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Executive summary

The Israeli occupation: an environment obstructing anti-corruption efforts
The continued Israeli occupation through its extremist policies against the Palestinian people in the West Bank (WB) and Gaza Strip (GS) aims to uproot Palestinians from their land. To achieve its racist goals, Israel is constantly making life impossible to bear for the indigenous people (Palestinians), hoping to take their place. Its practices include but are not limited to the Judaisation of Jerusalem (i.e., aiming to have a “pure” Jewish Jerusalem), control over Palestinian border crossings, and clamping down on Palestinian rights and economy. One example is its continuous exploitation of control of granting travel permissions for Palestinian businessmen and women to travel as well as work licenses. These policies and practices provided opportunities for a number of Israeli officials to take bribes in exchange for services mentioned. A number of these bribes was revealed in areas of civil and land services. Moreover, Israeli occupation’s policies led to the outbreak of the phenomenon of individual acts by Palestinian youth and children at the beginning of October 2015, and are continuing until today.

The continuation of the internal division; a reinforcement factor for corruption
Failure of all attempts to end the division as disputes continued between the PA in the WB and Hamas in the GS, where both parties constantly exchanged mutual accusations, blaming one another for the failure of the reconciliation process. This contributed to reinforce behavior and actions of corruption such as politicizing public services employment; monopoly over appointment in high-ranking positions for loyalists of the two main parties, in the WB and the GS; in addition to the continuation of waste of public funds as a result of paying salaries for employees on strike in the GS.

The Palestinian Legislative Council remains defunct
This imbalance led to the absence of official accountability, and left decisions solely in the hands of the executive authority, hence providing a favorable environment for corruption.

The continuous siege imposed on the GS opened the way for the spread of petty bribery in order to obtain services
Stalled reconstruction efforts, and obstruction by the Israeli occupation entry of construction material needed for reconstruction was reflected in daily lives of Palestinians, epitomized by the decline in opportunities to obtain services related to travel and or medical treatment referrals, which require obtaining permits. This provided opportunities for certain forms of corruption such as bribery, wasta and nepotism.

Positive development relating to the national integrity system
Submission of annual reports by the State Audit and Administrative Control Bureau (SAACB) and the Anti-Corruption Commission (ACC); public officials continued to submit their financial disclosures to the ACC; pursuit of the Palestinian Authority (PA) to prosecute individuals who are accused of corruption and have fled the country; submission of requests for funds and asset recovery pursuant to provisions of the Palestinian judiciary.

Launching of the anti-corruption strategy for 2015-2018 by the Anti-Corruption Commission
The Anti-Corruption 2015-2018 strategy was launched by the ACC. It included four focal points: prevention and immunity against corruption; law enforcement and prosecution; awareness raising, education, training, and community participation; coordination of anti-corruption efforts and international cooperation.

Activating complaint units in government institutions
During 2015, complaint units in government institutions were able to address 71% of complaints received in 2014. These institutions include ministerial and non-ministerial institutions, and governorates offices. The majority of complaints focused on: government services, attacks on property, as well as on a particular sector's service provided by a government commission; endangering life and physical safety, and complaints received by the security apparatuses.
Abiding by provisions of codes of conducts at work, activating websites, and automating some procedures and transactions

Some public institutions adopted measures and procedures that promote integrity and transparency as well as reduce opportunities of corruption such as: complying with codes of conducts at work, activating websites, automating procedures and transitions in some ministries and other public institutions in preparation for e-government.

Initiatives to promote integrity, transparency and accountability in a number of local government units

Several local government units exerted efforts and took initiatives to promote the integrity system within its institutions as a prevention measure against corruption. Examples include the adoption of a draft public disclosure policy by some units. They also ratified the code of conduct for members of local councils and employees. In addition, some of these units developed and disseminated manuals for services rendered, to the public. Others printed AMAN's Advocacy and Legal Advice Center's toll-free number on the back of services' bills in order to facilitate easy contact with the center for legal advice concerning corruption issues. Moreover, progress was noted in some local units in the area of integrity and transparency related to tenders such as the adoption of disclosure policies and codes of conducts, as in the Ramallah and Al-Bireh municipalities.

Inspiring initiatives at the level of community accountability

Palestinian civil society organizations continued to raise awareness of the concepts and culture of integrity and transparency. Improvement was also noticed in civil society's efforts in relation to carrying out community accountability activities. In this regard, several accountably sessions were held concerning public affairs for some officials. One example is the on-going initiative of the Civil Society Team for enhancing public budget transparency in reviewing the draft public budget and holding the government accountable for expenditures, which constitutes a form of community accountability.

Major challenges that still impedes integrity, transparency and accountability in practice

In 2015, the national integrity system faced a wide range of challenges, some of which were a continuation of conditions and previous challenges, while others emerged in 2015, most important of which are:

- The decline in reliance on legal and institutional frameworks in favor of personal relationships in official decision-making reinforced the phenomenon of cronyism in centers of governance. It also reinforced lack of citizens’ trust in exerted anti-corruption efforts.

The unprincipled competition that took place between certain individuals in 2015, and is still continues until today, led to fragmentation of central authority and loss of its prestige. It is worth noting that the mentioned competition was in regard to occupying senior positions in public institutions, especially those that are affiliated to the PA, or its sphere. Many individuals, under the pretext of being close to the president or are his confidantes competed through personal skills, or by taking advantage of the on-going settling of scores between the centers of influence, to get to these positions. This created the “fashion” of organized groups who are looking for their own interest only. It also created an unhealthy environment that is fertile for corruption. It also obstructed anti-corruption efforts, in addition to reinforcing lack of trust among citizens in the effectiveness and institutions whose specialty is combating corruption. According to results of the opinion poll, prepared by AMAN in 2015, 80.2% of respondents said that anti-corruption efforts in Palestine are insufficient, in addition to the continuation of belief among citizens of their inability to report corruption due to reasons related to lack of trust in investigative commissions or lack of protection for whistle-blowers.
• **Adopting a hard-line and conservative policy concerning public freedoms in general, and the right of assembly and association, in particular**

Although Palestine joined the Open Government Initiative, which was ratified by the Council of Ministers, as well as the formation of a national team to join the initiative during 2015, aiming at promoting participatory democracy, reality on the ground does not indicate progress in this area. On the contrary, 2015 witnessed a decline in government’s openness towards civil society institutions. In addition, many laws by decree were issued that intended to tighten restrictions on the work of NGOs and other non-profit companies by imposing restrictions on their activities, and to identify sources of funding as well as areas of use. Add to that, not only there was a decline in openness towards the issue of access to information related to public affairs, but rather more restrictions were imposed.

On another note, self-censorship by many media outlets was still in effect during 2015. This action is taken by media officials in service of these outlets’ goals and personal interests. It also served as a protective measure to ensure advertisements with their outlets or newspapers by certain parties who would stop if offended by these outlets. Nevertheless, and despite the abovementioned, progress was noted in investigative media, where several journalistic investigations related to management of public affairs or waste of public funds was published.

• **Conflict over powers between the Ministry of Finance and the Ministry of Housing and Public Works impeded the activation and implementation of the Public Procurement Law**

The emergence of several factors which create a weak environment of integrity, transparency and accountability in tenders’ processes of local governmental units, and make it susceptible to manifestations of corruption, such as: bribery, embezzlement, waste of public funds, abuse of position, breach of fiduciary duty, wasa, nepotism and favoritism.

• **Appointments for senior positions in the West Bank and Gaza continue to be conducted without fair competition**

The process of appointment in senior positions remains to be conducted in a non-transparent way. It is also a clear breach of the principle of equal opportunity for assuming these positions. In that regard, there were twenty three positions that were filled either by appointment or promotion during 2015 without announcements or competitions. This struggle over high-ranking positions without an equal competition, in accordance with the terms and requirements for assuming high-ranking positions, has reinforced reliance on personal relationships and the formation of organized “groupings” affecting many public institutions.

On the other hand, special contracts were used, by those close to decision makers, as means to circumvent the law in order to ensure access to a public position. Moreover, the General Personnel Council remains to be a “back yard” for employees that are not on formal structures of ministries, but receive salaries from the Ministry of Finance.

• **Appointments in the diplomatic corps are not subject to transparency, or to the supervisory authority of the General Personnel Council**

In relation to appointments in the diplomatic corps, it became apparent that some of them were appeasing appointments that served personal interests, carried out in favor of relatives of some influential officials. Other appointments were clearly in violation of the Diplomatic Law. In addition, appointments and promotions of ambassadors were carried out without supervision and control of the Palestinian Authority’s (PA) institutions; in particular, it was conducted in the absence of the abovementioned role of the General Personnel Council, as it relates to civil servants.

• **No progress is noted in transparency of the public budget in Gaza**

2015 witnessed a setback in transparency of the public budget as the MoF stopped preparing and publishing the citizen’s budget. In addition, large amounts of money were paid from the public treasury for electricity bills to the Israeli side on behalf of parties who receive electricity costs from citizens but do not transfer it to contracted Israeli companies. Moreover, absence of transparency in public financial management instigated
partisan quarrels between the Gaza government and the PA concerning amounts collected as resources and amounts spent as expenditures including salaries, in the Gaza Strip (GS).

- **Gaps in legislations concerning prevention and combating corruption as there are sectors and institutions that do not have legal frameworks**

The United Nations Convention against Corruption (UNCAC) formal review, which examines the extent by which Palestine is abiding by the third and fourth chapters of the Convention on criminalization procedures and law enforcement, revealed gaps in compliance of the legal environment in Palestine and the UNCAC. These gaps were epitomized by Palestine’s lack of concluding bilateral agreements for extradition or mutual prosecution of criminals, in addition to the absence of legal provisions relating to delivery of wanted criminals. The formal review also revealed an absence in the Palestinian penalties’ provisions that indicate to the direct implementation of any court ruling, in the first place. Furthermore, there are no legal grounds to transfer proceedings of convicted persons or criminals, and limiting the cooperation in the area of law enforcement and joint investigations, and only between some Arab countries.

Failure to regulate many of the sectors in the consumable fuels’ sector continued in 2015. This sector lacks a governing legislative framework that defines foundations and principles for the management of such sector with transparency. A governing legislation would also ensure the existence of an accountability mechanism needed in many important areas, such as: explorations and drilling for petroleum and gas; management of the oil and consumable fuels’ file, which is currently run by the Palestinian General Petroleum Commission without a law. In addition, public sectors such as the telecommunications and water, are also included under those sectors that in need to their regulating process to be completed.

**Corruption crimes in 2015**

- **Breach of fiduciary duty, abuse of power, and infringements on public funds were more prevalent than bribery**

According to complaints received by the ACC in 2015, the following forms of corruption were the most prevalent: breach of fiduciary duty, infringement on public funds, abuse of power, and wasṭa, while bribery was the least widespread form of corruption.

The Anti-Corruption Commission referred 39 cases to the Ant-Corruption prosecution, where 36 cases are related to the public sector and local government units, and 3 cases are related to civil society organizations. This is a small number in relations to the number of reports and complaints received by the Commission in 2015, amounting to 485 complaints and reports.

- **The judiciary was active in deciding on small corruption crimes, but remains stuck where big corruption cases are concerned**

The Anti-Corruption Prosecution and Anti-Corruption Court made significant progress in the prosecution of corruption crimes. According to information received from the Court, there were 19 corruption cases received until December 15, 2015. This signifies a large number when compared with 3 cases received by the Court in 2014. The number of convicted cases for 2015 was 33; a number that far exceeds the number of cases convicted in 2014 which was only 20 cases. However, it is important to note here the importance of avoiding selective prosecution, since most cases convicted were those for junior staff, while cases relating to senior officials remain limited.

- **Persistence in the phenomenon of crimes related to spoiled food, and the start of applying the Consumer Protection Law against perpetrators**

A decline was noticed in the number of law-suits concerning spoiled food and medicine crimes undertaken by the Economic Crimes Prosecution. Ironically, this coincides with an increase of the spread of these crimes on the ground. The total number of these crimes since the beginning of 2015 reached 31 cases only. In this regard, AMAN was able to identify a number of reasons for the lack of effectiveness in addressing this issue, mainly: scattered efforts and struggle over powers among the numerous parties involved: the Consumer Protection Department at the Ministry of National Economy, Ministry of Health, Ministry of Agriculture, the Palestinian Consumer Protection Council, Consumer Protection Organizations, and the Anti-Corruption Prosecution.
AMAN is palestinian Address for combating corruption

Community contribution for promoting integrity and combating corruption

The Coalition for Integrity and Accountability-AMAN has become accustomed to preparing an annual report on monitoring and documenting public sector’s application of principles of transparency, and values governing employees’ behavior at work, in addition to an assessment of the effectiveness of accountability systems at the formal and community levels. Furthermore, the report monitors and records developments related to corruption crimes including those most prevalent in Palestine. AMAN also includes in its report all cases of convicted corruption crimes and those that are still awaiting sentence at the Anti-Corruption court during the year. Results of the public opinion poll on efforts of combating corruption and most prevalent form of corruption are also included. Annual corruption reports always include conclusions and recommendations of some reports prepared by AMAN during the given year. These reports are generally related to the integrity system in the various fields or public institutions, or their impact on preserving or wasting of public funds. Each year, the report sheds light on some areas where abuse of power has occurred usually for personal interest.

This report, “Integrity and Combating Corruption” aims to shed light on achievements and challenges that still exist in this area in order to assist Palestinian decision-makers as well as other related parties in adopting procedures and reform measures in: policies and legislations, structures of public institutions and combating corruption within, as well as holding the corrupt accountable hence preventing them from impunity.
Methodology, Sources, and Information Analysis

First: collection and management of information on integrity and anti-corruption in Palestine

For the purpose of preparing this annual report, AMAN collects and categorizes information needed during the whole year, which forms the basic material in the preparation of this report, most important of which are:

1. Cases collected and documented at AMAN’s center for “promoting Integrity and Anti-Corruption” relating to the national integrity system and anti-corruption measures. All information collected was taken from original sources whether in the West Bank (WB) or the Gaza Strip (GS), taking into consideration that the report does not cover all fields in the GS, only what was available, due to difficulties of accessing information.

2. Results of the “Palestinian Integrity Index” carried out by AMAN on yearly basis using a number of indicators to measure integrity, transparency and accountability in the management of public affairs at the theoretical and practical levels.

3. Results of the Palestinian public opinion poll on corruption and methods of combating it conducted yearly by AMAN, as well as other opinion polls conducted by Palestinian research centers interested on the issue of corruption and anti-corruption efforts taken.

4. Conclusions and recommendations of research studies, working papers, and reports that assess public institutions, or public services, all of which are prepared by AMAN during the year as part of its program or specifically for the purpose of this report.

5. Conclusions and recommendations drawn by the Advocacy and Legal Advice Center (ALAC) at AMAN on issues and inquiries raised by citizens in regard to the integrity of officials or transparency of procedures in the management of public affairs.

6. Some data related to Palestinian affairs that are included in official reports issued by local and international monitoring and control institutions, and other public institutions and commissions such as: the Palestinian Central Bureau of Statistics (PCBS), State Audit and Administrative Control Bureau (SAACB), the Anti-Corruption Commission (ACC), the World Bank, and Transparency International.

7. Information collected by AMAN’s research team specifically for the preparation of the report through direct interviews with decision makers in ministries and public institutions. The team uses a list of survey questions prepared in advance for targeting certain issues contained in this report.
Second: analysing information and approving results:
The report employed a descriptive analytical approach, qualitative and quantitative for some indicators and variables, which took place during the year in relation to integrity and combating corruption, in the Palestinian society in general, and in public institutions in particular. AMAN ensures that the information and data collected comes from original sources before analysing it, concluding results, and putting forth recommendations.

- The information analysis process of the report and drafting of its recommendations is a joint effort by the internal work team and AMAN’s Palestinian expert friends.
- Review of the various information and analysis, as well as related drafts of the report is done by the main researcher with supervision by AMAN’s advisor on corruption.
- The report is presented to the board for discussion and approval before reaching its final form.
The surrounding environment is still impeding anti-corruption efforts

Netanyahu’s new government

The Israeli elections held on March 17, 2015 resulted in victory for the extreme right-wing in Israel, hence taking the majority number of seats in the Knesset. In May 2015, this extreme right wing also succeeded in forming a right-wing government, which included settler zealots, hence exasperating an already hindered peace process. It also led to the escalation of the occupation’s colonization policies in the occupied Palestinian territories (oPt) therefore unleashing a new wave of criminal assaults by extremist colonizers, better known as settlers, on Palestinian citizens. These assaults included burning Palestinian homes such as that of the Dawabsheh family in Duma, in the Nablus governorate. They also escalated their attacks and vandalism on public and private properties; took control of Palestinian land and property with full support of the extreme right-wing government; continued its incursion attempts on the Al-Aqsa Mosque in Jerusalem aiming at taking control over it and claiming it as a Jewish landmark; not to mention the continued Israeli siege of the GS.

Furthermore, due to its control over all borders and border-crossings of the oPt, Israel seized Palestinian tax and customs money collected on behalf of Palestinians at these borders and crossing points during the period of December 2014-April, 2015. This accounted for approximately 70% of the Palestinian Authority’s resources, hence depriving the Palestinian treasury of a cumulative amount exceeding 650 million dollars. This, in turn, created a severe financial crisis forcing the PA government to resort to a contingency budget which entailed paying 60% of employees’ salaries, and cancellation of 50% of public institutions running expenses during the abovementioned period\(^1\). In this regard, ramifications of this financial crisis are still felt by the Palestinian economy, since the government continues to implement crisis management policies and emergency programs. Other consequences include the negative impact its causing on reform efforts and programs.

In October 2015, a popular uprising broke out in the oPt, which came as a response to the occupation’s oppressive policies and measures, first and foremost its attempts to impose new realities on the Al-Aqsa Mosque, by allowing settlers on the Mosque’s grounds with intent to establish Jewish religious rites there. This is in addition to other colonization policies, confiscations of Palestinian land, and house demolitions. According to statistics issued by Palestinian Ministry of Health, the number of martyrs during the mentioned uprising exceeded 160 people who were killed by Israelis, in addition to 15thousand citizens who were injured\(^2\). With the repressive policies of the Israeli occupation in the oPt, and its control over Palestinian resources and attempts to plunder these resources, and in particular water, electricity, oil and gas fields, as well as preventing Palestinians from building on their own land in Jerusalem and areas called (c), helped to weaken the rule of law and increase the burden on the Palestinian Authority (PA). It also transformed emergency programs into permanent ones in order to face the above oppressive measures at the expense of strengthening good governance principles in public institutions, as well as combating corruption and prosecution of the corrupt. Moreover, Israel continued to manipulate international standards to clamp down on granting licenses and permissions to Palestinian businessmen and women, which provided opportunities for a number of Israeli officials to take bribes in exchange for such licenses.

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1 Budget Law for the 2016 fiscal year
2 Ministry of Health website; http://www.moh.ps/?lang=0&page=3&id=3010
The continuation of the internal division and the politicizing of public positions are factors contributing to waste of public funds:

Despite the formation of the National Consensus Government on June 2, 2014, in accordance with the understandings achieved between the Hamas and Fateh movements through the Shate’ Agreement, differences and accusations of one another regarding the failure of the agreement continued. Accusations such as: Fateh blaming Hamas for not allowing the government to work in the GS and its adherence to have control over border-crossings and management of the GS. Similarly, Hamas accused the Consensus Government of failing to resolve outstanding issues in the GS, especially the issue of integrating deposed government employees under the Authority’s staff list. It also accused the government of not resolving the electricity issue, as well as not granting some ministries in the GS sufficient funds for operational costs in order for the latter to fulfil its role properly.

Moreover, the internal division reinforced and fuelled the phenomenon of the politicization of civil service positions epitomized by the continuation of paying monthly salaries from the national treasury to employees who are on strike, which constituted a waste of public funds, valid until the writing of this report. This was carried out without clear legal foundations. It was accompanied by monopoly on senior positions for regime loyalists in both the WB and GS, which provided a favourable environment for the emergence of corruption. In that regard, results of the opinion poll conducted by AMAN indicated that the internal division between the WB and GS is considered one of the main underlying reasons for corruption.

Hindrance in holding local government units’ elections in the West Bank and Gaza

The year 2015 saw the emergence of a number of aspects related to the decline in the principle of the rule of law. For example, although a year has passed on the dissolving of local government units’ councils, no elections were held until the writing of this report. Al-Yamoun Local Council and Beit Iksa Local Councils are two such councils whose councils were dissolved in 2014. Similarly, councils that were dissolved in
Closure of the tunnels was met by intensifying pressure to collect local taxes in the GS

Due to the shutdown of tunnels and decline of international support to the GS, the Hamas movement was left with little resources for running its authority in the GS. This prompted the movement to examine possibilities for increasing local financial resources. Going through senior positions in control of public institutions in the GS, it imposed additional taxes and fees collected locally. It also took it upon itself to freely allocate state land to pay staff end of service work entitlements with cover by its parliamentary bloc at the legislation council.

The continued dysfunction of the Palestinian legislative Council increased sensitivity/dislike for social accountability

Despite stipulation in the Shati’ Agreement stating that the legislative Council (PLC) is to meet one month after the formation of the Consensus Government, the fact is it did not meet throughout 2015, and remained defunct as the years before. This of course weakened monitoring and control over the executive authority. It also weakened the role of accountability systems within control commissions under its jurisdiction, according to periodic reports of these institutions. This allowed the president to continue to issue laws by decree in accordance with article 43 of the Palestinian Basic Law. He also continued to carry out functions that are PLC’s specific such as granting confidence to newly appointed ministers in the Consensus Government; approving the public budget for 2015; ratifying new positions that require approval of the council, as in the case of approving the appointment of the head of SAACB and that of the Palestinian Monitory Fund.

The dysfunction of the legislative continued allowed the executive branch of government to be the sole authority managing public affairs. This dysfunction also increased sensitivity of the executive authority towards social accountability to the point it no longer can tolerate any criticism. This led to a decline in applying the policy of openness adopted earlier and to taking measures that further strangle civil society’s work and freedom of the expression, as in the media. In that regard, the Council of Ministers issued the decision number 8 for 2015, an amendment version of the non-profit companies’ decision number 3 for 2010. The decision aimed to tighten restrictions imposed on these companies by requiring the Council’s approval for acceptance of foreign aid. Provisions of the decision did not include any criteria, measures, or legal terms that would prevent arbitrariness of the decision, hence leaving the door open to politicize the approval or rejection of the applicant. Similarly, a law by decree was issued to appoint an advisory committee to the President on charitable organizations affairs without clarifying the nature of the work of this committee, especially since an NGO commission has been established earlier by a law by decree as well.

On a brighter note, some progress was seen in regard to investigative media. In 2015, a number of

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3 Article three of the Law by Decree No. 9 for 2008 concerning revision of the Local government Units Law for 1997, which stipulated that “the minister appoints a committee to be in charge of tasks of the dissolved council for up to one year, to be approved by the Council of Ministers with local elections to be held during that period.”
investigative reports were published on issues related to management of public affairs or waste of public funds. In addition, several training courses on investigative journalism were held either by the journalists syndicate or other parties. AMANS also held a training course for “economic journalists” that aimed at building their capacities as well as improve their skills in interpreting the public budget, which will in turn promote social accountability and control over the budget and management of public funds.

**Stalled reconstruction efforts and continuation of the Israeli siege on the GS led to the revival of the phenomenon of petty bribery, nepotism, and favouritism**

15 months after the end of the last Israeli aggression on the GS, and the promise of about 2.7 billion dollars by donor countries to support the reconstruction efforts and put forth a mechanism plan for rebuilding the GS, under supervision of the United Nations (UN), there remains approximately 100 thousand citizens without homes that were destroyed during the aggression. Regardless of our opinion of this mechanism, the fact remains is that these efforts are still faltering and moving too slowly. As it stands, what has been transferred from donor countries during 2015 does not exceed 810 million dollars accounting for 30% of what was promised. This is in addition to the obstruction the Israeli occupation imposes on allowing construction material to enter the GS. According to the World Bank data, which indicates that the continuation of the status quo poses a major threat to the economic and social situation in the GS symbolized by the unemployment rate in the GS; the highest in the world reaching 43%, and by the percentage indicating lack of food security, which accounts for 73% of the population with 80% of that who depend on humanitarian aid.

Life for Palestinian citizens in the GS is and has been for a period of time unbearable due to Israeli aggressions, the continued siege, and faltering of the reconstruction process. Furthermore, the decline in opportunities for citizens to access certain services such as permits for travel and or medical treatment abroad led to the emergence of some manifestations of corruption such as bribery, nepotism, and favouritism in obtaining these services.

Moreover, a study conducted by AMAN on small bribes indicated that due to the Israeli siege on the GS, the spread of bribery is noticeable in important services related to the siege, namely medical referrals and travel permits as well as civil affairs services.

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4 Robert Piper, Coordinator for Humanitarian Affairs in the oPt-the United Nations.
Positive development on the national integrity system in 2015

By monitoring efforts made towards enhancing the national integrity system and combating corruption, it is possible to point out several positive developments and progresses made at certain levels. Based on the results of the Palestinian Integrity Index for 2015, progress was noted in the following areas: the SAACB and ACC showed improvement in publishing their annual reports; public officials continued to submit financial disclosures to the ACC; pursuit by the Authority to prosecute individuals escaping justice and are accused of corruption, was also noted; requests to recover assets and money pursuant to the provisions of the Palestinian judiciary were submitted; citizens and interested individuals were able to see results of the public tenders and supplies committees; exclusion of companies that have been indicted with violating regulations for public tenders and supplies’ committee from participating in future tenders; issuance of a number of deterrent sentences for those convicted of corruption crimes; disclosures of public shareholding companies of their financial statements; inclusion of yearly bonuses for companies’ board members in annual reports of these companies.

• Launching of the National Anti-Corruption Strategy, 2015-2018

On April 8, 2015, the Anti-Corruption Commission announced the launching of the National Anti-Corruption Strategy for 2015-2018. This strategy is the second strategy launched by the commission since 2011. The new strategy included four focal points: prevention of corruption; law enforcement and prosecution; raising the level of public awareness, education, training, and community participation; the coordination of anti-corruption efforts and international cooperation.

To have a national anti-corruption strategy is considered one of the most prominent indicators of political will in the fight against corruption. However, the strategy has to be accompanied by an approved implementation plan and clear national mechanisms for monitoring its implementation.

As noted, there was no participatory transparent review of the first strategy plan in order to assess its implementation and to what extent its goals were achieved. Thus, the new strategy had virtually the same goals, hence it is vital to take a moment to think about the Commission’s role in the fight against corruption, according to the law. As was later revealed, confusion in regard to the concept of the ACC powers were not made clear within the law itself.

Formal public institutions including the Council of Ministers view prevention from corruption as a form of a business contract which has been referred to the ACC for implementation and follow-up. This perception provided them an excuse to abandon their role in the fight against corruption. However,
judging by experience the ACC is unable to take on the role of combating corruption by itself, even though it has been granted full powers in that regard. This is due to the enormity and variations of tasks involved at the various administrative and financial levels, as well as in policy-making and legislations; also in ensuring that all efforts and activities are implemented with integrity, transparency, and accountability. This is in addition to building a general culture of anti-corruption in all spheres of public work and institutions.

- Enhancing Accountability Efforts in Public Institutions

Some public institutions have made progress in their efforts to promote complaint systems encouraging citizens to submit petitions and complaints concerning services provided. These institutions also exerted some effort to limit exploitation or misuse of services, and to abide by the official working hours for public employees. Following are some examples:

**Public complaint bodies have shown marked improvement:** The complaint report, issued in September 2015 by the General Administration of Complaints at the Council of Ministers, revealed that complaint units in government commissions were able to address 71% of the total complaints received in 2014. The number of complaints for that year was 7560. This includes complaints from ministerial and non-ministerial institutions, and governorates’ offices divided as follows: government services (717); assault on property (499); life and physical safety (166); complaints received by the security services (461).6

**Announcement by the Ministry of Education of the establishment of a computerized complaint site** for the purpose of receiving citizens’ complaints, petitions, and suggestions.

**The Ministry of Social Affairs’ launching of the “Beneficiaries’ Council” project in cooperation with the World Bank.** Moreover, the ministry in cooperation with AMAN has also launched the “Beneficiaries’ Council” in the Bethlehem governorate.

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6 General Secretariat of the Council of Ministers, complaints related to public government institutions-2014, the General Secretariat for Complaints, September 2015, p. 16
Marked improvements in regulating work hours for public employees: Confirmed by the SAACB’s special report, civil service employees abiding by work hours in the WB reached 98%.

Activating judicial inspection: The Judicial Inspection Department carried out inspection tours to the regular courts of different grades; pre-arranged periodic visits in 2015 amounted to 71 visits, in addition to 20 surprise visits. The department also received 130 complaints against judges and courts’ staff during 2015. The majority of complaints were related to judges’ behavior, the continuous postponements of cases, or administrative and individual behaviors.

Procedures and Measures that promoted Integrity and Transparency and reduced corruption opportunities

Source: Complaints Report issues by the public complaints administration at Council of Ministers, 2015

Normalizing commitment to work in-line with the code of conduct is the first step towards building public employees’ culture to refute corruption and protect public funds.

Launching a program on awareness, education, and training on the Code of Conduct

A trilateral memorandum of understanding (MoU) and cooperation was signed between the ACC, the Ministry of Education and the General Personnel Council, to implement a training program on the code of conduct for the Ministry of Education’s employees. Moreover, this agreement is pursuant to the MoU signed on October 28, 2014 for the implementation of each of the training and awareness raising programs for civil servants on the code of conduct and ethics for public office.
Combating money laundering crimes: The Public Prosecution and the Palestinian Judicial Institute held specialized training in this area. Participants included judges from the Anti-Corruption Court, members of the Anti-Corruption Prosecution, and the Economic Crimes Prosecution. The International Cooperation on Criminal Cases and Cross-border Investigations covered the training in order to identify the nature of money laundering crimes.

Approval of employment profile requirements: On April 8, 2015, the Council of Ministers approved employment profile requirements prepared by the General Personnel Council, in cooperation with the Ministry of Finance and other government institutions. This will make appointment processes more professional and better linked to organizational structures of institutions as well as to job descriptions. Hence, helping to ensure that the foundation of integrity and transparency is ingrained in the process of public appointments.

The General Authority for Civil Affairs published criteria for granting permits to the various groups in the GS. This step is intended to assist citizens, and those who wish to have this service, in knowing requirements for obtaining it.

The Higher Judicial Council launched a special site called “electronic services for courts’ visitors”: this site was exclusively created for the public and includes litigants’ services, traffic violations, Visitors department’s services, and lawyers’ services department. This is considered development concerning services provided to the public, and time, effort, and money saving for citizens.

The Office of the Chief Justice launched its website: this site includes activities and projects run by the Chief Justice Office. It also provides data information that is of interest to citizens on services provided by Shari’a Courts, as well as a number of manuals related to these services. Examples include: procedural guides for Shari’a Courts cases, and manual on Shari’a Courts’ justifications. It also includes a code of
conduct for Shari’a judges, as well as governing laws for Shari’a courts.

**Implementation of e-government in some ministries:** the Council of Ministers decided to directly provide ten services to the public through the e-government program in the following ministries: Interior, Social Affairs, Health, Transport and Transportation, and Finance. This comes as part of the e-transformation to provide all services.

**The General Personnel Council activated its website:** the Personnel Council developed and activated its website, hence allowing public employees and concerned individuals to follow-up on progress of their files, and or on job vacancies through the website.

**Implementation of the Code of Corporate Governance in the private sector:** In order to abide by the rules of good governance and ensure promotion of best practices, the majority of public shareholding companies commenced to disclose bonuses and expenses spent on boards of directors. The companies also disclosed, to the Capital Market Authority, some information related to activities as well as posted it on their websites. 49 shareholding companies (listed in the Palestinian financial market) out of 100 companies, committed to disclosure in accordance with instructions provided by the Palestinian Capital Market Authority.6

**New mechanisms for addressing the misuse of customs exemptions for persons with special needs:** the ministry of Transport and the Palestinian Federation for the Disabled have developed a new mechanism to address the misuse of exemptions related to the special driver’s licence granted to people with special needs.

**Efforts to regulate the use of government vehicles continued:** in applying the Council of Ministers’ decision concerning regulating the use of government vehicles, the Ministry of Transport circulated information regarding this issue to ministries as well as to the various government commissions. The circulated instructions included requirements for using these vehicles: travel log for each vehicle; possession of a movement permit from the government department in accordance with the approved form; vehicles are to remain overnight in the designated parking area of the government departments; a defining plate is to be properly placed on each vehicle, and to put a stop to rental contracts of these vehicles as well as ending current ones. Despite the ministry’s actions mentioned above, complicity of some officials remains a factor that encourages the use of these vehicles for personal purposes. This is reinforced by the absence of punitive measures against those who violate the rules. Moreover, the number of private cars owned by the security services use fuel, registration fees, and insurance fees at the expense of the state amount to 4000 vehicles, without any intervention from the government. This number is double the number of cars used by the civil sector7 (Not clear)

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7  Ministry of Transport, minister’s office, regulating the use of government vehicles Sept.9, 2015.
• Positive Developments regarding the Integrity System of the Local Government Units

AMAN in its 2014 report pointed to the weakness of the integrity system in local government units. This flaw led to weakness in its immunity against corruption at work, pointed out in the SAACC’s special report regarding control over these units’ performances, and the ACC’s reports, which also mentioned the existence of corruption cases there. However, in 2015, some government units commenced to take action through initiatives and other efforts to promote their integrity systems in order to prevent corruption. Following are some examples in that regard:

The Ramallah Municipality Council adopted a general disclosure policy: this came as an expression of its desire to confirm its commitment with the local community in terms of disclosure, and citizens’ right and local institutions of access to all data related to the Ramallah municipality, whether it was administrative, financial or service related.

During its weekly session number 31/2015Al, Al-Birah Municipality Council approved two codes of conduct, one for the members of the council and another for the municipality employees. This was carried out in the context of strengthening integrity and good governance at work. The two codes include ethical and behavioural standards to be practiced when serving citizens. The codes also clarified performance standards as well as rights and duties of members of the local council and staff. In this regard, AMAN provided technical assistance for developing the codes in the framework of a memorandum of understanding and cooperation signed with the municipality.

The Municipalities Loan Fund put forth conditions regarding provisions of integrity values, transparency principles, and accountability systems in the local government units for granting loans to these municipalities.

The Maghaza Municipality developed a guide for obtaining services and disseminated it to itizens to assist them in identifying mechanisms for accessing services. In addition, the head of the municipality held several accountability sessions with citizens in order to listen to their complaints in person. Furthermore, the municipality ensures that its strategy is developed in partnership with local institutions and neighbourhood committees.

The Jabalya Municipality printed a toll-free number on the back of service bills noting that it issues 17,400 bills monthly. It also encouraged citizens to contact AMAN to obtain legal advice and assistance regarding corruption and anti-corruption issues.

• Efforts of Civil Society in Raising Awareness on Concepts of Transparency, Integrity, Accountability, and Combating Corruption

Palestinian civil society continued to spread awareness of the concepts and culture of integrity and transparency. Improvement was noted at the level of social accountability epitomized by holding several accountability sessions for government officials; examples of efforts exerted in this regard include the following:

Workshop on the code of conduct for Palestinian NGOs: the workshop is within the overall direction of the Palestinian Non-Governmental Organization Network (PNGO) to develop capacities of NGOs in good governance. It also aims at reinforcing the rule of law and principles of integrity and transparency in accordance with Palestinian civil society standards and systems.
Launching of the project to establish a sustainable awareness raising anti-corruption mechanism: This was achieved through cooperation between the Palestinian Advisory Committee for Development of NGOs (ACS), and the United Nations Development Program (UNDP). The project’s aim is to raise awareness of the importance of the role of NGOs as an essential partner in combating corruption.

Several cooperation and partnership agreements were signed between the ACC and official and civil institutions: this aimed at enhancing cooperation and communication between the ACC and these institutions, hence promoting values of integrity and principles of transparency in the Palestinian society.

AMAN and the Municipal Development & Lending Fund signed a memorandum of understanding to promote integrity and combat corruption in local governmental units. Also to facilitate exchange of experience in good governance in general through provision of information and reports related to the competence of each party. Also to develop a procedural guide on receiving and follow-up of complains and petitions; implement capacity building projects for employees of local government units; build cooperation utilizing capabilities of staff in the various units; as well as to build cooperation between the parties to draw plans for citizens’ awareness campaigns on filing complaints and reporting corruption.

AMAN held a training course for “Economic journalists” in order to build their capacities and skills in interpreting the public budget, and to promote social accountability in monitoring of the budget. The course also aimed to activate and enable all groups in the Palestinian society, journalists being one group, in assuming their role of control over the public budget, and in holding accountability sessions relating to management of public funds.

AMAN held a large number of accountability sessions and workshops related to promoting transparency in the management of public funds, in the presence of representatives from the SAACB, the ACC, Prosecution, the Judiciary Council, and the majority of ministers related to the subject matter, in addition to a number of academics and experts.
The Civil Society Team for enhancing public budget transparency (CSTPBT) held its annual conference on transparency of the public budget in the presence of representatives from the Ministry of Finance.

Broad activities of local radio and television stations as well as electronic news networks and social media sites in the area of accountability. Activities by these institutions and media outlets were carried out despite harassment by the Palestinian security services taken against some activists and institutions. Moreover, the various media outlets succeeded in preparing and publishing investigative reports and subjected a large number of officials to direct accountability, in addition to providing information on the concepts of transparency and accountability to a large pool of citizens.
The National Integrity System: Challenges Faced in 2015

The national integrity system faced enormous challenges in 2015, some of which were a continuation of past problems and circumstances, while others surfaced in 2015. According to the Palestinian Integrity Index-2015, prepared by AMAN, the national integrity system witnessed a decline in several areas, including:

- Citizens continued to lack the ability to report corruption for reasons related to distrust in investigative commissions or due to the absence of protection measures for whistle blowers.
- Appointments in senior positions continued to take place without transparent standards or equal opportunities.
- Procedures that prevent conflict of interest between high ranking officials in the public sector, such as ministers, parliament members, etc. whether in office or retired, and the private sector remain to be weak.
- The mechanism used for senior officials to submit financial disclosure proved to be futile since it does not meet the principle of preventing conflict of interest or strengthen the policy for deterring corrupt individuals.

Although there is some improvement and progress in accepting and circulating the rhetoric of transparency and integrity, as well as the reiteration of the importance of these concepts among high-ranking officials, efforts to apply these concepts and values do not exist. On the contrary, what remained in use are conventional methods in dealing with citizens in this regard. For example, the code of conduct and ethics, prepared by AMAN for civil servants and adopted by the government in 2014, was not taken seriously; neither was anyone held accountable or punished for violating its provisions.

- Failure to hold general elections and elections for the local governmental units being dissolved in accordance with deadlines stated by law.
- Lack of holding the government accountable through official and constitutional means on budget spending. Nor is there control over the PA's financial investments. In addition, failure to submit final accounts of the government, in a timely manner, to the SAACB and quarterly financial reports to the legislative council. In the GS, what gets presented to the legislative council is not considered clear or transparent in regard to resources and expenditures.
- Failure to approve legislations that promote transparency, first and foremost the right to access to information.
- Increase in the subjugation of media outlets and journalists to prosecution and self-censorship.
- Failure to complete the process of regulating public sectors that lack this system such as: communications, water, and energy sectors including the consumable fuels/ fuel sector.
- Decline in transparency of the public budget.
- Decline in the government openness to civil society despite the government's announcement to join the Open Government Initiative.
Despite joining the Open Government Initiative, and the Council of Ministers’ approval last year to form a national team to join the “Open Government Partnership” initiative, which is an initiative launched by the United States and Brazil in 2011, to promote participatory democracy through improving government institutions’ performance, and to enhance integrity and transparency in the management of public funds. However, reality on the ground does not indicate progress in that regard.

First: Challenges In the area of public service

Appointments and promotions in senior positions remain without pre-defined criteria

The appointment process for senior positions often lacks transparency, and clearly violates the principle of equal opportunity for assuming public office. This is especially true in terms of announcement conditions as well as in allowing fair competition between applicants for these posts. In 2015, twenty three (23) such vacancies were filled without announcements. Fourteen (14) of which are appointments and nine promotions. 8 It is worthy to note that appointments of the type mentioned are dominated by the one political party syndrome, and the same applies to promotions in this category of positions. Moreover, these job vacancies and promotions are conducted without commitment to conditions and procedures adopted, especially those related to experience and educational qualifications. On the contrary, excuses and false arguments are used to serve their purpose, hence opining the way for the phenomenon of nepotism.

8 Palestinian Chronicle-numbers 111-115
It is worth noting that the General Personnel Council adopted and prepared terms of reference for junior public employees. However, terms of reference for senior positions, which are to include criteria, conditions, and tasks required for these positions, were never completed as of the end of 2015. Moreover, there are no written and approved procedures for appointing and promoting many heads of non-ministerial institutions. Also there are no written documents defining their salaries, financial rights and or privileges, hence promoting favouritism as well as loyalty to those in power.

Experts’ contracts circumvent the officially approved system for employment*:
The principle of contracting an expert is to avoid assuming a permanent position within the institution's structure. It is intended as a temporary contract limited by a time frame. However, contracts such as those have been used, at times, in several ministries and government institutions by circumventing the law. This is done in order to ensure a permanent position, at a later date, by those close to decision makers, especially since priority in employment generally goes to those who have contracts; or it is done in order to conclude a contract for a salary higher than the salary of a civil servant.

According to the General Personnel Council's data, the number of new and renewed contracts for 2015 amounted to 1,610 contract. Nearly half of that number is concentrated in service ministries such as the health ministry with 316 contracts, Al-Awqaf 121, judicial authority 155, border-crossings 136. Furthermore, no data is available categorizing them regular or consultant contracts. The annual cost for these contracts amounts to 65 million Shekels (NIS). Total amount for these contracts are included in the salary and wage bill of the public budget.

The General Personnel Council is the “back yard” for staff that are not on ministries formal structures:
for many years AMAN has been observing and recording the issue of ghost employee. And until today hundreds of cases remain hiding under the cloak of the Council with different names. Some of these employees are affiliated to popular or political party's organizations, or under offices of influential persons. According to the most recent data issued by the Council at the end of 2015, the number of these ghost employees amounted to 1390 divided as follows: civil and security services (133 persons), registered outside government administrative structures distributed on civil society institutions, unions, and federations (279 persons), Palestine Liberation Organization institutions( 232 employee), factions and political parties (536 employee), offices of influential public figures, some of whom are deceased (14 employees), uncategorized institutions (29 employees), and private sector (61 employees). Some of these employees do not even show up for work or they hold other jobs with the private sector.

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9 Civil Society Team for enhancing public budget transparency, report on areas of austerity and rationalization in government expenditures, Coalition for Integrity and Accountability-AMAN, November, 2015.
Some appointments in the diplomatic corps are appeasing appointments serving personal interest

AMAN, in its review of diplomatic appointments and promotions conducted by the Ministry of Foreign Affairs for the 2010-2015 periods; published in Palestinian newspapers, it recorded 78 decisions relating to these positions. AMAN also noticed that some of the names mentioned were relatives of influential officials, and some decisions were in clear violation of the diplomatic law. The governing law mentioned stipulates for example that a First Consultant must be at his job for four years before being promoted to an ambassador. In some cases this provision was violated.

Moreover, in some cases some presidential advisors were appointed with an ambassador grade. This indicates exploitation in granting diplomatic privileges and rights by non-diplomats. In another clear violation of the Diplomatic Corps Law, some civil service employees were directly transferred to the diplomatic corps without going through procedures stated in the mentioned law and the Civil Service Law. These appointments were based on personal and or political reasons; or as an appeasement, nepotism, or maybe to solve financial crisis for some.

Furthermore, appointments and promotions for ambassadors are conducted outside the jurisdiction of the PA’s supervision and control institutions, and in particular in the absence of the General Personnel Council’s supervision and control. The fact that there is a special law governing diplomats does not mean the absence of the role of the General Personnel Council who is tasked with ensuring implementation of laws including provisions of the Diplomatic Corps Law, especially since the Civil Service Law applies to some of those working in the diplomatic corps, in addition to the Retirement Law. This confirms the certainty of the role of General Personnel Council in supervision and control over these appointments; otherwise the Council is transformed into a “paper-pusher” only transferring files to the Ministry of Finance for salaries to be paid.

Second: setback in transparency of information related to stages of preparation of the 2015 public budget and its approval

It was predicted that the 2015 public budget net revenues for the year would be approximately 10,658 million NIS. At the same time, the actual net revenues for 2015 amounted to 10,931.3 million NIS. This translates into an increase of 2.56% of the estimated amount. In the mean time, the current total expenditures and actual net lending amounted to 15,672.6 million NIS for the same year; an increase of approximately 3.89% from the amount planned in the 2015 budget, which was estimated at 15,085 million NIS.

10 The Civil Society Team for enhancing public budget transparency, the Coalition for Integrity and Accountability-AMAN, 2015.

*Law No. 7 for 1998 concerning the regulation of the public budget and financial affairs, as well as applying the law by presenting the budget draft to the legislative council two months before the end of the year, as stipulated in article No 61 of the Palestinian Basic Law for 2003. And as stated in the provisions related to regulating the public budget and financial affairs in Law No.7 of 1998, or in the adoption of the public budget no later than the end of the year, noting that even in exceptional cases, which allow for approval of the budget by the end of March, has not been adhered to.
During 2015, there was a noticeable decline in transparency of the public budget epitomized by the ruling out of the consultative approach, formally followed by the MoF, where consultations with academics and civil society were the norm. In addition, decline in transparency was also apparent in lack of application of principles related to disclosure of the budget and its details, as stipulated in Law number 7 for 1998 concerning regulation of the public budget and financial affairs. All preparation stages of the 2015 budget were accompanied by lack of transparency and ambiguity symbolized by the MoF refusal to disclose financial data relating to the budget. This ambiguity was extended to the discussion phase as well, where the MoF did not allow civil society to participate or review the budget.

The scarcity and insufficiency of information provided in the draft public budget 2015 submitted to the PLC is in the following issues:

- Problem in applying principles of transparency related to disclosure of the public budget and its details in accordance with provisions of related laws, whether in regard to presenting it to the legislative council two months prior to the end of the year, or at the time of approval.
- Absence of detailed data related to local revenues and current expenditures including their various calcifications. Moreover, the austerity policy announced by the government is ambiguous and in need of further explanations, especially since expenses other than salaries and wages have risen more than the actual amount specified in 2014.
- No details were presented in the 2015 draft budget related to the allocated amount for net lending, which amounted to 1,169.20 million NIS. While the estimated amount was 800 million NIS. In addition, there were no details illustrating how the money was spent (i.e, under which items). In addition, no clue indicated that decisions to select items of expenditure was made based on certain standards,
noting the impact this item has on the budget since it constitutes a depleting source for the budget, especially since it is constantly increased during the last years. Moreover, Israel deducts money directly from the clearing tax/ Maqassa without asking the Palestinian authority.

- Absence of all details regarding public debt, as the draft budget had no mention of its details relating to its nature, payment mechanism, or considerations and standards adopted for that purpose.

According to the standards of “Public Budgets Partnership”, the following are basic documents that must be published by the government on the public budget, but were not in the Palestinian case: notification or statement of the public budget, budget proposal, citizen's budget, and approved budget. This issue will adversely impact transparency of the public budget in Palestine, compared with other countries, even the least transparent in the world.

It is worth noting that the lack of transparency surrounding the public budget at the present time, and government’s refraining from the participatory and openness approach to civil society society and its institutions, during preparation, approval and implementation stages, leaves the door wide open to the minister of finance’s discretion in taking decisions related to expenses, and in defining priorities regarding other decisions without oversight or consultation from competent bodies.

The (CSTPBT) and AMAN held an accountability session for an MoF representative on the implementation and transparency of the 2015 budget. Attendees of the session posed several comments regarding the budget, policies and direction of the MoF, summarized as follows: flaws in the structure of the budget; decline in involving civil society in the budget’s preparation oversight and implementation especially in light of the absence of the PLC role in this regard; the budget is inconsistent with the Palestinian Development Plan; the health and education budgets do not attach sufficient importance equal to the importance of the services and vitality provided. Furthermore, the team focused on right to access to information on the public budget.

Lack of transparency in public financial management in the GS opened the way to partisan disputes

Due to the weakness in transparency relating to budget items in terms of amount spent in the GS by the MoF in the WB, or that which was spent by the Hamas movement in the GS,** it seems clear that there were manifestations of exploitation of this issue by both parties mentioned. This is considered a form of political and administrative corruption. As it stands, the MoF in the WB does not provide clear data and figures regarding revenues and expenditures of the GS. Similarly, the Hamas movement authority in the GS uses part of the financial data and figures in this regard, arbitrarily. The abovementioned led to rally public opinion and citizens in the framework of stereotypical attitudes that eventually led to deepen the schism between the two parties. Therefore, transparency is vital if Palestinians are to overcome this situation by publishing an attachment containing collected revenues and expenditures in the GS, as an annex to the public budget.

This was pointed out by parties that are not competent in financial affairs in the
Integrity and Combating Corruption 2015

GS by disclosing some reports which indicate that revenues collected in the GS are sufficient to cover the Strip’s expenditures, causing a surplus in the public budget of the PA. Also, that the PA does not spend more than 10% from the budget on the GS. On the other hand, some statements of officials in the MoF indicate that revenues from the GS do not exceed 10% from the total public revenues, and money allocated for the GS in the public budget is approximately half or more.

Approval of the public budget without considering legislative council’s comments and feedback continued in 2015

The government submitted a draft budget bill to the legislative council on June 17, 2015, past the legal deadline for submission. And although the Council provided comments on the draft budget, the government approved it and submitted it to the president who issued his approval though a law by decree, without taking into consideration comments provided by the legislative council. This raises a lot of questions of the usefulness of presenting the budget proposal to members of the PLC and representatives of parliamentary blocs every year, especially since this became a policy followed by the government as it was executed in 2014 and 2015.

Hamas government discloses its budget in the Gaza Strip

Manifestations of Waste of Public Funds Continues

Despite all government decisions calling for austerity, waste of public funds continues, as:

- Continuation of the PNA expansionist policy in running expenses such as: rental fees, travel expenses, and job concessions, in a manner that does not correspond with capabilities and resources available, which exasperated chronic budget deficits year after year. Concerning this issue, re-furnishing of offices, as well as rental of new real-estate, and purchasing new cars, prevailed during the past period due to some officials’ approaches in that regard. It is possible to describe this behaviour by calling it “easy or excessive spending”. In the 2015 budget, these expenses amounted to 1.5 billion dollars, translating into 48% of current expenditures.

- Increase in the operational budget allocated for the security sector; where the running and transferral expenses amounted to 738 million NIS in 2015 with 570 million NIS going for running cost. In addition, procedures for decisions and behaviour of spending funds allocated for the security sector are marred with shortcomings and gaps. Internal and external oversight tools and foundations over priorities and procedures regarding this issue remain weak and controversial. It also provides chances for waste and abuse of funds particularly expenses related to food supplies, fuel, and capital expenditures.

- Job concessions accounted for an average ranging between 25%-30% of the total operational expenditures for all sectors, rising to 40% in the governance

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12 Civil Society Team for enhancing public budget transparency, report on areas of austerity and rationalization in government spending, the Coalition for Integrity and Accountability-AMAN, November 2015.

13 Same source as no. 11 above.
Spending on security from the public budget

<table>
<thead>
<tr>
<th>Number of military government employees</th>
<th>65,558</th>
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<td>from total employees</td>
<td>42%</td>
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<tr>
<td>%48 of the total salary bill</td>
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<th>Spending on security</th>
<th>3.9 billion Shekels</th>
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<td>%26.8 from the total public expenditures</td>
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<tr>
<th>Salaries</th>
<th>%91</th>
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<tr>
<td>Running expenses</td>
<td>%9</td>
</tr>
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</table>

sector, illustrating a fluctuation between 100-130 million dollars a year. This type of expenditure was and still is a subject of harsh criticism by many. This is because it entails spending public funds on issues that are not priorities to citizens. And also because it mostly benefits employees in senior positions at the expense of public services and development, as well as at the expense of public interest and tax-payers.

Net lending: continuous depletion of the public treasury

The public treasury is still paying to the Israeli side accumulated debt as a result of some municipalities (in their capacities as suppliers of this service) not paying their electricity bills, although these municipalities collect money from customers for this service. Based on this, the Israeli side deducts these amounts from the clearance tax (Maqassa) money collected at boarders on behalf of the PA. This means that the Palestinian citizen pays his/her bill twice; the first is when he/she pays the supplier and the second is when it is deducted by the Israeli from the clearance tax. This of course is reflected in the net lending item of the budget where in 2015 it rose to 113.72% of the allocated estimated budget. Moreover, it amounted to 1,169.20 million NIS while the estimated amount by the government was set at 800 million NIS in the 2015 budget; an increase of 33% of the amount estimated in the 2014 budget, which was estimated at 600 million NIS. And despite increase in the estimated amount for net lending in the 2015 budget than that estimated in 2014, the actual net lending has risen dramatically in 2015 reaching 1,169.20 million NIS; repeating the scenario of 2014 and the years before that. This is in spite of all claims to restrain acceleration and the minister of finance’s pledge regarding this issue. Unfortunately, in reality no change has occurred that aims at obliging municipalities to pay their debt, which will put a stop to the depletion of the public budget concerning this issue.

Moreover, it is important that details of spending of this item are made clear including
which items the money is spent on, and based on what standards. This is necessary in order to ensure transparency of the budget due to the obvious impact it has on the budget, as it has been steadily increasing during the past years, and is surrounded with ambiguity. It also constitutes a source of depletion for the budget and without clear details, not to mention that each year the actual spending on it far exceeds the estimated. Therefore, giving it priority in the austerity and rationalization plan is of vital importance in order to surmount the budget’s deficit.

**Medical referrals expenses abroad continue to drain the Ministry of Health budget:**

Weakness in monitoring and control, and lack of competent parties to follow-up on patients referred to hospitals other than the Ministry of Health (MoH) institutions especially Israeli hospitals provided opportunities for looting Palestinian public funds. This is mainly done through issuing outrageous bills for treating Palestinian patients, in addition to prescribing treatment and medications to patients that is neither requested nor included in their medical referrals.

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14 Report on Integrity, Transparency, and Accountability in medical referrals to medical institutions other than the MoH’s in the GS, Coalition for Integrity and Accountability-AMAN.
The continuation of some Israeli hospitals’ mafia and agents looting of Palestinian public funds

In studying a sample of medical bills received from Israeli hospitals, one discovers that 42% of these components are new official bills, while 30% of them are old; 1% for transport and first aid cost, even if the transport was via helicopters, and 27% of them are listed under a vague item. These items include self-transferrals to Israeli hospitals, meaning that the patient goes on his/her own. Work accidents within Israel and medical cost for treatment of Palestinians living in Israel some of whom are collaborators to the occupation are also included. And finally there are the costs for medicine, patients’ companions, and agents, according to these medical treatment bills.

### Thrid: Government Tenders and Procurements: Who is Responsible for disabling the Public Procurement Law

- **Exceptions related to direct procurement continues to be practiced hence erasing competition**

During 2015, the government issued nearly 15 decisions approving direct procurement for various needs such as devices, equipment, tools, and agricultural and relief materials with some contracts amounting to millions of shekels. Examples include: direct purchase of saplings of fruit trees and equipment worth 18 million NIS for the project entitled “keep Palestine Green”; direct purchase to equip the...
Foreign Ministry’s building costing 105 thousand dollars; direct purchase for buying two buses for the national security forces worth 200 thousand NIS; expenses for accommodations of the ministerial delegation and their accompanying group to the GS costing 30,892 dollars, paid to Al-Mashtal company, in addition to the restaurant bill of 23,500 NIS.

The above mentioned government’s decisions granted the concerned authorities the power to purchase directly, either through purchase requests, formation of special committees or by going directly to the minister of finance to define ceilings for direct spending.

The above-mentioned directly contradicts article 7 of the General Supplies Law No.9 for 1989, which defines basis for procurement as follows: the adoption of the principle of competition, and purchasing the best supplies available for the best price possible and under best terms. Also article 12, of the same law stipulates the purchasing of supplies through tendering. However, it is worth noting that it is possible to purchase supplies through calls for offers/or price requests for purchases not exceeding five thousand dollars, as well as direct purchase through negotiations. Needless to say that this is allowed only under limited conditions and circumstances such as those relating to purchasing supplies to face a public state emergency, where time is of essence and does not allow for price quotes or tendering. Other cases include buying replacement or missing parts where only one source is available for the purchase. The request in this case requires a technical report from an expert; or if the purchase is related to educational materials and manuscripts. Or in cases where a tender and or price request had failed the purpose of obtaining the desired purchase because of quality or price. However, the majority of decisions issued by the Council of Ministers, related to direct procurement, indicate that supplies purchased do not fall within these exceptions allowed by law.

And despite the issuance of the Procurement Law No. 8 in 2014, which is considered complementary to the legislative and institutional system of combating corruption, and enhancer of the integrity, transparency and accountability system in management of the most important aspect of public funds, which is tenders, procurement, and general supplies. However, lack of qualifications of the technical team as well as disputes between the MoF and the Ministry of Housing and Public Works (MoHPW) prevented its application, although the government pledged to enforce it by the beginning of 2016. With the end of the expiry date for the suspension of the law, which was passed according to decision No. 21 of 2014 on 15/12/2015 but never actually was put into effect, the law will thereby remain suspended for an additional six months in 2016. This was despite the previously made pledges by the various government parties stating that applying the law would begin by the end of 2015. However, the government went back to applying Law No. 9 for 1998 when dealing with general supplies and Law No 6 for 1999 in regard to tenders and government works.
Weak integrity, transparency and accountability environment in local government units tender process

Despite progress made in many local government units in terms of integrity and transparency related to tenders, such as adopting disclosure policies and codes of conduct, as in the Ramallah and Bireh municipalities, there are factors that weaken the environment of integrity, transparency and accountability in tenders of these institutions. These factors also make them vulnerable to corruption such as bribery, embezzlement, and waste of public funds, abuse of position, wasa, nepotism, and favouritism taking into consideration the clear differences between large and small local units whether at the level of budgets and funding, tender committees, or follow-up by the Ministry of Local Government.

Weakness factors can be summed up as follows:

- Instability of the legal tendering framework in local government units. Until today, the main reference for tendering is a system rather than a law. It is a system issued by the Minister of Local Government and not by the Council of Ministers. In addition, it was issued in 1998 and does not comply with legislations issued at a later date such as the Anti-Corruption Law, and the State Audit and Administrative Control Bureau Law, nor does it keep up with the pace of developments needed for local units in modern times. Furthermore, it is void of many indicators needed to achieve integrity, transparency and accountability, which is considered vital for combating corruption. For example, there is no reference to a clear complaint system, or any mention of financial disclosures for those working in the field of tenders, contracts and bidding, or in regard to receiving gifts. In addition,
• The potential of conflict of interest remains possible. Also the potential for fraud exists through information leakage, alliances, or establishing institutions under different names. Or maybe through lack prioritization of projects, purchase of unnecessary supplies or keeping the same bidding committee for a long period of time.

Gaps in the overall tenders in the local government units, whether in terms of legal framework or mechanisms and procedures, encompass shortcomings that allow for abuses that affect values of integrity, principles of transparency, and systems of accountability in tenders. It is worth noting that the abovementioned has previously been mentioned in the SAACB’s reports.

**Fourth: Gaps in the compliance of the legal environment in Palestine with the United Nations Convention Against Corruption (UNCAC)**

In 2015, a formal review by the United Nations on combating corruption was conducted to examine Palestine’s commitment to the convention. This was the first phase of the review, which was on the third and fourth chapters of the convention that cover criminalization procedures, law enforcement, and international cooperation. The second phase is on the second and fifth chapters of the convention. The review process was carried out by Oman and Micronesia in participation with the ACC, the Anti-Corruption Prosecution, The Financial Tracking Unit, the Palestinian High Commissioner to the United Nations in Vienna, in accordance with the review mechanism process of the UNCAC.

The process was adopted during the third session of Conference of the State Parties to the United Nations Convention against Corruption, held in Doha in 2009. It aimed at identifying measures taken by State Parties in implementing the convention, as well as difficulties faced during implementation.

Selection of the State Parties, who will participate in the mechanism review in each regional group each year, is carried out by drawing names. Each State Party is reviewed by two other State Parties, one of which is from the same geographic region of the reviewed State Party and has a similar legal system. The result of the country review is a report to be submitted to the Conference of the State Parties. The Palestinian country review results showed the following:

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17 the United Nations Convention against Corruption (UNCAC) was approved by the General Assembly of the United Nations by resolution 58/4 on October 31, 2003. The Convention entered into force on December 14, 2005, and is signed by 171 states until January 2015. Palestine had submitted an application to the United Nations on April 2, 2014 to become a state party of the convention, where entered in to force one month from the date of submitting the application.
Gaps in the area of criminalization of corruption, law enforcement, and international cooperation

Results of the review on compliance of Palestinian institutional and legal frameworks in terms of the implementation of the UNCAC revealed a number of gaps and challenges related to criminalization and law enforcement, as stated in the third chapter of the Convention. Similarly, gaps were pointed out in relation to international cooperation and law enforcement as stated in the fourth chapter of the convention; most notable of these gaps include:

- **Palestinian legislations lack criminalization of bribes given to foreign officials and employees of international public institutions**
- **Weakness in protection of witnesses and experts**
  
  No measures were adopted to protect perpetrators of crimes who collaborate with justice; or grant them immunity from prosecution. Similarly, no measures were adopted to protect witnesses, experts, and or other persons related to them. In addition, there were no measures taken to ensure compensations of damages resulting from corruption cases.

- **Some corrupt individuals escape punishment**
  
  Despite efforts exerted by some formal institutions including the ACC in preventing the corrupt from escaping punishment, impunity of some corrupt individuals remains to be a challenge for the Palestinian national integrity system. This is mainly due to weakness in prosecution and criminalization of the corrupt, and to slow procedures in preparing files for the Anti-corruption Court, where criminal procedures are bureaucratic and the role of lawyers is defunct.

In addition to the abovementioned factors, the formal evaluation by the State Parties, signatories to the Convention, indicated that efforts related to recovery of stolen funds and prosecution of fleeing corrupt individuals (impunity cases) still face national and international difficulties and challenges due to the following reasons:

- Absence of bilateral treaties concerning extradition of criminals or mutual legal trials;
- Absence of legal provisions relating to the extradition of wanted criminals;
- Absence of penal codes’ provisions that refer to direct implementation of court rulings.

Moreover, there are no legal bases for transfer of sentenced individuals or transfer of proceedings. This is due to the fact that cooperation in the area of law enforcement and joint investigations is limited to some Arab countries only.

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Despite the fact that Palestine signed the United Nations Convention Against Corruption in April, 2014, which entered into force one month after its signing, the Convention has not been adopted as a national law. It was not even published in the Palestinian Chronicle, as constitutionally followed in other countries. This raises questions of the seriousness of commitment to the provisions of the Convention, as well as the possibility of invoking its provisions in front of the Palestinian judiciary.

Furthermore, until today, results of the formal review have not been shared with civil society, nor has a debate taken place with the various related parties to debate these results.

Continuation of the dysfunction of the Palestinian Legislative Council left its powers in the hands of the President

Despite the presence of a consensus government that was suppose to unite PA’s institutions and to re-activate the PLC, the Council remained dysfunctional in 2015, hence the president and government continued to exercise powers granted to the PLC. This practice has been going on since the beginning of the political division in 2007. These powers included, the issuance of laws decrees, granting confidence to the government or one of its ministers, approving appointments of some heads of institutions, where the Basic Law requires the endorsement of the legislative council for these appointments as in the case of the Law by Decree No. 1 for 2015 approving the appointment of Mr. Iyad Tayyem as head of the SAACB, and the aw Decree No. 13 for 2015 approving the appointment of Mr. Azzam El-Shawwa governor of the Palestinian Monitory Fund.
In the GS, the Hamas affiliated Reform and Change bloc continued to hold legislative council sessions despite the formation of the National Consensus Government. Due to the crisis between the legislative council on one side, and the government and presidents’ office, on the other, at the end of 2014, decline in the follow-up and control role of parliamentary groups was clearly felt in 2015. This was due to Council and its general secretariat’s stand regarding restrictions imposed on the unions, epitomized by the transfer of the Secretary General of the PLC to the General Personnel Council. This crisis persisted until mid 2015, where parliamentary groups became dysfunctional in their follow-up on public issues. The crisis ended by returning the Secretary General to his post at the legislative council.

In clear violation of the law relating to the rights and duties of members of the legislative council, as well as the internal by-laws for the council, where both include provisions preventing a member of the Council to work in any executive job with the exception of the minister, a number of the council’s members hold positions as heads of commissions, or ambassadors within the executive authority.

The legislative process continued throughout 2015 by the government and presidency institutions issuing laws and decisions, as illustrated below:

<table>
<thead>
<tr>
<th>No.</th>
<th>Law/Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Law by Decree No. 1 for 2015 concerning ratification of appointing Mr. Iyad Tayyem as head of the SAACB.</td>
</tr>
<tr>
<td>2.</td>
<td>Law by Decree No. 2 for 2015 concerning an annex to the Law by decree No. 2 for 2014 on the 2014 public budget.</td>
</tr>
<tr>
<td>3.</td>
<td>Law by decree No. 3 for 2015 concerning emergency budget for the 2015 fiscal year.</td>
</tr>
<tr>
<td>4.</td>
<td>Law by Decree No. 4 for 2015 concerning amendment of law No. 11 for 2004, on bonuses and salaries of members of the legislative council, government, and governors.</td>
</tr>
<tr>
<td>5.</td>
<td>Law by Decree No. 5 for 2015 concerning amendment of the law by decree, No. 8 for 2011, on income tax.</td>
</tr>
<tr>
<td>6.</td>
<td>Law by Decree No. 6 for 2015 concerning revision of the Civil Service Law No. 4 for 1998 and its amendments.</td>
</tr>
<tr>
<td>7.</td>
<td>Law by Decree No. 7 for 2015 concerning amendment of the law No. 14 for 2005 on management and development of the property of orphans.</td>
</tr>
<tr>
<td>8.</td>
<td>Law by Decree No. 8 for 2015 concerning the Palestinian Agricultural Lending Institution.</td>
</tr>
<tr>
<td>9.</td>
<td>Law by Decree No. 9 for 2015 concerning the public budget 2015 fiscal year.</td>
</tr>
<tr>
<td>10.</td>
<td>Law by Decree No. 10 for 2015 concerning amendment of the law No. 40 for 1953 on rental and sale of immovable property from foreigners.</td>
</tr>
</tbody>
</table>

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19 Fatwa and Tashree‘ (Legislation) Bureau, the Palestinian Chronicle, copies issued in 2015.
11. Law by Decree No. 11 for 2015 concerning granting confidence to the new ministers of the 17th government.

12. Law by Decree No. 12 for 2015 concerning the amendment of the Alimony Fund law No. 6 for 2005.

13. Law by Decree No. 18 for 2015 concerning combating drugs and psychotropic substances.

14. Law by Decree No. 13 for 2015 concerning ratification of appointing Mr. Azzam El-Shawwa as governor of the Palestinian Monetary Fund.

It is worthy to note that there was a decline in the number of laws by decree issued by the President in 2015 in comparison with 2014. 19 laws were issued with the majority of them concerning approval of budgets and granting confidence to the government or newly appointed ministers who joined the government at a later date. Through the issuance of these laws, the President assumed the one of the most important roles of the legislative council. In contrast, some laws by decree were issued as a service to specific parties or individuals, or influenced by them as in the law by decree No. 5 for 2015 concerning amendment of income tax. This decision was the result of pressure from influential businessmen in the private sector to serve their interest.

**Laws by decree and their effect on the national integrity system**

During the period of 2007-2015 approximately 143 of laws by decree were issued affecting the various constitutional, political, economic, and social sectors. And in addition to the changes these laws by decree had on existing legal and institutional structures, it had significant implications on the national integrity system summarized as follows:

- The laws issued by decree unveiled political struggle for power and authority. This is evidenced via transfer of institutional rule from government to the presidency, and appointments in senior positions, which strengthened the powers of some officials at the account of others; thus constituting a form of political corruption.

- Many of the laws by decree conflict with provisions of the Palestinian Basic Law, such as the law No. 4, for 2012 concerning lifting immunity from a member of the legislative council. Also law No. 17 of 2014 concerning amendments of the Criminal Procedures Law No. 3 for 2001; decree No. 6 for 2011 in regard to amendment of the Charitable and Non-Governmental Organization Law No. 1 for 2000; law No. 11 for 2007 concerning preventive security. All of the above infringes on the foundation of the constitutional political system and threatens the principle of the rule of law.

- Many of the decrees interfered with the sovereignty of monitoring and control institutions and commissions, as well as with public accountability systems. These laws also limited the role of these bodies, whether in relation to powers of the legislative council or the SAACB or any other regulatory bodies.

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20 Report on Laws by decree issued during 2007-2015, and their effect on the national integrity system, the Coalition for Integrity and Accountability-AMAN.
• The mentioned laws contributed to the centralization of power in the hands of the head of the executive authority, hence undermining the role of the authorities. They also undermined the role of civil society, which may constitute a means of social control and accountability, especially in the absence of the main official institution in this regard, the Palestinian Legislative Council (PLC).

• Civil Society Organizations exerted lots of efforts in the preparation and approval of the draft “Right of Access to Information Law”. These institutions, including AMAN and the Independent Commission for Human Rights (ICHR), had submitted a draft bill to the PLC in 2005. The draft was discussed by the PLC and had gone through the first and second reading. However, the internal division and the dysfunction of the PLC prevented the completion of procedures hence its approval. However, after in-depth discussions by the various parties involved, the ACC presented the present Prime Minister, DR. Rami Hamdallah, the draft of “Right of Access to Information Law” to be approved and adopted by the President via Law by decree. However, until the end of 2015, this law has not been issued, thus raising many questions regarding parties that are preventing the adoption and approval of the above-mentioned law.

• Many of the laws by decree, especially those related to economic matters, were issued to serve certain sectors. For example, most legislations issued with the intention to regulate the work of companies, resulted in the benefit of these companies, especially the large ones amongst them. Hence legislations that might have posed restrictions on these companies failed to do so. In addition, some laws by decree that affect major corporations centers were not activated, such as the Telecommunication Regulatory Commission Law. This lack of activation interferes with values of integrity and systems of accountability.

• Many of these laws compromised public rights and freedoms, such as the right to assembly and the right to litigate, as well as denial of detainees’ rights.

• Despite the large number of issued laws by decree, the executive authority neglected to pass laws that promote transparency and integrity in public
Integrity and Combating Corruption 2015

institutions despite the dire need for such legislations at the present time. Most important of these laws include: the Right to Access to Information Law; the Competition and Antitrust Law; Concessions Law; Regulation of the Consumable fuels Sector (gas, oil, fuel, etc.) Law.

Decisions issued by the Hamas bloc in the legislative council in Gaza
The Reform and Change bloc, a Hamas affiliated bloc at the legislative council in the GS, held sessions on its own and issued approximately 53 laws. These laws touched upon all aspects of life, economic, social, and political, reflecting Hamas’s views and ideology on these issues, with some targeting Islamization of society. Other laws were issued to facilitate Gaza government’s work in Gaza such as amending the: Procedural Law No. 3 for 2001; Military Justice Law No. 4 for 2008; Law No 9 for 2008 concerning regulating Zakat, and Law No. 3 for 2009, an amendment to the Penal Code No. 74 for 1936. It is worth noting that the authority in the GS does not recognize nor implement legislations by decree issued by the President. The Gaza government also does not implement the Anti-Corruption Law under the pretext that there is no branch in the GS for the ACC.

Fifth: Dispersion of references in the consumable fuels sector continued during 2015, which weakened the control and accountability process in this sector:
The consumable fuels’ sector still lacks a legal governing framework that would define foundations and principles for management in a transparent fashion. The framework is also vital for providing the necessary mechanisms for accountability in the various vital aspects of the sector, such as: oil and gas discovery and extraction, as well as in the management of the consumable fuels and oil file, which is currently managed by the General Petroleum Commission without a regulating law. This Commission was established in 1994 as an independent commission and was entrusted with the task of supervision and regulation of the consumable fuels’ sector. At the practical level it was given monopoly on importing, sale and distribution of the various consumable fuels. The problem was and still is, is that it carries out all activities without a regulating law, despite attempts by the first PLC to enact legislation that would regulate the petroleum sector as well as the General Petroleum Commission at the end of 1997. However, these legislations were never issued by the presidential institution or published in the official chronicle until today, hence continuing the legislative vacuum in this regard.

In return, this led to the absence of a transparent work mechanism as well as an effective accountability system, hence marring the institution at times with suspicions of corruption such the cases currently being pursued by the ACC to return looted funds. Moreover, this commission remains un-subjected to the state’s supervision and control institutions; thus, this commission is not held accountable for its, decisions, activities, revenues, or expenditures.
General Impression of the Prevalence of Corruption

An info-graphic table illustrating changes in difficulties faced by the Palestinian citizen, according to importance. General Impression of the Prevalence of Corruption in Palestine public opinion polls, conducted by the Palestinian Center for Policy and Survey Research, all throughout 2015, confirmed that respondents perceive corruption as one of the top three priorities that must be addressed; preceded by unemployment and poverty, and confronting occupation and settlement policies. The polls also indicated that the perception of corruption in the PA institutions ranged between 78% and 79% according to respondents.21

In addition, the 2015 Opinion poll on corruption and efforts of combating it, carried out by AMAN, confirmed that 92% of respondents believe that corruption exists in Palestinian institutions. And 80% of respondents said that efforts for combating corruption are insufficient.22

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21 The Palestinian Center for Policy and Survey Research, results of opinion polls 2015 (55-59).
22 The Coalition for Integrity and Accountability-AMAN, results of the opinion poll on Corruption and Combating Corruption in Palestine, 2015.
Most Prominent Forms of Corruption in 2015

Struggle over senior posts and jobs reinforced cronyism and impeded integrity in managing public affairs and anti-corruption efforts:

Lost opportunities for internal reconciliation, absence of holding legislative and presidential elections, and lack of progress in the political peace process and ending the siege imposed on the GS, led to the decline in the legitimacy of leadership at all levels. This applies at the executive (president and government) and legislative levels, since their constitutional period has ended in 2010.

Due to the centralization of power in the hands of the executive authority, represented by the President, fragility of the institutional system was revealed epitomized by opportunities allowed for personal relationships to interfere in decision-making in appointments of senior positions. This interference was noticed in the judiciary, council of ministers, public non-ministerial institutions, and other state institutions such as the State Audit and Administrative Control Bureau (SAACB), Palestine Radio and Television Corporation, Industrial Cities Corporation, Prosecution, Ambassadors, etc.

The struggle over senior positions and posts without fair competition and according to conditions required for assuming such positions reinforced reliance on personal and clannish relationships in appointments in high-ranking jobs in many public institutions and positions. This was made possible by taking advantage of the
absence of institutional monitoring and control over the process, and certainly by not respecting the principles and foundations for assuming such high-ranking positions. The unprincipled competition mentioned, which took place among certain people in 2015 and remains prevalent today, for assuming senior positions, particularly those affiliated to the PA, or those who claim to be "confidantes" to the President, contributed to the decay of central authority and to the loss of its prestige. All due to the personal recrimination exchanged between related parties, and to settling scores between the centers of influence themselves. This led to the spread of a state of affairs where each group/party is looking only to the interest of its members; an unhealthy environment suited for corruption. It also hindered anti-corruption efforts as well as reinforced the notion of lack of trust in the effectiveness of combating corruption, in 2015. This was reflected in the results of the opinion poll conducted by AMAN, which indicates that 80% of respondents said that the current anti-corruption efforts are not sufficient.

It also reinforced public opinion of the presence of corruption in Palestinian institutions, as confirmed by 92% of respondents in AMAN's opinion poll on corruption. It also reinforced the pessimistic outlook for the future as expressed by respondents, where 50% of them expect corruption to increase in the coming years.

As for the situation in the GS, Hamas movement and its previous government continued to impose its authority through deputy ministers, or high officials who hold high administrative positions in ministries and public institutions. This went on despite the Shati’ Agreement and the formation of the Consensus Government. Failure to achieve internal reconciliation, in addition to the continuation of the unyielding siege on the GS, and the increasing pressure on services, resulted in the emergence of different forms of corruption such as wasta, nepotism, favoritism, and bribery; mostly in services provided at border-crossings, and in the service of granting permits, licenses and medical referrals. Results of an opinion poll conducted in the GS on petty bribes indicated that the area most vulnerable to bribery is in services facilitating travel arrangements at the Rafah crossing, as confirmed by 53.9% of respondents. 23.5% of the sample survey felt that the most the vulnerable area is services provided by the General Authority for Civil Affairs, while 22.5% saw that medical referrals abroad was the area that is most vulnerable. The frightening aspect about these forms of corruption is that the public perceives them as a given when obtaining services. Willingness to pay a bribe is apparent among a large segment of society as revealed by the poll’s results, accounting for 27.9% of respondents in the GS who testified to being obliged to pay a bribe in order to obtain services in the following three services: border crossing, permits and passes and medical referrals.

This calls for the PA to reconsider its role in combating corruption, especially since high officials believe that this is the sole duty of the ACC, hence freeing them from the responsibility of combating corruption. However, combating corruption is a national issue that is the responsibility of parties, and not a matter of powers granted to a particular institution or group. It also requires adopting a national comprehensive strategy and plan that determines, by agreement between all decision makers, responsibilities and tasks of each party. In addition, each party is obliged to allocate a specific budget for implementation of its share of commitment. The plan needs to include the development a follow-up, monitoring and evaluation mechanism in order to evaluate the extent of commitment of each party in implementing responsibilities assigned, guided by measurable indicators.
According to the Integrity Index, conducted annually by AMAN, integrity and combating corruption in Palestine fluctuates in the middle, with no significant change from past years. The index points to improvements in superficial issues such as institutional structure, legislative frameworks, and increase in transparency and integrity values. At the same time, the index illustrates a decline in basic issues epitomized in actual behaviour in terms of combating corruption and the on-going spread of manifestations of corruption.23

**Most and Least Prevalent Forms of Corruption**

Data published by the ACC indicated a transformation in corruption crimes and forms from what prevailed in previous years. The ACC stated that the majority of complaints and whistle-blowing reports are related to “breach of fiduciary duties” rather than wasata and nepotism, which came at the top of the list in previous years. The number of complaints and whistle-blowing reports in 2015 amounted to 485, where 117 of these were related to high-ranking positions; general director or higher.

- **Most prevalent forms of corruption according to the ACC complaints:**
  - Breaches of fiduciary duties - 23%
  - Wasta and nepotism - 17.5%
  - Compromising of public funds - 14%
  - Abuse of power - 13.6%

- **Least prevalent forms of corruption according to the ACC complaints; remaining as in 2014:**
  - Forgery - 4%
  - Negligence in performing duties in public positions - 2.6%
  - Bribery - 2.3%

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23 The Palestinian Integrity Index 2015, the Coalition for Integrity and Accountability-AMAN, Ramallah, Palestine.
• **The ACC refers 39 files to prosecution despite the increase in citizens’ complaints and reports reaching 480 in 2015**

In 2015, the Commission addressed 433 complaints and reports; 219 of these files were from 2014, and 214 received in 2015. 234 of these were rejected due to lack of jurisdiction, with 168 remaining for further scrutiny, and 39 files were referred to the Anti-Corruption Prosecution. The key observation is the number of complaints and reports that are excluded on grounds that they do not fall under the jurisdiction of the ACC, which amounted to more than half of files finalized by the Commission in 2015. This issue requires attention and needs to be addressed by raising public awareness of the ACC and its specialization, as well as the terms for issues that fall under its jurisdiction.

On the other hand, and despite the increase in submitted complaints and reports to the Commission regarding wasta and nepotism, which amounted to 59 cases, only one case was referred to the Anti-Corruption Prosecution. This confirms AMAN’s recommendation included in its 2014 report on the need for amendment of the Anti-Corruption Law in this regard. It also called for the revision of the legal status of Wasta to be considered a misdemeanour and not a crime as well as to reduce its penalty. In addition, AMAN recommended that additional efforts be exerted to combat wasta and nepotism in the framework of cultural awareness.

The public sector and the local government units are the two sectors most vulnerable to corruption and complaints

In regard to distribution of complaints and whistle-blowing reports submitted to the Commission regarding the various sectors, data indicates that 92% of them were related to the public sector and local government units; while approximately 4% of were related to civil society. From the total files, 36 out of the 39 were related to the public sector and local government units with percentage higher than 92% above. This coincides with citizens’ perception in regard to sectors that are most vulnerable to corruption, according to AMAN’s annual opinion poll.

• **Nature of cases dealt with by the Anti-Corruption Prosecution**

Due to the fact that the majority of corruption cases that are being addressed by the judiciary and public prosecution are those related to average employees, reinforced the perceived notion of distrust among citizens that high-ranking officials are never held accountable. It also reinforces public perception of these institutions’ abilities and their lawyers in hindering and prolonging court proceedings for years without court rulings.

Furthermore, cases that are referred to the Anti-Corruption court do not reflect the number of corruption cases that are being disclosed, or are reported. This gives the impression that impunity exists, especially in regard to big corruption cases where the accused have managed to escape to other countries, or have earned the protection of the Israeli occupation.

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The ACC referred 39 corruption cases to the Anti-Corruption Prosecution; 36 of those (92%) were related to the public sector and local government units; while 3 cases (4%) were related to civil society.

<table>
<thead>
<tr>
<th>Cases referred to the Anti-Corruption Prosecution</th>
<th>%4</th>
<th>%92</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 Files</td>
<td>Civil sector</td>
<td>Public sector</td>
</tr>
</tbody>
</table>
Approximately 39 cases were referred to the Anti-Corruption Prosecution in 2015, nine of which were completed. Nature of the crimes of these cases constituted issues relate to breach of fiduciary, which came in first place and amounted to 17 cases, accounting for 43.6%, noting that the number for 2014 was only five cases. It was followed by embezzlement and exploitation of position with 12.8% for each (five cases each). In the mean time, crimes for illicit gain dropped to last place, after it occupied first place in 2014.

- **Nature of corruption crimes handled by the prosecution in 2015**

<table>
<thead>
<tr>
<th>No.</th>
<th>Corruption Crime</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Breach of Fiduciary</td>
<td>17</td>
<td>43.6%</td>
</tr>
<tr>
<td></td>
<td>Embezzlement</td>
<td>5</td>
<td>12.8%</td>
</tr>
<tr>
<td></td>
<td>Bribery</td>
<td>4</td>
<td>10.2%</td>
</tr>
<tr>
<td></td>
<td>Exploitation of position</td>
<td>5</td>
<td>12.8%</td>
</tr>
<tr>
<td></td>
<td>Forgery</td>
<td>3</td>
<td>7.7%</td>
</tr>
<tr>
<td></td>
<td>Illicit gain</td>
<td>1</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Wasta and Nepotism</td>
<td>1</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Refusal to comply with court orders</td>
<td>1</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Money laundering</td>
<td>2</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

The above table illustrates the nature and size of corruption crimes handled by the Prosecution.

Source: the Anti-Corruption Commission, December 17, 2015

- **Corruption cases where court rulings were issued-2015**

Significant progress occurred in terms of legal prosecution of corruption crimes by the Anti-Corruption Prosecution and Anti-Corruption Court in 2015. Numbers in that regard indicate a noticeable progress in cases studied and are awaiting sentences. However, it is worthy stress the importance of avoiding selectivity in legal prosecution, noting that the majority of sentenced cases were related to small employees, while big cases concerning senior staff remained limited. Information received from the Anti-Corruption Court indicates to 19 corruption cases received by the court until December 15, 2015, which signifies a large number if compared with the three cases received in 2014. The number of cases carried over from 2014 was approximately 52 cases. The number of cases where a court ruling was issued accounted for 33 cases. This number far exceeds the number of such cases for 2014, where they amounted to only 20 cases.
Corruption cases received and ruled by the Anti-Corruption Court in 2015

<table>
<thead>
<tr>
<th>Month</th>
<th>Cases Carried over</th>
<th>Received</th>
<th>Total</th>
<th>A Court Order was issued</th>
</tr>
</thead>
<tbody>
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<td>1.</td>
<td>52</td>
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<td>52</td>
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<td>3</td>
<td>51</td>
<td>6</td>
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<td>45</td>
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<td>5</td>
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<td>8.</td>
<td>40</td>
<td>6</td>
<td>46</td>
<td>0 (Judges’ annual leave)</td>
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<tr>
<td>9.</td>
<td>46</td>
<td>0</td>
<td>46</td>
<td>0 (Judges’ annual leave)</td>
</tr>
<tr>
<td>10.</td>
<td>46</td>
<td>2</td>
<td>48</td>
<td>5</td>
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<tr>
<td>11.</td>
<td>43</td>
<td>1</td>
<td>44</td>
<td>6</td>
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<tr>
<td>Total</td>
<td>19</td>
<td></td>
<td>33</td>
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</table>

Source: Department of Judicial Inspection at the Judicial Higher Council

- **The majority of corruption cases were convicted**

  The number of cases convicted amounted to 29 cases, where those dismissed as innocent amounted to three cases. This marks an important achievement for the Anti-Corruption Prosecution and Court hence worthy to seize the opportunity to enhance citizens’ trust in the ACC, especially since results of the opinion poll on Corruption and Anti-Corruption Efforts in the oPt indicated that 65% of respondents believe the ACC is ineffective in carrying out role and tasks entrusted with.

- **Some of the cases convicted by the Anti-Corruption Court**

  - The Anti-Corruption Court issued an order on April 19, 2015 refusing the lawsuit, submitted by the ACC against parliament member Mohammad Dahlan, on grounds that it is an unprecedented case due to the immunity granted to him as a PLC member. The court order further stated that, according to the law, only the PLC can waive immunity from any of its members. It is worth noting that charges against Dahlan included embezzlement of public funds and illicit gain.
  
  - The Anti-Corruption Court issued an order on April 19, 2015 sentencing a former employee of the Implementation Department at the First Instance Court in Ramallah, with imprisonment. The same ruling was given to an employee in charge of archiving at one of the companies of the courts. Accusations of the two employees constituted “breach of fiduciary” for the former and “incitement of breach of fiduciary” for the latter.
An increase in the number of corruption cases relating to food and medicine; limited conviction by the court

The subject of spoiled food and medicine has become a source of anxiety for the Palestinian society troubling all parties; official, civil and consumers alike. During 2015, the contradiction between the prevalence of this phenomenon and the number of prosecution of perpetrators continued. Reports by the Department of Consumer Protection at the Ministry of National Economy reported that 288 merchants were referred to the Prosecution during 2015; while in 2014, the number was 118 merchant.

And despite the increase in number of cases of spoiled food and medicine, law suits in that regard have declined, noting that these law-suits are under the jurisdiction of the Economic Crimes Prosecution. The total number of economic crimes since the beginning 2015, did not exceed 31 cases, according to statistics provided by the Public Persecution's Policy and Planning Department. In addition, three convictions were issued by the Criminal Court in Ramallah relating to commercial fraud, trading in spoiled food, and Israeli colonies' products.

<table>
<thead>
<tr>
<th>Activity</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of inspection visits</td>
<td>4051</td>
<td>4882</td>
<td>5252</td>
</tr>
<tr>
<td>Number of visited sites</td>
<td>33672</td>
<td>34590</td>
<td>37690</td>
</tr>
<tr>
<td>Summons and notifications</td>
<td>591</td>
<td>895</td>
<td>824</td>
</tr>
</tbody>
</table>

24 Effectiveness, independence, and inclusiveness, of the Anti-Economic Crimes Prosecution' role in combating spoiled food and medicine crimes, the coalition for Integrity and Accountability-AMAN, 2015.
To address fragmentation of institutions' efforts that track corruption related to food and medicine, AMAN calls on the Minister of Health to establish a specialized unit to bear the responsibility of combating corruption crimes related to issue.

In 2015, AMAN held more than one workshop with related parties to discuss the issue of spoiled food and medicine crimes, where participating groups agreed on several reasons that led to the ineffectiveness of efforts exerted to address the above-mentioned problem:

- The fragmentation of efforts and struggle over powers by the numerous parties working on the subject: Department of Consumer Protection at the Ministry of National Economy, the Ministry of Health, Ministry of Agriculture, Palestinian Council for Consumer Protection, consumer protection organizations, and the Anti-Economic Crimes Prosecution.

- Weakness of the deterrent factor in penalties for these crimes, as it is optional, not mandatory. The choice is either paying a fine or imprisonment, where in the majority of cases the first is preferred over later. In addition, court proceedings on economic crimes are lengthy. Also lack of publication of judicial provisions in this regard constitutes an additional factor for violators to repeat their crimes. All of the above, naturally impacts anti-corruption efforts negatively in this area.

- Shortage of human and material resources in judicial control commissions; lack of training for staff in editing judicial control minutes necessary as evidence for conviction; failure of the judicial control parties to transfer all files directly to the Anti-Economic Crimes Prosecution.

- The weak role of consumer protection organizations due to lack of funds, as well as shortage in established consumer protection organizations in some governorates.

Source: Department of Consumer Protection at the Ministry of National Economy

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<tr>
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<th></th>
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<tbody>
<tr>
<td>4.</td>
<td>Number of Merchants following-up</td>
<td>1935</td>
<td>259</td>
</tr>
<tr>
<td>5.</td>
<td>Violations related to announcing prices</td>
<td>89</td>
<td>61</td>
</tr>
<tr>
<td>6.</td>
<td>Number of samples</td>
<td>287</td>
<td>333</td>
</tr>
<tr>
<td>7.</td>
<td>Number complaints</td>
<td>241</td>
<td>745</td>
</tr>
<tr>
<td>8.</td>
<td>Settlement confiscated products</td>
<td>140 ton</td>
<td>81ton</td>
</tr>
<tr>
<td>9.</td>
<td>Number of referred to the judiciary</td>
<td>120</td>
<td>118</td>
</tr>
<tr>
<td>10.</td>
<td>Guidance and media activities</td>
<td>315</td>
<td>558</td>
</tr>
<tr>
<td>11.</td>
<td>Amount of confiscated material</td>
<td>1100</td>
<td>648</td>
</tr>
<tr>
<td>12.</td>
<td>Amount of material reported</td>
<td>1693</td>
<td>23335,7</td>
</tr>
<tr>
<td>13.</td>
<td>Amount of material destroyed (confiscated and reported)</td>
<td>2029</td>
<td>2634</td>
</tr>
<tr>
<td>14.</td>
<td>Amount of material returned</td>
<td>535</td>
<td>388</td>
</tr>
<tr>
<td>15.</td>
<td>Value of goods from Israeli colonies in Shekel (NIS)</td>
<td>4944119</td>
<td>420022</td>
</tr>
</tbody>
</table>

To address fragmentation of institutions' efforts that track corruption related to food and medicine, AMAN calls on the Minister of Health to establish a specialized unit to bear the responsibility of combating corruption crimes related to issue.
In conclusion, solving economic crimes, especially those related to spoiled food and medicine, requires consolidation of efforts by all related parties. This is feasible through the establishment of a body knowledgeable in food and medicine to under the direct responsibility of the minister of health. The staff of the newly established body should be trained in order to carry out its tasks as best as possible. It is also important to develop specific regulations for consumer protection laws aiming at tightening deterrent penalties for those involved such as: revoke their licenses, include their names on black lists, and establish a coalition that includes consumer protection organizations in order to activate their role.

Weakness of deterrent penalties for merchants involved in spoiled goods crimes creates a state of fear and frustration among Palestinians. It also creates lack of trust in official parties’ effectiveness in the protection of citizens’ health.
Issues under the Spotlight

Criteria for equating higher education degrees; is it subject to change with each new minister?

- Exceptions and imposing the status quo 25

The issue of diploma equivalency earned from universities abroad posed many problems in the Palestinian society. Official institutions such as the judiciary, the SAACB and the Council of Ministers all looked into this issue for solutions.

In this regard, the Diplomas Equivalence Department at the MoE was subjected to constant pressure to approve diplomas that do not comply with the adopted equivalency systems and instructions, but their holders are people who are close to influential officials. However, in most cases, the department was able to block such attempts.

Moreover, the Minister of Higher Education occasionally sent back many of the files to be reconsidered by the Higher Committee and technical committees formed in accordance with the system, after being rejected the first time. And at times, he also made the same request regarding diplomas that have been rejected years ago. He was able to do that due to the exceptional powers granted to him in his capacity as the Minister. It is also worth noting that all possible legal appeals, including recourse to the Supreme Court Justice were previously exhausted by holders of these diplomas.

This is in addition to the individual exceptions granted to the minister, one of which is allowing students whose averages do not meet the minimum requirement of 65% to be accepted at Palestinian universities. This raised questions about the whole principle of exceptions, since it provides room for placing personal interest before public interest; noting that pressure might be imposed on the minister himself from many parties to take conflicting decisions in this regard. This is due to the absence of systems and or instruction that prevent conflict of interest or disclosure of it upon occurrence for members of the higher committee, technical committees, and employees working in the administration of university education. This is especially crucial if or when one of the diplomas is for a relative or friend of a member of the committee or the minister, or has a work relationship with the university or institution where the applicant works.

As long as the Minister of Higher Education has the power to make exceptions regarding admissions to universities based on the minimum requirement of 65%, in addition to his/her desire to question diploma equivalency requests already reviewed by the judiciary, chances for wasted and nepotism will persist.

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25 Integrity and Accountability in equating higher Education Degrees at the Ministry of Higher Education, AMAN 2015.
Lack of transparency in the financial management of higher education government institutions (universities): lack of clarity of government’s policies relating to its financial responsibility towards higher education, left the arena open for selectivity in dealing with universities. A number of public universities do not apply the financial system adopted by the Council of Ministers, and in-line with Palestinian Basis Law. These higher education institutions also refuse to work according to the PA’s financial system, or transfer their revenues to the State treasure, although they entire budgets come from the public budget; such as the Khadouri College among others, for example. Adding, there exist some non-governmental universities who benefit from the government’s money for salary payments of its staff, such as Al-Aqsa University.

Tax evasion in Palestine has drained and wasted public funds  
Palestinian law did not define tax evasion properly. However, it identified penalties for acts which represent forms of tax evasion in article 37 of the Law by Decree No. 8 for 2011 concerning income tax. In addition, the Palestinian Anti-Corruption Law does not consider tax evasion a corruption crime except when committed by a public servant, or if there is complicity by a public servant or any of the individuals subject to the Anti-Corruption Law.

Upon review of the legal framework governing the process of collecting income tax for example, it is possible to note the following:

- The Income Tax Law does not contain specific procedures or a mechanism to prevent conflict of interest, especially in cases where an employee leaves his/her job and goes to work in the private sector. In this regard, provisions of the law are not clear, or explicit in terms of the importance of preventing conflict of interest. Even at the practical level in public management, there is no clause that prevents an employee, taking it from the perspective of conflict of interest, from working in private institutions after ending his/her service in administration.

- Circumventing the Investment Promotion Law No. 1 for 1998 and its amendments, which grants exemptions and cuts for certain periods of time, ranging from 5 to 21 years; where investors sometimes transfer ownership of the project to their relatives (spouse, offspring, etc.) after expiration of the tax-exemption period in order to benefit from a new exemption period. This is possible due to the absence of legal provisions in the mentioned legislation that would consider this act as a circumvention of the law which cancels the validity of the exemption, reducing the exemption period, or at least holding the perpetrator accountable.

- Adoption of the principle of self-tax return contributed to tax evasion due to consideration in the law which deem it honest unless proven otherwise, giving the assessment officer a period of one year to examine and audit the tax return. Once the period of one has passed the return is considered legitimate.

26 Working paper on AMAN position.
Integrity and Combating Corruption 2015

Struggle for Powers between the Ministry of Health and the Palestinian Medical Association still hinders accountability for medical errors:27

Medical errors represent a threatening problem given the direct consequences they have on the health and lives of human beings. This requires that the accountability and follow-up process on this issue be clearer.

Legislative provisions on medical errors are absent from the Palestinian legal system. What is currently applied on medical errors are a group of legislations concerning public administrative, civil, and criminal provisions. The mentioned provisions are normally applied on violating the foundations of the various professions such as negligence of duty. Moreover, there are no legal provisions in the Palestinian legal system that obliges health professionals, or health clinics and institutions to take on insurance against errors and accidents that might occur by them, or to compensate victims or their families for consequences of these errors.

There are no accurate statistics relating to the size of medical errors, which occurred in 2015 in Palestinian private or public health sectors. This is due to the absence of a system that would document these errors. In addition, procedures taken against someone where it was proven that he/she had committed a medical error do not exceed disciplinary measures. Moreover, problems in administrative investigations executed by Palestinian medical committees, where rarely do they find anyone guilty of medical error pose an additional issue.

Each year, the number of medical errors that claimed the lives of patients, or caused harm and permanent disabilities is announced. However, no clarifications are given to the public or even to those affected if the competent parties held accountable those who committed the errors.

The struggle over power between the MoH and the Doctor’s Syndicate makes the citizen the victim, mainly due to the absence of accountability in regard to these

27 Working paper on AMAN position.
errors. In addition, there are allegations at times about the seriousness or lack of integrity of investigative committees assigned. Also at times there are suspicions of the existence of collaboration between members of those committees and parties or individuals under investigations (i.e., who committed the errors) due to being colleagues in the medical profession. This is due to the absence of an adopted system or instructions concerning the establishment and work mechanisms of these committees. Therefore it is vital that the work of these committees is institutionalized including defining basis for establishment and mechanisms of work. In addition, it is also important to determine the subordination of the committees (the Medical Association in regard to individuals’ errors, and the MoH in relation to institutions’ errors). Last but not least, it is important to have full coordination between the MoH and the Syndicate in this regard ensuring independence and effectiveness of these committees.

In this regard, AMAN took the initiative of preparing a draft system exclusively for medical errors, in addition to holding a discussion workshop with all related parties. AMAN also called on the competent authorities, particularly the MoH and the Council of Ministers to regulate this subject, but to no avail until now.

**Gaps in the environment of integrity and transparency of private funds**

The Palestinian legal structure is void of a precise system that determines the concept of private funds, and delineates boundaries for its legal title, which is a cause for concern. This is in addition to the numerous references established for each of them. As it stands, these private funds can be listed under the legal framework of public institutions.

Moreover, in many cases, these funds lack defined accountability mechanisms. They also lack many of the principles of transparency and values of integrity despite the need for that given that it invests and manages public funds.

**Most prominent gaps:**

- Some of the targeted funds lack a special regulating law. Examples include: the Palestine Investment Fund, and the Municipalities Development and Lending Fund.
- Some funds have no code of conduct such as the Investment Fund, Student Loan Fund, and Alimony Fund. In addition, these funds also lack awareness raising instructions for their staff regarding mechanisms and methods of reporting corruption or any acts that fall under corruption.
- Boards of directors of some funds do not take into account the legal period of their term. One example is the Municipalities Development and Lending Fund, where membership for several of its board members has exceeded the four year mark assigned. This is not consistent with article 11 of the Council of Ministers Decision of 2011, concerning the term stipulated for membership in the Fund’s board.
- Increase in fees and bonuses paid to presidents and members of boards of directors of some funds for attending sessions; where fees are 500 dollars and 300 for president and member of the board respectively for each session.

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• Despite the existence of websites for the majority of funds, many of them do not disclose legislations governing these funds, nor do they disclose work data and information related to their work, projects, or privileges granted to their presidents. An example of this is the Palestine Investment Fund.

• Although the majority of private funds have adopted regulations pertaining to governance, procedural manuals, financial and administrative systems that instruct methods and conditions for submitting periodic and annual report, most of them lack procedural manuals on complaint units in order to receive, study and follow-up on complaints.

**Reconstruction in the Gaza Strip**

The Israeli aggression on the GS in summer of 2014 led to a massive destruction affecting all aspects of life. This aggression damaged 171 thousand homes; 11 thousand of those were completely demolished.\(^{29}\) At the end of the aggression, on October 12, 2014, a conference in Cairo was held on the reconstruction of the GS. The conference concluded with pledges of 5.4 billion dollars to be granted to the PNA, with approximately 2.7 of that amount to be allocated for the reconstruction of the GS. 15 months later, only 810 million dollars, which amounts to 30% of the amount pledged, were received and spent on reconstruction, according to a press statement issued by the Prime Minister, Dr. Rami Al-Hamdallah.\(^{30}\)

The reconstruction process had undergone several stages, some of which has been completed and some is still under implementation. The process began with inventory and assessment of damages, developing plans, defining procedures and mechanisms pertaining to distribution of aid and announcement of tenders, and procedures for spending allocated funds.

In light of the enormity of the issue and its direct impact on hundreds of thousands of citizens in the GS, and the numerous complaints received from affected citizens due to lack of progress of the process as required, questions are raised about the integrity and transparency of procedures pertaining to this issue. This prompted AMAN to conduct a detailed comprehensive study for the whole of the reconstruction process in order to examine the extent of integrity and transparency within; conclusions were as follows:\(^{31}\)

- **In regard to integrity in the reconstruction process in the GS, it was revealed that there is:**
  - The absence of an announced comprehensive and clear mechanism pertaining to the inventory and assessment process, especially essential due to the multiplicity of actors who undertook this task, particularly in its beginning stages. Due to this missing link, the procedure had to be repeated more than once in order

\(^{29}\) Prime minister’s press release on October 29, 2015.

\(^{30}\) Report issued by the Ministry of Housing and Public Works, on December 10, 2015.

to establish a joint and precise database between the Ministry of Housing and Public Works and the UNDP program.

- Weakness in the integrity indicators for selection of suppliers for reconstruction needs, as no clear and defined criteria were noted. This was due to the fact that the Israelis were the ones in charge of selection, and surely based on their security grounds only.
- Lack of clear standards and mechanisms in the disbursement of compensations; using some grants’ money to implement certain private projects, and in particular, the Qatari grant, where complaints were noted of replacing deserving effected names of individuals with others, or using the selection criteria to compensate a group of owners of residential units estimated at 100 units.
- **In regard to transparency in the reconstruction process in the GS, the following was revealed that:**
  - Reconstruction plans were conducted without engaging civil society in the process. In addition, the United Nations representative’s plan for reconstruction imposed a lot of complex procedures and mechanisms that were unknown to the majority of parties involved, and especially those affected, until after it was agreed upon. Even then, the people affected remained in the dark concerning its details.
  - People affected expressed their dislike to the ambiguity surrounding mechanisms and procedures of the reconstruction process concerning demolished houses, as well as the private economic interests and dealings. Moreover, the private sector does not record names of suppliers nor the process and or criteria by which they were selected.
- **In regard to accountability and control the following was revealed:**
  - No reference was made to holding any of the reconstruction workers accountable for his/her negligence and or shortcomings at work, despite the many complaints received in that regard. This means that complaints are not taken seriously by officials, especially in the absence of a clear and adopted system for complaints.
  - The political division accompanied by the lack of effective control bodies such as the PLC, SAACB, and the ACC in the GS, led to the absence of an effective oversight and accountability of those in charge of the reconstruction process.
  - The majority of parties supervising the reconstruction process did not respond to civil society calls to utilize community accountability methods. These parties ignored civil society’s invitations to participate in accountability sessions, or in drafting budgets and plans through a participatory method, for example.

**Gaps in the environment of integrity, transparency, and accountability in tenders and procurement operations of the reconstruction process in the Gaza Strip**

Present ministries apply the legal framework in force on procurement and tender bidding operations such as: the Public Procurement Law, issued in 1998, Law No. 6 concerning bidding for government works, issued in 1996, and the Unified Construction Contracting System. As for international institutions, such as the United

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32 Report on integrity, transparency, and accountability in tenders and procurement of the reconstruction process in the Gaza Strip, the Coalition for Integrity and Accountability-AMAN, 2015.
Nations Relief and Works Agency for Palestinian Refugees (UNRWA), the agency’s documents and forms as well as the tenders “procurement and technical instructions manual” are used in these transactions. However, this process lacks many of the integrity values and principles of transparency and systems of accountability, such as:

- Absence of a declared written reference, in governmental and international institutions, that defines standards for selecting committees in charge of procurement and bidding operations pertaining to reconstruction. Furthermore, officials in these institutions do not request from committees’ members to submit financial disclosures.

- Participating government institutions in the process did not develop a code of conduct for employees and staff working on procurement and tenders of the reconstruction process. On the other hand, the UNRWA did prepare a document called “Standard Conduct” and requested that all employees sign it. It also carried out activities to familiarize all those working in the process with its provisions and methods of control over its application.

- Stages of procurement and bidding for the reconstruction process remained ambiguous to those affected, in both, government and international institutions, since it was not published nor distributed.

- There is no published information or reports showing the size, ratios, implementation location, or names of those awarded. The only information available is what little information published on some media sites and websites. Furthermore, tenders’ budgets are not published on websites, nor is there commitment to publish periodic reports on tenders relating to the reconstruction in the GS.

- International institutions such as the UNRWA do not allow contractors to attend opening bids’ sessions (i.e., when envelopes are opened), since it follows the system of closed sessions for opening envelopes. It also does not publish names of awarded contractors, in addition to the absence of a clear mechanism for submitting complaints in this regard, despite its importance. Hence depriving contractors from learning the process needed for winning a bid, procedures, and contesting results, if needed.

- Although government institutions and the UNRWA do submit their periodic and annual reports related to procurement and tenders to control bodies, local and international, they do not make these reports available to the public.

- It is apparent that the Ministry of Housing and Public Works and the UNRWA are not interested in taking measures or procedures for the protection of whistle-blowers, or to encourage citizens to report corruption; as there are no instructions illustrating methods of dealing with whistle-blowers, and or providing them protection.

**Tens of thousands of financial disclosures are in the possession of the Anti-Corruption Commission makes for an ineffective system**

The Anti-Corruption Commission (ACC) distributed disclosure statements on 58,600 assigned individuals in the public and civil sectors. It received back 35,217 disclosure, where the ACC is keeping these statements without examining the

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content. The only disclosure statements examined are those related to officials accused of corruption. This large number of disclosure statements and methods of processing raises questions about the practicality of requesting these declarations; or even the need to include all those who work in the public sector without discriminations on the one hand, and its practicality as a preventive measure against illicit gain, on the other. Answer to the previous question becomes especially important since these disclosures have not been examined or their content disclosed, particularly those for senior officials. Therefore, it is advisable to reconsider provisions of the law in relation to this issue.

**The spread of petty bribes in medical treatment referrals and travel permits in Gaza**

AMAN’s office in Gaza conducted an opinion poll on petty bribes in the GS. The poll covered three services directly linked to the imposed siege on the GS. These services are: medical referrals for treatment abroad; the Public Authority for Civil Affairs services namely travel permits to Israel and the West Bank; travel arrangements via the Rafah crossing. Results of the poll indicated that 53.9% of respondents said that the area most vulnerable to bribery is travel arrangements via the Rafah crossing, followed by services provided by the Public Authority for Civil Affairs accounting for 23.5%, and medical referrals with 22.5%

[34] The Coalition for Integrity and Accountability-AMAN, report on petty bribes in the Gaza Strip, Gaza 2015.

Upon analysing results of the opinion polls it became clear that the imposed siege on the GS, deterioration of the economic situation, and increase in demand on the mentioned services, scarce as they are, contributed to the desire of some employees and brokers to exploit the current situation. They found it an opportune time to obtain money in return for these services given the limited opportunities in
comparison with the large number of citizens demanding these services. Add to that exploitation of position by some influential individuals, as well as the role brokers play in interfering with medical treatment referrals abroad or in buying the service as relatives or friends, which allowed them to use their relationships, conclude deals, and pose as intermediaries.

**Important Public sectors are working without an adequate legal reference:**

- **Establishment of government public companies without a law**

The amended Basic Law of 2003 included a provision on the freedom of economic activity in Palestine, where paragraph (1) of article (21) stipulates that “the economic system in Palestine is based on principles of free economy, it is permissible for the executive authority to establish public companies regulated by law”. However, until today no law or legislation has been passed to regulate public companies owned by the government. It is obvious that the preparation of such a law is not in the interest of the executive authority, since neither the government nor the PLC have proposed any draft law in this regard although 12 years have passed on the existence of the constitutional provision that allows it. This of course, provides opportunities for certain individuals to benefit from the absence of such legislation, hence if this situation remains as is, the case of Khaled Islam will be repeated.

The absence of a specific law for public companies creates many problems related to the management of public funds such as accountability and oversight over public investments, and exaggeration in concessions and rights of its directors and boards of trustees. It also creates problems regarding employees’ affiliation and subordination to the point these companies identities are being confused with companies in the private sector. It also provides chances for conflict of interest and illicit gain occurrences.

**International organizations and employees operating in Palestine are not subject to accountability**

The Non-Governmental and Charitable Organization Law No.1 for 2000, and accompanying regulations regulated the work of international NGOs in Palestine in its eighth chapter, articles 34-36. It also specified authorities entrusted of carrying out supervision, coordination and follow-up in its regard. These authorities are: the Palestinian Ministry of Interior, related competent ministry, and the SAACB. With the exception of the Interior Ministry, competent ministries do not follow-up on these organizations whose number reached 245 in 2015. In addition, the role of the SAAB in this regard is very weak despite being supported by a legal reference that grants it the right to oversee these organizations.

Moreover, no follow-up is being conducted on international organizations registered in Jerusalem, and who provide support to institutions in the WB, to register with the Palestinian Ministry of Interior. In addition, there is complete absence of oversight and follow-up on these institutions; the only task requested of them is to pay taxes and fees. Finally, the majority of organizations included in the research have no

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35 Report on the Control and Accountability of International Civil Society Organizations in Palestine, the Coalition for Integrity and Accountability-AMAN, 2015.
Salaries of heads and executive directors of public non-ministerial institutions provides opportunity for gain at the expense of public funds: 36

Although the Minister of Councils issued the decision No. 7/58/12/m.w.f in 2008 concerning grades for heads and deputies of authorities and public commissions, this decision included only 24 institutions noting that the number for these institutions far exceeds 24. In addition, many heads of these institutions has the rank of minister, even though the class specified in the abovementioned decision for these jobs is different. This problem created huge variations in salaries even among heads of these institutions, although they often seek to achieve similar goals. Salaries of heads some of these commissions amounts to 10 thousand dollars or more than the salary of the president of the state.

The continuation of the absence of a clear and adopted system or policy that defines criteria by which salaries and bonuses of heads of public non-ministerial institutions are calculated, as well as lack of defining a ceiling for these salaries, left many negative impacts due to the disparity in salaries and concessions between high ranking officials and other levels of public positions. It also encouraged unprofessional competition and dishonesty in occupying senior positions, as well as the spread of the phenomenon of “backdoor methods, nepotism and the formation of “camps/ alliances” in order to occupy these positions. Moreover, it promoted competent staff to leave civil service jobs in search of institutions with higher salaries.

Also within the same context, the gap deepened between directors and other employees in these institutions, on the one hand, and the average salary and wage

A state of absence of transparency and lack of disclosure is prevalent in the majority of cases related to salaries and bonuses for some heads of institutions, whether non-ministerial or civil society organizations. This left the arena opened for social and media debates regarding salaries of heads of these institutions; as circulated information point to the amount of 15-35 thousand dollars per month, in some cases.

36 Financial rights for non-ministerial and civil institutions’ officials, the Coalition for Integrity and Accountability-AMAN, May 2015.
in civil service jobs. It is worthy to note that the existing mentioned gap in salaries between executive directors and the rest of the employees created a state of social hatred between the various segments of public employees, especially school teachers. The government took some decisions concerning salaries and wages of heads of public non-ministerial institutions based on the findings of AMAN’s report, which revealed the big disparity in salaries and concessions of heads of public non-ministerial institutions and influential officials in NGOs. It put forth a draft law by decree to implement the financial provisions of the Civil Service Law on all heads of public non-ministerial institutions. However, this issue was not addressed as of the end of 2015, despite promises made by the government to be quickly addressed.
Recommendations

First: Oversight and Accountability:

- A comprehensive national anti-corruption plan: it is vital for the government to adopt a comprehensive anti-corruption plan that is built on participatory foundations and agreed upon at the national level, to promote integrity and combat corruption in Palestine. The plan should also define responsibilities and commitments of each party; include an approved monitoring and follow-up mechanism to assess implementations commitments, with the ACC as the secretariat for the plan’s implementation.

- Insist that the President activate and enable the Palestinian Legislative Council to carry out its legislative and regulatory role. And also to accelerate the restore legitimacy of Palestinian institutions by holding presidential and legislative elections, as it is difficult to talk about an effective oversight and accountability system in light of a defunct PLC. Furthermore, the continuation of this state means an imbalance in the National Integrity System, which leaves the management of public affairs to the executive authority without any real oversight or accountability.

Second: regulating the energy sector- communications; granting concessions:

The existence of important public sectors operating without regulations, whether in terms of legislations or institutional structures and governing bodies, led to the weakening of oversight and accountability possibilities of these sectors. The sectors include: energy, telecommunications, franchising, government companies, some private funds such as the Palestinian Investment Fund, and the issue of medical errors.

In regard to regulating the energy sector: we call on the Council of Ministers to immediately begin reforming the legislative framework regulating the consumable fuels sector by issuing a specific law to govern it and to:

a. Promote good governance principles in its administration that preserves the state’s role in adopting policies, formation of technical regulating bodies, and allows the private sector to compete in the area of distribution.

b. Maintain the right of the state in preserving natural resources, which is in the interest of the Palestinian people; follow transparent good governance methods in the management of sectors for exploring and drilling oil and gas or any other consumable fuels resources; noting the importance of careful management of tenders and contracts that might be held by the state with private companies, especially international companies.

c. No monopoly policy should be adopted in regard to oil drilling in the Palestinian territories, hence allowing multiple companies to take charge of this sector.

- In relation to the communication sector: we call on the government to accelerate the formation of the Communications Sector Regulating Council in order
to assume its role stipulated by law regarding the regulation of this sector, and to increase competition among suppliers.

- Demand from government to apply the Water Law and the Water Sector Reform Plan. Also to put a stop to competition over powers between the Water Authority and the Water Regulating Council in accordance with law, aiming at promoting a national policy to protect this important sector from Israeli infringements.

**Third: regulating government public companies; defining their references and obliging them to apply the principles of transparency and corporate governance**

- Call on the Council of Ministers to accelerate regulating public government companies legally, by preparing a specific draft law that determines general principles of government involvement in the economic development and management of citizens’ basic-service sectors. Also to specify special standards for financial and administrative systems concerning these companies.
- Establish a special unit in the Council of Ministers to be in charge of following up on these companies’ affairs.

**Fourth: Completion of legislations governing functions of private financial funds and promoting accountability mechanisms**

- Accelerate the issuance of the law related to regulating the work of the Palestine Investment Fund and other financial funds in order to unify their legal reference.
- Separate the position of general director or executive head of these funds from the position of president of the board; prevent joining membership of the general assembly of the fund with its general director’s position; define the rights and financial privileges of executive directors, as well as bonuses for members of boards according to standards followed in government non-ministerial institutions.
- Strengthen the SAACB’s monitoring and control role over private funds’ work; ensure the inclusion of these funds’ budgets in the public draft budget.

**Fifth: Activation of government policies in combating spoiled food and medicine**

- Establish a body, with staff that is knowledgeable in food and medicine issues, under the jurisdiction of the minister of health; ensure workers and employees of this body receive training specifically to enable them to do their job properly.
- Ensure independence and effectiveness of the Anti-Economic Crime Prosecution; develop special systems in support of the Consumer Protection Law in order to tighten pre-deterrence punishments for those involved such as withdrawal of their licences; including their names on blacklists etc.
- Encourage the formation of a consumer protection coalition in order to activate these institutions’ role on the ground.

**Sixth: Rationalization of public funds**

- Restrict the number of all senior positions and define ceilings for salaries; limit excessive salaries and privileges of high ranking group of employees.
Prevent double employment for those working in the civil service in order to provide opportunities for new graduate to find jobs.

Account for all employees outside the administrative structure of government and settle their cases in accordance with the law.

In relation to addressing the issue of net lending

Adopt a firm and transparent policy concerning the net lending item in the public budget in order to: reduce this item; end draining of the PA budget; pin-point reasons for its steady increase; in addition to publishing names of municipalities that do not pay their debt and to take clear measures to address the situation.

Comply with the legal and institutional framework governing the electricity sector; reach an understanding between parties related to the electricity issue in the WB and the GS that ensures the flow of electricity to the GS on regular and continuous basis; alleviate some of the financial burden borne by the public budget; intensify the use of the pre-payment system to ensure a greater commitment by clients, distribution companies, and local government units in paying their share of electrify bills.

Call on the MoF to stop dealing with the Israeli side through the mechanism of what is known as “net lending”; come to terms through an agreement that obliges private companies to distribute electricity through direct signed contract; refuse the continuation of the Israeli side’s deduction of electricity bills from Palestinian custom and tax money.

Review structure for public expenditures with the aim of rationalizing expenses of the security sector, the President’s office, and embassies abroad; noting the need for compliance to provisions of the Public Procurement Law by those in charge of expenditures at the security sector, particularly in regard to supplies of food and capital goods; to be accompanied by a periodic inventory of capital assets at hand; adhere to documents and forms approved by the MoF for monitoring and follow-up purposes.

The abovementioned requires the Council of Ministers to address these issues as follows:

The Council of Ministers needs to adopt a rationalization program for expenditures that is built on serious, deep and binding foundations that includes: reform of the civil service sector and the health program; workable relationship with the Israeli side concerning electricity debts or dues and health services purchased from Israeli hospitals and laboratories. It also requires hard work to reduce expenditures of the security sector, and also to refine assistance expenses in the social affairs sector. In addition, it is important to request from the government and the President’s office to form a committee in order to review expenses of the President’s office and foreign affairs institutions (the Ministry of Foreign Affairs and embassies).

**Seventh: The Civil Service Sector**

The need for the Council of Ministers to issue a special system that determines grades, salaries, and bonuses of head of public non-ministerial institutions, as well as bonuses for board directors’ members of these initiations.

The need to include texts of the legal framework for civil society institutions that define salary and wage levels as well as the general average for these institutions, similar to the civil and military services, judges, diplomatic corps etc.

Put an end to the phenomenon of employees who are being paid salaries from the PA treasury and are outside the adopted administrative structure, especially ghost employees.
Put an end to the policy of recruiting staff on temporary work contracts, or consultants and experts through exceptions. To prevent fraud and promote equal opportunity in occupying public positions, it is important to only recruit based on financial allocations or funds earmarked in the budget for this purpose.

**Eighth: Promoting integrity and transparency in occupying senior positions**

- Issue legislation to establish a national commission to oversee the appointment process in senior positions that ensures integrity and transparency of the process.
- Call for the General Personnel Council to prepare a job description card that defines the terms for assuming senior posts as well as appointing procedures for these posts.
- Abide by the principles of competition and equal opportunity stipulated in the Palestinian Basic Law concerning occupancy of senior positions. Also put a stop to political, personal and nepotism interventions in the process of appointments for these positions.
- Publish all decisions relating to heads of public non-ministerial institutions, as well as their salaries and financial rights.
- Oblige NGOs to promote transparency of budgets, particularly the aspect of salaries and wages by making it available to the public (i.e., publish it).

**Ninth: Call on the Council of Ministers to promote transparency of the public budget**

- Publish the draft budget before approval, in order to provide civil society and experts to review and it and give their feedback and comments.
- Oblige the MoF to publish periodic financial reports on its website, hence making it available for experts and the public to see, review, comment etc.
- Oblige the MoF to publish the “Citizen Budget” in order to facilitate for the public to better understand government’s policies and its orientations.
- Enhance transparency of government’s relationship with NGOs as well as adopt a policy of openness with civil organizations; respect the role of media and the mobilization of civil society to defend citizens’ interest; respect the principle of the right of criticism and control over the management of public affairs.

**Tenth: Right of access to information**

- Issue of the Right of Access to Information Law.
- Accelerate implementation the Open e-Government Program.
- Eleventh: A comprehensive and fair health system in order to stop waste of public funds in medical referrals
- Cooperate with all related parties to establish an efficient and comprehensive health system for all segments of society; retract the decision concerning exemption from paying insurance dues for all citizens and various areas unless an alternative is found for paying these dues. Accompany this with improvement of the quality of local health services.
It is vital that the Council of Ministers issue systems concerning medical referrals. It is equally important that these systems are applied in the WB and GS and include criteria and standards that competent departments must refer to in the selection of patients qualified for medical treatment abroad; destination for treatment; terms for exceptions, such as special emergency cases, as well as other regulating means concerning the issue of medical treatment referrals.

Put an end to exceptions in medical referrals’ requests unless it is in-line with systems and regulations issued by the Council of Ministers; put an end to interventions by influential people and institutions in this regard.

Provide sufficient qualified human resources as well as accounting systems needed for auditing medical treatment bills from Israeli hospitals. This in turn will contribute to prevent manipulation with treatment cost as well as in rationalization of expenditures.

Activate tools and procedures of internal and external oversight concerning performance of competent departments processing medical treatment referrals, while ensuring that these departments abide by mechanisms and accounting systems adopted by the MoF.

Eleventh: Public Procurement Law (Tenders and public purchases)

The need for government to carry out its promises by putting the Public Procurement Law into practice, and ratify its regulations.

Complete the public procurement procedural manual; implement government tenders; enable the Procurement Council to exercise its role immediately by stopping all disputes over powers between the MoF and that of the Public Works Ministry in this regard.

Limit exceptions related to public procurement caused by direct procurement.

Public tenders in local government units: consolidate and develop the special legal framework for tenders of the local government units concerning carrying out functions and purchases; ensure the inclusions of up to date indicators suitable for today’s work of local units, as well as integrity indicators which will limit opportunities of corruption.

Tenders for reconstruction in the Gaza Strip

Call on the Ministry of Housing and Public Works, the UNRWA, and other parties participating in reconstruction to publish periodic reports, and budgets related to the process in the GS. These parties need to inform citizens and contractors of tenders’ procedures and steps taken by publishing them publically.

Prepare, develop, and publish procedures for submitting complaints concerning management decisions related to reconstruction, especially those related to procurement and tenders.

The need for formal and international institutions to develop clear instructions to prevent conflict of interest for those working in management of the reconstruction process.

The need for concerned authorities in reconstruction to be open to popular monitoring and control as well as to intensify community meetings related to providing information on reconstruction tenders and purchases.
Twelfth: call on the government to issue the accountability system on medical errors and related insurance

- Based on the Public Health Law, the Council of Ministers and the MoH need to issue the accountability system on medical errors.
- It is vital that the dispute over powers between the MoH and the Medical Association be resolved, since it obstructs the issuance of the medical accountability system.
- It is vital to institutionalize the overall functions, including mechanisms of formation and work procedures, of investigative committees regarding medical errors.
- It is vital to establish a compensation fund for those affected by medical errors, or adopt compulsory insurance for medical errors.

Thirteen: Equivalency of higher education diplomas

- The Higher Committee for Diploma Equivalency (degrees earned from non-Palestinian educational institutions) and assisting bodies need to adopt principles of transparency at work, by announcing their decisions. They also must crack down on cases of fraud as well as punishing perpetrators.
- The Higher Committee for Diploma Equivalency and technical committees need to submit periodic reports regarding their work and activities to relevant parties at the ministry, as part of the accountability system on these committees.
- Call on the President to promote independence and effectiveness of the Palestinian judiciary, as well as to reunite this authority in the WB and GS. Also to secure the highest degree of autonomy to Prosecution in its capacity as the official party responsible for the defence of public rights and the Palestinian citizens.