



Report on:

Transparency in the Palestinian Pension Agency Investments

Report No. 315



هيئة التقاعد الفلسطينية

2025

AMAN
Transparency Palestine



Report on:

**Transparency in the Palestinian
Pension Agency Investments**

2025

AMAN
Transparency Palestine



AMAN Coalition thanks researcher Dr. Ibrahim Rabay'a for preparing this report, and Dr. Azmi Shu'aibi and AMAN team for their supervision, review, and editing.

All rights reserved to the Coalition for Accountability and Integrity (AMAN).

In case of citation, please indicate it as follows: Transparency in the Palestinian Pension Agency Investments. Coalition for Accountability and Integrity (AMAN). 2025. Ramallah, Palestine.

The Coalition for Accountability and Integrity (AMAN) has made every effort to verify the information presented in this report. However, it bears no responsibility for the use of this information for purposes beyond the intended scope of the report after its publication.

Table of Contents

Introduction	4
The legislative and institutional framework of the Investments of the Pension Agency	6
The general investment framework	8
The best practices of transparency in managing the investments of pension funds	9
Investigating transparency in managing investments of the Pension Agency	11
Conclusions and results	18
References	22

Introduction

The Law of Public Retirement No. 7 of 2005 regulated the establishment and operation of the Palestinian Pension Agency (PPA) as an administratively and financially independent institution, enjoying an independent legal personality, to manage, regulate, and supervise the pension systems in Palestine. The Law also regulated the mechanisms with which it handles movable and immovable funds related to its work. The law authorized the Agency to invest and identified investment returns as one of its resources¹.

According to Article 4 of the Public Retirement Law, the proceeds from investing the Agency's funds constitute one of its resources, while Article 65 regulated the investment process by forming an investment committee tasked with developing an investment guide for approval by the Board of Directors, and that receives regular reports on investment activities and their results. An audit committee is tasked with supervising and monitoring all internal audit operations and receiving an annual report from the internal auditor on activities and results. Regarding transparency, Article 80 of the Law stipulates that the Annual Report to the Board must include financial statements and accounts for the past fiscal year, key results related to investment performance, the level of compliance of past and current investment manager performance with minimum instructions, a statement of the investment policy for the upcoming year, the contents of the external auditor's report concerning the financial position of the past year, the contents of the quarterly reports of both the Audit Committee and the Investment Committee, a statement of investment policies, standards, and procedures, an analysis and reconciliation of assets and liabilities, information regarding the arrangements of investment managers and the custodian concerning investments, including fees, expenses, and revenues, a certificate signed by the Board Chairperson and the Agency's Chairperson, confirming that all investments made during the past year conform to the investment policies, standards, and procedures in accordance with the law, regulations, decisions, and instructions, and information on the amount of compensation and benefits paid to all Board members².

This report aims to explore the transparency in managing the investments of the public pension fund, the extent to which transparency indicators are enforced, and to produce practical recommendations to enhance the principles of transparency in managing the investment of the Palestinian Pension Agency funds.

It is worth noting that in 2017, AMAN published a study on the environment of integrity, transparency, and accountability in the work of the Palestinian Pension Agency. The study concluded with a number of observations and recommendations related to the transparency of investment management, most notably: combining the positions of Chairperson of the PPA and membership of the Board of Directors weakens the oversight and accountability framework before the Board; the conflict between the delegation stipulated in the law regarding the powers of the Board of Directors to the Chairperson of the Board or one of its members, with the general principles of administrative delegation which require delegation to be partial; weak policies for publishing and disclosure required by law (annual reports, board decisions, reports that must be circulated to subscribers) and failure to publish them although they are issued, especially the "annual report", submitted to the President and the Prime Minister³.

1 The Law of Public Retirement No. 7 of 2005, Al-Muqtafi, <http://muqtafi.birzeit.edu/en/Legislation/GetLegFT.aspx?LegPath=2005&MID=14816&Ink=2>

2 IBID.

3 The Public Sector and the Local Authorities, The Environment of Integrity, Transparency and Accountability in the Palestinian Pension Agency, 18/3/2017, <https://www.aman-palestine.org/reports-and-studies/8964.html>

The study also identified lost investment opportunities because of the non-transfer of full pension entitlements from the Ministry of Finance (MOF), ambiguity in calculating and settling pension entitlements at the MOF, lack of transparency of the Agency's investments and the failure to publish accurate reports that include the value and distribution of investments as well as profits and losses, which, according to the report, weakens both official and community oversight over those investments⁴.

⁴ IBID

The legislative and institutional framework of the Investments of the Pension Agency

This section reviews the basic concepts of the investment aspect in the Pension Agency (PPA) and relevant institutional governance. It analyzes the legislative environment governing the management of PPA's investment funds, and focuses precisely on the relevant provisions of the Public Retirement Law No. 7 of 2005 and its amendments⁵, and Council Of Ministers (COM) Decision No. 4 of 2017 on the Financial System of the Palestinian Pension Agency⁶.

The law clearly focused on maintaining the financial and administrative independence of the Agency. In this context, the Law gives the Agency the room to manage its investments according to clear and specific professional rules, without being subject to any influences from external political parties or centers of power or influence.

Article One of Part One of the Law defines the concept of investments as, "The sums which the Agency requests from investment experts (the investment manager or managers) to invest for the benefit of the employee on his or her behalf in the domains and places determined in accordance with the provisions of this Law and bylaws issued in accordance therewith"⁷.

At the regulatory level, the Law presents five main bodies concerned with investment: three internal and two external. The internal bodies are the Board of Directors, responsible for managing the Pension Agency in all aspects of its work, including investment, and is the highest decision-making authority in the Agency⁸; the Investment Committee, which the law defines as, the committee formed within the Agency which is assigned to examine investment situations and to submit recommendations related to the investment of the Agency's funds to the Board of Directors⁹, and the Auditing Committee, which the law defines as a group of persons, specializing in accounting, whom the Agency appoints to perform tasks of accounting and financial auditing for the operations of the Agency¹⁰.

At the external level, PPA works with two partner institutions, selected through competitive bidding: the Custodian, which is the bank or financial institution appointed by the Board of Directors to keep and manage the Agency's funds and properties according to the Board's instructions¹¹, and the Investment Manager, who is the person or specialized financial institution appointed by PPA to manage the investments of the Agency according to the Board's instructions, in accordance with best practices¹².

According to Chapter Ten, Art. 60 of PPA Financial System, the entity responsible for investment is tasked with the following: 1. Ensure that the investment of PPA's properties and assets is carried out in accordance with the provisions of the Law and the investment policies and controls approved by the Board. 2. Ensure that the investment of the Agency's assets is done in a way that guarantees the rights of the subscribers and achieves the highest possible return while maintaining the lowest level of risk. 3.

5 The Public Retirement Law No. 7 of 2005 and its Amendments, Al-Muqtafi, <http://muqtafi.birzeit.edu/pg/getleg.asp?id=14816>

6 COM Decision No. 4 for 2017 on the Financial System of the Palestinian Pension Agency, AL- Muqtafi, <http://muqtafi.birzeit.edu/pg/getleg.asp?id=16960>

7 The Public Retirement Law No. 7 of 2005, Part One, Art. 1.

8 The Public Retirement Law No. 7 of 2005 and its Amendments, Part 4, Chapter One Art. 39, 41.

9 The Public Retirement Law No. 7 of 2005 and its Amendments, Part 4, Chapter Four, Art. 65, 71.

10 The Public Retirement Law No. 7 of 2005 and its Amendments, Part 4, Chapter Four, Art. 65, 68.

11 The Public Retirement Law No. 7 of 2005 and its Amendments, Part 4, Chapter Nine, Art. 95,97.

12 The Public Retirement Law No. 7 of 2005 and its Amendments, Part 4, Chapter Ten, Art. 106.

Participate in developing the strategic and executive plans of the Agency in the field of investment based on the set objectives, studies, and financial analysis, and submit them to PPA Chairperson or their deputy. 4. Coordinate with the Investment Committee to develop investment procedures, standards, and controls. 5. Examine and study agreements and contracts related to PPA's investments. 6. Follow up the work of both the entity specialized in investment and the custodian of PPA's funds. 7. Coordinate fully and exchange information with the various departments and divisions of the PPA. 8. Periodically follow up on the investment portfolios and investments of the Agency locally and externally. 9. Monitor and measure the performance of investment portfolios. 10. Follow up on the investments in the personal accounts of the subscribers according to the contributions system, in order to provide the best investment options and make the largest possible number of investment opportunities available to each subscriber. 11. Study investment proposals submitted by the party specialized in investment. 12. Gather information and conduct diverse and specialized studies in the field of investments. 13. Conduct a risk study before carrying out any investment operation, and submit it to the Board of Directors for prior approval¹³.

Article 62 of the same Chapter identifies the tasks of the Custodian related to investment, which include informing the Agency and the relevant investment entities of receiving pension contributions from MOF and other employing entities for the pensioners' accounts opened with it, and ensuring that investments are made in accordance with the instructions issued by the owners of the individual accounts and the investment policy of the Agency¹⁴.

The following table shows the PPA's distribution of tasks related to managing investments

Entity	Internal / External	Technical advice	Plan ning	Exec ution	Auditing	Accountability	Decision making
Board of Directors	Internal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investment committee	Internal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Audit committee	Internal	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Director for internal investments	Internal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Custodian	External	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		
Director for investments	External	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

13 COM Decision No. 4 of 2017 on the Financial System of the Palestinian Pension Agency, Art. 60.

14 COM Decision No. 4 of 2017 on the Financial System of the Palestinian Pension Agency, Art. 62.

The general investment framework

Investing public funds in the Palestinian context presents a significant challenge for investment decision-makers. This is due to the state of uncertainty imposed by the reality of the occupation on one hand, and the enabling role assigned to public funds and authorities with investment margins on the other.

This reality affects the financial planning of the investment authority in general, and its investment planning in particular. The crisis of overdue government contributions and their irregular transfer to the PPA exacerbates this uncertainty, as MOF's obligations to the PPA amounted to around NIS 14.49 billion¹⁵ until 2024. This has been further complicated by overlapping responsibilities for paying pension benefits between the Ministry and the Agency, since the fact that MOF pays pension salaries to beneficiaries, whether in full or in part, has diminished Fund's autonomy, as the law stipulates¹⁶.

At the investment level, and based on available open data, including studies, financial statements, and public information on companies' websites, the investment portfolio of the PPA amounts to around US \$1.2 billion (NIS 3.96 billion)¹⁷. This portfolio consists of local investments (government bonds, shares in national companies and commercial banks), and limited foreign investments¹⁸.

The local investments include several key companies and banking institutions, such as Tamkeen Insurance, which PPA chairs its board of directors¹⁹, Al-Quds Bank²⁰, the Palestinian Investment Bank and the Palestinian Islamic Bank, with board membership, Jerusalem Pharmaceuticals Group, with board membership²¹, the Palestine Electric Company²², with board membership, Zaytonah Islamic Finance Company²³, with board membership, and Gerizim Mall²⁴ in Nablus, as an investment partner.

Open sources were used since PPA does not publish its annual reports, investment reports, or investment news on its website. The Agency did not cooperate with the researcher when he asked for the annual report.

15 The Civil Society Team for Enhancing Public Budget Transparency.

https://www.aman-palestine.org/cached_uploads/download/2025/06/11/tahleel2024-1749643108.pdf

16 MOF indebtedness increased, according to the data of the report on analysis of the 2024 budget performance, from NIS 3 billion as indicated in the agreement of the joint accounting committee in 2011, to NIS 12.318 billion in 2020, up to NIS 14.493 billion in 2024.

17 The study used NIS 3.3 for US\$1 as the exchange rate.

18 West Bank and Gaza Public Expenditure Review - The Palestinian Pension System: A Roadmap for an Unfinished Reform, The World Bank, 18/09/2023, <https://openknowledge.worldbank.org/handle/10986/40360>

19 Website of Tamkeen Insurance <https://2u.pw/vsiPtv>.

20 Website of Al-Quds Bank <https://www.qudsbank.ps/uploads/Board.pdf>

21 Website of Al-Quds Pharmaceuticals Group <https://www.jepharm.ps/our-company/board-members/>

22 Website of Palestine Electric Company <https://2u.pw/AxoSNP>

23 Website of Zaytonah Islamic Finance Company <https://www.zaytonah.ps/board>

24 The PPA chairperson Majed Helou indicated that Gerizim Mall in Nablus is one of the largest PPA investments and was implemented with external investments. For more information see:

<https://www.youtube.com/watch?v=geJPtJBdqEU>

The best practices of transparency in managing the investments of pension funds

International best practices for pension fund investments, as defined by the Organization for Economic Cooperation and Development (OECD), focus on effective governance, risk management, and regulatory frameworks that enhance the sustainability and efficiency of pension systems. These practices are fundamental to ensuring pension funds' ability to meet their obligations to beneficiaries, while contributing positively to the economy²⁵.

OECD's recommendations on governance and management emphasized adopting robust internal governance structures that ensure transparency and accountability in the management of pension funds, leading to high-quality administrative operations. It also recommended adopting effective external oversight mechanisms to protect the rights of members and beneficiaries and ensure the management of funds in their best interests. The OECD recommended adopting prudential standards that promote high funding levels and appropriate investment strategies, aligned in terms of risk with pension schemes and their costs. It also recommended enhancing regulatory efforts to reduce any operational problems that hinder market efficiency, most notably data disparities or limitations²⁶.

The organization also recommended the need for a binding code of conduct to avoid conflicts of interest, along with adopting standards that enhance transparency, most importantly publishing periodic reports on financial performance, investment policy, and risk management, and ensuring stakeholders' access to basic information and data according to international financial disclosure standards²⁷. This is in addition to having prepared and written risk management policies covering market, credit, liquidity, and operational risks, forming an independent internal audit unit and an external auditor, and ensuring the representation of rights-holders in oversight and governance processes and mechanisms, guaranteeing accountability and transparency to both the public and official entities²⁸.

The best practices presented by the 2024 National Conference of Public Employee Retirement Systems highlighted the need for having an investment policy that includes objectives, oversight procedures, and potential risks, in addition to setting long-term investment objectives, periodic reports on investment operations, and performance indicators that include measuring investment returns²⁹.

The following matrix presents the complete set of verification elements related to the transparency of public fund investments, based on the aggregated standards as shown below, which the study will specifically use.

25 Yermo, J. (2005). Private Pension Provision: An OECD View. Geneva Papers on Risk and Insurance-Issues and Practice, 30(4), 535-541. <https://doi.org/10.1057/PALGRAVE.GPP.2510057>

26 Ibid.

27 For more see: <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0429>

28 Ibid.

29 For more see:

https://www.ncpers.org/files/resources/NCBERS_BEST%20GOVERNANCE%20PRACTICES_Final_2024.pdf

Evaluation areas	Verification elements
PPA governance at the “investment level”	<ul style="list-style-type: none"> •Existence of a declared and clear investment policy that defines the Fund’s objectives and asset allocation. •An independent board of directors with sufficient experience in investment management. •Internal and external oversight structures (audit committees, independent auditors). •Disclosure of conflicts of interest policies and procedures for handling them.
Financial disclosure	<ul style="list-style-type: none"> •Regular publication of annual and quarterly financial statements. •Comprehensive detailed reports on investment portfolio components, such as asset types and their geographic locations. •Disclosure of investment valuations at fair value. •Disclosure of details regarding risks associated with investments, such as credit, liquidity, and market risks. •Provision of information on historical and expected investment performance.
Operational and administrative disclosure	<ul style="list-style-type: none"> •Disclosure of information regarding investment managers, their fees, and compensations. •Clarification of risk management strategies implemented to protect assets. •Periodic publication of reports for subscribers outlining fund performance and investment developments. •A clear system for receiving and addressing subscriber complaints.
Accountability and oversight	<ul style="list-style-type: none"> •Subjecting investment portfolios to oversight by an independent authority (a financial market authority or private oversight body). •Public disclosure of external audit report results. •Applying international best practices in preparing annual reports (notably comprehensive and detailed annual reports). •Clear mechanisms for holding the Board of Directors and executive directors accountable for performance.
Responsible and sustainable investment (ESG)	<ul style="list-style-type: none"> •Integration of Environmental, Social, and Governance (ESG) standards into investments. •Disclosure of responsible investing policies and portfolio performance in this area. •Measuring the impact of the Fund’s investments on the environment and society.
Stakeholder disclosure	<ul style="list-style-type: none"> •Disclosure of any investments made with entities or parties related to the Agency, its management, or its investment arms. •Disclosure of any loans or credit facilities granted or received by the Agency with related parties.
<p>This matrix was based on international best practices in public fund transparency, including: the OECD Principles on the Governance of Fund Investments, the ISSA Guidelines on Governance³⁰, the International Financial Reporting Standards (IFRS)³¹, the International Organization of Securities Commissions (IOSCO)³² Principles on Investor Protection, the 2024 National Conference of Public Employee Retirement Systems, and local laws.</p>	

Table 1: Verification form for transparency of investment funds-best practices

30 For more see: <https://www.issa.int/excellence/guidelines>

31 For more see: <https://www.ifrs.org/>

32 For more see: https://www.bis.org/fsi/fsisummaries/iosco_principles.htm

Investigating transparency in managing investments of the Pension Agency

This section follows the model of verification of investment transparency for funds, according to Table 1. The model was reviewed based on:

- **Open sources**, primarily PPA website, and the researcher's observations on PPA's procedures for data availability and access to information, within the framework of the methodology of this research.
- **The State Audit and Administrative Control Bureau**, which produced a report in 2020 on PPA, covering its investment file. The matrix was populated based on this report, as a substitute after the Bureau declined to provide the researcher with the full report.
- **International reports**, most notably a World Bank report issued in 2023.

The study attempted to rely on PPA as a source for verification sources by requesting interviews with the PPA Chairperson and the Board of Directors members, and by requesting the annual reports, without receiving any responses. This provides an early indicator of weak transparency.

1- The verification model for transparency of the Fund using open sources

To prepare this matrix, the researcher reviewed open sources comprising: PPA website, the webpages of the Custodian and Investment Manager, the webpages of relevant oversight bodies, and the local media. Moreover, it was difficult to conduct interviews or obtain official data from PPA, since it abstained from cooperating.

Methodologically, the researcher, in developing the research, sought to obtain official data from PPA, based on reports (the Annual Report and investment reports), relevant internal bylaws, and an interview with PPA Chairperson. However, the Agency was not responsive in providing the Annual Report or scheduling an interview with its Chair.

Furthermore, interviews with members of the Board of Directors with investment expertise were also not possible, because they requested that the interview be coordinated with the Agency's management and obtain its official approval, in contravention with the governance procedures of the work of Board of Directors.

Evaluation areas	Verification elements	Open source verification ³³
Fund's governance	<ul style="list-style-type: none"> • Is there a published and clear investment policy that defines the Fund's objectives and asset allocation? • Is the Board of Directors independent and sufficiently experienced in investment management? • Are there internal and external oversight structures (audit committees, independent auditors) in place? • Are there disclosed policies regarding conflicts of interest and the procedures for handling them? 	<ul style="list-style-type: none"> • The PPA website, its partners (the Custodian and the investment manager), and interviews with the PPA director do not reveal a clear investment policy that reflects the Fund's asset allocation and investment objectives. • Five out of nine board members possess extensive economic expertise by virtue of currently or previously holding senior relevant positions, in addition to PPA chairperson, a board member who has accumulated investment experience through overseeing the portfolio and serving on the boards of investment institutions as PPA representative. • Besides the law and financial system specifying internal control rules through the Investment and Oversight Committees and the Board of Directors, both the external investment manager and the custodian play central roles in oversight and ensuring investment efficiency. The external financial audit process also plays a central role. However, the presence of the Investment and Audit Committees within the PPA structures and under the administrative authority of the internal investment manager limits the ability to ensure full independence • The law mandates the disclosure of conflicts of interest, but open sources do not indicate this. For example, open sources indicate the Agency's investment in Al-Quds Pharmaceuticals, where the PPA chairperson serves as a board member, while the company's vice chairperson serves as a member of PPA board, with no disclosed mechanism to verify the absence of conflicts of interest in such a case.
Financial disclosure	<ul style="list-style-type: none"> • Are annual and quarterly financial statements published regularly? • Do the reports include a detailed breakdown of the investment portfolio components, such as asset types and their geographic locations? • Are investments valued at fair value, and is this disclosed? • Are details of risks associated with the investments disclosed, such as credit, liquidity, and market risks? • Is information provided on historical and projected investment performance? 	<ul style="list-style-type: none"> • Annual and quarterly financial statements are not published in any form on PPA website or on any other platforms of related entities. • This cannot be verified since the reports are not available in open sources. • This cannot be verified since the reports are not available in open sources. • This cannot be verified since the reports are not available in open sources. • This cannot be verified since the reports are not available in open sources.
Operational and administrative disclosure	<ul style="list-style-type: none"> • Is information disclosed about investment managers or advisors, their fees, remuneration, and bonuses? • Are the risk management strategies employed to protect assets clearly explained? • Are periodic reports published for subscribers clarifying the Fund's performance and investment developments? • Is there a clear system in place to receive and handle subscriber complaints? 	<ul style="list-style-type: none"> • No data is available regarding the internal investment manager's fees, remuneration, and bonuses. • This cannot be verified since the reports are not available in open sources. • There are no periodic reports provided to subscribers regarding the Fund's performance and investment developments, and requests from subscribers for relevant data are ignored. • There is a dedicated complaints page on the website, but there is no complaints system that clarifies the mechanism for handling complaints, communication channels, and resolution procedures

33 Sources: the official PPA website: <https://www.ppag.ps>
Public Retirement Law No. 7 of 2005.
COM Decision No. 4 of 2017 on the Financial System of PPA.
The president issues a decree on reestablishing PPA Board of Directors, WAFA. 20/08/2024.
<https://www.wafa.ps/Pages/Details/101796>

Accountability and oversight	<ul style="list-style-type: none"> • Is the Fund subject to oversight by an independent authority (such as a financial market authority or a private regulatory body) ? • Are the results of external audit reports published and made public? • Are international best practices applied in the preparation of annual reports (such as comprehensive annual reports) ? • Are there clear mechanisms to hold the Board of Directors and executive management accountable for performance? 	<ul style="list-style-type: none"> • The Fund is not directly subject to oversight of a private independent authority. However, its investments are governed by law, and each investment falls under the regulatory oversight of the relevant governing body. For example, investments in banks are subject to the supervisory systems of the Monetary Authority and the Capital Markets Authority. Oversight is restricted to ensuring compliance with the standard procedures “regulated by laws and regulations” for each investment sector, rather than addressing the quality of the investments. • External audit reports are not published publicly. • Annual reports are not available to the public, subscribers, the media, or researchers. As of the preparation of this report, the Authority has not responded to a researcher’s request to provide the annual report. • The law and the financial system do not clarify accountability mechanisms, and no related systems are available in open sources.
Responsible and sustainable investment (ESG)	<ul style="list-style-type: none"> • Does the Fund integrate Environmental, Social, and Governance (ESG) standards into its investments? • Does the Fund disclose its responsible investment policies and performance in this area? • Is the impact of the Fund’s investments on the environment and society measured? 	<ul style="list-style-type: none"> • This cannot be verified since the data are not available in open sources. • There are no clear disclosure mechanisms, and no relevant data is available. • This cannot be verified since the data are not available in open sources.
Disclosure of stakeholders	<ul style="list-style-type: none"> • Are any investments made with parties or entities related to the Fund or its management disclosed? • Is any clarification provided regarding loans or credit facilities granted or received to or by the Fund from stakeholders? 	<ul style="list-style-type: none"> • There is general news coverage about some investments, but no clear, specific, or periodic data is available. • This cannot be verified since the reports are not available in open sources.

2- The verification model of the transparency in the Fund’s investments, State Audit and Administrative Control Bureau

The State Audit and Administrative Control Bureau (SAACB) team that prepared SAACB report on PPA filled the matrix and responded to its questions using their report as a major source. The data below reveals an alignment between the data from open sources that the researcher used and SAACB conclusions.

Evaluation areas	Verification elements	Open source verification ³⁴
Fund’s governance	<ul style="list-style-type: none"> • Is there a published and clear investment policy that defines the Fund’s objectives and asset allocation? • Is the Board of Directors independent and sufficiently experienced in investment management? • Are there internal and external oversight structures (audit committees, independent auditors) in place? • Are there disclosed policies regarding conflicts of interest and the procedures for handling them? 	<ul style="list-style-type: none"> • There is no clear investment policy. • Most board members have investment experience, but there are no safeguards to prevent conflicts of interest. • There is an audit committee, but it does not fulfill its role. • There are no conflict of interest forms, and no disclosure is made.
Financial disclosure	<ul style="list-style-type: none"> • Are annual and quarterly financial statements published regularly? • Do the reports include a detailed breakdown of the investment portfolio components, such as asset types and their geographic locations? • Are investments valued at fair value, and is this disclosed? • Are details of risks associated with the investments disclosed, such as credit, liquidity, and market risks? • Is information provided on historical and projected investment performance? 	<ul style="list-style-type: none"> • They are not published on the website, and no annual report of PPA activities is published.
Operational and administrative disclosure	<ul style="list-style-type: none"> • Is information disclosed about investment managers or advisors, their fees, remuneration, and bonuses? • Are the risk management strategies employed to protect assets clearly explained? • Are periodic reports published for subscribers clarifying the Fund’s performance and investment developments? • Is there a clear system in place to receive and handle subscriber complaints? 	<ul style="list-style-type: none"> • There is no disclosure of investment managers or advisors and their selection mechanisms. • There is no clarification of risk management strategies to protect assets. • No periodic reports are published for subscribers. • There is a mechanism for receiving complaints on PPA’s website.
Accountability and oversight	<ul style="list-style-type: none"> • Is the Fund subject to oversight by an independent authority (such as a financial market authority or a private regulatory body)? • Are the results of external audit reports published and made public? • Are international best practices applied in the preparation of annual reports (such as comprehensive annual reports)? • Are there clear mechanisms to hold the Board of Directors and executive management accountable for performance? 	<ul style="list-style-type: none"> • It is subject to SAACB oversight, but the oversight is not periodic, as the last SAACB report on PPA was in 2020. • Oversight results are published, but not in detail. • PPA does not issue annual reports. • There are no clear and established accountability mechanisms for the Board of Directors in the PPA Law or Regulation.

³⁴ The official opinion of SAACB was obtained from the team that had worked on the PPA audit report between 2019 and 2020, 19/10/2025.

Responsible and sustainable investment (ESG)	<ul style="list-style-type: none"> • Does the Fund integrate Environmental, Social, and Governance (ESG) standards into its investments? • Does the Fund disclose its responsible investment policies and performance in this area? • Is the impact of the Fund's investments on the environment and society measured? 	<ul style="list-style-type: none"> • There are no clear and approved standards regarding PPA's investment mechanisms. • There is no disclosure regarding PPA's investments. • None exists.
Disclosure of stakeholders	<ul style="list-style-type: none"> • Are any investments made with parties or entities related to the Fund or its management disclosed? • Is any clarification provided regarding loans or credit facilities granted or received to or by the Fund from stakeholders? 	<ul style="list-style-type: none"> • None exists. • None exists.

3- The verification model of the transparency in the Fund's investments, the World Bank

Although the aforementioned report does not focus on investments, however it addresses the relevant governance and transparency measures and standards, concluding the following:

Evaluation areas	Verification elements	International agencies, the World Bank³⁵
Fund's governance	<ul style="list-style-type: none"> • Is there a published and clear investment policy that defines the Fund's objectives and asset allocation? • Is the Board of Directors independent and sufficiently experienced in investment management? • Are there internal and external oversight structures (audit committees, independent auditors) in place? • Are there disclosed policies regarding conflicts of interest and the procedures for handling them? 	<ul style="list-style-type: none"> • The report indicates the existence of a formal code of conduct binding to the board members and requires them to disclose any conflicts of interest. • There is a deficiency in risk management: there is a very limited risk management policy that is only updated every five years and does not cover vital areas, including physical assets. There is no dedicated subcommittee for risk management, and this also applies to internal audit.
Financial disclosure	<ul style="list-style-type: none"> • Are annual and quarterly financial statements published regularly? • Do the reports include a detailed breakdown of the investment portfolio components, such as asset types and their geographic locations? • Are investments valued at fair value, and is this disclosed? • Are details of risks associated with the investments disclosed, such as credit, liquidity, and market risks? • Is information provided on historical and projected investment performance? 	<ul style="list-style-type: none"> • Although PPA is obligated to publish quarterly reports on the financial status of the investment portfolio, the last report was issued in the final quarter of 2022, and its data appeared in tables without the existence of specialized software to manage the investment process.

35 West Bank and Gaza Public Expenditure Review - The Palestinian Pension System: A Roadmap for an Unfinished Reform, The World Bank, 18/09/2023, <https://openknowledge.worldbank.org/handle/10986/40360>

Operational and administrative disclosure	<ul style="list-style-type: none"> • Is information disclosed about investment managers or advisors, their fees, remuneration, and bonuses? • Are the risk management strategies employed to protect assets clearly explained? • Are periodic reports published for subscribers clarifying the Fund's performance and investment developments? • Is there a clear system in place to receive and handle subscriber complaints? 	<ul style="list-style-type: none"> • The PPA has a risk policy overseen by the Board of Directors. However, it is focused on financial risks and is not integrated into the strategic plan. Furthermore, it is only updated once every five years. The PPA does not maintain a risk register, nor is there a dedicated risk subcommittee within the Board of Directors. • The PPA does not operate a contact center, and its website is not interactive with the public. Subscribers cannot review their contribution records, file appeals, or find information on how to submit complaints. The PPA does not have specific communication methods with its subscribers.
Accountability and oversight	<ul style="list-style-type: none"> • Is the Fund subject to oversight by an independent authority (such as a financial market authority or a private regulatory body) ? • Are the results of external audit reports published and made public? • Are international best practices applied in the preparation of annual reports (such as comprehensive annual reports)? • Are there clear mechanisms to hold the Board of Directors and executive management accountable for performance? 	<ul style="list-style-type: none"> • Although the law mandates the PPA to prepare an annual report covering its activities, investments, services provided, audit operations, financial performance, and human resources, and to make it available to relevant institutions, this report is not available to the public nor on its website.
Responsible and sustainable investment (ESG)	<ul style="list-style-type: none"> • Does the Fund integrate Environmental, Social, and Governance (ESG) standards into its investments? • Does the Fund disclose its responsible investment policies and performance in this area? • Is the impact of the Fund's investments on the environment and society measured? 	<ul style="list-style-type: none"> • Outside the scope of the study.
Disclosure of stakeholders	<ul style="list-style-type: none"> • Are any investments made with parties or entities related to the Fund or its management disclosed? • Is any clarification provided regarding loans or credit facilities granted or received to or by the Fund from stakeholders? 	<ul style="list-style-type: none"> • Investment reports have not been published since the fourth quarter of 2022, and annual reports are not published.

4- Summary of the verification model of the transparency in PPA

Based on the findings from the verification model using the three mentioned sources, the table below provides a summary of the assessment of the PPA's compliance with transparency standards in managing its investments. It is worth noting that PPA's irresponsiveness to the researcher's request for data related to investment management reflects extreme centralization and an absence of a clear direction for providing data in general. This is especially evident given the lack of reports, data, and news on its official website and other open sources "such as social media and official platforms".

The study classifies the research results regarding compliance with transparency in PPA's investments according to the following key:

- Implemented and complied with
- Neither implemented nor complied with
- Partially implemented and complied with
- Insufficient data for verification

Evaluation Area	Indicator	Result
Governance of the Agency "at the investment level"	Disclosure of policies on conflicts of interest and procedures for addressing them	
	Regular publication of annual and quarterly financial statements	
	Detailed reports on the investment portfolio	
	Disclosure of investment valuations	
Financial Disclosure	Disclosure of risks associated with investments	
	Information on historical and expected investment performance	
	Disclosure of information on investment managers, their fees, and compensations	
	Clarification of risk management strategies	
	Periodic reports to subscribers on investments	
	Effective complaints system	
	Subjecting investments to oversight by an independent body	
	Public disclosure of external audit reports	
	Compliance with international best practices in reporting	
Operational and administrative disclosure	Clear mechanisms for holding the Board of Directors and executive management accountable	
	Integrating ESG into investments	
	Disclosure of responsible investment policies and the performance of related portfolios	
	Measuring environmental and social impact	
Responsible and sustainable investment (ESG)	Disclosure of investments with parties related to the Agency or its management	
	Disclosure of any loans or financial facilities connected to related parties	
	Disclosure of policies on conflicts of interest and procedures for handling them	
Disclosure of stakeholders	Regular publication of annual and quarterly financial statements	
	Detailed reports on the investment portfolio	

Conclusions and results

This report concluded the following:

- A crisis exists in the governance of the PPA investments. This is evident from the absence of a clear and publicly disclosed investment policy that outlines investment objectives linked to a precise planning framework and transparently specifies asset allocation.

Although there are sufficient investment expertise on the Board of Directors in terms of numbers, the study found no indication that PPA's investments are protected from conflicts of interest, especially that several experienced members hold supervisory or senior positions in investment companies that have an investment relationship with PPA, such as the Jerusalem Pharmaceutical Company.

While the World Bank indicated the existence of an official code of conduct that binds Board members and requires them to disclose any conflicts of interest, SAACB data (2020) indicated that no approved disclosure forms existed at that time. No data related to disclosure forms and conflicts of interest is available on PPA's website.

- **Absence of disclosure (at the level of mechanisms and administrative behavior):** PPA does not disclose the identity of investment managers or advisors. While it announces the banking institution responsible for managing investments, the selection mechanisms, remuneration, and nature of the contracts are not disclosed or available.

PPA does not disclose its risk management strategies for asset protection, nor does it publish its "quarterly and annual reports," binding by Law, on its website.

Regarding complaints, while there is a complaints page on PPA's website, this page lacks mechanisms or a protocol for addressing and following up on complaints.

PPA does not disclose any investments made with parties or stakeholders to the Fund or its management (at all levels). This also extends to loans or credit facilities granted or received by the Fund and the nature of their connection to parties related to the Fund

Article 22 of Chapter Two, Part 3 of the Law provides that PPA is obligated to provide its subscribers with data including the account balance and the investment distribution in the account as of the last day of the quarter in question³⁶. Article 62 of the Law stipulates that, "the Chairperson of the Agency must inform subscribers at the beginning of each fiscal year of the need to review the investment options they prefer for investing their funds and to inform the Agency if they wish to change the priorities". This article indicates that the subscriber is a partner in the investment process, and that investment planning follows a participatory approach with clear and specific disclosure and dissemination policies. However, the website lacks investment data, and the Agency has not updated its reports, including the annual report, on the website since 2014. Furthermore, the process for obtaining investment data, including financial reports and investment distribution, involves bureaucratic procedures requiring the approval of PPA Chairperson, making access to this data complicated for subscribers.

³⁶ The Public Retirement Law No. 7 of 2005, Part Three, Chapter Two, Article 22.

- **Absence of mandatory oversight:** The report concludes that there is an absence of mandatory oversight by a supreme audit institution (such as SAACB). Although PPA and its investments are subject to the Bureau's oversight, this oversight is not periodic, as the last SAACB report was prepared in 2020. Furthermore, the availability of the results of these reports is limited and not detailed. At the level of the PPA itself, it does not publish its annual reports, but merely submits them to the President and the Prime Minister and makes them available narrowly, documenting this with photos for media purposes without details.

Meanwhile, the Law lacks clear accountability mechanisms for the Board of Directors, which are important and necessary mechanisms given the sensitive investment role the Board plays³⁷.

- **Deterioration in Public Relations:** The last five years have witnessed a deterioration in PPA's relationship with the public through the media and detailed publication. The website lacks any updated news regarding on PPA's activities and data on its investments. In fact, no news or material related to investment has been added to the website since 2023.

The website also does not contain any data or reports related to investment.

The researcher's monitoring of PPA's media presence revealed that this presence has declined over the last five years. Detailed information related to investments has been absent from the media during this period, as the last detailed public disclosure about investments was in 2017³⁸.

This conclusion aligns with the recent World Bank report on the Agency, which recommended developing tools for community oversight, including a public interactive platform for releasing transparent quarterly reports on financial and investment performance, and enhancing communication with the media and civil society to explain reform policies and their goals. The report noted weakness in transparency regarding public disclosure of investment details and their actual returns, as periodic investment reports are not published for the public, and investment portfolios are not presented to shareholders or unions³⁹.

37 Article 20 of the Public Retirement Law presents the dual audit system, as a mechanism to strengthen transparency and oversight over investment. The article provides that, "For the purposes of accounting, the Agency shall be responsible for the conformity of any differences that may take place in the financial registers or transferances to the various accounts by means of double registration by each of the following: The Directorate of Public Salaries and any other department authorised of the paying of salaries; the Agency; the Custodian and the investments manager". According to its organizational structure, the competent accounting department shall undertake the responsibility of recording investments in coordination with the Investment Department at market prices. Any differences are recorded in the Investment Revaluation Reserve account, in accordance with the Law, as stipulated in Article 17/2/b of the Financial System. According to Article 20, one of the Agency's resources is the proceeds from investments, which confirms Article 4 of the Law. However, it is not possible to verify PPA's compliance with the dual audit system, given the withholding of relevant data from the researcher.

38 Helou unveils the investments of the Pension Agency inside and outside Palestine, "الطو" يكشف عن استثمارات هيئة التقاعد داخل وخارج فلسطين, Al-Hadath, 31/01/2017. <https://2u.pw/z5SbcV>

The Pension Agency makes US\$20 million in annual profits, 20 مليون دولار ارباح هيئة التقاعد Al-Ayyam, 19/07/2017. <https://2u.pw/udyFS0>

39 The Palestinian Pension System: A Roadmap for an Unfinished Reform, The World Bank, (Report), 12 September 2023, <https://documents1.worldbank.org/curated/en/099060223183042682/pdf/P17956406a803d070bd630b03ce3fb2d82.pdf>

Recommendations

1- One of the main causes of the transparency crisis in investment management is linked to the PPA's ongoing financial crisis, stemming from the accumulation of pension contributions owed by MOF and the direct payment of pension salaries, in full or in part, by the Ministry. This has significantly harmed the principle of independence of the Pension Agency and its projects and programs. Therefore, the report recommends exploring a transparent mechanism for managing the relationship between PPA and MOF, which stems from the Agency's independence and no interference in pension obligations. The PPA chairperson had indicated in a session held at "Aman" on 21/03/2017 that the reason for the lack of transparency was the irregular transfers from MOF to PPA's fund.

2- Establishing a mandatory publication policy that implements the relevant provisions of the Public Retirement Law, as well as transparency and disclosure standards, and commits to publishing annual and quarterly reports and investment reports periodically and on fixed dates according to this policy. It is worth noting that PPA chairperson had pledged in a session held at "Aman" on 21/03/2017 to publish all PPA reports, including investment reports, regularly on its website.

3- Prepare and/or activate all strategies, regulations, and reports related to investment. These include investment policy regulations, conflict of interest and risk management policies, investment contract policies (including those for investment managers), regulations and procedures for the accountability of Board members and senior executives, and monitoring, evaluation, and impact assessment policies.

4- Activate and populate the subscribers' portal on the website to provide them with investment reports linked to their accounts, starting from the stages of plan and study preparation, through to results, investment returns, and impact assessment.

5- Develop detailed bylaws for receiving complaints, including complaint submission, processing stages, timeframes, follow-up by the complainant, and competent internal departments.

6- Regulate the oversight over the investments of public institutions and funds under a unified body and a single frame of reference.

7- Enhance the oversight role of SAACB, including making the preparation of an annual report on PPA mandatory.

8- Separate the overlap between the executive body and the Board of Directors by prohibiting combining Board membership and any executive role within the Agency, prohibiting full delegation, and separating public communication mechanisms.

9- The report confirms the recommendation of AMAN report issued in 2017 on the need to establish an investment body to manage PPA investments, under the supervision and follow-up of the Board of Directors as an oversight body responsible for accountability, to ensure no conflicts of interest occur.

10- Until such a body is established, it is necessary to subject the Board members, as representatives of the Agency, who serve on the boards of companies in which PPA invests, to a disclosure system related to remuneration and conflicts of interest.

11- Activate public relations mechanisms, including enhancing media and information content about investments on PPA's website, and make data and information available to journalists and researchers according to clear and binding mechanisms.

12- Enhance the role of the beneficiary owners (subscribers), including public sector employees and retirees, local authorities, and other institutions participating in the Fund, as they are the owners of PPA's resources.

References

1. General Pension Law No. (7) of 2005, Muqtafi, <http://muqtafi.birzeit.edu/pg/getleg.asp?id=14816>
2. The Public Sector and Local Authorities: The Environment of Integrity, Transparency, and Accountability in the Work of the Palestinian Pension Authority, 18/03/2017, AMAN, <https://www.aman-palestine.org/reports-and-studies/8964.html>
3. Council of Ministers Decision No. (4) of 2017 Concerning the Financial Regulation of the Palestinian Pension Authority, Muqtafi, <http://muqtafi.birzeit.edu/pg/getleg.asp?id=16960>
4. The Civil Team for Supporting Public Budget Transparency, Report on the Analysis of Public Budget Performance 2024, AMAN, May 2025, https://www.aman-palestine.org/cached_uploads/download/2025/06/11/tahleel2024-1749643108.pdf
5. Official Website of the Palestinian Pension Authority, <https://www.ppag.ps/>
6. The President Issues a Decree to Reconstitute the Board of Directors of the Palestinian Pension Authority, WAFA News Agency, 20/08/2024, <https://www.wafa.ps/Pages/Details/101796>
7. "Al-Hilu" Reveals the Investments of the Pension Authority Inside and Outside Palestine, Al-Hadath, 31/01/2017, <https://2u.pw/z5SbcV>
8. 20 Million Dollars in Profits of the Pension Authority, Al-Ayyam Newspaper, 19/07/2017, <https://2u.pw/udyFS0>
9. Official Website of Tamkeen Insurance Company, <https://2u.pw/vsiPtv>
10. Official Website of Bank of Jerusalem, <https://www.qudsbank.ps/uploads/Board.pdf>
11. Official Website of Jerusalem Pharmaceuticals Company, <https://www.jepharm.ps/our-company/board-members/>
12. Official Website of Palestine Electric Company, <https://2u.pw/AxoSNP>
13. Official Website of Zaytona Islamic Financing Company, <https://www.zaytonah.ps/board>
14. Interview with the Chairman of the Palestinian Pension Authority, <https://www.youtube.com/watch?v=geJPtJBdqEU>
15. West Bank and Gaza Public Expenditure Review - The Palestinian Pension System: A Roadmap for an Unfinished Reform, The World Bank, 18/09/2023, <https://openknowledge.worldbank.org/handle/10986/40360>
16. Yermo, J. (2005). Private Pension Provision: An OECD View. Geneva Papers on Risk and Insurance-Issues and Practice, 30(4), 535–541. <https://doi.org/10.1057/PALGRAVE.GPP.2510057>
17. Recommendation of the Council on Core Principles of Private Pension Regulation, OECD, 27/09/2016, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0429>
18. National Conference on Public Employee Retirement Systems, Best Governance Practices for Public Retirement Systems, February 2024, https://www.ncpers.org/files/resources/NCPERS_BEST%20GOVERNANCE%20PRACTICES_Final_2024.pdf
19. ISSA, The ISSA Guidelines, <https://www.issa.int/excellence/guidelines>
20. IFTS, <https://www.ifrs.org/>
21. IOSCO, IOSCO Principles – Executive Summary, 29/06/2023, https://www.bis.org/fsi/fsisummaries/iosco_principles.htm
22. The Palestinian Pension System: A Roadmap for an Unfinished Reform, The World Bank, (Report), 12 September 2023, <https://documents1.worldbank.org/curated/en/099060223183042682/pdf/P17956406a803d070bd630b03ce3fb2d82.pdf>

AMAN
Transparency Palestine



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.

Website: www.aman-palestine.org

Email : info@aman-palestine.org

f @ t v in /AmanCoalition

Ramallah, Irsal St, Remawi Building , 1st floor

Tel : 2989506 2 (970+) 2974949 2 (970+)

Fax : 2974948 2 (970)

Gaza-Southern Rimal - Habboush St. - Sub of Martyrs St. Dream

Tel : 082884767

Fax : 082884766