pif.ps/wp-content/uploads/2022/05/PIF_Annual-2021-AR.pdf

4- Accountability for the management of the gas portfolio

It is the duty of those in charge to submit periodic reports on work progress in a manner that clarifies their decisions and interprets their policies. They must be prepared to own up to the responsibilities resulting from these decisions and ensure that their work conforms to the policies, plans, and programs to be implemented within the limits of their legal responsibilities and authorities. There must be clarity concerning authorities, tasks, and responsibilities entrusted to them under the law. The issue of the enactment of measures of accountability in the public sector extends to include companies and institutions that the state of Palestine contributes toward or receives assistance from, or donors to the Palestinian Authority following article 31 of the State Audit and Administrative Control Bureau Law number 15 for the year 2004 and its amendments.

Monitoring the work of the official agencies involved in monitoring the management of the gas portfolio shows that they have not submitted specific reports nor did they publish any reports to the general public on the management of this portfolio. Reviewing the minutes of meetings of the government sessions did not reveal any information regarding the government's discussion of any reports related to this portfolio.

Concerning the Palestine Investment Fund as the developer of the Gaza Marine gas field, and despite the submission of its annual report for 2021 to the Palestinian President, the report's statement regarding the management of the gas portfolio is very limited and does not provide for accountability about this portfolio.

Given the poor transparency of information concerning the management of this portfolio and its procedures, the agreements signed in this framework, and the policy of concealment and obfuscation of information by the relevant parties, it is difficult to say that this portfolio is subject to effective oversight and accountability systems, or even the achievement of community accountability to verify the existence or lack of irregularities in the management of this portfolio; or the need for corrective action if any²².

22 Coalition for Integrity and Transparency (AMAN), Integrity of Governance and the Integrity Environment, Transparency and Accountability in the Management of Public and Natural Resources, *ibid*, p. 30.

► Conclusions and recommendations:

The management process of the Palestine gas portfolio faces external challenges including the Israeli occupation and its control over the bulk of natural sources, including the gas resource, thereby depriving the Palestinian people of their exploitation and development, and internal challenges arising from the lack of legal, policy, and oversight regulatory frameworks to manage this portfolio that are consistent with governance indicators. Accordingly, by reading the Palestinian gas portfolio management context, this paper draws a series of conclusions and recommendations, as follows:

1- Conclusions:

- The absence of an approved national policy and a clear, specific, and published strategic framework for the management of the gas portfolio.
- The state's efforts to achieve development and improve the lives of Palestinians, whether through the agreements signed on gas, or through accession to the East Mediterranean Gas Forum; to exploit and develop the Gaza Marine gas field, did not achieve their objective, nor did they contribute to sustainable development.
- Weak transparency in the management of the gas portfolio in general about the actions and decisions taken in this context, the nature of the agreements concluded over the past decades, and the provisions contained therein.
- The executive authority used its right under the Basic Law to manage the Gaza Marine gas field portfolio independent of the context, purpose, and concept of the authorities granted to it. This is due to the absence of a legal framework for regulating the management of natural resources and wealth, and the award of concession contracts. This was accompanied by a lack of an approved and clear national policy for natural wealth management in accordance with standards of integrity, transparency, and accountability which contribute to enhancing the efficiency and effectiveness of public funds management and ensuring their financial sustainability.
- The continued involvement of the President's Economic Adviser in assuming the management of the gas portfolio and heading the Palestine Investment Fund, the Palestinian developer of the Gaza Marine gas field all at the same time, present opportunities for conflicts of interest.
- The absence of the Legislative Council and associated legislative and oversight authority over the management of natural resources in general, and over the gas portfolio in particular, contributed to the executive authority's monopoly over decisions related to the management of the gas portfolio, both locally and internationally, and without accountability.
- The policy of non-disclosure of information related to agreements concluded also contributed towards alienating the societal and public role of oversight over the actions of those charged with the management of the gas portfolio and holding them to account.
- The existence of several parties linked to the gas portfolio, whether governmental, private sector, or international requires to have effective mechanisms and procedures in place to prevent conflict of interest opportunities, which remains limited in Palestine.

2- Recommendations:

- Holding of general elections to restore the dignity of the legislative authority by setting a new date for the «legislative and presidential» general elections at an early date that allows for broad participation of citizens to restore balance in the Palestinian political system, by implementing the principle of balanced separation of powers and strengthening parliamentary oversight of the government's actions.
- The government should adopt a national policy and a clear, specific, and published strategic framework, on which the management of Palestine's gas portfolio should be based.
- Modernization of legal frameworks and defining the role and authorities of institutions involved in the management of energy resources in Palestine, so that the principle of participatory institutional action among these institutions is activated by clarifying and defining their functions, authorities, and mechanisms for cooperation among them, whether those relating to exploration, extraction, development, investigation, discovery, distribution or the conclusion of agreements on the exploitation of energy resources and
- the representation of the State of Palestine in such agreements.
The promulgation of a law that specifies procedures, standards, and regulations by which work on the management of natural resources, and the granting of concession contracts is regulated, as stipulated in article 94 of the amended Palestinian Basic Law of 2003.
- It is imperative to separate the management of the gas portfolio, including the matter of negotiating with third parties on Palestinian rights in the East Mediterranean Gas Forum, from the gas field's developers; to reduce conflict of interest opportunities, as the government is the party responsible for managing Palestine's gas portfolio.
- Enactment of the Right to Information Law because of its key role in promoting transparency and providing the information needed to promote accountability for public sector workers to the community.
- The publishing of all agreements, memoranda, and charters concluded concerning the management of the gas portfolio and making them accessible to the Palestinian public.
- Preparation and publication of periodic reports containing all financial and administrative statements and actions taken concerning signing agreements and decisions on the management of the gas portfolio to ensure institutional and public oversight over the management of this portfolio and the actions of the responsible parties.
- To re-examine the Palestinian position on joining the East Mediterranean Gas Forum, and to engage the Palestinian people in the adoption of decisions expressing their sovereignty over their land and their steadfast position in confronting the Israeli occupation.
- Civil society organizations must establish a national team with partners involved in the gas portfolio, and national and grass-roots institutions for the governance of natural resources management; including gas, and lead a national campaign to pressure the President and the government to publish documents on the management of this portfolio, such as the East Mediterranean Gas Forum Charter, and clarify the nature of the State of Palestine's role in it, and the Palestinian rights to the gas extracted therein, and to be informed on the nature of partnerships and agreements with different parties, including the nature of concession and negotiations with domestic and foreign companies on gas extraction and their respective property rights, and the role of the Palestine Investment Fund in that.

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E. Websites:

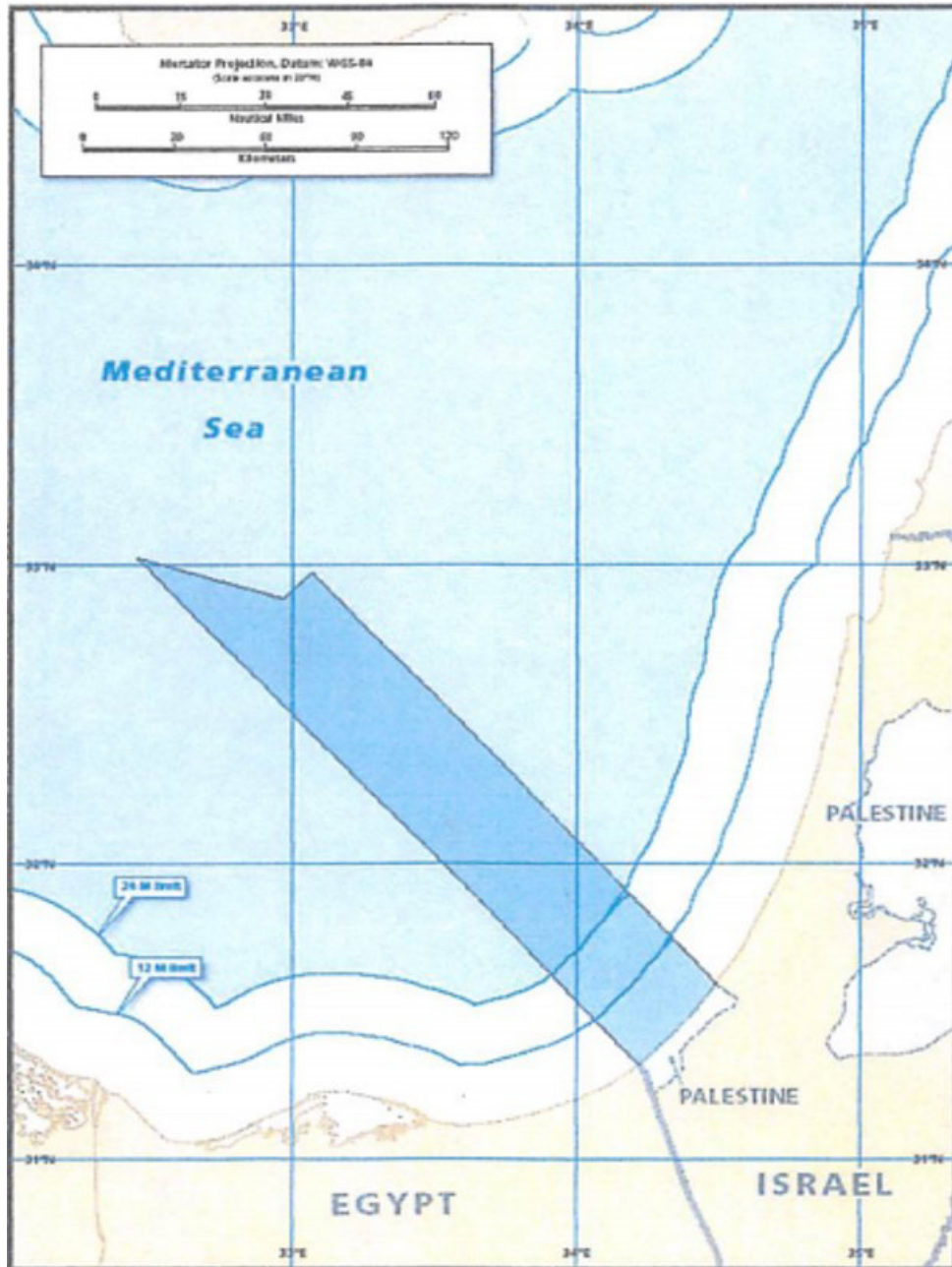
- Al-Iqtisadi, trilateral gas agreement between Egypt, Israel, and the European Union, news item published on the following website: <https://www.aliqtisadi.ps>
- Mahmoud Sha 'ban, Israeli Ministry of Energy: We will export gas to Europe under the umbrella of the East Mediterranean Forum, news published on the following website: <https://amwalalghad.com/>
- Al-Sharq Al-Awsat, Palestinians seek the development of a gas field in Gaza that has been obstructed by Israel following direct Egyptian intervention, 2021, news item published on the following website: <https://aawsat.com/> the date of the visit 5/6/2022.
- Wafa Palestinian News Agency: <https://wafa.ps/Pages/Details/32265>
- Joshua Marks, Can Israel solve Europe's gas problem? We asked the experts, Available on: <https://www.israel21c.org/can-israel-export-gas-to-europe-we-asked-the-experts/>.
- Sarantis Michalopoulos, Ukraine war revives EastMed gas pipe talks but EU insists on feasibility, Available on: <https://www.euractiv.com/section/energy/news/ukraine-war-revives-eastmed-gas-pipe-talks-but-eu-insists-on-feasibility/>



► Annexes²³:

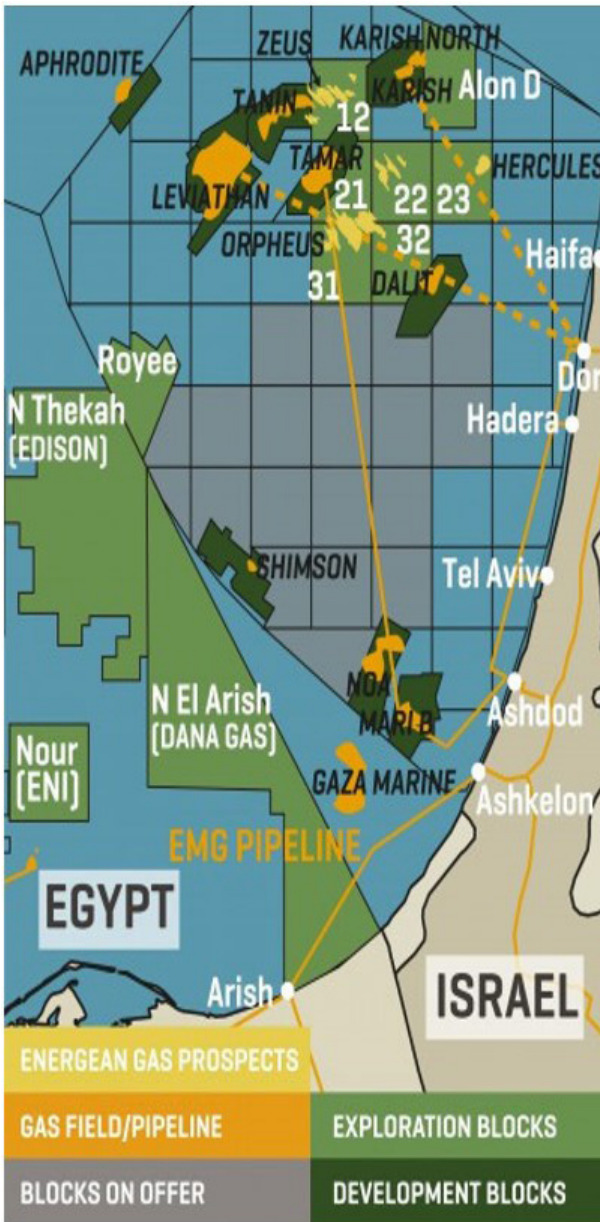
Annex 1: Map filed at the United Nations by the Palestinian Ministry of Foreign Affairs

Figure 1. The Maritime Areas of the State of Palestine



23 We received all the information and maps contained in the annexes from the BDS movement.

**Annex 2: Palestinian Map Showing
Palestinian Exclusive Area (EEZ)**



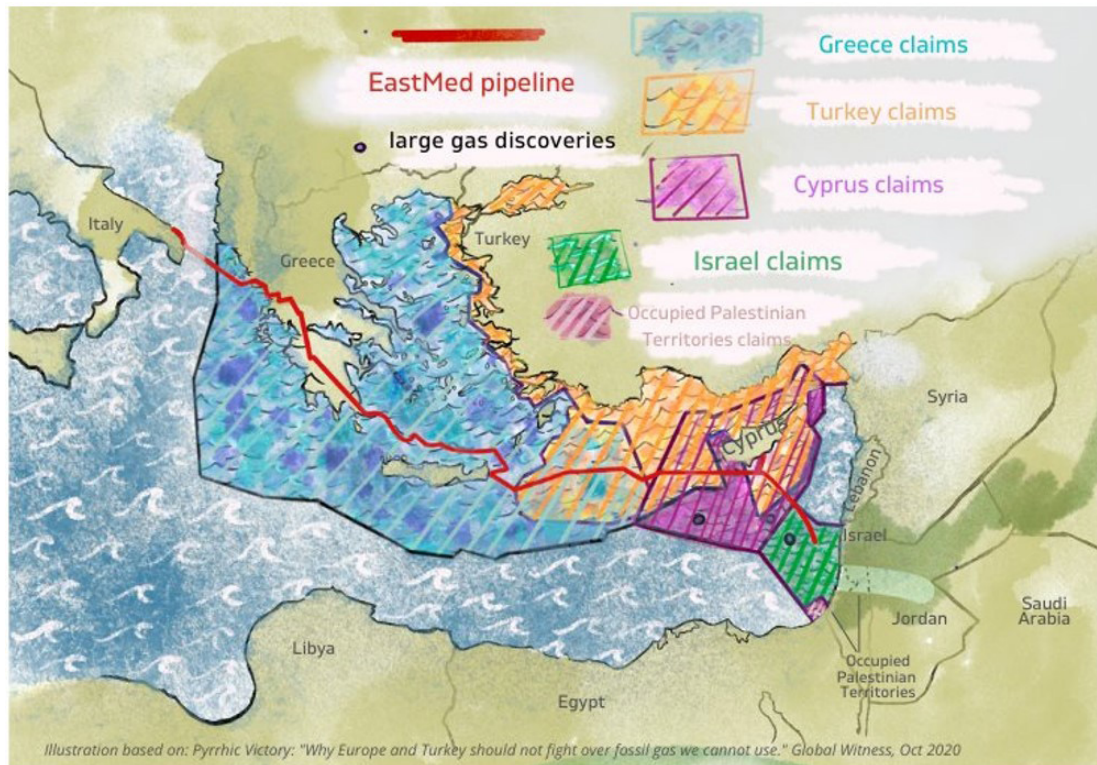
Annex 3: Map the Israeli occupation is attempting to impose (triangle-like area)



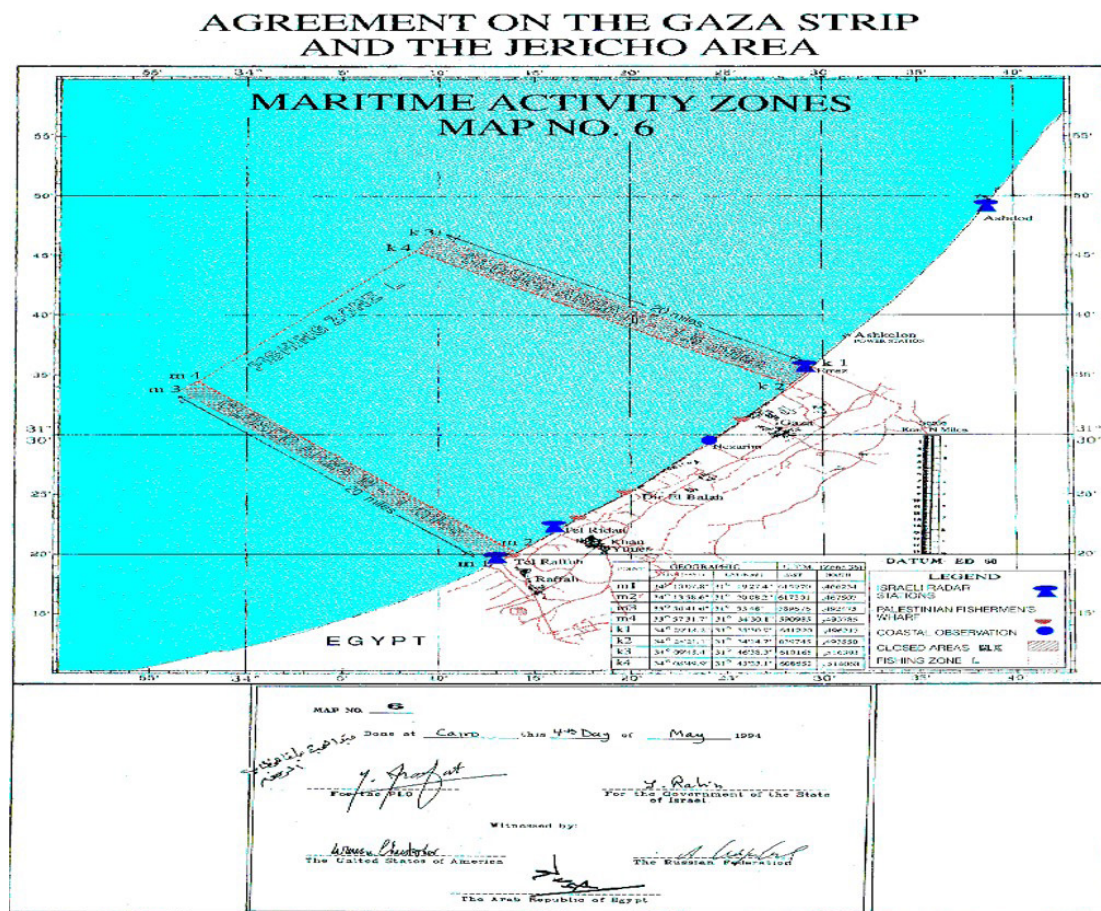
Note: The Israeli occupation attempts to impose the map available in annex 3, which makes the exclusive Palestinian economic zone EZZ, similar to the shape of the triangle. By comparing the Palestinian map available in both annex No. 1 and annex No. 2 filed at the United Nations, it reveals the Israeli occupation’s attempts to impose this map in various ways on the Palestinian people, to rob them of their rights, resources, and wealth such as in the case of the large gas fields discovered in Palestinian territorial waters, such as the “Royee”, located off the coast of the Gaza Strip within the exclusive economic zone of Palestine, and the other field discovered south-west of the city of Ashdod, which is also located in the exclusive Palestinian territorial area²⁴.

24 Source of this information, BDS fact sheet

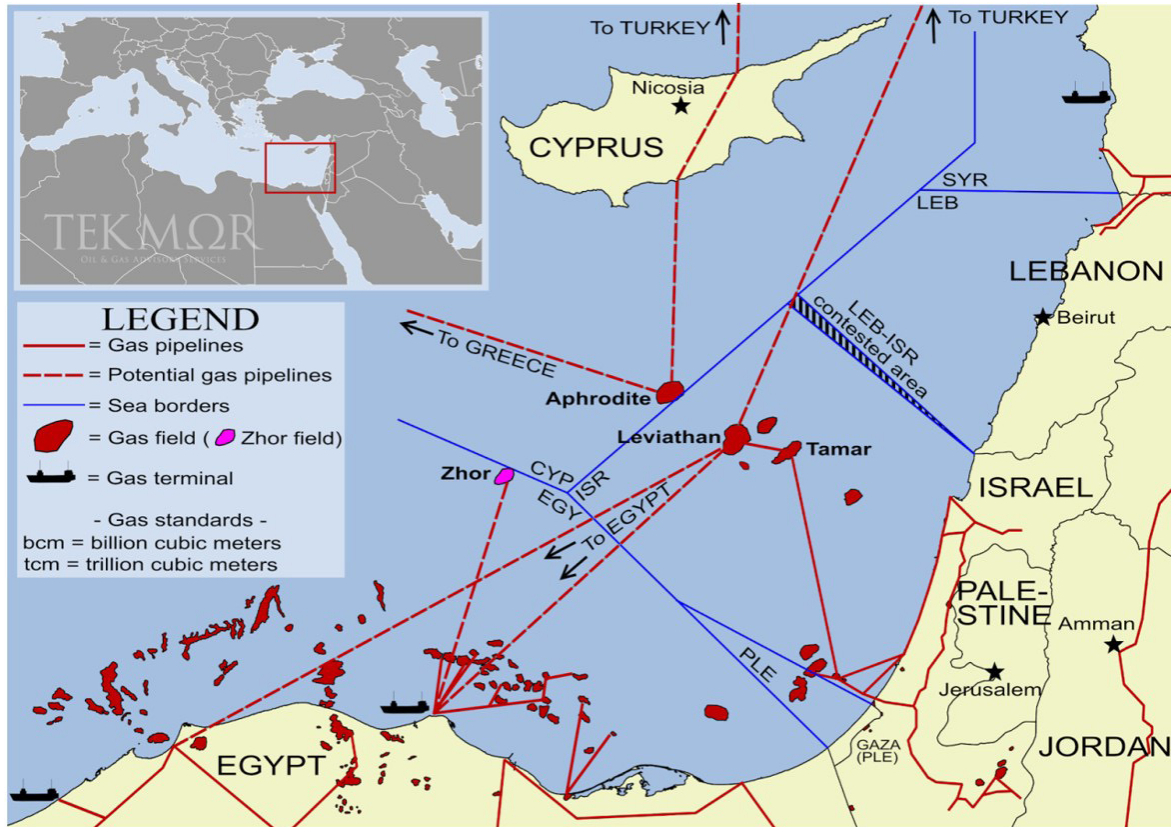
Annex 4: EastMed Pipeline



Annex 5: Agreement on the Gaza Strip and The Jericho Area



Annex 6: Main Gas Fields in the Eastern Mediterranean Sea





Civil Society Team for Enhancing Public Budget Transparency

AMAN has worked to establish a civil team to support the transparency of the public budget, representing a number of Palestinian sectoral civil organizations, namely: Aman Foundation, Miftah Foundation, Center for Democracy and Workers 'Rights, Hydrology Society, Creator's Teacher Center Development work - together, the Union of Agricultural Work Committees, the Federation of Food Industries, the Federation of Pharmaceutical Industries, the Federation of Chambers of Commerce, Agriculture and Industry, the Palestinian Federation of Local Authorities, the Network of NGOs, the Economic Policy Research Institute (MAS), the Law Center Ah Civil Society Development, a forum of intellectuals Charity Association, Conscience Foundation, Al-Haq, the Institute of Development Studies) Birzeit (University, Jerusalem Center for Legal Aid and the Jerusalem Center for Social Rights and the Economic Commission national civil organizations Palestinian, as well as some economic experts.

AMAN performs secretarial work for CSTPBT, through providing logistical and technical support to it in light of insufficient and unstable financial capabilities. AMAN invites for CSTPBT meetings and prepares the agenda of meetings and minutes, in addition to any papers and documents related to the public budget, working as a bridge between the team and the official authorities, presided by the Ministry of Finance. With the vital support of AMAN, CSTPBT team participated in a number of training workshops to build their capacity in the public budget field.

The CSTPBT team believes in the urgent need of informing the citizens about the public budget to participate in its preparation, in order to be able to hold it accountable and follow up the management of government spending and public money. To achieve this goal and before approving the budget of 2011 specifically, the CSTPBC team submitted a proposal to the Ministry of Finance & Planning, requesting the adoption of the citizen's budget, which is one of the basic elements that guarantee the transparency of the public budget. Indeed, the Ministry adopted the proposal and instructed to manage the public budget in cooperation with the CSTPBT team in this field. The citizen's budget was issued for the first time in Palestine during the year 2011, and it was developed to become the citizen's guide during the year 2013 where the national team will work to raise the awareness on it. Moreover, Aman succeeded recently in convincing the Council of Ministers of the need to involve civil society organizations to cooperate with the ministries in discussing annual budgets before submitting them to the Cabinet for approval.

Specialized sub-committees were formulated from the members of the CSTPBT, focusing on three-main essential sectors (Health, Education, Social development). Each sub-committee has a leading organization that is in charge of it.

Aman will work in the future to establish the monitor unit, which will be specialized in following up on all issues related to the public budget, thus creating a reference for all interested citizens, researchers and various institutions.