



CORRUPTION REPORT

PALESTINE 2011

**The responsible remains strong in
his Responsibilities**

Until he asks for a personal favor

4

FOURTH ANNUAL REPORT

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TABLE OF CONTENTS

Introduction	5
Status of corruption in Palestine during 2011	7
• The continuous suspension of holding presidential, legislative and local councils elections has negatively affected accountability and intensified political corruption	7
• Appointments of high ranking officials – Political appointments without accountability	8
• Observations on the status of non-ministerial public institutions during 2011	12
The most prominent forms of corruption and the areas of concentration in 2011	15
Status Integrity and transparency in some services sectors.....	20
• Progress in The ministry of Transportation... more is needed	20
• Ministry of Agriculture.....	22
• Ministry of Health	23
• Ministry of National Economy.....	29
• Ministry of Social Affairs.....	30
• Water Authority and reform.....	31
• Palestinian Pension Authority.....	32
• Services of General Authority for Civil Affairs in need of fortification	34
• Security Agency in 2011.....	35
PNA accountability and control tools	37
• The Legislative Council continues to be inactive; elections have not been held; the Executive Authority has full control over the management of public funds	37
• The Anti-Corruption Commission refers 22 corruption files to Anti-Corruption Court.....	38
• The Judicial Authority	43
• State Audit and Administrative Control Bureau is without a director	44
• NGOs utilization of funds	45
• Journalists and Journalism: own interests and jobs take priority.....	46
• Transparency and integrity in public shareholding companies	47
• Political parties and the code of conduct.....	49
Key issues.....	50
• Wasting public funds amounted to 6 million NIS in traffic violations, who is responsible?	50
• Legal Justice Council devoid of monitoring	51
• Regulatory legislative framework of economic crimes	53
Recommendations	56

INTRODUCTION

The Annual Corruption Report substantiates AMAN Coalition's commitment and acknowledgement of the significant contributions of governmental and non-governmental bodies which are led by civil society organizations (CSOs) to develop a corruption-free society in Palestine. Issuing this report, which has become one of AMAN's yearly dedication, constitutes a major component of AMAN's continuous efforts in promoting values of integrity, principles of transparency and systems of accountability in the Palestinian society..

The 2011 Corruption report denotes the positive and negative fluctuations of the status of corruption in the various Palestinian sectors during the year based on AMAN's surveys and other reports in that regard.

In order to promote anti-corruption practices, the 2011 corruption report is a reflection of procedures undertaken by administrations and departments that provide public services or run public affairs. Moreover, it examines the current status of the official monitoring institutions, using descriptive and analytical methodology, as it relates to corruption, its forms and the key underlying factors. In addition, the report compares the current status of corruption with the previous year (2010). It is worthy to note that the index used throughout the report was set by AMAN. All related data and information was collected through the following channels:

- 1. Objective data:** factual data that is documented and supported with evidence or specific practical experience, including:
 - **The experiences of senior officials:** Data was compiled by interviewing officials in various positions thus obtaining accurate and reliable information directly from the source and based on practical experience.
 - **Records of private and public institutions Included:** general policies, regulations, and decisions, in addition to administrative, occupational and financial performance records of targeted institutions.
- 2. Input and data according to opinion polls:** the polls conducted among the Palestinian populace in the West Bank, Gaza strip and Jerusalem identified specific standpoints, which may include the following:
 - **'General Public':** represented citizens' general impression of the status and nature of corruption in the community, types of corruption, areas of concentration, and impacts of corruption.
 - **The elites:** represented the opinions of experts who are familiar with the general political and economic situation. Data was collected by AMAN during workshops, debate sessions or interviews held for the purposes of this report.

The content of the report was based on monitoring the variables exemplified in the objective data collected; presenting key précis of the opinions of the general public and the elites in addition to disclosure of the recommendations

and outputs of the various special reports published by AMAN. Participants included but were not limited to affiliated personnel and experts in the fields of rational governance and combat of corruption.

The objective of this report is to provide decision makers, politicians and civil society organizations with insight of the status of corruption during a period of one year. It also used by AMAN as a tool to utilize the outputs to induce changes, and reform in the various sectors. Henceforth, AMAN is working towards collaborating a nationwide political will to combat corruption. This includes political parties, civil society leaders and the Executive, Judicial and Legislative Authorities. To that end, AMAN advocates for raising Palestinian awareness of the multifaceted forms and risks of corruption, which include but are not limited to favoritism, nepotism, Wasta, extortion and exploitation of public funds. Moreover, AMAN endorses the significant role of independent media in monitoring public affairs and promoting a transparency culture in private and public sectors.

Notably, monopoly over information practiced by some officials constitutes one of the main obstacles hindering the production of comprehensive investigative reports including the Annual Corruption report. Those officials consider withholding public information as a source of power to control citizens which in return increase chances of corruption.

In 2005, a draft law on the right to access information was presented to the Palestinian Legislative Council (PLC). However it has not been approved until this day due to the present paralysis of the PLC. The lack of legislation continues to allow officials to control the flow of information thus compromising the type and amount of promulgated information. Consequently, the right to access information in the Palestinian Territories remains an aspiration for citizens whether researchers, experts or media personnel and journalists.

AMAN continues to face difficulties in obtaining information, as many public institutions refrain from pro actively publishing information relating to management of institutions as well as information on structure and organization and terms of service. Some institutions claim that the release of any information requires an authorization from the Minister, which is the most common justification by far to release such information. For example, when AMAN approached the Ministry of Education and Higher Education to obtain general information about Palestinian universities, officials insisted on correspondence with Her Excellency, the Minister, although such information should have been published to the public.

the right to access information: refers to the information found in any of the records and documents regardless of the format; including but not limited to the following; hard or soft copy, drawings, maps, tables, photos, films, microfilms, audio recordings, video recordings, graphical charts, any data readable by special devices, and any format specified by law.

STATUS OF CORRUPTION IN PALESTINE DURING 2011

The continuous suspension of holding presidential, legislative and local councils elections has negatively affected accountability and intensified political corruption



The Palestinian internal split and the existence of two governments in the West Bank and Gaza Strip have undermined any effort to reach an agreement to hold Palestinian elections at all levels. The President of the Palestinian Authority has called for legislative and presidential elections on January 24th of 2010 ¹, which was then postponed purely due to political reasons related to the internal split ².

The PLC has issued a resolution on February 8th of 2011 to hold elections of local councils on 9/7/2011 ³. However, the PLC has postponed the local council elections until October 22nd of 2011, to ensure simultaneous elections in both the West Bank and Gaza Strip, as a consequence of Hamas-Fateh reconciliation. Eventually, a Presidential Decree was issued to re-postpone the above mentioned elections for an indefinite period ⁴.

Most political parties and factions within the PLO and other sociopolitical sectors opposed the indefinite suspension of the local council elections. The massive opposing body has concurred that the postponement was an administrative resolution not a decree that refutes the provisions of laws related to local councils elections. In addition, the opposition found this resolution to be in conflict with the Palestinian basic law and beyond the jurisdiction of the President. It is also inconsistent with the content of the resolution issued by the Supreme Judicial Court, which has requested the government to set a date for local elections. In addition, this resolution is in defiance with the decree issued by the executive committee of the PLO which has emphasized the necessity of proceeding with the elections regardless of the inability to hold elections in the Gaza Strip and the obstacle filled reconciliation ⁵ process.

1. Presidential Decree No 35 announced on 23\10\2009 which calls for presidential and legislative elections. View Decree No 1 of 22\11\2010 concerning the delay of presidential and legislative elections in Ramallah

2. An interview on 27\9\2011 with Mr Hisham Kuhil, the Director General of the Central Elections Commission.

3. Council of Ministries Resolution No (01\82\23\M.WS.F) OF 2011

4. Presidential Decree on 22\8\2011 concerning delaying local elections.

5. National authorities and private and legal activities concerning cancelling local election in 25\8\2011, http://www.maannews.net/adv/arb/tempfiles/bayan_1.pdf

The repetitive postponements of the local council elections have negatively influenced the performance of local councils and their relationship with the citizens; especially that many of these councils had forgone elections due to the postponement of the fifth phase of past local elections. Moreover, most local councils suffer problematic issues due to the dissolution of many of the councils which have further been substituted with committees or employees from the Ministry of local Governance.

In conclusion, a new breed of elected leaders would have promoted the citizens ability to monitor the performance of public institutions through elected representatives. Furthermore, elections create a form of accountability where citizens exercise their right of holding political parties, who represent them, accountable. In addition, it prevents the exploitation of public funds. The fact that political parties, mainly Fateh and Hamas, have contributed to the suspension of elections delegitimizes their authority to represent citizens who in turn were denied their right to elect their representative regardless of the justifications of the suspension. Finally, the absence of public support, which is a major cornerstone of a democratic system, has promoted authoritarianism which is one of the most prominent forms of political corruption.

Appointments of high ranking officials – Political appointments without accountability

Systematizing the Civil Services sector recorded a notable advancement in 2011 specifically in appointments, promotions, setting administrative structures and placements. The following achievements illustrate progress made:

- Many of the flawed yet common hiring practices such as political favoritism, nepotism, and Wasta were minimized. The Civil servant law obligated many official parties to comply with public office appointment procedures such as announcing job vacancies in the daily newspapers, and conducting interviews and placement tests for all candidates, thus providing equal opportunities for all.
- appointment procedures for public office positions: in order to establish professional appointment procedures the General Personnel Council in cooperation with the Ministry of Finance and other governmental bodies, agreed to set organizational structures. This will ensure that the appointment procedures are a result of a well-studied plan that unifies organizational structures with job descriptions and thus enforces the fundamentals of integrity, transparency and rational public spending. To that end, the General Personnel Council and Anti-Corruption Commission have embarked on establishing procedures for public office appointment for most of the ministries and governmental institutions taking into consideration the individual requirements of each, thus promoting integrity, transparency and the principle of equal opportunity.

- Arbitrary appointments ⁶: although the civil service sectors has recorded progress in 2011 some violations in filling job vacancies of high ranking public office positions have occurred. Those violations were either due to exceptions or the lack of clear transparent procedures in the selection, appointment and placement processes. For example, in some cases the civil services law was violated by forgoing vacancy announcements and placement tests. In other cases the academic qualifications of hired candidates did not fulfill the job description requirements. Some promotions were granted without taking into consideration experience and academic qualifications, this was often justified using political exceptions and immunities. Moreover, the lack of organizational charts and the lack of documented procedures for placement and promotion gave some ministers and high officials an excuse to appoint and promote heads of committees and heads of public office in directorates as long as their rank falls between general director and minister. Unfortunately the selection process for such appointments is based on personal interests and political affiliation.

Notably, filling prominent positions based on political interests instead of professional qualifications and competency has overloaded and flawed public employment. According to the Palestinian Basic Law, political positions are exclusively restricted to the position of minister. The ramifications of excessive political appointment have debilitated the accountability system and inhibited it against political and sectarian affiliations. As a result, the public office was used for settling political scores which was evident in both the West Bank and Gaza; whereas leading positions were divided among Fateh in the West Bank and Hamas in Gaza while other parties were simply excluded.

- Security Vetting remains in effect: security clearance is a procedure, often arbitrarily, remained a prerequisite for job appointments and issuing permits and license in general, and especially in public office appointments and dismissal.

The Independent Commission on Human Rights reported hundreds of violations where employment applications were suspended although applicants have passed the placement tests. Violations also included dismissal of employees from their positions based on results of the vetting. For example, over 500 complaints ⁷ were filed against the Ministry of Education and Higher Education during the years 2010 & 2011. (Noting that the MoEHE had the lion's share of the total number of new public office appointments)

Although 2011 marked a decrease in the above mentioned practices the applicants continued to solicit Wasta to pass the required security vetting. Unfortunately, this has led to the misuse of authority, whereas some officers

6. Integrity and Transparency report of procedures regarding senior positions appointment at the PNA, part one, AMAN Coalition for Accountability and Integrity, October 2011

7. Independent Commission for Human Rights, the 16th annual report of 2010. View its report of August 2011

settled personal vendettas and used political affiliation against applicants. Consequently, applicants were dissatisfied hence the feeling of injustice prevailed. Such an environment induced instability and promoted the Palestinian Internal split. This was one of the multifaceted forms of political corruption during 2011.

Delay in submitting financial disclosure statements for 2011 hindered accountability



Under the Anti-Corruption Law many public officials, such as the President of the Palestinian Authority, the Council of Ministers, the Legislative Council and judges, are required to file financial disclosure statements upon appointment to be updated every three years thereon. Public disclosure serves as a deterrent to public officials considering activity that may result in illegal sources of income.

However, during 2011 the following issues were noted:

- No new development regarding financial disclosure: Although some officials have filed a financial disclosure upon appointment, the statement has not been updated after three years in accordance with the law. Examples include but are not limited to the President of the Palestinian Authority and some members of the legislative council.
- Financial disclosure statements of judges: According to the Chief of the Judicial Council, all the judges of formal courts and the members of Public Prosecution have submitted their financial disclosure statements as it was a prerequisite to assuming their positions. Furthermore, the judges of formal courts have updated and submitted their statements to the Chief of Judicial Council; however, the statements have not been reviewed to verify compliance with the anti-Corruption Law.
- Other public officials that are required to file and submit financial disclosure statements to the Anti-Corruption Commission: public officials subjected to this law are required to submit the financial disclosure statement within two months of assuming their positions. However, this did not take effect during 2011⁸. Officials subject to this law include chiefs of local committees, governors, security services officials, and senior public employees.
- The Anti-Corruption Commission has set a plan for financial disclosure submissions in 2011: The plan was set to enforce the legal clause of the financial disclosure submission process. The plan entailed developing a financial disclosure statement template and limiting the target group to

8. The report of political corruption indicators at PNA, AMAN Coalition for Accountability and Integrity 2011.

only those required to submit a statement by the Commission. To that end, senior officials started to submit their statements, including officials from the presidential and ministerial Institutions. Currently, the commission is in the process of establishing the needed procedures and assigning a team to work, save and follow up the financial disclosure statements. Accordingly, the Commission has corresponded with ministries and public institutions requesting detailed information for public employees, with a title range from A4 general director and above. The requested information included the name, date of employment and salary...ect.

In summary, the legal clauses relevant to the submission of financial disclosure statements were partially enforced during 2011. Nevertheless, some parties subject to compliance with the law have not submitted their statements. Also, the absence of regular inspection to verify income and the accuracy of the statements rendered the process incomplete.

- The public non-ministerial ⁹ institutions are not subject to serious accountability. The Palestinian legislator identified the non-ministerial public institutions through their missions. First, this institution administers a public facility. Second, it possesses the characteristics of a juristic person with public legitimacy. Third, it has financial and administrative independence from the central governmental administrations to enable it to achieve the assigned tasks. Under the Palestinian Basic Law all public institutions report to the Council of Ministers, as stipulated in the provisions of Articles (63, 68, and 69). In accord with the Palestinian Basic Law public institutions are considered specialized executive administrative units that require specific jurisdictions in addition to financial and administrative independence in order to accomplish the assigned tasks.

Furthermore, since a public institution is not considered a division of a ministry it is usually given legal entity in compliance with a specific decree. To that end, many public institutions such as Property Authority, Environment Authority and Investment Funds were established by presidential decrees and resolutions. Yet, some public institutions were formed without any legal framework such as the General Petroleum Association, which later became part of the Ministry of Finance. Other institutions were formed according to resolutions issued by the Legislative Council, such as the Palestinian Central Bureau of Statistics, Water Authority and Energy Authority. Other institutions were formed by resolutions issued by the President of the PNA, such as Palestinian Association of the Telecommunications sector.

9. View report appendix for further information of non-ministerial public institutions' list

Observations on the status of non-ministerial public institutions during 2011:

- Referential status, legal accountability and monitoring system of Non-ministerial public institutions remain problematic: Article (68) of the Palestinian Basic Law empowers the Prime Minister to supervise Ministers and public governmental institutions, whereas article (63) empowers the cabinet to appoint heads of committees and public institutions in compliance with the provisions of the law. However, practical experience is far from theoretical laws. For example, some non-ministerial public institutions such as the Environment Authority, Palestinian Standard Institution (PSI), Water Authority, and others have not been supervised. On the other hand, others which were initially within the jurisdiction of the cabinet have later been subordinated to the President of the PA due to the dispute that has occurred on the night of the elections of 2006. These are: Palestinian TV & Radio Broadcast Association, General Control of Borders and Terminals, Investment Fund, and Land Authority.
- It is important to address the predicament of accountability of non-ministerial public institutions in this report. Due to the nature of the existing political system, the President of the PA is not held accountable to the Legislative Council; consequently, non-ministerial public institutions are exempt from civil accountability. That, in addition to the vague chain of command rendered it impossible to identify the party to which the reports were submitted let alone monitor the process or enforce accountability. Moreover, the yearlong suspension of the work of Legislative Council in 2011 added a negative impact.

Although the State Audit and Administrative Control Bureau (SAACB) has reported the malpractices of some of these institutions, there has been no indication of further follow up by either the Presidential Office or the Ministerial Cabinet or the committees of the Legislative Council. Notably, rarely has the SAACB been required to submit detailed reports on the reported malpractice. Furthermore, the fact that the Bureau does not publish its reports constrains the roles of media and organizations affiliated with civil accountability.

- Financial and administrative Independence: As of the end of 2011, this concept remains vague due to the lack of financial and administrative regulations for most of these institutions. To that end, some senior officials took matters in their own hands and decided to solely run such institutions. Apparently, they have been under the impression that the concept of financial and administrative independency exempts them from being held accountable to anyone. Consequently, the lack of accountability and transparency in such institutions created a safe haven for exploitation of public office and funds.

To conclude, the ambiguity of the concept of financial and administrative

independency and the vague chain of command of non- ministerial public institutions have negatively affected their integrity, monitoring and accountability systems.

- Administration of public funds: between progress and exploitation of public funds

The general budget remained unapproved by the Legislative Council. The general budget is an indicator of the PNA's administration in many of the various fields. The allocation, expenditure and control of the general budget are subject to the Budgetary Law and Financial Affairs of 1998.

Upon reviewing the general budget for the 2011 fiscal year, the total revenues amounted to \$2,254 million dollars, while the total current expenditures and loans balance amounted to \$3,232m million dollars.

Notably, the Ministry of Finance maintained transparency as it continued to publish all financial statements including monthly and quarterly reports on its website. However, accountability is compromised due to the suspended role of the Legislative Council which was delegated to the executive authority during 2011. This rendered the executive authority sole control of all financial affairs, and since there is no official monitory system, a wide margin for corruption was created.

Governmental Procurements and Tenders

The previous corruption report of 2010 has highlighted many gaps and loopholes in the Tenders Law of the Governmental Public Governmental Works and the Law of General Supplies thus facilitating corruption practices. During 2011, the government developed a Public Procurement Law to substitute the Tenders Law of the Governmental Public Works. To that end, on December 7th of 2011, the President of the PA has issued a decree-law entitled “The Law on General Purchases No. (15) of 2011. In compliance with the decree-law, The Higher Council of the Policies for General Purchasing,” and the “General Purchasing Association” were formed. In this respect, all employees of the General Administration of General Supplies and the Central General Administration of Tenders will be reassigned to the General Purchasing Association. Notably, until the General Procurement system is developed the provisions of the Tenders Law of the Governmental Public Governmental Works for the 1999 and the Law of General Supplies for the year 1998 which are in compliance with the issued decree-law continue to be effective.

Evidently, the decree-law was issued to ensure implementation of integrity, transparency and accountability in all general procurement procedures. In accordance with the decree-law the following will take effect; the General Purchasing Association and all its divisions will be audited by the SAACB, all procurement tenders will be announced in local newspapers, additionally the awarded contract and its value will be published on the bulletin board and website. Once the contract has been awarded, the other, unsuccessful bidders

have the right to obtain the specific reasons the award has been disqualified by submitting a formal request to the purchasing association who is in turn held liable to respond promptly within a period of five days. All complaints and appeals are legally addressed in addition to all phases of the procurement process are subject to arbitration.

Additionally, in compliance with the decree-law all employees of the General Purchasing Association are held accountable to the principles of code of conduct that includes, but is not limited to, the following: fulfill assignments with integrity ensuring fair competition; avoid conflict of interest, avoid exploitation of information, ensure confidentiality, report any illegal activity or violation to the State Audit and Administrative Control Bureau, where, in return, the latter will provide the whistle blower with immunity. Violation of the code of conduct will result in the immediate dismissal of the violator. In addition, all employment privileges and benefits will be withheld. In accordance with the decree-law the council may ban a bidder from participation in the procurement process for an indefinite period as a consequence to certain actions one of which is offering in person or through a third party any form of bribe to an employee bound by the code of conduct noting that the penalty remains in effect indefinitely.

THE MOST PROMINENT FORMS OF CORRUPTION AND THE AREAS OF CONCENTRATION IN 2011

AMAN, in 2011, conducted special reports that included a status assessment of the management of public affairs. The findings concerning the most prominent forms of corruption over the past three years exhibited a slight change in the sequence of the areas of concentration. For the purposes of this special report, AMAN has thoroughly reviewed relevant data for the year 2011 which included but was not limited to the following: the findings of all reports conducted by AMAN, the achievements of national and international institutions, and results of the opinion polls of Palestinian citizens. Furthermore, AMAN has particularly reviewed the nature, type and content of cases handled by the Anti-Corruption Commission, the Public Prosecution, and the courts handling corruption crimes. During the same period, AMAN has additionally taken into account reviewing the contents of reports issued by the State Audit and Administrative Control Bureau, the Independent Commission for Human Rights, Advocacy and Legal Counselling Centre, and some of the reports of the parliamentary working groups in the Legislative Council.

Waste of public funds is the most prominent form of corruption in 2011

Waste refers to expending the financial resources of an institution for purposes unrelated to its objectives. (Institutions include all forms of societal institutions



whether public, civil or private).

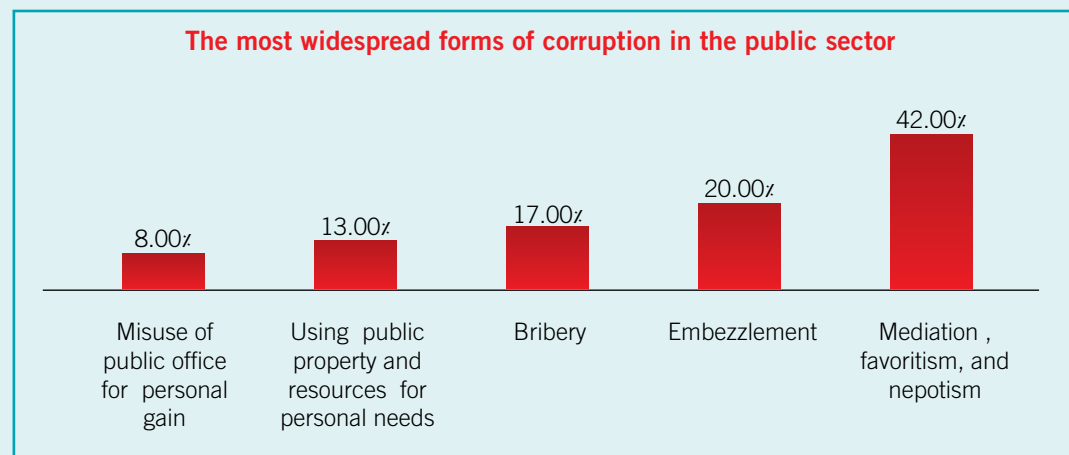
Wasting of public funds was ranked as one of the most prominent forms of corruption in many spheres, as substantiated in the aforementioned research and resources. For example, wilful authorization of the use of a Government vehicle for unofficial purposes, thus violating the Public Law. To that end, some tried to legitimize such violations by pre-issuing official duty transportation vouchers. Other examples include wilfully withholding portions of revenue collected from marriage contract fees and the illegal allocations to Shari'a Court employees. Other forms of waste included wilfully overlooking the collection of traffic violation fees, and failure to implement some judicial regulations regarding the revenues collected from traffic tickets. It was evident that the findings of the survey conducted by AMAN on the status of corruption in Palestine touched base with reality. Palestinian citizens still believe that the wasting of public funds in the public sector is the most prevalent form of corruption in Palestine, according to 20% of the respondents in the poll.

For the fourth consecutive year, favouritism, nepotism and Wasta are some of the most prominent forms of corruption in Palestine

The culture of favouritism, nepotism and Wasta constitute the most dominant in many spheres mainly the public sector. Examples include but are not limited to senior public office appointments, access to public services such as licenses and permits.

Interestingly, in 2011, in accordance with the aforementioned references, favouritism, nepotism and Wasta recorded a decline while waste of public funds took the lead. However, citizens still consider favouritism, nepotism and Wasta the most prevalent form of corruption in the governmental, civic and private sectors according to the public polls conducted by AMAN in 2011.

Notably, although the Palestinian Anti-Corruption Law of 2010 declared favouritism, nepotism and Wasta as crimes punishable by up to 15 years in prison, 41% of the poll respondents had solicited Wasta during 2011 for public sector services. All indicators show that both officials and citizens have



undermined the law especially since no one has ever been prosecuted.

Exploitation of one's position

This type of exploitation is defined as the use of authority to attain personal benefit or interest from an employee. According to the aforementioned references, position exploitation has mushroomed to be one of the most prominent forms of corruption as indicated by increase of the number of crimes that reached the court during 2011.

Exploitation of position included sexual harassment cases, whereas several incidents have been reported to the Centre for Advocacy and Legal Counselling of AMAN (ALAC). This necessitates serious action to ensure that the Palestinian legislation defines sexual harassment including its various forms and consequently set a rigorous penalty.

Security Vetting (clearance); a form of political corruption

Misuse of security vetting continued to take place during 2011, according to the aforementioned resources. Security vetting has remained a prerequisite for many procedures that may have included but were not limited to; establishment of civil society institutions and NGOs, public office appointments, and public transportation vehicle licensing. Moreover, recommendations based on security vetting have absurdly gone beyond dismissal from public office appointments. For example, the Police Security Service interfered to prevent a citizen from being employed by a municipality due to speculations of his/her political affiliation. Notably, subjecting citizens to security vetting or background checks as a prerequisite for municipality employment is unprecedented.

Ministries most susceptible to corruption

Service Ministries have recorded significant progress in the quality of control over services provided during 2011. Examples included but were not limited to the following; the reduction of discriminating practices in issuing medical referrals, limiting the use of government vehicles to official use, bribery and exploitation of public office was confined namely in the Ministry of Transportation, transparency was enhanced as each ministry made its information accessible to the public, the grants standards in Palestinian universities have also been enriched. However, despite this progress, the Palestinian public remained sceptical of the given results. According to the poll conducted by AMAN in 2011 on corruption, 23% of the respondents believe that the Ministry of Finance is the most susceptible to corruption while the Ministry of Health came in second place with 20%. The Ministry of Social Affairs came in third place with 16%; followed by the Ministry of National Economy came in fourth place with 15% (17% in West Bank and 12% in Gaza respectively); the Ministry of Education and Higher Education came in fifth place with 11%; the Ministry of Agriculture came in sixth place with 11%; and, finally, the Ministry of Transportation came in seventh place with only 5%.

The results have depicted citizens' well justified pessimism toward the services

provided by ministries considering the circumstances under which the poll has been conducted. At the time, corruption rumours had spread and many senior officials were under investigations thus implicating betrayal which resulted in loss of trust between citizens and related ministries providing services. In addition, the government does not disclose information regarding all the procedures and changes made on the citizens' behalf.

The Actual Status of Bribery in Palestine

Bribery is a common form of corruption worldwide. According to several studies and polls conducted by AMAN and other institutions bribery was the least common form of corruption in Palestine. In other words, it registered the lowest percentage in comparison with the other forms. However, the Palestinian society is not bribery free and it should not be underestimated. According to the findings of the latest polls conducted by AMAN in 2011, Palestinian citizens believe that bribery is very common in Palestine, particularly in the Gaza Strip. Consequently, AMAN conducted a special poll in Gaza to further investigate and analyze such an assertion. The results showed that 42% of the respondents believe that bribery is most spread in the public sector. Moreover, 50% of citizens in Gaza believed that bribery is most common in the services sector particularly in; public office appointments, followed by the educational sector, the security sector and the health sector respectively. It was further reported that ineffective oversight procedures were the main cause for the spread of bribery in Gaza.

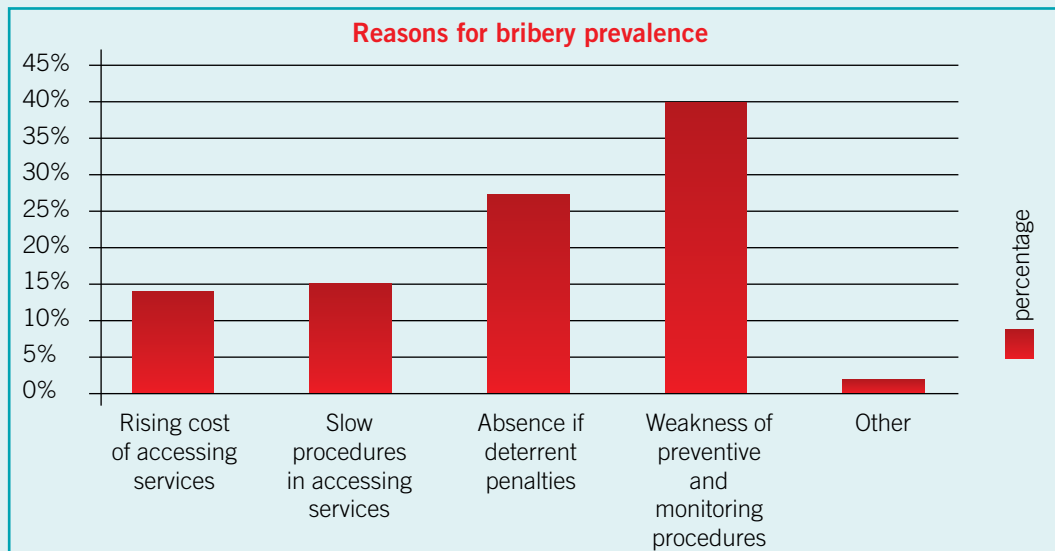
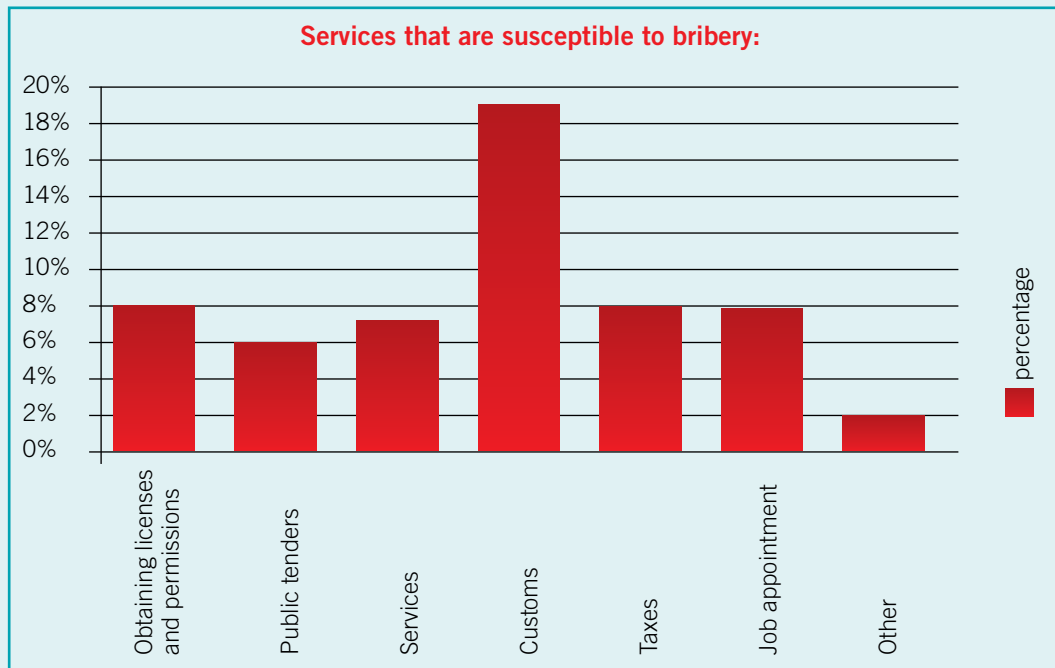
When respondents were asked whether they or someone related have committed bribery to obtain a service, only 18% concurred to offering bribery in order to obtain a service or expedite a process. Reportedly, about 57% of bribes were offered through an insider at the institution whereas 73% of bribed officials work in the public sector, 19% in the private sector and only 8% in the civil sector.

Upon questioning the citizens in the Gaza Strip of the nature of the bribe whether financial or material, over 55% of respondents offered monetary bribes as in trade whereas financial bribes were approximately 100 New Israeli Shekels and above.

Based on the aforementioned data, bribery in the Gaza strip was overrated due to many factors some of which are; the cultural ambiguity of the concepts of corruption and bribery, and the overwhelming standards of living such as inflation, unemployment, and the unreliable supply of electricity. Therefore, people are inevitably less concerned and unaware of the consequences of corruption and the methods to combat it. On the other hand, this special survey did indicate that political affiliation has tainted the respondents' objectivity. For instance, most respondents located in southern Gaza (affiliated with the Fateh movement) reported higher bribery rates in the public sector than those in northern Gaza thus indirectly indicating that the Hamas government suffers

corruption in the form of bribery.

The perception of citizens in Gaza on forms and areas of concentration of bribery



STATUS OF INTEGRITY AND TRANSPARENCY IN SOME SERVICE SECTORS:

Progress in the Ministry of Transportation: more is needed

The comparison of services provided by the Ministry of the transportation during 2010 and 2011 in terms of integrity and transparency has resulted in the following:

- According to the records of the Ministry of Transportation, about (10) cases of occupational violations were related to bribery, exploitation of public office, fraud, and tampered technical procedures. These cases were reported to the Anti-Corruption Commission to pursue legal action.
- The Ministry applied a new system in 2011 in an attempt to evade the suspected practices of Wasta, nepotism and favouritism in the process of issuing driver's licenses. To obtain a driving permit, the new system requires trainees to sit for computer-based examinations linked directly to the central computer in the ministry. This has prevented examiners from tampering with the results. In addition, the licensing authority has set administrative measures to ensure the impartiality of examiners such as continuous rotation of examiners among all governances.
- The status of accountability has improved in the Ministry of Transportation, where it received a total of (100) complaint during 2011 compared to (50) complaints in 2010, most of which were related to services provided such as pricing, licenses and exploitation of public office appointments. The ministry has addressed the complaints through the complaint and grievance system utilized by the prime minister office, moreover, the ministry continued to receive online complaints on its website.
- Continuous review of the website of the Ministry revealed that it updates citizens of the latest information on regular basis. It further publishes useful information, such as the public service directory, the transport tariffs, the Ministry's resolutions, achievements and



In 2011, security services in cooperation with the Ministry of Transportation unravelled a case of corruption, which has led to the arrest of two examiners in the Traffic Department of Ramallah and Al-Bireh. The examiners were charged with bribery for illegally facilitating the issuance of driving licenses for citizens. The case was reported to the Anti-Corruption Commission.

announcements, job vacancies, tender announcements, the legislations and the statistics related to the transportation sector, and other useful information.

Driving license ¹⁰

28,736 driving licences were released in the West Bank till the end of 2011, compared to 25,677 licenses released in 2009 and 18,422 licenses released in 2008.

- In 2011, the Minister of Transportation issued a resolution to avoid conflict of interest, which included preventing any employee or his/her second degree relatives, from benefiting from any service provided to the public by the Ministry. A disclosure form containing a declaration clause of personal and second degree relatives' interest was promulgated to all employees so as to take the proper legal action in this regard.
- In spite of the various benefits of the Council of Ministers' 2010 ¹¹ resolution to withdraw government vehicles, enforcing it posed a challenge. To that end, many employees continue to use government vehicles including fuel for personal use although they have been issued transportation allowances. Most common examples are the violations within the Ministry of Health and the Ministry of Local Government. Furthermore, this decision has been undermined by the purchase of new vehicles, or the rental of vehicles for the use of senior general directors.
- In reference to the report of the State Audit and Administrative Control Bureau in 2011, the decision of the Council of Ministers has been violated. This is due to the absence of a clear system or procedures within the General Administration of the Governmental Transport which would control the use and allocation of vehicles. Moreover, the inconsistency of the records of the General Administration of Governmental Transport and the actual vehicle files located in ministries regarding the registered users of vehicles and personal covenant emphasizes the lack of continuous update of the ministry's records.
- In conclusion: monitoring control of the ministry remains deficient and requires grave efforts despite all the improvements made to the process of issuing driving licenses and the process of limiting conflict of interest. Notably, the use of government vehicles in the security services remains a fertile environment for the spread of corruption due to the lack of standards regulating allocation, terms of use and expenses. In addition, the decision of the Council of Ministries to withdraw government vehicles from the civil sector has been undermined. For instance, some employees have continued to use government vehicles for personal purposes, while others have tried to circumvent the decision by leasing private vehicles for senior

10. Institute of Palestinian Economic & Political Studies, previous reference, page 56.

11. Interview with Mr. Mohammad Hallaq, Director-General of Government Transport in the Ministry of Transportation.

official use and even some ministries have purchased more government vehicles. Above all, the Ministry of Transport itself has not fully complied with the law. Mainly, in the form of not updating vehicle records, follow-up and sometimes overlooking violations of the use of government vehicles for personal use due to Wasta, nepotism and favouritism. Nevertheless despite improvement in the transparency of information and the accountability systems, even though the code of conduct was not adopted.

Ministry of Agriculture

The Ministry of Agriculture is dedicated to organizing and regulating its performance and channelling its efforts for the development, maintenance and implementation of agricultural policies in compliance with the agricultural development programs. However, there are issues that are out of its control related to the Israeli Occupation such as the inability to control the overflow of trafficked Israeli products, whether agricultural or livestock, in the Palestinian territories, and movement restrictions that include limited freedom of movement of commercial goods, agricultural supplies and even humans.

Shedding light on the Ministry of Agriculture during 2011 in terms of incompliance with the principles of integrity, transparency and accountability, it is evident that:

- The Law of Agriculture assigned the Ministry of Agriculture the mandate to provide a range of services and licenses in accordance with certain procedures and mechanisms. The Ministry has distributed manuals and templates of the services provided among its various departments. Consumers who wish to obtain a service or a license can access this directory for requirements. Unfortunately, this directory has not been published on the website for public access as it is available in a hard copy version only.
- The Paris Economic Protocol has stipulated an exemption of customs on the allocation of quotas for certain commodities in favour of the Palestinian National Authority, including agricultural commodities and livestock such as cattle and sheep. Usually this quota is announced in local newspapers. Requests from dealers and qualified entities, which are officially registered by government departments, wishing to obtain this quota, should be submitted to the Ministry of Agriculture during a

In 2011, the ministry has formed several committees to investigate alleged cases of corruption. The most important was the fact-finding committee, formed to investigate the loss of vaccines from the storage facility of the General Directorate of Veterinary Services and Animal Health. However, the Committee was unable to identify the responsible party. Consequently, the case has been referred during the month of October 2011 to the Attorney General to pursue legal actions while the investigation is ongoing.

specified period. Notably, the Ministry of Agriculture has no declared or published information regarding procedures to attain quotas or arbitration information, however, the Ministry has written forms to deal with the quota, which are not published on the website of the Ministry.

- The ministry has neither a code of conduct for employees, nor written procedures or mechanisms to limit conflict of interest.
- The ministry has a documented process to estimate agricultural losses which classifies the type of damages in detail whether direct or indirect. This process entails the required procedures and documentation for affected farmers to follow and submit. In addition the process includes the standards by which losses and agricultural damages are estimated.
- The ministry lacks a complaint department. In compliance with the decision issued by the Council of Ministries, every ministry or government institution is obliged to have a complaints department. However, the ministry is alternatively dealing with complaints through the Internal Oversight Service (IOS).

The ministry submits annual and half yearly performance reports to the Council of Ministries

In summary, evidently the Ministry of Agriculture has been associated, during the year 2011 as one of the main causes to sway public opinion. This is likely due to the suspected involvement of the Minister of Agriculture and some government officials in corruption. The charges overlapped ranging between charges of embezzlement, exploitation of public funds and occupational breach of confidentiality. The minister of agriculture has informed AMAN that vengeance underlie this allegation. The case is pending at the court of corruption crimes. AMAN hopes that investigations affecting public opinion would be closed in a timely manner. Furthermore, it is crucial that parties affiliated with the investigation process discreetly collect all the information and evidence needed prior to initiating the formal investigation, in order to contain roomers.

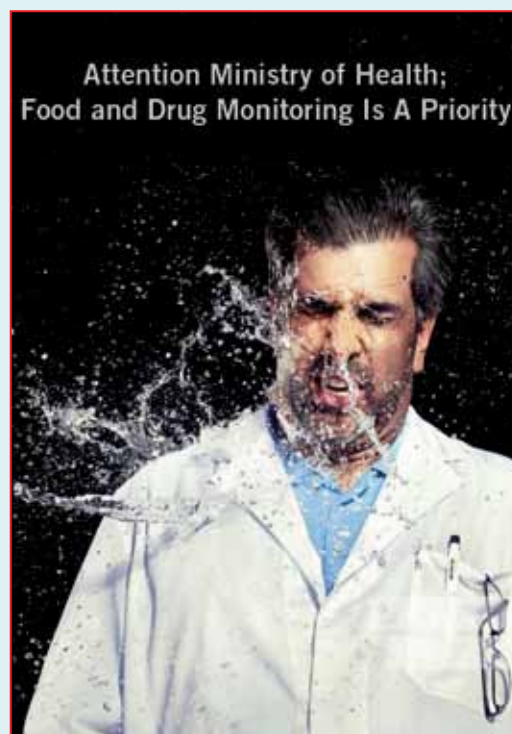
Ministry of Health

Shedding light on the Ministry of health during 2011 in terms of incompliance with the principles of integrity, transparency and accountability, it is evident that:

- The Ministry of Health continued to develop its website and post information reflecting transparency such as the announcement of job vacancies. To that end, in 2011 the Ministry of Health in cooperation with the General Personnel Council unprecedentedly began to accept employment applications through the official website; www.moh.ps on the vacancies section. This has marked an unprecedented move among the ministries of the Palestinian National Authority. The website also publishes announcements for tenders and bids and the related information. The website also displays the strategic plan of

the ministry for the coming years, reports on the status of health in Palestine and receives complaints on the web site.

- As for the code of conduct for employees in the health sector, the Coalition for Accountability and Integrity- AMAN has worked in cooperation with the Ministry of Health to prepare a code of conduct and ethical standards for employees in the health sector. To that end, a workshop was held in the Palestine Medical Compound on 25/12/2010 attendants included the Minister of Health, Dr. Fatthi Abu Mughli and a large number of senior officials from the Ministry of Health. However, the internal and public promulgation of the code of conduct has been delayed until 10/2011.



Status of services provided or administered by the Ministry of Health

A. Overseas medical treatment.

In 2011, the ministry has undertaken a series of multifaceted actions that have enhanced integrity and transparency of referral services provided on the one hand, and facilitated financial savings for the treasury of the Palestinian National Authority, on the other, such as ¹²:

1. Two committees of doctors were formed to review the medical referral process taking into consideration all gaps, which allowed practicing Wasta, favouritism and nepotism when issuing referrals hence disregarding the official waiting list. Therefore, all medical referral requests were directly submitted by citizens to these committees. Requests are reviewed and granted approval or rejected on the same day. This measure has proven effective symbolized by the reduction of the number of people applying to receive this service.
2. The ministry has also taken measures in an attempt to prevent exploitation of public funds such as; limiting authorized medical referrals to those issued by governmental hospitals only. Each patient undergoes medical re-examinations to verify his/her health condition and determine whether or not he/she needs a medical referral irrespective of what may be mentioned

12. Interview with Dr, Nizar Masalmeh Director-General of the Medical Transfers and Medical Insurance in the Ministry on 5/1/2012.

in medical reports issued by private entities. In addition, the ministry applied a priority based process for medical referrals where as the choice would be to provide the required service upon availability in the following order: first, in governmental hospitals, otherwise, patients would be referred to Palestinian hospitals located in East Jerusalem to support the Palestinian cause. Secondly, to refer patients to the Palestinian private hospitals and finally as a last resort to hospitals abroad located in Jordan, Egypt or Israel.

3. To avoid practices of Wasta, nepotism and favouritism, government delegates were exempt from the referral process. Medical reports are to be submitted directly by the patient. These delegates used to represent ministries and various security services. Some misused their authority and issued referrals to unqualified patients some of whom were civilians not employees of ministries and security services.
4. The control of the Ministry of Health of overseas medical referrals, done abroad, is in effect. According to the annual Corruption Report 2010 the reviewing process of overseas referrals was impaired as some hospitals abroad did conform to the content of the referral. To that end, some performed procedures were not included in the referral issued by the Ministry of Health which has led to inflated medical bills and, thus, exhausting the Palestinian Treasury. Therefore, special agreements have been set between the Ministry of Health and hospitals to which medical transfers are addressed. Accordingly, a list of the prices of required medical services are fixed, and hospitals are obliged to perform medical procedures listed in the medical referrals. only in such a manner the hospital bears any additional costs of services provided beyond the scope of medical treatment issued by the Ministry of Health.??
5. The use of Wasta, nepotism and cronyism in obtaining medical referrals has been reduced to a minimum through the simplification of pre-existing administrative and bureaucratic procedures. Complicated procedures have previously forced citizens to purchase the service directly from the concerned department. The simplification allowed citizens to obtain referrals without

Medical Referrals to institutions outside of the jurisdiction of the Ministry of Health

The number of transfers for treatment at health facilities outside the Ministry of Health during the first half of the year 2011 have reached (29.665) transfers; an increase of 15% over the same period in 2010. The cost of purchasing the service from outside the Ministry of Health during the first half of 2011 amounted to 215.1 million NIS; an increase of 36.5% over the same period in 2010. The percentage ratio was the highest for cases of purchase of service in Palestine, reaching 76.2%, and 23.8% outside of Palestine.

entering into the mazes of Wasta, nepotism and favouritism. However, although some exceptions continue to exist they are limited to certain humanitarian and social cases such as; released detainees, medical emergencies, and individuals prohibited from entering Israel. Even medical referrals requested through the President office or the Prime Minister Office are formal requests addressed to the Ministry of Health to undertake the necessary actions in accordance with the provisions of law.

6. A medical committee has been formed to re-examine medical files in an attempt to rationalize general expenditures and alleviate citizens from the burden of travel. Particularly, cancer patients who currently receive treatment abroad in an attempt to re-refer them to competent internal hospitals, according to the above mentioned sequence of priority.
 7. Activating control over medical referrals made to Israel: In the past, the prevalent procedure was that if a Palestinian patient entered an Israeli hospital, the Palestinians are presented with three options: transfer the patient back to the Palestinian territories, or cover the treatment expenses by a medical referral that enables the patient to directly compensate the Israeli hospital or treat the patient at any cost and the amount is deducted from the funds of the Palestinian tax clearing system. But in 2011 it was agreed with the Israelis that any Palestinian patient entering Israeli hospitals for treatment without official notifications to the Palestinian side, the Israeli hospital shall bear the expenses of the treatment without the right to deduct it from the funds of the Palestinian tax return system.
 8. In 2011, the electronic archive of patient files was established to ensure integrity and avoid tampering with the records.
- B. Medications
1. The Ministry of Health has not issued the instructions manual for the professional code of pharmaceutical conduct that for example would illustrate the distribution of free sample advertisements, and instructions for the establishment of scientific bureaus for the medicinal media for

Reviewing the Palestinian agricultural sector's files revealed that the monitoring level of transparency in provided services is very low. The evident procedures under which the ministry operates are not available to the public. The access to information through the website of the Ministry is limited; and the complaint department is not active. All of the above has negatively affected the situation of monitoring and accountability of the services provided by the ministry. as a result, the continuation of this situation would undermine the right of access to information related to the ministry and the weakness of accountability related to its functions.

registered medicines belonging to the manufacturer or the company.

2. The statistical data extracted from the reports of the “General Administration of Pharmacy” in the Ministry of health indicates a problematic issue in dealing with the nutritional supplements, as so far only one type is registered.
3. Regardless of the decree issued on 03/02/2010 by the Minister of Health banning licensing of a pharmaceutical plant without obtaining a certificate of Good Manufacturing Practice, (GMP) Wasta, favouritism and nepotism remain prevalent. In addition, some pharmaceutical manufactures continue to operate without compliance with the ministerial decree, despite the repeated official closure of their premises.
4. Lack of control over cosmetic products available in the Palestinian market due to the absence of control of the Palestinian Authority over borders first and foremost from the Israeli settlements.
5. Lack of control over the sectors relevant to sales and storage; inspectors visit pharmacies on an average of once every three months (a total of 850 in the West Bank). There is also a lack of control over drug warehouses (a total of 65 in the West Bank), which inspectors visit on an average of once every two months. The inspection is based on field visits due to the lack of central electronic systems to monitor incoming supplies of medications as well as warehouses used for that purpose.
6. Illegal drugs: The Palestinian market is susceptible to illegal products as a result of lack of Palestinian Authority control over the borders. It is also vulnerable to wide complicities of some Palestinian drug warehouses with Israeli dealers, who import low-price drugs to the Palestinian market. Often these medications are on the verge of expiration or are expired. Moreover, the Israelis often allow drugs that not approved in the country of origin and/or no more suitable for local use. These drugs are delivered to local warehouses in areas out of the jurisdiction of PNA, so the imported drugs will be re-labelled, re-packed and sold to the Palestinian market.
7. The penal system lacks severe punitive measures to combat violations of the pharmaceutical code of conduct and the Public Health Law. The maximum

The nutritional supplements are invading the Palestinian market. Some supplements have no reference of the manufacturing country, while some are made specifically for companies in Palestine (i.e., exclusively made for the Palestinian market). It is also not known whether this specific composition is used in the country of origin or whether it has been subjected to laboratorial tests for effectiveness. Most products lack a descriptive leaflet thus widening the scope of corruption by discreetly infusing non-effective compositions and / or fraudulent and/or smuggled products to the Palestinian market without detection.

penalty imposed on offenders is 2000 JD, which is considered a diminutive sentence for drug smugglers.

C. Food products

1. It is observed that most of the food products in the local markets are not checked by the Ministry of Health, due to lack of control on the border crossings and shortage of inspectors of the Ministry of Health. In addition, food importers work without a license to market their products in the Palestinian territories.
2. Food inspections indicated that 35% of the samples extracted from restaurants contained contaminants when subjected to microbiological tests. This evidence implies weakness of control and monitoring by the concerned authorities in these areas.

In summary, although the Palestinian health sector has witnessed progress and improvements of the status of integrity and transparency in relations to medical referrals through the minimization of bureaucratic procedures, the elimination of governmental delegates in charge of that task, control over issuance of private hospital referrals and control of referral related bills and expenditures. However, the citizens' general perception of the prevalence of Wasta and favouritism in the health sector continues, particularly in the medical referral section such as whether the patient is qualified and to which medical facility is he/she referred to.

Despite the actions undertaken by the ministry in the food and drug sectors, many citizens remain deeply concerned about the prevalence of smuggled products, non-compliance with standards and the expiration of these products.

Moreover, the Ministry of Health until the end of 2011 was unable to develop a mechanism to eliminate conflict of interest. For instance, doctors who work in both private clinics and public hospitals. Notably, public trust in the medical services provided by the Ministry of health is still fragile, particularly in relation to the competency of the medical staff, and in the professional liability (medical malpractice) in both governmental and private hospitals.

Lack of control over the quality of food and medicine production is due to many factors some of which are; the inability to perform pre-and post production control measures, the overlapping jurisdictions of the relevant institutions and ministries mainly: the Ministry of Economy, Agriculture and Health and the governors, the Public Prosecution and municipalities, . In addition lack of public awareness of food and drug safety which plays a strong role. Furthermore, the incompetency of consumer protection associations, and the ineffectiveness of the penal code on these crimes are also factors contributing to this problem. Therefore, AMAN demands the establishment of a competent Food and Drug Administration with sole authority and privileges to monitor the quality and enforce severe penal measures against offenders.

Ministry of National Economy

The Ministry of National Economy handles many assignments and functions in compliance with the various in effect¹³ laws. Notably, the jurisdictions of the Ministry of National Economy are stipulated in several legislations to which it is subject to compliance whether as an individual entity or in cooperation with other institutes.

Shedding light on the Ministry of National Economy during 2011 in terms of compliance with the principles of integrity, transparency and accountability, it is evident that:

- The website of Ministry of National Economy is a clear indication of advanced transparency in comparison with the other ministries. The ministry publishes important information that concerns a large segment of society, such as the regulations governing the operating system of the ministry such as forms and applications for registrations and licensing, electronic submittals of complaints and other similar information.
- The year 2011 witnessed the release of the second version of the public services directory which was published on its website.
- Among the functions administered by the ministry are the annual import licenses for some of the items according to what is known as the “quota system”. A quota committee is formed annually by decision of the Minister of National Economy. It is entrusted with reviewing and reporting on the applications submitted by beneficiaries of the commodity lists. It is also in charge of distribution of designated quantities to applicants from specialized companies that meet the set standards and requirements. The Committee operates in accordance with its documented and published system, which describes how to apply using each specific form. Further, it includes the general requirements for applying for a quota, identifies importable items and the requirements for each type, as well as the distribution procedures and standards taken into account during the process.
- In 2011, the ministry was in charge of management of the election process of the Chambers of Commerce in all governances. Election committees were formed for this purpose. During the elections process, integrity and transparency were upheld.
- The ministry submits half-annual and annual performance reports to the Council of Ministers. Reports are published on the website of the ministry¹⁴.
- There is no code of conduct for the Ministry’s employees nor is there any document regarding conflict of interest at work.

13. Among outstanding legislations are Decision by Law on Industry, Decision by Law on Chamber of Commerce, Investment Promotion, Law on General Federation of Palestinian Industries, Law on Consumer Protection, Law on Specifications and Standards, Law on Stamps and Precious Metals, and other related laws. For more details see the website of the Ministry: www.met.gov.ps

14. Interview with Faten Sharaf on 26/10/2011, the Director-General of Administration and Financial Affairs

- Since the resignation of head of the public Complaints division on 12/10/2010, the division became ineffective.

In conclusion, it is evident that the information publicized by Ministry of National Economy reflects an advanced level of transparency. In addition, the progress achieved by conducting the elections for the Chambers of Commerce which have been suspended for a while marked a milestone in the effectiveness of its accountability. On the other hand, suspension of the public complaints division remains in effect. Moreover, the ambiguity in the chain of command to outline the relationship between the minister and the chief inspector of the companies has created discrepancies which are best solved through a legal framework. Finally, the ministry continues to ignore providing a code of conduct for employees, and has failed to provide instruction regarding financial disclosures and conflict of interest.

Ministry of Social Affairs

The ministry offers extensive services due to its large target group within the difficult economic circumstances which Palestinians face on daily basis. One can notice the following while dealing with transparency, integrity, and accountability in some services offered by the ministry:

- Distribution criteria of aids survey is based on the expenses and consumption per family. These criteria are computerized in software that issues automatic reports on who needs the specific aid without interference from any official or employee in this process. Marginalized groups, including old people, orphans, people with chronic diseases, and extended families receive different kinds of aids. These aids are approved by each directorate of the ministry¹⁵
- Complaints received at the ministry during 2011 have reached 487 complaints. 224 complaints were resolved while the others are being followed up on. The complaints are about discriminatory actions regarding selection of beneficiaries. Complaints are addressed by the Complaint Unit, which is established at the ministry according to the complaint's system and manual. The manual is issued by the Council of Ministers and is applied at ministries and public institutions.¹⁶
- All financial aids are spent by the Ministry of Finance and local Banks. It can be done through approved spending mechanisms by the Ministry of Finance and that of Social Affairs according to the prepared data by the latter. All mechanisms undergo audit and control procedures which are enforced by the ministry of Finance.
- The Ministry prepares quarterly, mid-term and annual reports regarding its operations and submits them to the Council of Ministers.

15. An interview with Mr Khaled AlBarghothi, aids official at the Ministry of Social Affairs

16. An interview in 10/12/2011 with Shoroq Nazzal, follow up an report manager at the Ministry of Social Affairs

- Lack of transparency in terms of information related to the ministry: This information shall be published on the ministry's website, while there is no website for the ministry. The Council of Ministers' website does not list the Ministry of Social Affairs as one of the relevant ministries.
- There is no code of conduct for the Ministry.

In conclusion, although the Ministry of Social Affairs provides transparent procedures regarding services it provides for the beneficiaries, it needs to further develop its means, especially that its target group for the is expanding. Otherwise, this could pave the way to corruption since the accountability and control systems are deficient and there is no code of conduct for guidance.

Water Authority and reform

Accountability, integrity, and transparency within the Water Authority in 2011 compared to 2010 The Palestinian Water Council remains the same, as the council did not convene during 2011 to see to the authorities pertinent to the Water Law.

- The year 2011 has witnessed the launch of the reform plan by the Palestinian Water Authority. This plan depended on a study of the water sector in 2008 entitled an audited report. It was prepared by a request from the Director of Water Authority and was funded by the Norwegian Government. It concluded that the water sector in Palestine needs an inclusive review and reform. The plan also depended on AMAN Coalition's report in 2009 which referred to the financial, organizational, and operational difficulties which the administration of the Water Authority faces one of which is the multiple reference authorities and the Israeli control over the water sector. The implementation of this plan has started in 2011. Moreover, sections of the plan are represented in the institutional review program, legal review program, building technical capacity program, and specialized administrative reform program.
- The Water Authority continues to announce tenders concerning the water sector in local newspapers and on its website. These tenders undergo the Public Works Tenders Law, and through the central tender committee in the presence of the Financial Controller of the Water Authority whose role is to supervise all processes pertinent to tenders. Should any difficulty occur concerning integrity and transparency, the financial support for the tender is suspended until solving this issue.



- Transparency of Water is essential to good health; Transparency of its authority is essential to a healthy administration

- Variation in water prices continued during 2011. There is no unified rating system for all localities. According to the Water Authority, the reason behind this is that any reform on water rate will be an excuse for the Israeli government to increase prices of water supply.
- Violations on water pipes are one of the problems that the Water Authority faces. Several procedures have been taken by the Water Authority along with the police and governors; during 2011, around 40 transgressors were arrested because they committed violations on water pipes. Many fines were imposed on other groups of transgressors.
- There is an official unit or department at the Water Authority to receive complaints concerning the water sector. Complaints are addressed by the President's Office which solves complaints or refers them to specialized departments at the Water Authority. This is different than the complaint system at the Council of Ministers, where each public institution or ministry is required to establish a unit or a section for addressing citizens' complaints.

In conclusion, it is evident that by reviewing the situation of the water sector in Palestine in 2011, the situation remained the same as in 2010. Despite the critical role that the Water Council holds, meetings have not been held and the disparity in prices still exists between units and localities. There was a violation on water pipes despite of the procedures to overcome this situation. Also the Water Authority lacks a compatible complaints unit as with the different ministries and public institutions. However, it is important to note that there is a reform plan which the Water Authority has started to work on in 2011.

Palestinian Pension Authority

The Palestinian Pension Authority (PPA) operates based on the Pension Law No 7 of 2005. This law allows the authority to implement more than one law and system regarding pension salaries. These laws are the Jordanian Civil Pension Law No 34 of 1959, Insurance and Salary Law No 8 of 1946, Insurance and Salary Law of Palestinian Security Forces No 16 of 2004, and other regulations and laws for certain groups such as law of Reward and Salary of Legislative Council's members, ministers, and governors No 11 of 2004 and law of Compensation of the president of the PNA No 18 of 2004.

Integrity, Transparency, and Accountability within the Palestinian Pension Authority:

Absence of the Legislative Council's role which controls reports prepared by the PPA.

- Although the appointment of external auditor for the PPA through an annual tender is being implemented, it is noticed that the external auditor remained in his position for years. This may affect the transparency and credibility of its report.
- The PPA has financial regulations and procedures concerning money and assets, in addition to adopting the governmental financial system. The

PPA doesn't have an independent financial system that is customized to its work as a governmental financial and administrative independent institution. The PPA also is subject to the monitoring of the State Audit and Administrative Control Bureau and the Legislative Council. On the other hand, the process of importing services and products is subject to the Public Procurement Law that is approved by the Ministry of Finance.

- There are clear instructions stipulated by law regarding financial disclosure of Board Members of the Fund as well as their contribution to the private sector. The PPA has a code of conduct that forbids receiving gifts and defines accepted and or forbidden behaviours of staff at work.
- The procedures of appointments and promotions are declared and abide by the law and are based on offering equal opportunities. GPC procedures are implemented, where the PPA informs GPC of the requested positions while the latter announces the vacancies. The PPA takes part in the interviewing panel.
- There are clear instructions according to the Pension Law No 7 of 2005 with regards to the involvement of any member in any investment process which may cause a conflict of interest. Further, any member shall be eliminated from any voting or appointment processes should a conflict of interest proves to be valid. In one case, in order to avoid conflict of interest, one of the members was eliminated of appointing an investment manager and governor because he was a member of Board of Directors at Palestine Bank at the time.
- Executive administration of the PPA prepares monthly and mid-term reports as well as annual reports. These reports include the PPA's activities and investments. Some reports are submitted to the Board of Directors and some others are presented to the Council of Ministers including financial data, achievements, as well as decisions made by the Board during its annual conferences.
- The PPA has a control unit which submits its report to an auditing committee affiliated with the Board of Directors. It is responsible for accountability and investigation as well as monitoring petty cash expenditures. Despite this, the internal control system is not being improved even though the commission is subject to monitoring of the State Audit and Administrative Control Bureau.

There is great improvement within the Pension Authority especially in West Bank department. Many issues concerning Wasta and favouritism have been minimized because of closing old cases and considering new cases. One major difficulty is the absence of a main reference, and work depended until the present time on the integrity of the Commission's director Mr. Farouq Al-Faranji and his assistants; this is not sufficient.

There is no mechanism to document the progress made of implementing the Bureau's recommendations.

Services of the General Authority for Civil Affairs in need of fortification

The General Authority for Civil Affairs (GACA) is official authorised entity that follows up on implementing the civil aspect of the Oslo Accord between Palestine and Israel. It is also the official entity that communicates with the Israeli side.

GACA services:

- On June 2011, the Council of Ministers defined the GACA's organizational structure including positions in terms of responsibilities and authorities. This structure was implemented upon ratification on the mentioned date.
- The GACA announces all services it provides on its website hence citizens are able to access this information electronically including information on required documents and procedures. A leaflet was printed and distributed on GACA offices; while services and list of beneficiaries are regularly updated.
- Citizens' complaints received at GACA are being addressed through the complaint unit. Complaint boxes are distributed at different centres, but people's preconception is that such boxes are not that useful. GACA receives complaints related to Wasta and favouritism, in offering services.
- Employees' recruitment at GACA abides by procedures applicable at the PA's ministries, in terms of announcing job vacancies in local newspapers and on the GACA website and by the GPC. Applicants should undergo interviews and tests as well.
- There is no specific financial and administrative system for GACA. It applies the system used at the ministries and public institutions.
- GACA issues annual reports about its activities and submits it to the Council of Ministers. The latter, then includes them in their publications as government's achievements.
- Due to the uniqueness of GACA's activities, the Israeli occupation is considered one of the main challenges to be faced. GACA's services direct interaction with the Israeli occupation, and are consequently affected by the general political situation. The Israeli occupation tries to circumvent GACA's work through offering direct services for people in order to reinforce the civil administration system. Therefore, GACA took several steps to limit this issue in cooperation with the Palestinian chamber of commerce, security services, and public institutions.
- Some merchants complained about the VIP card (a pass issued by the Israelis requiring rigorous measures and procedures with no guarantees)

Despite the fact that there are verbal instructions and written circulations concerning employees, GACA does not have a Code of Conduct, nor does it have written instructions to address conflict of interests.

saying that obtaining this card is subject to Wasta and nepotism ?? . Palestinian officials said that the Israeli side hinders transparency of this process.¹⁷

In conclusion, There is noticeable improvement in the level of transparency in provided services by GACA., however, the GACA lacks providing instructions concerning conflict of interest. Having a code of conduct would help employees to limit conflict of interest , especially because of their critical role and relevance of tasks relating to financial interests, which may consequently lead to committing corrupt acts. In addition, the absence of independent financial and administrative system, as a non ministerial institution, may affect the efficiency in fulfilling its duties and tasks.

Security Agencies in 2011

1. Reference

- Laws regulating the work of the Palestinian Security Services (PSS) associate most of the security services with the Minister of Interior except the Central Intelligence Services which answers to the PNA's president. Reference for these services remains undefined until 2011.
- There should a body or organizational structure for the SA that serves a reference for all security services and to be responsible for setting up policies, strategies, and plans for security services. Further it should act as a control body to monitor the implementation of these strategies and plans and receives reports submitted by all security services. To that end, it is recommended to restructure a council for National Security in accordance with the law that determines its form, authority, and different related details.

The main issue remains unsolved in terms of who is officially employed and perform their daily tasks and duties and those who are ghost employees receiving salaries within the security services.

2. Budget

- The Security Services budget constitutes approximately one-third of the General Budget of the PNA. Until 2011, their budget ranks first in the General Budget without details of revenues or expenditure. There are no approved official budgets as stipulated by the General Budget Law and the official financial system at the Ministry of Finance, whether to the whole of the SA apparatuses or to each of the security services unit. Competent authorities in the PNA do not prepare detailed published budget reports which may lead to committing corrupt actions during implementation. Despite the fact that there is an improvement regarding budget transparency symbolized by the establishment an institution called the General Finance for Military services and setting up a mechanism to organize security services' purchases by the

17. An interview made on 15\1\2012 with Mr. Ayman AlTarifi, Commission's Chief Assistant of Israeli affairs and Ms. Hisham Abu Mariam, Commission's Chief Assistant of districts offices affairs and administrative affairs

Ministry of Finance.

3. Conflict of interest

Article 93 of the Service Law of the Palestinian Security Services No 8 of 2005 contains some regulations and rules that prevent the police from doing acts that may lead to conflict of interest.¹⁸ These regulations are too general and most of them do not contain detailed mechanisms; a matter that calls for regulations or bylaw concerning conflict of interest for employees in the SA as well as having deterrent penalties for anyone that does not abide by these regulations.

4. Code of conduct

In 2001, the Security Service started implementing the codes of conduct on the Intelligence Services employees. Similarly, it should be implemented on the Police Force.

18. These acts are:

- Employees should be exempted from interference in issues regarding purchasing real -estates or movables offered or sale by administrative or judicial authorities within one's department
- Employees are forbidden from practicing any kind of business interaction which conflicts with their official duties,
- Employees are forbidden from renting land or buildings or immovables with the aim of exploitation it for his\her own interest at the department he\she works in.
- Employees are forbidden from participating in establishing companies or being a member of its Board of Directors or any other related positions, unless he\ she is a delegate of the security services.

PNA ACCOUNTABILITY AND CONTROL TOOLS

Having an outlook on the government's transparency and integrity during 2011, the Council of Ministers was cooperative in detecting some officials who are accused of committing corrupted acts. The Council of Ministers efficiently responded to the Anti-Corruption Commission to start an investigation with two ministers without delay.¹⁹ All members of the Council of Ministers were committed to submitting financial disclosures to the Anti-Corruption Commission in 2011. Notably, most members of the Council of Ministers reflected a higher level of commitment in terms of transparency within the ministries. Their willingness to be held accountable was made clear, in 2011, during the accountability sessions held by the Palestinian Governmental Media Centre. Being one of the important ministries, the Ministry of Finance

Some recommendations concluded in the corruption report of 2010 were not taken into consideration. These recommendations include issuing a new law concerning tenders and procurement that reinforce transparency and integrity principles of public procurement. It recommended regulations to prevent conflict of interests. The Council of Ministers has not published instructions that aim to diminish discrimination within public positions based on political affiliation. Also there is no official revocation of the precondition of obtaining a security clearance in order to hold a public position, while senior positions and promotion lack transparency standards.

continues to publish all information and data concerning the General Budget on its website. However, accountability remains weak due to the absence of the Legislative Council's monitoring role hence ensuring the credibility of these reports, especially that the Ministry of Finance is exclusively working on preparing, implementing and monitoring the General Budget.

Concerning Gaza, the government did not publish reports in 2011 pertinent to expenditure and revenues neither did it involve civil society organizations CSOs in accountability procedures with regards to expenditure and revenues. It is obvious that accessing information about the government's performance is facing many difficulties. In addition, monitoring which is represented by the PLC members in Gaza, is superficial.

The Legislative Council continues to be inactive; elections have not been held; the Executive Authority has full control over the management of public funds.

The Legislative Council is still incapable of implementing its monitoring role because of the internal Palestinian division which negatively affected its role and hindered its overall work.

19. An interview with Mr Abed AlNasser Daraghma, Director General of the Administrative and Financial Affairs at the Council of Ministries.

- The Palestinian Legislative Council remains dysfunctional until 2011.



Paralysis of the Legislative Council leads to the distortion in the legislative system through issuing great number of laws by the President of PNA. Criticism included questioning compliance of these laws with the constitution. Other issues related to the absence of the role of the PLC is that there is lack of transparency in high positions appointments , and the control of the Executive Authority over the public budget in terms of implementation, control, and authorization.

Although the decisions and recommendations issued by the parliamentary group, which was formed in Ramallah, are not obligatory, it held many meetings to investigate with authorities and public institutions managers of institutions such as the Palestinian Monitory Fund, Ministry of Health, Palestinian Airlines, Palestinian Medical Council, and Dar Al-Fatwa. It transferred these files to the Anti- corruption Commission to continue the legal procedures needed. However, the Anti-corruption Commission has not taken any steps concerning this issue. We, AMAN, are demanding that the Anti-corruption Commission solve these files and determine whether they are corruption cases or not, especially since they were discussed at the Legislative Council and by the Palestinian Media.

Gaza- 2011: the PLC held four accountability meetings for senior public employees who have been suspected of exploitation of their public positions. The rate of received corruption-related complaints at the PLC has reached 7% which focus mainly on job appointments, promotion and secondments.

With regards to monitoring of public fund, the PLC reviewed quarterly reports of the general budget. However, this review was not genuine since all the PLC members in Gaza are from the same political party.

The Anti-Corruption Commission refers 22 corruption files to Anti-Corruption Court

According to the amended Anti-Corruption Law No 1 of 2005 issued on 20/6/2010, the ACC continued to fulfil its role during 2011, in combating

corruption. The key observations in this regards are as follows:²⁰

- On 7\6\2011, the Council of Ministers approved the Anti-Corruption Commission Law No 9 of 2011 and the organizational structure as well. Further, the ACC prepared the financial and procurement systems which were submitted to the Council of Ministers for endorsement. ACC also prepared a draft of the system of protecting witnesses and whistleblowers, which will be discussed in a workshop scheduled to be held during the first quarter of 2012.
- The 2010 Annual Corruption Report indicates that the ACC did not activate the financial disclosure control department. To that end, the ACC worked on creating a special department for financial disclosures. A committee was formed which is responsible of implementing the plan for the financial disclosure. In addition , according to the ACC plan there was no administrative readiness for distributing the financial disclosure forms and recollecting them g for the record.
- In 2011, the ACC started preparing a national strategy for combating corruption for the years 2011-2014. A workshop was held with stakeholders and anti-corruption activists with the aim of enriching the strategy. The ACC held many individual meetings with stakeholders on the strategy in order to get their feedback and comments. This strategic plan contains six aspects including combating corruption, implementing laws and legal prosecution, raising awareness, training, social participation, coordinating the efforts towards combating corruption, international cooperation, and reinforcing Anti-corruption Commission capacities. The implementation of the awareness program and training aspects will start within the first quarter of 2012.
- In 2011, the ACC completed the required appointments of human resources as well as worked on logistics, and other administrative needs hence overcoming obstacles encountered in 2010. It also worked on building capacities of staff and personal from the public prosecution office.
- The Palestinian Government allocated sufficient budget for ACC's work, the

In 2011, the ACC received around 76 complaints, 19 of which were rejected as they did not fall into the specialty of ACC. 6 complaints were reserved because they were not related to corruption, 6 complaints were referred to the General Prosecution office assigned by ACC, and 45 are still under investigation. The total number of received complaints at ACC since its establishment in 2010 has reached 140 complaints. The investigative files at the Prosecution in 2011 have mounted to 49 files, and the total number of files referred to the Anti-Corruption Court was 24 files with 22 files during 2011.

20. AMAN Coalition accessed information regarding the Anti-Corruption Commission following a written correspondence addressing ACC on 15/1/2012.

only source of funding for the ACC, which reached a million U.S. dollar in 2011.

- The ACC investigated some corruption-related cases concerning senior officials who have immunity due to their positions. During 2011, ACC investigated two ministers, Economy and Agriculture; both from the current government. Defendants were referred to the Anti-Corruption Court and their cases are still before the court.
- During 2011, the ACC communicated with different Arab countries to recover stolen money, land, and stocks which are the property of the Palestine Liberation Organization and the PNA. The ACC managed to recover millions of dollars and hundreds of acres to the treasury.²¹
- Although the ACC has an established website, it lacks important information about the ACC.

In 2011, the ACC faced many obstacles some of which are:

- Lack of cooperation of some countries in delivering individuals convicted for corruption-related cases
- Difficulty in recovering money kept in countries other than Palestine that is owned by the PNA and the Liberation Organization and was used for corrupt actions.
- Delay in implementing a protection system for witnesses and whistleblowers.
- Lack of sufficient information hence requiring extra effort and more time to close the investigations.

In Gaza, the Anti-Corruption Law decreed in 2012 by the PNA President was not applied in 2011. Therefore, the ACC's activities do not include Gaza and no similar commission was established in Gaza until the end of 2011.

In conclusion, despite progress made, the ACC continues to encounter problems due to ambiguity in its criteria and undeclared mechanism of prioritizing corruption cases. Adopting Transparent measures in drawing the ACC's policies shall eliminate creating new ways of dealing with old corruption cases and preventing the interferences of political parties or people in high positions.

The Anti-Corruption Court:

Achievements not apt to the number of investigated cases

Until 1\10\2011, the court received 10 corruption-related cases, 8 of which were referred to the Anti-Corruption Court in 2011 and 2 unclosed cases from 2010. These cases vary between cases of money laundering, embezzlement, and forgery. It is worthy to note that the people who are involved in these cases were holding senior positions such as directors of departments in cooperation with other entry or mid-level employees. Until the writing of this report, only 3

21. A released statement by the Anti-corruption Commission on www.alwatanvoice.com 8/1/2012.

- Corruption Crimes Court Continues to hold its sessions.



verdicts²² were concluded by the court. It is evident that many cases are not solved because of insufficient information received from other parties.

In the same context, the court is still reviewing 10 corruption cases concerning forgery, embezzlement, breach of trust and exploiting job positions.

Obstacles affecting the Court's efficiency in settling many other cases are as follows:

- The Occupation: Israeli checkpoints hinder transfer of offenders, perusing complaints procedures and bringing in witnesses. It becomes more complicated when individuals accused of corruption escape to territories under the control of the Israeli authorities.
- Lack of specialized full time designated committee of judges: There are only three judges assigned to handle corruption cases. Two of those judges have other responsibilities at other courts with cases unrelated to corruption. And since corruption-related cases are complicated and require more time and effort than these judges can give, it becomes clear that this situation is insufficient.
- Lack of appropriate premises: the current place is small hence courtrooms are not equipped to hold a big number of people especially that these trials attract many people due to the peculiarity and sensitivity of the addressed cases.
- Lack of commitment to time/dates stipulated by the Anti-Corruption Law for court meetings. These limitations can be overcome in the current situations through allowing delays of sessions with justifying the reason behind this delay. The delays will be a real obstacle in the future especially if the number of cases will increase requiring legal amendments..

22. Interview with judge Hussein Ibeidat, head of the Anti-Corruption court on 15/10/2011

In conclusion, the Anti-Corruption Court shall, despite of improvement noted, intensify its efforts in order to settle presented cases before the court by increasing the number of court commissions and designate judges only for corruption cases.

A judgment concerning case of embezzlement

On 22\9\2011, the Anti-Corruption Court has issued an absentee indictment against the defendant (M. B. A. N), who is the director of the marketing service department at the Ministry of Agriculture. He was sentenced to 15 years imprisonment with hard labour and a fine of 400 thousand New Israeli shekles (NIS). He must also return another 400 thousand NIS to the treasury following a conviction of embezzlement which is an act that violates Article 174 of the Penal Code provisions of 1960, as well as Articles 1 and 25 of the Anti-Corruption Law of 2005. It is worthy to note that the employee in question prepared import permits for agricultural and animal products and deposited incorrect amount of money which coincide with the receipts at the general revenue account at the bank. The Audit Department at the Ministry of Finance reviewed the statements and discovered the action of embezzlement. He confessed before three witnesses who testified at the court.

Judgments in cases pertinent to bribery, embezzlement and forgery

The Anti-Corruption Court ruled in two corruption cases. The first and second case involved 5 and 3 defendants respectively. The court decided on the first case to imprison 2 defendants for 10 years with hard labour on charges of forgery and requesting and receiving bribes; they are (A.S) 41 years old from Nablus and (R.K) 48 years old from Ramallah. The third defendant is (B.H), 49 years old, who was sentenced to 2 years in prison and a fine of 200 Jordanian dinars (JD), on charges of bribery. The penalty was reduced to one year and 100 JD fine taking into consideration to his age and responsibilities of supporting a family.

The three above-mentioned defendants are employees at the Ministry of Transportation while the fourth and fifth defendants, Y.Z and Y.A, are car dealers; they were pardoned following their conviction as they were the whistle-blowers and helped the court in resolving the case details according to the rule of law.

As for the other case, the court sentenced the first defendant (M. KH, 37 years of age) to two years in prison and a fine of 200 JD who was accused of requesting a bribe. The defendant, who is an employee at the Traffic Department, asked for forgiveness since he supports children. The court responded and decided to minimize the penalty to one year and a 100 JD fine.

The second and third defendants were pardoned following conviction because they were the whistle-blowers of the case and helped the Anti-Corruption Prosecution in solving the case.

Execution of the penalty is withheld until the decision of appeal is concluded in both cases.

The Judicial Authority

The Judicial Authority is one of the three Authorities that should abide by the law in solving disputes. One can observe the following in terms of the Judicial Authority's commitment towards the concepts of transparency and integrity during 2011:

- Some difficulties that Judicial Inspection Department faced were addressed during 2010 through increasing the number of inspection judges from 4 to 6 during 2011. This number is not sufficient if compared to other courts and judges who are being inspected. The department also lacks some equipment which affect the efficiency of judicial inspection.
- The code of judicial conduct is one of the main references that supported the judicial inspection in the process of evaluating, promoting and disciplining judges. This means that the code has become a mandatory document to judges of different positions.
- There is a continuous commitment by judges to submit their financial disclosures. Where each judge fills out his financial disclosure statement that is sealed by the High Judicial Council (HJC).
- During 2011, the HJC has worked with AMAN Coalition on preparing a manual for received complaints. Many training courses were conducted for people who bear responsibility of receiving complaints. The course aimed at informing participants with its modules and implementation process. As a result, the HJC started receiving complaints according to the manual.
- Court Cases in 2011.

Court	Received cases during 2011	Unclosed cases	Total	solved	Others
Magistrates' Courts (rights)	10102	9717	19819	9411	10408
Magistrates' Courts (penalty)	32414	17898	50312	33103	17209

Courts of First Instance (rights)	4474	6185	10659	3465	7194
Courts of First Instance (penalty)	909	2930	3839	1378	2461
Courts of First Instance (appealing rights)	1233	780	2013	1166	847
Courts of First Instance (appealing penalty)	2845	949	3794	2713	1081
Courts of Appeal (rights)	1192	543	1735	1468	267
Courts of Appeal (penalty)	717	446	1163	619	544
Courts of Appeal (execution)	2370	74	2445	2316	129

Despite procedures made to reduce backlogs in courts, the table above reflects that the backlogs still existed in all courts. This matter requires immediate attention in addition to focusing on the performance of current judges in solving cases without compromising the individual's rights.

It is worthy to note that public opinion continues to indicate that legal redress to retrieve their rights is futile. This may lead people to resort other means that may lead to corruption acts.

In addition to that, the continuity of conflicting decisions issued by the High Court of Justice commissions concerning the same cases and evading solving certain cases with the excuse that these cases are not under their jurisdiction.

State Audit and Administrative Control Bureau is without a director.

The State Audit and Administrative Control Bureau (SAACB) publish its annual report which observes different institutions. These institutions undergo the SAACB's control through pointing out the difficulties faced within them. These difficulties can affect the transparent work of institutions' performance, and this allows decision-makers to determine on the discrepancies and ways for improvement within this institution. These reports are regularly being presented to concerned authorities and they are also published on the SAACB's website.



Difficulties faced by the SAACB during 2011 same as 2010, among which are:

- Absence of PLC's role during 2011 hindered the process of reviewing reports as well as activating accountability tools of institutions facing performance discrepancies.
- Lack of cooperation by specific parties affiliated with the SAACB in reporting corruption cases within their jurisdiction as stipulated by the reference law governing SAACB. Furthermore, should the SAACB's recommendations be not considered, the reports will lose credibility and efficiency in enforcing accountability.
- The Palestinian internal split prevented SAACB from doing its work concerning auditing and control over institutions in Gaza Strip, where there is another control bureau.
- The SAACB's director's position remains vacant since late 2010, which reflects the lack of PNA's concern in SAACB's work and achievement.
- Criteria for selection of institutions to be monitored/audited by the SAACB are still vague. The reports issued by the SAACB leave many questions unanswered since extra credit is given to institutions "selectively" as it appears.

In conclusion, absence of a director for the SAACB continues to be a major obstacle for the work of this institution given the important role of this entity at the national level. Another issue of concern is that the recommendations concluded in many of the SAACB's reports are not taken seriously neither by decision makers nor by the SAACB itself. Finally, the absence of the PLC role in discussing these reports is another major drawback.

NGOs utilization of funds.

Some NGOs managed to combat corruption and raise people's awareness of its consequences by delivering many training courses, workshops, and reports that address important issues concerning transparency, integrity, and combating corruption.

The role which the NGOs played in this regard is still not sufficient enough in terms of taking an active part in managing public affairs.

Noteworthy, the NGO sector worked on establishing a national team to support transparency of the general budget where the team persuaded the Ministry of Finance to prepare a citizen budget" for 2011, which is a user-friendly version of the budget that informs people of its items such as expenditure and revenues.

During 2011, a number of observations were noted in regard to transparency, integrity, and accountability of Palestinian NGOs using the following references: the NGO-related study conducted by AMAN Coalition, complaints received by AMAN's ALAC center, and the SAACB, reports prepared by the Ministry of the Interior and other ministries:

- The code of conduct is not implemented by NGOs; monitoring of implementation of the code is weak; few NGOs have certain procedures to avoid conflicts of interest. Due to AMAN and the SAACB's follow-up on complaints, the Ministry of Interior and other ministries reported cases of conflict of interest within some charitable organizations.
- Lack of internal and external monitoring on spending of funds by some NGOs contributed to creating an unhealthy environment making it difficult to preserve these organizations' properties and resources. Many suspicious cases of corruption were observed, which consequently were referred to the ACC in 2011. AMAN received information and complaints about pending cases which remain unsettled. Also many cases are delayed in the referral process to the ACC, a matter that allows for political and factional interference among others.
- Some NGOs do not commit to submitting their financial and administrative reports neither to the Ministry of Interior nor to related ministries. This weakened monitoring of funds and provided opportunity for inflated salaries in these organizations as well as weakened peoples' trust in the work of NGOs

In conclusion, the role of NGOs in combating corruption is being reinforced constantly. These organizations play a great role in combating corruption. However, it requires rigorous aspirations to prioritize corruption-related issues on their agendas. Also the code of conduct of NGOs needs to be implemented in order that it can clarify conflict of interest among other principles.

Journalists and Journalism: own interests and jobs take priority

During 2011, local and official media outlets started raising a number of issues concerning accountability and combating corruption. Their approach was through organizing TV shows and holding hearing sessions for officials in various positions to discuss several suspicious cases of corruption.

For example, during 2011 the media followed up on issues pertinent to the use of the Shifaro substance in bread-making (shifaro is an additive which keeps bread fresh longer and gives it lustre, but is banned by health organizations worldwide) ; expired medications and food; deferrals of local authority elections; lack transparent measures and criteria for student acceptance at universities; reporting news updates of cases reviewed before the ACC and the Anti-corruption Court.

Further, The Palestinian Government Media Centre continues to hold sessions for many officials of different job positions, and many media outlets are invited to these sessions to address the hosted official with any question or issue related to the entity he is affiliated.

Observations on the media sector in 2011:

- As a result of the Internal split, journalists from the West Bank and that of the Gaza Strip were arrested for a certain period of time. In Gaza there were

several violations on journalists and the closure of the Journalists Syndicate. However, some improvement concerning freedom of expression was noted. For example, Palestine TV (WB government affiliated) was allowed to work in Gaza and Alaqsa TV (Hamas Affiliated) was allowed to work in the West Bank. Moreover, media institutions tended to invite political officials from different factions²³.

- There is no legal framework governing electronic media and there is no monitoring of it. Therefore, often many issues are raised by electronic media that are unfounded at all.

Same as 2010, media outlets face similar difficulties:

- Difficulty in accessing information due to lack of regulatory legal framework for this purpose. Many institutions are reluctant to reveal information because they consider it their source of power and are worried that it may reveal corruption cases. This complicates the ability of conducting investigative reports concerning many issues.
- Lack of freedom of expression and opinion Lack of investigative reporting concerning corruption cases due to lack of sufficient information and fear of consequences.

In conclusion, the absence of a legal framework for media institutions limited the role of journalists in addressing corruption-related cases. This framework, if established, guarantees journalists the right to access information and offers them legal protection. Media remains dependant on political influences which backfires when covering corruption cases. Some media institutions are hesitant to present suspicious corruption cases within some private media sources for fear of losing clients, since commercials generate significant revenues to the institution.

Transparency and integrity in public shareholding companies

The ALAC centre at AMAN held a workshop on 3/2/2011 to discuss a research paper on integrity, transparency, and accountability within the public share holding companies. Two companies were targeted; The Palestinian Telecommunication Group Company and the Jerusalem District Electric Company.

The meeting was held in the presence of several concerned institutions such as the Ministries of Telecommunication and Information Technology, Palestinian Energy Authority, Cabinet Secretariat of the Council of Ministers, Palestinian Electric Regulatory Council, State Audit and Administrative Control Bureau, Palestinian Standards Institution, Palestinian Telecommunication Company, Jerusalem District Electric Company, PADICO, Palestine Economic Policy Institute (MAS), Ahleia Insurance Group, Golden Wheat Mills Company, Islamic Bank, Jerusalem Legal Aid Centre, and a group of researchers and attorneys.

The Palestinian Capital Market Authority concluded the preparation of the code of governance and many public share holding companies started to apply this

23. Interview on 23/1/2012 with Dr. Abdul Naser Al Najjar, the Journalists Syndicate

code for various reasons among which are: obtaining the ISO Certificate and reinforcing public trust.

It is worthy to note that the ACC did not take part in combating corruption within the private sector as stated by the law.

Integrity, transparency, and accountability in public share holding companies:

- Although Palestinian Legislators have set forth the constitutional framework for concession contracts within Amended Basic Law of 2003 in Article 94 which stipulates that “The law shall specify rules and procedures for granting privileges or imposing obligations related to the utilization of natural resources and public facilities. The law shall also detail the ways and means of dealing with real estate owned by the state and other public legal personalities, and the rules and procedures regulating them”. The PLC presented a draft law that is related to the concession in 2005. However, this draft law has not been updated until now. This provokes suspicions regarding the legality of the concessions made due to the absence of a ratified law that organizes the process of granting concessions as provisioned in the Basic Law.
- There is a positive impact of issuing a decree-law concerning the commission regulating the Telecommunication sector and a decision regarding electricity in 2009, which intended to clarify the relation between supervisory authority and private sector companies, which run a public utility of telecommunication and electricity. But these laws create a duality in the supervision process and policy-making which can lead to conflicts in issuing permissions and assigning specializations. This limited the roles of monitoring institutions of these sectors.
- Although, the code of governance is adopted by Palestinian companies, many of them do not apply the code’s principles in their operations. Furthermore there is weak monitoring by the Palestine Capital Market Authority of these companies.
- The Boards of Directors of share holding companies which run a public utility did not identify conflict of interest neither did they prevent actions that may lead to conflict of interest.
- Public share holding companies do not adopt codes of conduct for employees, they depend on their by laws which defines employees’ tasks and duties.
- Some share holding companies which run a public utility in accordance with a concession contract do not make public the granted concession agreement or any new procedures on such agreements.
- Some share holding companies are not included within the Palestine Exchange, and other companies do not publish primary financial data and other essential data that are required by the Palestine Exchange.
- The financial system of some share holding companies, which run public services, is not published in a special document or on their website. These

companies don't publish their closing accounts or the annual reports on their websites.

In conclusion, applying the code of governance within the Palestinian private sector should be obligatory to all share holding companies in order to enhance the concepts of integrity, transparency, and accountability.

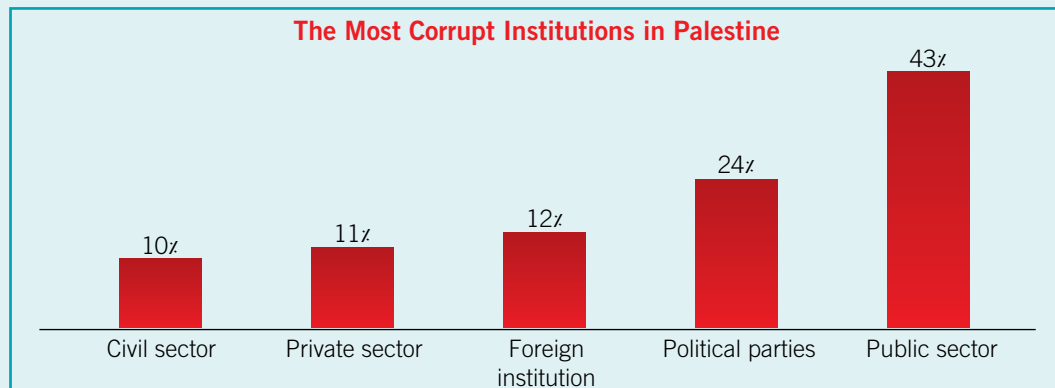
Political parties and the code of conduct

The annual corruption report of 2010 indicated several impediments influencing the role of political parties in combating corruption. There has been no change during 2011 whether in the West Bank or in Gaza Strip in as far as having a legal framework, monitoring of funds, or updates on leadership by elections. They also lack accountability procedures at work and insufficient access to information related to their administrative and financial affairs. Further, there is no actual policy for parties' leadership to combat corruption which leads to feeble consideration of corruption issues.

On the other hand, AMAN Coalition and the Coalition for Defending the Right of Assembly and Association, succeeded in 2011, to convince the Palestinian factions and parties to draft and verify a code of conduct for political parties and factions. This aimed at reinforcing values of integrity, systems of accountability and principles of transparency within parties' activities. Despite this important step, however, the next step, implementation of the principles of the code, requires serious work and political will in order for it to effective; only time will tell. The data projected in polls conducted by AMAN Coalition on the status of corruption in Palestine in 2011 reflected the weak role of political parties in combating corruption.

The survey indicated that political parties came third following the public sector scoring 24% as the sectors most susceptible to corruption in Palestine. The Palestinians trust in political parties is little and people still believe that the role of political parties in combating corruption is weak which influences the spread of corruption.

Political parties and factions should change their approaches and should increase the level of transparency and integrity within their work. Furthermore, members of parties should hold their officials accountable if and when needed.



KEY ISSUES

Wasting public funds amounted to 6 million NIS in traffic violations, who is responsible?

When a driver commits a traffic violation as stipulated in the Traffic Law, the police issues a fine according to the list in this regard.

In this case, the violation file is referred to the prosecution office, which, in turn, decides whether the case should go to court or to revoke the fine; a step that shall abide by regulatory legal procedures. In the event of contradiction, the Prosecution commits misconduct without any justifications. During 2011, the number of revoked fines by the Prosecution amounted to 15 thousand out of 50 thousand violations at the various districts.

Following referral to court, transgressors appear before court on the set date to plead guilty. The judge then issues a sentence which may be the same as the amount of the fine issued by the police, or he/she may use discretionary powers vested in them to reduce the amount or even revoke it. This, however, if not justified may cost the national treasury a large sum of money.

However, if the transgressor does not appear before the court on the day of the trial, the judge can hold an absentee trial. In this case the transgressor shall pay the fine, if charged, at the bank and the matter ends there. If the transgressor fails to pay the amount, there is no clear mechanism of how to proceed with each fine.

After that, records of all the unpaid fines should be transferred to the Ministry of Transportation in order to link these

Palestinian Penal Procedure Law No 3 of 2001

The complaint is closed concerning investigation and discussion, Article (149)

1. Upon completion of an investigation, the prosecutor may free the defendant from any punishment in cases such as:

Taking the case to court was long overdue, cases of amnesty, death, or if the defendant is underage, or suffers of a mental disability, or the complaint is not that important. In any of these cases, the Prosecutor writes a memorandum and sends it to the Attorney General.

2. If the Attorney General finds that the Prosecutor's decision was sound, he reserves the right to file the case and release the accused if he was under detention.
3. If the accused suffers from mental illness; the Attorney General keeps a file of the case and calls on the related authority for treatment of the individual in question.

1.1 The judge's power in reducing fines of traffic violations:

The Palestinian Traffic Law number 5 of 2005 issued a fine traffic violation list, which was also in accordance with the Council of Ministers decision No 3 of 2009, defining the amount of fines for the various violations. However, both, the above mentioned decision and law did not specify the amount or percentage that the judge is allowed to reduce a fine.



finer through an electronic system with vehicles licenses department which renew licenses for the public. This measure prevents the driver from renewing his/her license until the fine is paid in addition to any delayed fees as well.

This project of electronic linking between all official departments concerning traffic violations is incomplete which allows for transgressors to evade paying violations fines. The traffic violations in different districts of West Bank in 2011 have reached 50 thousand violations, according to the Ministry of Transportation, the High Judicial Council, and the Ministry of Finance. 15000 out of the overall violations were omitted and 25000 of them were paid to the bank. While 10000 violations remained unpaid, and they remained without followed up. This lead to the waste of public fund of 6 million Shekel during 2011, because the misuse of power by the Prosecutors or by the misconduct of some judges which is against law.

Legal Justice Council devoid of monitoring

The main function of the Legal Justice is inseparable from the role of the judiciary which specializes in solving disputes and regulating personal issues according to Islamic law such as marriage, divorce, inheritance, and other issues.

Therefore, many requirements of the regulatory law, in terms of its independence and integrity are also applicable to the legal justice. It is worthy to mention that appointments of legal justice judges abide by the stipulations of the law of legislative courts in terms of qualifications and conditions.

In some cases, Wasta and favouritism interfere in the processes of promotion and appointment, where legal justice judges are hired without any preconditions



or are subject to testing for the job; a procedure that ensures equal opportunity and promotes healthy competition. Some employees are employed even though they do not hold sufficient academic qualifications. There is no code of conduct neither for judges nor employees at the legislative courts and also there is no financial disclosure by judges and employees of the legal justice council.

Despite of the existence of the financial system for ministries and public institutions; also applicable at the Chief Justice's Office, the SAACB's quarterly report in 2011 indicates that the Chief Justice office failed to abide by the provisions of this system. An example of which is that the marriage contract fees are not deposited at the national treasury. Instead, they are spent on rewarding employees and are used for other payments hence violating rules and regulations of the Palestinian financial system.

Vehicles of the Legal Justice Council lacked some regulatory actions on the use of these vehicles. For example, fixed transportation expenses are not deducted from the salaries of employees when using these governmental vehicles. This brings about additional costs on the PNA's treasury.

The legal justice council has not published reports whether prepared by the council or Chief of Justice. Neither do they have a responsible control/monitoring authority that follows up on their work.

Moreover, the Council lack clear mechanisms to facilitate access to information, with limited information on the website of the Chief of Justice Council. They also lack a computerized archiving system which hinders the public from accessing information. Although there is a complaint unit within the Council, there is no

functional system for the purpose.

Regulatory legislative framework of economic crimes

There are no laws governing economic and electronic crimes which can be of several forms following the establishment of telecommunication means and the internet. The world has witnessed several forms of crimes and violations which are related to the technological revolution in the telecommunication sectors and the internet such as espionage, publishing pornographic materials, hacking, and activities related to terrorism.

Many economic crimes such as fraud, money transfer, money laundering, and tax evasion through electronic transfers, allows individuals to purchase fake stocks and investments electronically and through bank transfers. This is in addition to the classical crimes such as forgery of product's expiration dates and counterfeiting.

Therefore, Palestinian (inherited laws) were not able to address developments of the new lifestyle and they didn't fulfil people's needs. These laws do not coincide by international agreements on human rights. . Not only that, but they also conflict with Palestinian principles living in the West Bank and Gaza; where these citizens are subjected to different laws. To overcome these issues, a number of laws were drafted and other applicable laws were amended. The Illicit Gain Law was issued in 2005 and amended,

How long these corruption and economic cases will remain a mere misdemeanour

without a serious trial for people who commit them?

The majority of economic and corruption cases that occurred before issuing Anti-corruption Law in 2010, are considered to be misdemeanour cases according to the Regulatory Palestinian Legislations. Where the misdemeanour and civil right complaints are to expire after 3 years of its occurrence or the latest procedure concerning it. This is according to Article 12 of Palestinian Code Procedures' Law number 3 of 2001.

This means that any delay in noticing these cases, would weaken the deterrent side that prevent such cases. This also led to the waste in time and efforts of General Prosecution and Judges, where many criminals will not be tried.

On the other hand, the penalty of corruption cases that Jordanian Penal Code number 16 of 1960 provided for, is 3 years of imprisonment including cases such as bribery, public fund embezzlement, and job utilizing. The amendments of Anti-corruption law of 2010 doesn't include these penalties types. Therefore, if the Regulatory Palestinian Legislations don't committed to UN's requirements concerning combating corruption, which categorized corruption cases as criminal not as deterrent cases, its preventive side would be weakened. This will not prevent them from committing such crimes.

to serve the need, to become the Anti-corruption Law of 2010. Similarly, amendments were made to the Consumer Protection Law in 2005 and a decree –law issued for the Anti-money Laundry law in 2007.

Relation between corruption and economic crimes

The Palestinian Legislators discussed different economic “violations” and criminalized cases without categorizing each case whether it is a general corruption crime or an economic crime. They dealt with cases as corruption cases, on the one hand, while economic crimes were called economic crisis.

Both crimes are similar in the following:

- Acts that compromise the public fund and the national economy.
- Acts committed for illegal gain.

This similarity has made it difficult to differentiate between economic and corruption crimes. Furthermore, the ambiguity and conflict within the legal system also intensified the difficulty. But then again, corruption cases can be identified from a legal perspective as being crimes committed by a public employee/s to achieve personal gains. Or that he/she takes part in any corrupt act related to the public sector. Economic crimes directly affect the national economy, if not committed by a party relevant to the public sector.

Mechanisms for Public Prosecution to follow up on economic crimes

The Public Prosecution followed up on all corruption cases since part of its responsibility is receiving complaints such as following on investigations, and filing complaints concerning corruption and “economic crises” till 2006. All the cases followed up on, include economic and corruption cases, were conducted according to regulations in force and without being identified as corruption or economic cases.

Concerning the mechanisms of working on following up on these crimes, the Public Prosecution followed up only when receiving related complaints. This can be through citizens, employees, monitoring commission, or Palestinian Security Services (Preventive Security, General Intelligence, and Military Intelligence).

Any follow up process of suspicious corruption or economic case starts with collecting data and information about these cases by the security services. Then this information is sent in as an “Inferences file” to the Prosecution for review. If the prosecution finds evidences of economic or corruption-related crimes, an investigation is initiated and collection of evidence, in cooperation with the security services, especially the Criminal Investigation, would begin.

Defendants are then summoned for interrogation or they are detained for further questioning. When the file is completed in terms of witnesses or whistle-blowers testimonies, and evidences whether images, records, documents or any other materials, the accusation list is prepared and deferred to related court; the Magistrates’ Court or the Court of First Instance depending on the crime. This process was followed prior to establishing of the Anti-corruption Court.

Mechanisms for judiciary on follow up of economic crimes

The Jordanian Penal Code of 1960 is the most important reference to judges concerning economic and corruption-related crimes. It contains regulations concerning economic and corruption cases which were about job exploitation, purchase of expired food, and tax evasion. Defendants were from different social classes, and employees from the “lower paid” jobs of the public sector.

The Magistrates’ Court requires a year to two in order to adjourn these cases, where it released defendants until a verdict is reached. Verdicts included misdemeanour imprisonment, fine, or innocence.

Courts lacked experts on knowledge of standards for writing technical reports to be submitted to the judge. Moreover, the delays were related to witnesses, data, experts, and backlogs at the courts.

Furthermore, interference from outside parties in the work of the courts was also one of the obstacles of that period, in addition to the absence of judge’s protection mechanism where many judges faced threats from different parties and sides.

In conclusion, there was no clear definition of economic and corruption cases; hence this confusion was reflected in the courts and the public prosecution office. The Anti-corruption Law also did not address many issues one of which is to differentiate corruption crimes from other crimes.

The Anti-corruption Law also broadened the scope of corruption crimes which led to confusion and interference. Also it did not impose actual penalties on serious corruption cases. This can be by prioritizing implementation of penalties that are mentioned in the Penal Code whereas, it can be referred to penalties mentioned in the Anti-corruption Law. According to Article 22/1 of the Anti-corruption Law “in the event that the provisions of the Penal Code or any law in force does not provide a penalty criminalizing a specific crime, the accused shall be sentenced to prison for a period of 3 - 15 years, or to pay a fine of the same amount of the money in question or both in addition to returning the stolen amount”.

The efforts put forth by courts and prosecution in following up on such cases was not reflected in reducing the number of these crimes. During 2011, these crimes continued to take place such as crimes pertinent to medicines, food including meat, due to lack of follow-up or the cooperation of the Israeli side.

RECOMMENDATIONS:

General recommendations

- It is imperative for the government to publish the budgets of public institutions; activate websites; and issue a system that defines mechanisms of having access to information of all ministerial and non-ministerial public institutions; private share holding companies which run a public utility. It should ensure publishing conditions, and standards of having services and to circulate to all departments that their records of administrative, financial, and technical information are open to the public while maintaining confidential information. The government should also ask all official departments to announce job vacancies. Also, security vetting/clearance, issued by the security intelligence agency for employment, should be replaced by a certificate of good conduct issued at the Ministry of Justice.
- To replicate the experience of establishing complaints units, which was endorsed and implemented during the previous year. This will contribute to making it an effective tool to collect citizens' inquires addressing officials; and to find mechanisms that simplify holding officials responsible of social accountability. Also to respect individuals who submit complaints by providing them with a written response on their complaints.
- Call on all ministers and officials of public institutions to adopt a code of conduct for employees and to endorse clear mechanisms of training and follow-up. Furthermore, they should issue clear instructions concerning conflict of interest, which employees in administrative position at the PNA may encounter, or during the period where they are not allowed to apply for positions in the private sector following the period of holding a public position; a list of these positions is required. Any person who does not oblige or is suspected of exploitation of a public position shall be held accountable and shall be referred to the Anti-Corruption Commission along with comprehensive information of his case. Further instructions with regards to gifts and bribes offered to public employees are equally needed.
- The government should prepare a black list of private companies that have been or are involved in corrupt actions when responding to public tenders.
- The government should form a national team composed of Palestinian experts and competent parties to conduct self-assessment on the implementation of the UNCAC within the PNA.. The purpose is to detect commitment which the government took upon itself to adhere to the provisions of the UNCAC. This commitment was taken through a letter addressing the United Nations Secretary-General in order to identify priorities and fields that each authority should work on as part of national plan to combat corruption.
- The PNA should pass a law for granting concessions (i.e., giving equal opportunities to all and forbidden monopoly for certain companies) , especially that the law has been on the PLC's agenda since 2005 in

accordance with Article 94 of the Basic Law.

- The relation between upgraded institutions compliant with decree-laws should be identified according to the Telecommunication Regulatory Commission and the Electricity draft Law of 2009 with politically-oriented institutions and the Ministry of Telecommunications and Information Technology and the Power Authority.
- Refurbish the legitimacy of the PLC by conducting elections in order to effectively exercise its role of regulating and monitoring the work of the Executive Authority, especially regarding the General Budget and discussion of the reports submitted by monitoring and control authorities.
- Hold Presidential, legislative, and local elections in order to recommence the legitimacy of representative institutions and reinforce accountability, control, and the rule of law.
- Appoint senior positions based on approved terms and conditions and monitoring mechanisms in order to achieve transparency and integrity and to control it prior to appointment procedures.
- Activate monitoring and accountability over non-ministerial public institutions and identify the concepts of financial and administrative independency granted for these institutions; demystify their reference and identify the official public authorities which receive reports by these institutions and determine monitoring mechanisms through specific systems.
- Activate the National Water Council to carry out the assigned tasks. The main task is to follow up on the reform plan of the Palestinian Water Authority, while another one is to advance the efforts of unifying water prices and minimizing violations on water utilities.
- Work on setting up a unified and exclusive social security system. This system should take into consideration a unifying legal framework which monitors different task of the Palestinian Pension Commission and activate accountability mechanisms concerning their performance and decisions.
- Fortify the operations of the Civil Affairs Commission through setting up a system to prevent conflict of interest in its responsibilities and duties.

Ministry of Transportation

- Call on the ministry to limit the irregularities of applying the resolution passed on by the Council of Ministers regarding the withdrawal of public vehicles and to apply more strict measures on violations of using these vehicles for personal purposes.
- Broaden the scope of the resolution mentioned above to include governmental vehicles of the Security sector and set forth standards to organize the use of these vehicles and to minimize their costs.
- Relate all unpaid violations with the licensing renewal system to ensure that drivers shall not obtain their new licenses unless they have a clean record

and all fines are paid.

Ministry of Agriculture

- Call on the ministry to reinforce transparency in all its services in order to guarantee citizens' right access to information for the purpose of reinforcing integrity and accountability systems within these services.
- Activate the Complaints Unit in order to receive complaints about any of the ministry's services.

The Anti-Corruption Commission

- Activate legal stipulations pertinent to people subjected by law to submit their financial disclosures which are audited on regular basis in order to guarantee accountability based on the principle of: "where did you get this from?"
- Set up transparent standards on how to deal with old corruption cases in order to avoid disorder when referring these cases to the Anti-corruption Commission.
- Complete the legal regulations of the Anti-Corruption Law similar to the systems of reporting corruption and protecting witnesses, experts, and whistle-blowers of corruption-related cases and other required systems in order for the Anti-corruption Commission to fulfil its role efficiently.

Anti-corruption Court

- Increase the number of judicial commissions at the Anti-corruption Court in order to avoid backlogging of cases. Judges have to be assigned to work only at this court and not to hold responsibilities and other tasks elsewhere.
- Find a suitable courthouse and equip it with required logistics and equipment, as well as a proper number of human resources in order for the court to fulfil its mission.

Ministry of Health

- Impose strict control over cases of smuggled medicines and food that are either expired or do not meet required standards. Perpetrators must be presented before justice.
- Set up a system by the Ministry of Health to deter conflict of interest pertinent to doctors' offices who already hold a public position.

Judicial Authority

- Activate the role of the judicial investigative department to investigate legal provisions of traffic violations. This is to seize the waste of public fund concerning these violations through reducing or revoking some of these violations.
- Enable appealing the decisions of specialized administrative judiciary to solve administrative disputes in which the State is a party in it since this better achieves justice.
- Fortify existing judicial commissions at the High Court of Justice by forming

it without having any relation to the parties of the case reviewed.

Public Prosecution

- Monitoring over Public Prosecution and their deputies in order to limit the misuse of discretionary powers. Reports indicate some discrepancies in using favouritism to reduce or revoke a fine by prosecutors.

State Audit and Administrative Control Bureau

- NGOs should prepare collective and individual practical plans to implement the code of conduct signed by 500 organizations, and to develop built-in mechanisms to ensure implementation of their own decisions.
- Emphasize on the transparency of budgets and clear spending mechanisms by designated commissions and the related ministries.
- Set up an internal control and monitoring system over executive authorities to prevent conflict of interest of employees at NGOs. This is to prevent the tendency of committing corruption in such a situation.

Media

- Enable Media sources to access information related to corruption in order to enable it to perform efficiently hence fulfilling its role in combating corruption. It should avoid taking advantage of media in backfiring through highlighting select corruption cases, while ignoring cases that are more serious.
- Call on the Journalists Syndicate to develop a code of conduct for bloggers

Legal Justice Council

- Incorporate the legal justice within Judicial Authority.
- Reform certain sides of the legal justice and subject its work to judicial accountability and control.
- Refer all collected fees of Legitimacy Courts to the Ministry of Finance's fund and seize the waste of public fund represented in marriage contracts fees.

Political Parties and Factions

- Apply the ratified code of conduct on daily bases.
- Inform political parties and factions of the importance of combating corruption.

Private sector (shareholding companies)

- Share holding companies should work on implementing the Palestinian code of corporate governance.
- Boards of Directors at share holding companies should run a public utility based on a system that identifies detailed conflict of interest.
- Boards of Directors should adopt employees' codes of conducts and not depend only on their bylaws. Further, they can adopt the public sector's code of conduct prepared by AMAN and PalTrade .
- Public share holding companies should publish their bylaw and its memorandum on their website.

Public share holding companies which run a public utility

- Public share holding companies which run a public utility should publish their concession agreement and its financial section.
- Public share holding companies especially that run a public utility should regulate its situation according to Securities Law of 2004 in order to reinforce transparent financial performance.
- Public share holding companies should regularly publish their primary financial data on their website according to specific legal terms. This is through an announcement of Palestine Exchange whether these companies are in the market or not. Moreover, this system allows unlisted companies to announce its data according to the Palestine Exchange mechanisms.
- Courses number, through which someone takes the presidency of companies' Board of Directors, should be determined. Similarly this should apply to members of the Board.

Security Agencies

- Prepare a budget for Palestinian Security Agencies according to determined standards of General Budget Law and its amendments. Its budget should be monitored according to approved legal standards.
- Determine the reference of each security agency in order to prepare a regulatory law. The legal reference should be unified for all military agencies under one legal regulation to avoid conflict of interest.
- Issue specific lists of applicable laws for security services especially those that stipulate items concerning appointments, promotions, and penalties lists.
- Review appointment criteria at security services and limit the number of Palestinian security services hence reducing financial and administrative burden on PNA's public budget; also set up structures for all security services transferring excess employees to civil agencies.
- Review standards of promotions and issue executive lists concerning these issues to put an end to automatic promotion.
- Activate efficient complaint unit, promote and allow participation from the public; improve follow up on complaints, and activate the accountability system including for the Security Services' leaders.
- Enforce adopting codes of conduct by security agency's employees and police.
- Activate commitments towards financial disclosures by security services officials.

Economic crimes

- Identify the concept of corruption in the Anti-corruption Law to illuminate the grave confusion between corruption and economic crimes.
- Reform the Penal Code to determine penalties of economic crimes. Should

that be difficult to achieve, then a special law for economic crimes can be ratified. General corruption cases and economic cases related to the use of internet should be included in the Penal Code.

Annex 1: List the names for public and non-ministerial institutions

Institution Name:

Palestinian Central Bureau of Statistics
Palestinian National Commission for Education, Culture and Science
National Committee for Summer Camps
National Committee Against the Wall and Settlements
Popular National Congress of Jerusalem
Supreme Education Council
Palestinian Economic Council for Development and Reconstruction-PECDAR
National Centre For Studies & Documentation
Palestine Investment Promotion Agency
Palestinian Broadcasting Corporation-PBC
Palestinian Dar al-Fatwa
State Audit and Administrative Control Bureau
Fatwa and Legislation Office
General Personnel Council
Palestinian Energy And Natural Resources Authority
Palestinian Civil Aviation Authority
Palestinian Water Authority
Palestinian Land Authority
Environment Quality Authority
Provinces Affairs
Central Elections Commission
Palestinian Standards Institution
Foundation for Martyrs Families and Wounded Care
Province of Jericho and the Jordan Valley
Province of Hebron
Province of Jerusalem
The middle Province
Province of Bethlehem
Province of Jenin
Province of Khan Younis
Province of Ramallah and Al-Bireh

Province of Rafah
 Province of Salfeet
 Province of North Gaza
 Province of Toubas
 Province of TulKarm
 Province of Gaza
 Province of Qalqilyah
 Province of Nablus
 Centre for Strategic Studies
 National Institutions Office
 Palestinian Pension Authority
 The Political National Guidance
 General Authority of Civil Affairs
 Industrial Property Authority
 Palestinian News and Info Agency- Wafa

Appendix 2: AMAN publications in 2011

1. The Right of Free Access to Judiciary Information
2. Integrity, Accountability and Transparency in Court Administration
3. Corruption and Economic Crimes
4. Integrity and Transparency in the Constructions Sector
5. Integrity and Transparency in the Procedures of Assigning Senior Positions in the Palestinian National Authority
6. Analytical Review of the Justice Sector of the Legislative: Institutional and Political System
7. Guide: Integrity, Transparency and Accountability in the NGO's Work
8. Guide: Good Governance Principles in the Administration of Local Bodies
9. Integrity, Transparency and Accountability in the Process of Importing and Licensing Used Vehicles
10. Analysis of the Survey Results Directed to Public Officials on Indicators of Governance and Combating Corruption Report.
11. Analysis of the Family Survey on Indicators Governance and Combating Corruption Report.
12. Reports Series (41) Integrity, Transparency and Accountability in the Reform Plan
13. Reports Series (40) Implemented Practices of the Palestinian National Authority In Corruption Combat and Asset Recovery Through International Cooperation

14. Annual Report of the Advocacy and Legal Advice Centre 2010
15. Annual Report (Administrative and Financial)
16. Corruption Combat Report 2010
17. Reports Series (36) Control over the Judicial Authority-the Role of the Judicial Inspection Services
18. Reports Series (35) Integrity and Transparency in the Work of the Public Share holding Companies
19. Report Series (34) Integrity in the Collection of Taxes and Customs Duties

List of abbreviations

ACC	Anti Corruption Commission
CEC	Central Elections Commission
CM	Council of Ministers
CPC	General Person council
CSO	Civil Society Organization
GACA	General Authority for Civil Affairs
HJC	High Judicial Council
PCBS	Palestinian Central Bureau of Statistics
PLC	Palestinian Legislative Council
PLO	Palestine Liberation Organization
PNA/PA	Palestinian National Authority
PSS	Palestine Security Services
SA	Security Agencies
SAACB	State Audit and Administrative Control Bureau
UNCAC	United Nation Convention Against Corruption

