

Executive Summary

Integrity System Index in Palestine for the Year 2017¹

Preface

As its counterparts of the tools used for measuring and understanding the changes happening to various social phenomena and monitoring the changes taking place, AMAN Coalition has developed the Integrity Index in Palestine as a result of the Coalition's accumulated experience in its capacity as an extension of the Transparency International Movement and the house of Integrity and Anti-Corruption Expertise in Palestine. The Coalition has adopted a number of basic standards that are internationally known as related to the principles, rules and provisions stated in the United Nations Convention against Corruption, as well as the principles of transparency principles, accountability systems and integrity values in the management of public affairs prepared by Transparency International which AMAN localized to meet the Arab context as well as some indicators related to the independence and professionalism of oversight and accountability bodies in the community, including media institutions, private sector and civil society organizations, taking into account the aspects that are relevant to the Palestinian situation. The Index was developed as a result of the in-depth discussions held within the Coalition in which its staff, friends, academics and statistics experts took part to formulate the indicators contained in the Index that are measurable and to make the annual comparisons and the possibility of converting their results to figures and weights, and to find sources of information for each indicator. The pilot integrity index was developed in 2011 and it was slightly updated and developed in the subsequent years. The scale includes 72 indicators. According to the methodology and assessment of scores:

- **Weakest score:** the one that is getting the lowest score (0)
- **Very poor score:** If the score is ranging (from 0 - less than 250)
- **Poor score:** If the indicator score is ranging between (250 - 500)
- **Average score:** If the indicator score is ranging between (501 - 750)
- **Good score:** If the indicator score is ranging between (751 - 999)
- **Excellent score:** it is the highest score that can be achieved and it is (1000)

The analysis attached to the results of the indicators provides an explanation on the strengths, weaknesses and recommendations to contribute to enhancing the integrity and fighting against corruption.

The team, by considering the techniques of calculating the Index, has tried to benefit from similar experiences such as the Democracy Index Report in Palestine issued by the Palestinian Center for Policy and Survey Research, Corruption Perceptions Index issued by Transparency International and Global Integrity Report issued by Global Integrity.

¹ The National Integrity System aims at contributing to make the corruption act of a high risk and low profit. In addition, the effective integrity system leads to the improvement of life quality, rule of law and sustainable development.

Indicators and Weights of Integrity System Index in Palestine²

- The weights of the indicators were calculated based on the weights of the following classifications; 20% of the score assigned to each classification was given to the legislation indicators. (This choice reflects more importance given by the work team to the practice indicators and their impact on the national integrity and anticorruption system, without neglecting the importance of legal rules in building the national integrity system as well as the general feeling among the work team, researchers and civil society activists that the fundamental problem is not the lack of legislations, but rather the lack of the enforcement and application of such legislations).
- Equivalent weights were given to each indicator in each classification according to the number of indicators. Since the number of indicators constituting the Index is seventy-two, the contribution of each indicator (before weight) in the Index is 0.072%, however, this percentage changes up or down after weight,. The identified weight was determined based on the estimates of the local team of experts and AMAN staff, which reflects the views of civil society organizations.
- When talking about a score (or value) of any indicator, this score is not weighted, but when talking about the Index score or any of the Index classifications, this score represents a rate of weighted indicators.
- Each of the 72 indicators quantitatively examines one of the areas that characterize the integrity system based on two considerations: the first is relating to the relevance to the Integrity System as an effective anticorruption system and is consistent with the International Convention against Corruption. The second is relating to the measurability of indicators in relatively short term periods, taking into account the indicators that are measurable in a longer term and their ability to monitor the direction and frequency of the integrity system efficiency.
- The work team was keen that these variables would reflect the areas of integrity and anti-corruption systems, including preventive measures, international cooperation and law enforcement.
- The work team was keen that the entire indicators would reflect the various aspects of the integrity system by considering the political will to promote integrity and combat corruption on the one hand, the effectiveness of watch-dog institutions and preventive measures on the other, and evaluating the Palestinian public opinion (impressions of citizens) regarding the integrity system pillars on the third hand.
- A number of considerations have been taken into account when the work team selected the indicators used in the Integrity System Index in Palestine as follows:

First, a specific number of indicators was selected as measuring tools for Integrity system pillars, because it is impossible to adopt all indicators related to measuring the effectiveness of the Integrity System due to their big number.

² Refer to the Integrity System Index in Palestine for the year 2017 on the link - <https://www.aman-palestine.org/ar/reports-and-studies/sec-15-14>

Second: Selection of indicators that can be followed-up regularly, so that the indicators that are affected more quickly and more accurately by the performance of the monitoring institutions and their impact on the national integrity system were selected.

Third: Adoption of public opinion polls in concluding citizen-related information.

Summary of Integrity System Index Results in Palestine for the Year 2017

The total score for all indicators of the entire Integrity Index in Palestine in 2017 (the seventh report) has reached (552) out of (1000), which indicates that the Integrity System Index in Palestine has barely exceeded the success threshold and its evaluation was closer to the lowest level of the average. When compared with the 2016 results (sixth report), there was a slight decline in 2017 as the total score in 2016 was (555), and that the seven readings since 2011 clearly showed that the total Integrity Index is the same because the rate of change, down and up, is barely taking place.

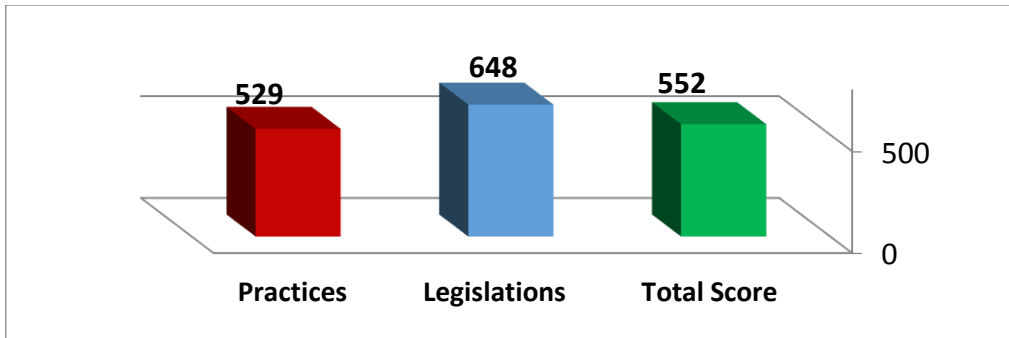
The Reading of the Results According the Classification of Sectors

Those who are in charge of preparing the Index preferred to distribute the total number of indicators, 72, on two key sectors, namely:

- (1) **The Legislation Sector**, covered by 24 indicators and it represents the total relative weight of this sector at 18.75%
- (2) **Practices Sector**, covered by 48 indicators with a relative size of the sector at 81.25%

The "**Legislation Sector**" includes indicators of existing legislations, procedures, financial or administrative regulations, instructions or codes of conduct. The "**practices sector**" includes the tasks and missions vested in the institutions to perform through respecting the procedures, methods and issuance of reports. It was noted that there are no substantial problems, but the corruption rather occurs due to the lack of respecting the rule of law or correct work principles in practice. This was reflected in the Index results over the past years, which supports this distribution and these weights for each sector as shown in the diagram bellow.

The average score of the legislative and practice sectors compared to the total score of the Index.



The total score for the "Integrity System Index Results in Palestine for 2017" in the "**Legislation Sector**" showed a score of 648 compared to "**Practices Sector**" which reached a score of 529. The total score for the two sectors has reached 552, which means that the average score of the practices sector was less than the general average of both sectors by 23 points. This result was in line with the view that corruption, its manifestations and shortcomings in terms of immunity against it are increasing in practice and not because of the lack of legislations.

Independent Reading of the Result of Each Indicator Separately

This option in the Index, like any other index, allows to focus on each particular indicator to compare its results with the results of previous years to examine the changes.

The results of the 2017 Index have revealed 13 indicators out of 72 representing 18% at the point zero, namely:

- (1) Citizens do not believe they are able to report to Anti-Corruption Commission on suspected corruption cases.
- (2) Not advertising the senior-position and special vacancies.
- (3) The absence of a law on franchise and prevention of monopoly.
- (4) Not holding the government accountable for the budget spending, for example.

The index also showed the very weak indicators that reached the score 250 or less, represented by 6 indicators by 8% of the total indicators. Examples include the citizens' impression that there is corruption in the PA institutions, media self-censorship, lack of access to information, people's belief that there is corruption in the judiciary, lack of control on gifts and hospitality offers, and the lack of reporting by non-ministerial public institutions to their reference bodies.

By adding the weakest indicators (0 score) to the very weak ones (0-250), the number of indicators in this case rises to reach 19 indicators out of 72 represented by 26%, which reflects the miserable situation in the integrity system. The situation becomes more difficult if the 15 weak indicators, scored 250-2500, are added representing (21%) of the total indicators. Thus, the total number of indicators showing deficit and relapse reaches 41 indicators (out of 72) representing 40% of the total size of indicators. This means that about half of the integrity system indicators require serious, intensive and continuous work that must be done by the

Palestinian Authority as well as official, private and civil institutions working in the field of integrity and combating corruption to reduce this appalling gap ((other 10 additional indicators were of a medium average (501-750) some of which have slightly passed the score 500)).

The good indicators (751 - less than 1000) were in favor of 7 indicators representing 10% of the total indicators. Examples of these indicators include the response of bodies that subject to the Financial and Administrative Audit Bureau to their requests, the percentage of cases transferred from the Attorney General's Office to the judiciary, the commitment of tax payer to submit financial disclosure statements, disclosure of public shareholding companies to their financial statements, the efficiency of the government complaint system, the creation of the Judicial Inspection Authority and the submission of international organizations reports on their work to the competent authorities.

Reviewing the analysis of these indicators shows that the index has measured these indicators in terms of issues that can be converted into digital volumes and weights, but did not measure the qualitative issues. For example, in the judicial inspection, the index does not address the effectiveness of the judicial inspection, but it considers the number of inspection rounds that were carried out based on the methodology of preparing the index and its technical standards that were finalized and approved by those who prepared the index. Dozens of filed cases could be not much important or of the same weight as a grave corruption case that was not transferred to the judiciary. In addition, the commitment of tax payers to submit financial disclosure statements does not mean that the procedure applied in financial disclosure statements is effective in combating corruption, especially that the practice is to keep these statements at the Anti-corruption Commission in a very restricted confidentiality, without review and without being published, particularly those that are relevant to very senior positions in the Palestinian Authority. This is fully and exactly applicable to the Supreme Judicial Council in terms of its relation to financial disclosure statements.

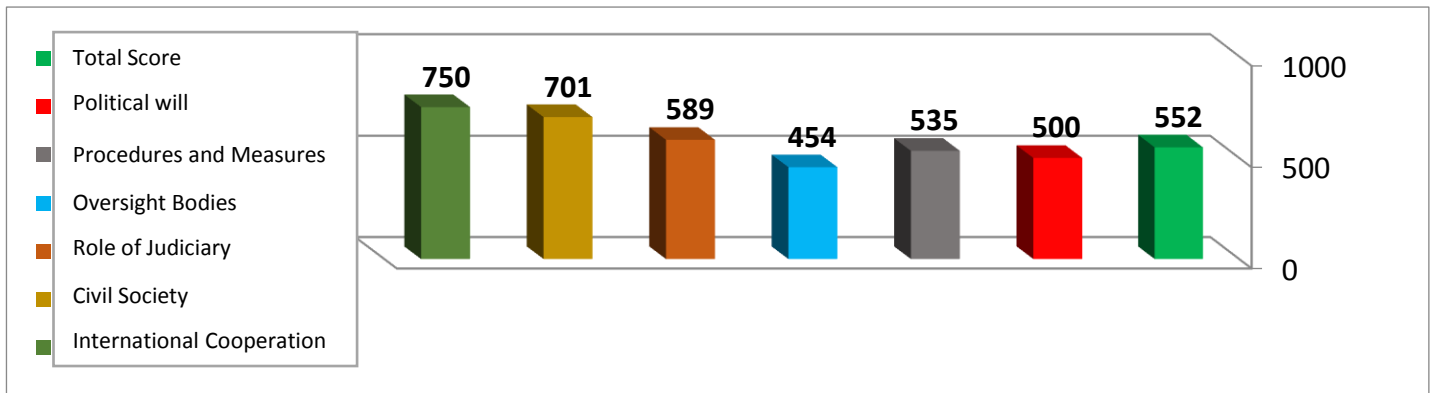
The Index showed excellent results for some indicators (scored 1000) in 21 indicators representing 29% of the total indicators. Among the excellent indicators was the "existence of an Anti-corruption Commission which produces an annual report". The index measures the presence of a body to which fights against corruption is attributed and this body and it publishes an annual report. If the body exists, in this case it is the "Anti-Corruption Commission", and if it publishes an annual report in the year under consideration, the score of this indicator is 1000, but this indicator does not measure the role played by the Commission in the fight against corruption, the quality of its report, its seriousness and the depth of its content. This also applies to the other excellent indicators in this index, such as tenders for public works and procurements, which received an excellent score

without considering the exceptions in tenders, the non-activation of the General Procurement Policy Board and other issues when the index measured this indicator.

Fourth Method: reading the Index Results based on Themes

The total of 72 indicators were categorized in the Index and distributed into six themes, namely the **political will theme**: it includes 4 indicators, constituting 15% of the total weight of the Index according to the distribution of the six themes; **procedures and measures theme**: (34 indicators 30%), **oversight bodies theme**: it includes 9 indicators (20%), the **role of judiciary theme**: 4 indicators (20%), the **civil society theme**: 17 indicators (10%) and **international cooperation theme** by 4 indicators (5%).

Average Scores of Integrity System Themes Compared to the Total Score of the Index



It is clear from the above figure that the lowest score according to the classification of themes was for the 9 indicators assigned to the **oversight bodies theme** by receiving the score 454, while the indicators of the **political will theme** received low scores for three of its four constituent indicators, namely: citizens' belief in their ability to report to the Anti- corruption Commission on suspected corruption cases which received the score (0), the existence of the Anti-Corruption Commission received (500) for not stipulating the approval of the Legislative Council to appoint the Chairman of the Commission. The indicator of the existence of an approved and published governmental plan to combat corruption received (500), while the fourth indicator (the Anti- Corruption Commission issues an annual report) received the score (1000).

The indicators of **measures and procedures theme** received a total score of 535, which is a low score due to the fact that 7 indicators out of 18 received a score (0) relating to the announcement of job vacancies for the special and senior positions in the civil service, and the absence of an independent permanent administrative committee to monitor the integrity of appointments in senior posts (special and higher categories), the existence of procedures governing the work of ministers, senior state officials and members of the Legislative Council in the private sector after leaving the public sector; In addition to controlling the movement of tax and customs officials to work in the private sector,

regular examination of random samples of financial disclosure statements, the existence of clear mechanisms to compensate those harmed by corruption, the existence of a law on franchise and prevention of monopoly. Three indicators have received less than 250 scores: the presence of measures that regulate the presentation of gifts and hospitality to politicians and public servants, allowing the citizens to access public records, and people's belief in the existence of corruption in the institutions of the Palestinian Authority. Low scores in the three themes have affected the rest of the index themes.

General Conclusion

The results of the "Integrity System Index in Palestine 2017" showed some positive practices in the adoption and application of integrity values, transparency principles and activation of accountability systems. However, these developments did not reflect a comprehensive policy and governmental plan, which showed serious and substantial challenges in the work of many public institutions, where there was a slight decline in 2017 compared to 2016 through the decline of the final index score by 3 degrees. These findings suggest urgent and quick tasks for the integrity system in Palestine to be added to the Palestinian agenda.

Conclusions

- 1) The National Integrity System is still suffering from a structural imbalance due to the absence of the formal role of the Legislative Council, lack of commitment to the rule of law, and the opposition of a number of senior executive officials to fair and transparent implementation of reform processes. This reflects the weak overall political will to promote integrity and combat corruption as well as the continued interests of influential individuals at the expense of Public interest.
- 2) The results of the study highlighted the continued weakness of the role of "oversight bodies" and the decline in their effectiveness as a result of the political division.
- 3) "Preventive measures" on the integrity of senior staff appointments the "special and higher categories" and the continued adoption of favoritism as a basis at the expense of efficiency, professionalism, equal opportunities and competition to assume these positions continues to be weak.
- 4) The failure of some Palestinian legislations to fortify the national integrity system in Palestine. This requires the completion of legislation system related to the enhancement of the integrity and anti-corruption system, such as the Access to Information Law, avoiding the cases of conflict of interests. The Government has not responded to the observations of the Palestine Implementation Review Group of the United Nations Convention to make the necessary amendments to strengthen the existing measures in the State of Palestine and to adapt the Palestinian legislations to the International Convention.
- 5) The Ineffectiveness of the experience of submitting financial disclosure statements in confidentiality to senior officials.
- 6) Non-compliance with the provisions of codes of conduct or effective control over their implementation.
- 7) The weakness of the budget transparency, lack of commitment to submit the balance sheets timely and not implementing the strategic plan for the management of public funds.

- 8) The study showed some development (in 2017) in terms of the approval of the financial and administrative system of some non-ministerial public institutions, with continued weakness of direct control over their work and the continued enjoyment of some of their officials in financial privileges and salaries that do not fit into our Palestinian reality.
- 9) Lack of commitment to respecting the principle of transparency in the procedures and means of public services management, especially those assigned to the private sector, and the failure of the regulatory councils of service public sectors to control of companies such as Electricity and Water Regulation Boards and the Public Procurement Council, not activating the legal text related to the regulation of telecommunications or the administration of the Petroleum Authority.
- 10) Self-censorship in the media institutions which restricts their role in the prosecution of corruption cases.
- 11) A decline in the credibility and citizens' trust in the judiciary.

Recommendations

1. The government shall adopt a national plan for integrity and combating corruption, which involves the various official, civil and private sectors to identify the priorities, executive steps and responsibilities of each party or institution in implementing this national plan according to a clear and precise time schedule coordinated by the Anti-Corruption Commission as a competent authority, and an objective budget shall be adopted to be executed in the Public budget.
2. The President shall adopt a transitional plan (by law) to reform and reunify the judicial system, including the Public Prosecution. This task shall be entrusted to public, judicial, professional, balanced and impartial figures that review the status of the legal and institutional reality of the judiciary.
3. The President shall revive and activate the legislative Authority for its important role in strengthening the national integrity system, re-activating the role of the Legislative Council in accountability, maintaining the balance of the political system, and activating the parliamentary oversight on the executive authority functioning.
4. The Palestinian Authority shall issue a law on franchise, a competition law and prevention of monopoly law to clarify privatization procedures, ensure competition and transparency in privatization and franchising as well as a law on the right to access to information. The Palestinian Authority should amend the Anti-Corruption Law by stipulating the obligation to publish (disclose) financial disclosure statement of the President of the Palestinian Authority, ministers and members of the Legislative Council in the Official Gazette periodically. The Government should also respond to the observations of the Review Group of Palestine Implementation of the United Nations Convention by making the necessary amendments to strengthen existing measures in the State of Palestine and adapt the Palestinian legislations with the United Nations Convention against Corruption.

5. The Council of Ministers shall develop a regulation/bylaw to regulate the procedures on the movement of ministers, deputies, and tax and customs officers to work in the private sector.
6. The Council of Ministers shall draft a law or prepare a system for the establishment of the Quality Committee for Public Sector Governance, which shall consider the appointments of candidates for senior posts (civil and security) in the public sector, determine the procedures for competition and the advertisement of vacancies in the special and senior categories and to consider the complaints regarding the appointments in the public sector.
7. The Cabinet should amend some legislations and legal rules, such as those governing conflicts of interest, through imposing penalties in the case of conflicts of interest.
8. The Council of Ministers shall continue to adopt the financial and administrative regulations of the non-ministerial governmental (public) institutions to meet the needs of these institutions, either in the provision of their services or the conduct of their business, while respecting the general rules of the financial system of the Palestinian Authority, especially in terms of restricting the financial privileges and the unreasonable salaries of their officials.
9. The Council of Ministers shall complete the procedures for submitting the draft law on the right of access to information, which includes the duties of public officials and employees in providing information, to the President for approval.
10. The Council of Ministers shall complete the formation of the regulatory councils of public sectors by activating the legal text relating to the Telecommunications Regulatory Council.
11. The Presidency and the Government should oblige the non-ministerial public institutions to submit their reports to the reference bodies in accordance with their laws and follow up their work as one of the most important forms of accountability for the work of non-ministerial governmental institutions and ask the Financial and Administrative Audit Bureau to prepare a special report on the commitment of public institutions to submit their reports in accordance with the requirements of the legislation that regulates each institution and its commitment not to waste public money in its various forms, particularly overpayments.