SPECIAL THANKS TO THE WORK TEAM:

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To Dr. Ghassan Al-Khatib and Dr. Mukheimer Abu-Sa'dah for reviewing this report.

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Note: The Coalition for accountability and Integrity -AMAN has exerted all efforts possible to verify information provided in this report, and hence will not bear responsibility arising from the use of this information outside the context of the objectives of this report.
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Executive Summary

For the past 10 years, The Coalition for accountability and Integrity -AMAN, has prepared a periodic report on integrity and combating corruption in Palestine with the goal of highlighting the achievements made and challenges that continue to stand against the protection of integrity and combating corruption in Palestine. The report is based on information and variables monitored from multiple sources, which are then analyzed by the report's preparation team. Conclusions and recommendations are then drawn up for the relevant parties, in order to ultimately attain a corruption-free Palestinian society.

Throughout 2017, negative indicators and the overall climate continued in regards to the PA structure and performance, thus increasing the challenges to fortifying the national integrity system (NIS). In addition, Israeli occupation policies continued, including the policy of systematic theft and control of Palestinian natural resources and wealth. There was also the impact of the continued internal division and failure to achieve Palestinian reconciliation on the lives of Palestinian citizens. This only compounded the already poor conditions and the ongoing policy of cuts in international aid and funding to the PA. There was also the additional setback in the oversight role of the PLC, concurrent with the continued setback in the role of the judicial monitoring authority, all with the weakness in monitoring over the management of public funds and accountability of public expenditures. Additionally, appointments to high posts continued to take place without any abidance by the values and principles of integrity and without any referral to clear criteria or job descriptions. Neither did they adhere to the principle of equal opportunity in these appointments. The year also saw an increased deterioration in the economic conditions of citizens, especially in the GS, which resulted in the spread of corruption in the areas of food and medicines and in competition over jobs. This was all accompanied by the slow execution of cross-sectoral strategies and the National Policy Agenda declared by the government, which reflected a hesitation in the political will to combat corruption.

In spite of a continued incompatible environment for combating corruption, 2017 still saw certain positive practices and efforts made for the sake of fortifying this environment against corruption and promoting the NIS. These included the government’s adoption of a national policies agenda (2017-2022), bearing the slogan “Citizen First”, on February 21, 2017, as an official document which adopted the principle of promoting accountability and transparency in the rationalization of money management and public affairs. The government also ratified some sector-based work plans to improve the management of public funds to guarantee efficiency and effectiveness.

There was improvement in the system of accountability from some aspects, most significantly in holding local elections in the West Bank, which took place in most Local Government Units (LGU). However, Hamas obstructed elections from being held in the GS. Furthermore, the establishment of websites for complaints’ systems in official institutions in the West Bank and GS were expanded, all of which are linked to the unified government complaints system at the Prime Minister’s General Secretariat office in the West Bank.

The judicial inspection department of the Public Prosecution was also reactivated, whereby 24 complaints were sent to it throughout 2017 of which 16 were dealt with. As for the judicial inspection department at the Higher Judicial Council, it received 139 complaints as of December 19, 2017 of which 122 were decided on in addition to 40 complaints from previous years. In the GS, the general prosecution published a procedural manual for employees of the prosecutions’ complaints department in January 2017, which regulates the process of receiving public’s complaints.

In terms of the role of civil society in the matter of accountability, civil society institutions continued their monitoring and accountability role throughout 2017 over the government’s management of public funds. Activists in Gaza launched the “Social initiative for promoting consumer protection”, while several officials in both the West Bank and Gaza agreed to participate in hearing and accountability sessions,
debates and discussions organized by civil society institutions. This is in addition to the production and publication of investigative reports that focused on corruption issues in the media and on social media networks.

The NIS saw improvements in some aspects such as improvement in certain areas of management of public positions in the civil sector after the General Personnel Council (GPC) completed job descriptions for approximately 400 positions in addition to 5,400 descriptions for supervisory titles approved by the Council of Ministers. Another 30 sensitive posts in civil service were identified which call for continued job rotations. Moreover, the Council prepared the “National Strategy Plan for Civil Service 2017-2022” which focused on a number of issues pertaining to public appointment in rationalizing the payroll bill.

As for the codes of conduct, which are considered a preventative tool against corruption, the Anti-Corruption Commission (ACC) and the GPC, in cooperation with the Ministry of Education, carried out a campaign aimed at promoting codes of conduct and the ethics of public appointment. They then held trainings for civil servants on the topic.

In terms of the principles of transparency, a report issued by AMAN showed an improvement in the transparency of certain government websites and the services they provide for citizens. It also showed an improvement in the area of information dissemination and that most ministries in the West Bank and Gaza have easily accessible websites, available in Arabic.

Another example of the improvement in principles of transparency is how public and civil institutions published their annual reports such as the State Audit and Administrative Control Bureau (SAACB), whose 2016 annual report exposed dozens of financial, administrative and legal transgressions and violations. Similar reports were published by the Anti-Corruption Commission, the Ministry of Health, the Investment Fund, the Palestinian Communications Group, Palestine Capital Market and most public shareholding companies.

In regards to the management of public funds, aspects of improvement were apparent in the adoption of a unified portal for social assistance by the Council of Ministers, which is aimed at reaching the largest possible coverage for poor and underprivileged families and to prevent duality in the provision of aid. This was in line with the recommendations and demands of the “Civil Team for Enhancing Public Budget Transparency” in order to minimize opportunities of corruption and bribes, in addition to raising the level of transparency in providing this assistance.

However, in spite of improvement in some practices and procedures, there are still a number of challenges that remain obstacles to the enactment of the NIS, some of which are challenges that have spilled over from previous years, namely the failure to ratify and announce a comprehensive national plan for combating corruption and a detailed rationalization and austerity plan. Other ongoing challenges include the failure to hold presidential and legislative elections and local elections in the GS, in addition to the continued paralysis of the PLC, which comes hand in hand with the continued decline in the role of the judicial authority.

At the level of the judiciary and legislation, the most jarring challenges were the failure to complete the reform process after the President issued a decree to form the “National Committee for developing the Justice Sector”. Additionally, there was the continued state of chaos and hastiness in issuing decisions by law in light of the absence of the PLC. It was clear that some of these were the product of internal political disputes between Fatah and Hamas in both the West Bank and Gaza, or because of the interference of personal interests of some of those involved in addition to legislations and official measures that limited the role of the media in the accountability process. Furthermore, the judiciary and the prosecution in the West Bank and GS continue to lack independence.

Shortcomings in the accountability systems were also due to the lack of complaints units until the end of 2017 on the websites of the Ministry of Finance and Planning and the Ministry of Foreign Affairs.
and Expatriates Affairs, in addition to the fact that the Ministry of Finance and Planning did not issue regular and accurate financial reports, especially their failure to prepare the final closing account of the public budgets of 2014 and 2015. This negatively reflected on the process of accountability of what was actually spent and also made it difficult to examine the extent to which the enacted budgets laws were abided by.

Appointments at higher posts continued without transparency or fair competition, in disregard for the principle of equal opportunity. No job announcements were published in the newspapers, nor were there any competitions over appointments. Furthermore, job descriptions were not completed and appointments were conducted without monitoring from an official party in both the West Bank and Gaza. Also, weakness in the integrity and transparency of regular appointments in some ministries continued.

The continued absence of policy and criteria that determine job scales, salaries and bonuses for heads of non-ministerial public institutions led to the widening of the salary gap; the salaries and bonuses of some of these heads of institutions have reached even higher than what the PA President receives. Moreover, the problem of employees who are exempt from duties in order to work with Palestinian factions, national public figures or organizations or non-governmental associations who still receive salaries from the finance ministry, continued.

Within the context of this weakness in integrity and transparency in public appointments, some employees were given special contracts with privileges and high salaries in violation of the contract law and which were incompatible with the salary scale in Palestine.

The report includes details that clarify the continued weakness in the area of transparency and the lack of commitment to its principles, which are a result of the weak political will to embrace openness in society. An example of this is the refusal of the Prime Ministry to sign the “Transparency Pledge Document” which the Civil Society Coalition for the United Nations Convention against Corruption (UNCAC-Coalition) prepared and which stipulates the need for transparency in government in regards to the periodic review of the extent of progress made in achievements, its adherence to the United Nations Convention against Corruption (UNCAC) and the involvement of civil society in the review process.

Moreover, the biggest challenges to the principles of transparency were manifested by not issuing the “Right to Access Information Law” and the National Archives Law”, in addition to the concealment and failure to release and publish public signed agreements. What’s more, there was a continued blocking of certain information, decisions and public reports or those which were not published at the appropriate time. Some of the Council of Ministers’ decisions were even blocked from publication on its website.

Since April, 2017, the limited publication of public information on websites belonging to official parties, led to a clear shortcomings in the provision of information on services offered by the Ministry of Jerusalem Affairs, for example, which does not have a website.

As for the GS, most of its ministries did not publish their annual reports or strategic plans and neither did the State Audit and Administrative Control Bureau (SAACB) in Gaza publish any of its auditing reports on final closing accounts. The reason these reports were not published is fear that the current ruling system in the Gaza Strip would use the material in their political disputes.

At the level of management of public funds, this hesitation and setback was reflected in the failure to implement austerity and rationalization of public spending plans and policies. This manifested itself in the emergence of public expenditures that were incompatible with the priorities of a people under occupation. Examples of this include ongoing renting and purchasing of new governmental buildings and the construction of a new presidential reception palace and then transforming it into a public library, all of which was a waste of public funds. Additionally, salaries and raises were paid to employees of an airline company that no longer exists on the ground. Meanwhile, in the GS, several practices showed
the mismanagement of public funds including the allocation of state lands in the historic area of “Tel Al Sakan” under the pretext of using this as employee compensation. There was also a waste of public funds in the Coastal Water Company in Gaza.

One challenge facing the rationalization of public expenditures are the flaws in the structure of the security sector and the continued resistance against reusing or transferring surpluses from members of the security services to other services such as the Customs Control services or the police. This is over and above other problems regarding the institution of the central military financial administration institution.

The report contains a number of issues that were monitored concerning corruption in 2017, including the cases referred to the Palestinian Anti-Corruption Commission (ACC), which totaled 430 complaints and notifications (as of December 6, 2017. Of this number, the Anti-Corruption Prosecution followed up on 38 cases, or 9% of the overall cases received by the Commission. The prosecution referred 21 cases to the Anti-Corruption Court, which also dealt with 42 cases from past years. AMAN did not receive the details on how the ACC dealt with the remaining cases it received but did not refer to the Anti-Corruption Court, noting that the office of the Commission’s President has the authority to decide on the cases and refer them to the Anti-Corruption Prosecution. The large number of cases that were not sent to the prosecution shows that while the judiciary played its role in terms of the cases referred to it, the problem lies with the ACC and the cases that have piled up in its possession.

The report also monitored cases of corruption throughout the year, including: the purchase of cars and customs exemptions for certain people in violation of the law as a form of favoritism with certain individuals close to the political echelon. There was also an official complaint filed with the Palestinian Public Prosecutor on suspicions of financial and administrative corruption in the sale of Greek Orthodox lands and the continued problem of corruption at Gaza Strip crossings. Some embezzlement cases also emerged in Gaza in civil sector institutions in addition to corruption suspicions in the General Federation of Palestine Workers Union.

Cases of economic crimes in the West Bank and Gaza also continued throughout 2017, as did announcements from the Ministry of National Economy and the Customs Control on the daily seizure of foods not fit for human consumption. This showed the ineffectiveness of combating this phenomenon because of scattered efforts, given that there is no one body specialized on this matter. This is in addition to the lack of deterrent punitive sentences against most perpetrators of these violations and crimes.

The report also focused on certain significant issues that need immediate follow up, including: The weakness in monitoring and accountability over public services managed by the private sector such as the weakness in the role of the Electricity Sector Regulatory Council in regulating this sector and the Water Sector Regulatory Council for regulating the water sector. Another issue is the failure to establish a commission for regulating the communications sector due to the interests of certain parties and the pressure they exerted for this commission not to be formed. Furthermore, the “Public Procurement Policy Council” continues to not be allowed to monitor and supervise all public works and purchases tenders.

The failure of the health insurance system and accountability systems to admit to medical errors because of influential parties of interest led to the weakness of any accountability for medical errors and the collapse of the “Palestinian health insurance system” in 2017, which was due to health insurance subscriptions covering only 10% of the expenses. There was also an inability to formulate an estimated budget for the system’s provisions, which damaged the health budget. This is in addition to the many ongoing flaws in the insurance system and the failure to work on resolving its problems, which was a reflection of the Ministry of Health’s inability to reform them.
Introduction

This report on the state of integrity and anti-corruption efforts in Palestine constitutes the 10th annual report issued by the Coalition for Accountability and Integrity - AMAN. The purpose of these reports is to document all changes, whether positive or negative, occurring on the Palestinian National Integrity System (NIS) in terms of integrity and anti-corruption efforts during the year. In addition, these reports, including this one, provide an in-depth analysis of the underlying reasons for these changes as well as doable recommendations of reform where applicable. It is important to note that AMAN has been dedicated to issuing these specialized reports since 2008 where it ensures monitoring of the course of the state of integrity values, principles of transparency and systems of accountability in the management of public affairs in Palestine, as well as the anti-corruption efforts being exerted in pursuing corrupt individuals. AMAN is keen to maintain this legacy due to its importance in combating corruption as well as its contribution to pursuing the corrupt and reinforcing the environment of integrity. Moreover, the issuing of these particular reports stems from AMAN’s conviction that these reports contribute to the monitoring of management of public funds and public affairs hence to the accountability of those in-charge. In addition, the reports also contribute in monitoring and assessing the extent government and other decision-makers abide by national laws and policies and to relevant international treaties.

In order to issue this report, which AMAN considers a big responsibility, it had to work under very difficult circumstances that the Palestinians are undergoing in terms of their national cause and political system since Palestine (the West Bank and G.S) is still under the Israeli occupation which began in 1967. Other difficulties include the internal political division between the two major Palestinian factions, all of which negatively impacted the integrity environment and anti-corruption efforts. This report monitored changes related to corruption crimes that occurred in 2017, including pending cases and those where the Palestinian Anti-Corruption Court decided on/indicted. Based on opinion polls conducted by AMAN each year, AMAN also monitored manifestations of corruption and its most prevalent forms for 2017 as well as public perception of the anti-corruption efforts exerted. In addition, it relied on results of the “7th National Integrity System Index”, also conducted by AMAN in 2017, which measures corruption and its prevention methods by specifically selected indicators.

This report highlights a number of issues that are of most concern in order to be addressed by officials and the public; these are: weak transparency and accountability systems in vital areas such as in public agreements on electricity, telecommunications, water, tenders and public procurements with focus on management of the governing bodies of these sectors. Issues such as the phenomenon of the political and financial corruption caused by the internal division were also pointed out. This is in addition to re-shedding the light on problems related to the health system; sale of the Orthodox Church’s land; story surrounding the presidential hospitality building; corruption in unions as well as other related issues.

One of the most important objectives of this report is to provide a set of workable recommendations for Palestinian decision makers and other related parties, which can be adopted for reforming procedures and measures that would fortify the governing systems that combat corruption. In addition, recommendations also
aim at raising awareness and mobilizing civil society organizations (NGOs) as well as political parties and factions to exert pressure on decision makers to combat corruption through all means including drying out its sources. Needless to say that the report and its recommendations are carefully conducted to be in line with AMAN’s strategy for the up-coming years, which focuses on the importance of working with and engaging the largest number of citizens and institutions in the fight against corruption.

Report Content:

This report is divided into five sections:

Section I: this section covers the monitoring of the state of integrity in Palestine, and highlights main developments that occurred in 2017, which contributed to strengthening the National Integrity System (NIS). It also addresses challenges within the NIS, both from previous years and those that emerged during 2017.

Section II: this section covers monitoring procedures and measures taken by parties that are legally authorized to pursue corruption crimes and prosecute perpetrators of these crimes. Information in this section is based on four sources, as follows: The Ant-Corruption Commission (ACC); The Anti-Corruption Court; The Palestinian Anti-Corruption Prosecution; Prosecution Office for Combating Economic Crimes. Also in this section, the most prominent forms of corruption for this year were identified.

Section III: this section covers the monitoring of integrity and transparency in the management of public funds and the Palestinian public budget for 2017.

Section IV: this section covers issues under the spotlight. This includes select issues that AMAN seeks to bring to the attention of the public and officials.

Section V: Main conclusions and recommendations.

Methodology

First: Information collection and monitoring

In its preparation of this report, AMAN relies on collecting information and data related to promoting integrity and combating corruption from multiple sources, as follows:

1. Information and data collected and documented throughout the year by the Monitoring and Studies Unit at AMAN, from its original sources in the West Bank and the Gaza Strip (GS), which included published data in official reports issued by public institutions and commissions, as well as local and international institutions when relating to Palestine. For example, decisions taken by the Council of Ministers, ministries, the Anti-Corruption Commission, as well as decisions published by the Corruption Court. Also reports issued by oversight bodies such as the Palestinian Central Bureau of Statistics (PCBS), State Audit and Administrative Control Bureau (SAACB), the Independent Commission for Human Rights (ICHR), World Bank reports on Palestine, and Transparency International (TI) were also included. This is in addition to issues covered by investigative press reports on corruption files in Palestine. Other sources also include issues raised by Palestinian, Arab and international media concerning the monitoring of government performance. And while the Monitoring and Studies Unit was tasked with collecting, documenting and archiving information from its sources,
the other units and departments at AMAN as well as the work team members provided support and relative information that would enrich and update the report.

2. Information was collected by the report’s team through direct interviews with decision-makers in ministries and public institutions in relation to some issues contained in this report with aim of updating what is on hand.

3. Conclusions and results of the “Annual Palestinian Integrity Index” carried out annually by AMAN for measuring integrity, transparency, and accountability in managing public affairs. The index uses various relevant indicators carefully selected for this purpose and is conducted prior to writing each annual report.

4. Data and conclusions reached through the analysis of the Palestinian public opinion poll on the state of corruption and anti-corruption efforts conducted annually by AMAN, in addition to analysis results of public opinion polls related to corruption conducted by Palestinian centers for research and studies.

5. Conclusions and recommendations of special reports and other working papers prepared by the AMAN as part of its various programs, in addition to conclusions reached by the Advocacy and Social Accountability Unit at AMAN which provides assistance and guidance to victims and whistleblowers of corruption.

**Second: Information analysis**

- The process of drafting the report begins with a qualitative and quantitative analysis of the data collected throughout the year by “AMAN's Internal Analysis Team”, which includes: the executive director, director of operations, heads of departments and units and staff from the Gaza Strip office, in addition to AMAN's legal advisor and AMAN's board of directors' consultant on corruption issues. The team held 20 analytical discussion meetings during 2017. In addition, AMAN recruited two experts to review the third draft of the report and provide feedback. These experts are: Dr. Ghassan Al-Khatib and Dr. Mkheimer Abu-Sa'dah. This was in line with AMAN's board of directors' decision to activate the role of the “external reader” of the annual corruption report.

- Coordination, information analysis and drafting of this report is carried out by the Monitoring and Studies Unit at AMAN through reviewing multiple drafts that culminate in a final copy which is submitted to the board of directors for review and approval.
The Overall Environment

The Israeli occupation continued to disrupt the natural life cycle of the Palestinian people and to steal its natural resources as well as some of its financial revenues. In this regard, the Israeli occupation authority continued to unilaterally deduct proceeds from the clearance tax (Maqassah) and to resolve outstanding financial issues without consulting with the Palestinian Authority (PA). Furthermore, the Israeli authority withholds at times some of this money for political pressure, the last being at the end of 2017 where it deducted the amount of a half million shekels (NIS) from the PA's money (clearance tax). The stolen funds were used by the Israelis to compensate collaborators accused of spying for Israel. This amount is only the first of many that can reach to millions of NIS which the Israeli government is threatening to deduct. Moreover, the Israeli occupation has hindered the PA's ability to pursue the corrupt and other perpetrators, which led to the accumulation of 60,000 warrants for those wanted by the Palestinian judiciary from area (c), a task that cannot be carried by the Palestinian police since it requires coordination with Israeli occupation. Furthermore, freedom of movement between the West Bank and the Gaza Strip continued to be restricted for individuals and goods, in addition to the continued closure of the Rafah crossing during 2017, where it was opened for only 29 days.

According to the Palestinian Central Bureau of Statistics (PCBS), the Palestinian economic and social decline led to higher rates of poverty and unemployment. As the third part of 2017 witnessed a sharp increase in the rate of unemployment reaching to 29.2%, which is the highest rate recorded in 14 years, with a significant disparity between the West Bank and Gaza Strip: 46.6% in the GS and 19% in the West Bank. In this regard, the highest rate of unemployment was among university graduates with 42%, while for the vocational secondary school graduates was 21%. This economic decline was accompanied with the emergence of further security chaos hence worsening the situation for Palestinians and especially for those living in the GS, which was reflected in the provision of basic services such as electricity and water. It also showed in the high level of water pollution, which provided a fertile environment for corruption in the management of these services such as bribery, for example. This further exacerbated the suffering Gazans due to the fact that a large segment of public servants have been subjected to early retirement with the aim of pressuring “de facto” authority in the GS to succumb to the PA, which was triggered by the Hamas movement forming of what it called the “State Administrative Committee” in spring of 2017.

Also Palestinians living in sieged Jerusalem, life was not any less stressful and especially after the U.S. President Donald Trump’s decision to recognizes Jerusalem as the capital of Israel and to transfer the U.S. Embassy from Tel Aviv to Jerusalem. Specifically, an escalation in applying their ethnic cleansing policy was noticed epitomized by the difficulty in procedures for Jerusalemites to obtain services. The authorities exercised pressure on them in order to coerce them to leave the holy city.

One of these measures was preventing construction by complicating procedures for obtaining a building permit. Even obtaining basic services and rights such as health insurance or an identification card were made near impossible. In turn, these practices allowed for some Israeli officials and middlemen to exploit the situation by blackmailing Palestinian citizens in exchange for money (bribes given to some Israeli officials) to the point a phenomenon was witnessed in that regard. In addition to this, obtaining any work permit for Palestinians whether for work, trade, medical treatment, or a VIP pass for the businessmen and women to enter the green line (1948 Palestine) was also subject to giving bribes to Israeli middlemen.

On another note, 2017 witnessed an opportunity to end the internal division through reconciliation, where the Hamas movement agreed to dismantle the "State Administrative Committee" as a response to the PA president Mr. Mahmoud Abass. It also agreed to conditions relating to the handover of crossing points. In addition, the Cairo Agreement was signed on 12.10.2017 which included a timeline with specific times to solve contested issues. However, as of the end of 2017, steps for ending the division and achieve reconciliation have been facing a winding and perilous path with many challenges. As a result, public institutions have not been integrated, and political clashes and disagreements continued between officials in the West Bank and GS, where PA officials claimed that Hamas would not allow them to work in Gaza. These issues made it difficult to identify the responsible administrative officials in the GS during this transitional period, hence accountability and oversight of public institutions' performance was absent due to this ambiguity.

The Palestinian Legislative Council (PLC) has been dysfunctional for the past 11 years, which led to the deepening of the impact of the loss of the most important official instrument of control and accountability, first and foremost over the executive authority (presidency, government and security services). The absence of the role of PLC, which not only includes control and accountability as mentioned, but also in drafting and approving legislations, has become rather normal and is not dealt with as odd. This fact includes political parties and factions, and especially those in power. This led to a continuation of the state of non-principled competition even among those that are considered part of the political system. It also contributed to the continuation of the struggle for power and conflict between officials of public institutions and those in power in parts of the country giving them the freedom to act without any actual accountability. Moreover, intervention by the security apparatuses increased seeking control over the “public sphere” and its ceilings. The executive authority, including the security apparatuses, increased its interventions in the work of the judiciary. Also, more restrictions were imposed on media and journalists where websites were blocked and citizens and journalists were detained. These violations and attacks were backed by a law on cybercrimes.

In 2017, the Palestinian government approved a document entitled “National Policy Agenda: Citizen First 2017-2022) as a positive development in the fight against corruption. This was considered a step in the right direction as basis to be built on in the protection of public funds as well as prevention of its waste hence in combating corruption. On another note, the government did not commit to implementing the austerity and strategies’ plans on management of public funds and reduction of the deficit in the public budget for 2017.
As a result, the state of hopelessness and frustration among the Palestinian citizens continued. Results of the opinion poll on the state of corruption and combating it in Palestine, conducted by AMAN in 2017, show that Economic problem was the main challenge that must be faced in the first place, while the problem of corruption was the second priority.

The basic problem that must be prioritized to be solved from the point of view of citizens

<table>
<thead>
<tr>
<th>Problem</th>
<th>W.B</th>
<th>GS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic crisis</td>
<td>32.2%</td>
<td>25.0%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Corruption</td>
<td>31.8%</td>
<td>17.2%</td>
<td>26.5%</td>
</tr>
<tr>
<td>Israeli Occupation Policies</td>
<td>18.3%</td>
<td>16.6%</td>
<td>17.7%</td>
</tr>
<tr>
<td>The continued Internal division</td>
<td>9.9%</td>
<td>25.6%</td>
<td>15.6%</td>
</tr>
<tr>
<td>Failure to complete the Legal &amp; institutional structure</td>
<td>3.3%</td>
<td>9.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Lack of infrastructure development</td>
<td>4.6%</td>
<td>5.7%</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: AMAN Coalition, the 2017 Opinion poll “Opinion of Palestinians on the State of Corruption and combating it, in Palestine.

The internal and external context in 2017, constituted an unsuitable environment for the integrity system and combating corruption. Many political, economic and social factors were intertwined along with the dysfunction of the PLC to form this environment. Additional factors include: weakness of the judiciary, continuation of a ruthless occupation, deadlock in the peace process, continuation of the internal division, the continued polarization between the two main factions, Fateh and Hamas. In addition to that, the lack of political will for combating corruption epitomized by the government’s lack of commitment to implement related strategies and plans have all contributed to the burden carried by those bearing the responsibility of combating corruption and trying to maintain an immune system against corruption.
Part One

State of the National Integrity System in Palestine in 2017

Positive developments that occurred on the National Integrity System (NIS)

There were some positive developments which occurred at the NIS level in 2017 in areas of integrity values, transparency principles and systems of accountability. Some of these include an increase in the number of officials who work in line with provisions of codes of conduct. Also a slight improvement was noticed in the management of public employment; an improvement was seen in the application of the Public Procurement Law in the area of tenders and public procurement; improvement in transparency of some formal institutions’ websites; increase in the number of parties to the joint Social Assistance Portal for social aid; carrying out local elections in governorates of the West Bank; improvement in the efficiency of the government’s complaint system; positive responses by some officials to social accountability. These developments were modest according to the Annual Integrity Index implemented by AMAN, where results indicate a (552) mark from a total of (1000) points with a very slight change in the results and scores of the last year.

On February 21, 2017, the government adopted the “National Policy Agenda: citizen first- 2017-2022”, as an official document that is based on the principle of promoting transparency and accountability in rationalizing the management of public funds and management of public affairs. This document outlines the general framework and does not specify detailed policies and practical procedures and measures. In addition, the government verified some sectoral work plans to improve management of public funds and to ensure efficiency and competence. As for the abovementioned agenda, a special evaluation form on the implementation of the agenda was integrated in the quarterly and annual report system in order to examine the results of the practical implementation, which is considered an entry to holding the government accountable for its implementation of programs stated, as well as for developing the role of the oversight bodies under its jurisdiction, especially the (SAACB). The government did consult with a number of civil society organizations as part of the commitment in implementing the open policy it declared. In return, civil society representatives contributed to the improvement of the document mentioned through providing valuable feedback and comments.

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4 AMAN Coalition, Integrity System Index in Palestine, seventh edition Pgs. 17-27.
It is important to note that the National Policy Agenda, in its policy to strengthen accountability and transparency, emphasized the importance of the role of the code of conduct as a tool for achieving values of integrity and professional ethics in public work and public services. Furthermore, the Agenda urged the institutionalization of the code and its provisions, as well as to conduct training to familiarize everyone with its provisions and to exert efforts in promoting it in 2017.

**Initiatives reinforcing the integrity system**

- **A training and promoting codes of conducts campaign**
  The Anti-Corruption Commission (ACC) and the General Personnel Council (GPC) initiated a training and promoting codes of conducts campaign. The ACC included the subject of the Code of Conduct and Ethics of Public Service in all joint plans signed by the Commission with several parties in order to raise awareness of the code and its provision. In addition, the ACC, in partnership with the GPC and the Ministry of Education and Higher Education, launched an initiative to raise awareness of the code of conduct in the civil service in early 2017. The initiative targeted approximately 36 thousand employees working with the Ministry in educational posts and non-educational posts within the Ministry. The purpose was to promote and familiarizes all targeted individuals with the code of conduct and its provisions. The number of employees trained on provisions of the code around 43 thousand employees in the West Bank from a total of 90862 civil servants, noting that employees in the GS are not included in the training due to the continued internal division.

The indicator in the 2017 integrity Index conducted by AMAN showed a mark of (600) from a (1000) concerning the code of conduct that is adopted and approved by the PA's public officials and employees. This indicates to the presence of a code of conduct only. The index does not measure or address the extent to which the code is adhered to or applied in the evaluation process of the employees or if training is conducted on its provisions.

Due to the importance of codes of conduct and professional ethics in the public service, as well as to learn the extent by which the code is being taken seriously, AMAN conducted a special poll in 2017 on the Code of Conduct in public service institutions. Results of the poll revealed that 69% of the employees have knowledge of the existence of the code. It also showed that less than half of the employees received awareness training on the code, while 51% of the employees said that procedures for adopting the code were taken in their institutions. However, upon examining the extent to which the staff understood what the code is and how to apply it, the results showed a discrepancy in both cases. And despite the fact that 69% of the employees confirmed knowledge of the existence of the code and that less than half of them were aware of its provisions through various methods, the results indicated a divergence in their knowledge and understanding of the code,

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5 The National Agenda Policy, P. 32
6 Statistics of civil servants published on the General Personnel Council’s website. www.gpc.pna.ps
7 www.gpc.pna.ps Ibid.
8 AMAN Coalition, opinion poll on the extent of awareness of public service employees of the special code of conduct for public service positions. Issued in 2018.
according to the special poll on the code conducted by AMAN⁹. As it seems, the more in-depth provisions of the code were discussed, the less knowledge the employee grasped. In that regard, only 28% of the employees confirmed their knowledge of the process of reporting corruption, while 51% had sufficient knowledge, and 21% said they had no knowledge of it.

• **Improvement in management of public employment in the civil sector**

In 2017, the General Personnel Council (GPC) continued to improve on organizing filling job vacancies in 83 government facilities (government departments, ministerial and non-ministerial) totaling 90862 employees, until the end of 2016. 70.2% of those were in the West Bank, totaling 63805 employee versus 29.8% in the GS, totaling 27057 employee. Health and education workers account for 69.9% of them.¹⁰ As it stands, the majority of jobs are obtained in accordance with the job structure that is approved by the Council of Ministers. Moreover, work continued to complete job description forms, where 400 of them were completed in 2017 in addition to 5400 supervisory titles that were approved by the Council of Ministers. New Improvement occurred on the previous planning process concerning public employment, specifying that listings of government departments’ needs on job structures requires a public announcement of each job vacancy along with the specific job description prior to employment¹¹. It is worth noting that this improvement is limited to “regular” jobs, as opposed to higher-level positions, as will be described later in this report.

The GPC has defined 30 sensitive positions in the civil service that constantly require job rotation. The GPC is currently working on defining technical criteria and timelines for implementing these rotations. This action, if implemented professionally and with commitment will serve to prevent exploitation of public office for personal goals and interest¹². Moreover, the GPC launched its electronic examination system aiming at subjecting the recruitment process for senior positions to the same procedures. In addition, the “National School of Management” has also been launched.

• **Adoption of the “National Strategic Plan for Civil Service 2017-2022”**

The plan placed emphasis on eradicating the phenomenon of power overlapping and ambiguity in responsibilities, as well as improving relationship and communication with the public. It alluded to the existence of “weak channels of communication between the government and citizens despite efforts made in this regard”¹³. Control of statuses of the various positions such as appointments, promotions, transfers, and secondments through a set job structure that will serve to regulate the process of appointments and promotions in the civil service. It also contributes to streamlining organizational structures by reducing disguised unemployment; addresses the issue

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⁹  AMAN Coalition, opinion poll on the extent of awareness of public service employees of the special code of conduct for public service positions. Issued in 2018.

¹⁰  The Civil Service Bureau, the national team for administrative development, the civil service national strategy plan 2017-2022. April, 2017, P.12.

¹¹  Mr. Wa’el Al-Rimawi, general administrative director for job structures at the GPC. An intervention during a discussion session on appointments, secondments, and transfers in public employment, civil and military. The session was held in AMAN’s headquarters in Ramallah on 29.8.2017.

¹²  Ibid.

¹³  The National Strategic Plan 2017-2022.
of surplus staff; leads to rationalization of the salary bill; and limits waste of public funds. In any case, the real challenge will be in the commitment of implementing the plan and in closing all opportunities for exceptions, and in particular by the Office of the President and that of the Prime Minister.

- **Re-calculating the years of experience**
  The issuance of the Council of Ministers Decision No. 151 of 2017, on the calculation of the years of service for State employees; restricting it to actual experience in the same field; was a sound move as well as a positive development in regard to protecting public funds and reform. It is also a step in the right direction for rationalizing expenses due to the amount of money it provides the public treasury. This should be applied to all categories without discrimination and without exceptions to any party, in addition to issuing executive regulations based on article 107 of the Civil Service Law, and articles 69 and 70 of the amended Basic Law of 2003 as quickly as possible. Clear and specified criteria should be established for the calculation of the service periods and years of seniority for public officials. It should also include staff appointed under their own specific laws, such as judges, prosecutors and diplomats. Finally, to address the error in the implementation of the decision by the Ministry of Finance by stopping the unjustified financial discounts granted to certain individuals’ salaries covered by the decision.

**Social accountability and overseeing Initiatives on Appointments**

AMAN and the Palestinian Lawyers Bar Association participated in the appointment of assistants of the public prosecutors in June 2017. This was post a societal uproar about favoritism being used in the previous appointment of a number of assistants of prosecutors. Hence despite the abovementioned changes there remains the issue of confirming that employment procedures and measures are not a mere formality. This possible by allowing access to the list of names of all applicants through the final employment report, which illustrates names of passed the exam as well as marks of the verbal exam for those who applied and were interviewed. Also through allowing those who were refused to submit their complaints in addition to being prepared to address these complaints.

In addition to, The Palestinian Ministry of Foreign Affairs and Expatriate Affairs announced in the daily newspapers about the need to fill 11 posts as diplomatic attaché. Conditions for the position were also announced. The Ministry invited AMAN to take part in overseeing the process.

- **Increasing interest among universities to teach the integrity course prepared by AMAN**
  Interest among Palestinian universities to offer the course on integrity and combating corruption to students has increased in 2017. This applies to universities in the West Bank and Gaza. As the latest development, AMAN signed memorandum of understandings (MoU) with three universities in the GS, bring the number of universities there to five. These universities are: The Islamic University; Gaza University; Palestine University; Beit Al-Maqdes College; Al-Quds Open University. Universities in the West Bank include: Birzeit University; Hebron University; The Arab
In 2017, the ACC signed MoUs with 12 universities and colleges urging them to teach two courses on combating corruption as follows: the first is given to law students entitled “Corruption Crimes in Palestinian Legislations”, and the second is a general course entitled “Combating Corruption: Challenges and Solutions”, noting that the text for both courses is not completed.

- **The Municipal Development and Lending Fund classifies municipalities in compliance with standards of integrity, transparency and accountability**

The Municipal Development and Lending Fund (MDLF) published on its website the 2017 municipalities’ classifications according to each governorate. The classification criteria, as published, included indicators of integrity values, transparency principles and accountability systems, hence serving to facilitate the work of the MDLF in allocating funds and projects. It will also assist in programming interventions in municipalities with lower ratings to help improve performance. In that regard, one reading of ratings results showed that some municipalities that improved their commitment to integrity and anticorruption resulted in improving their ratings from B+ in 2014 to A+ in 2017, as shown by the related indicators.

And in 2017, some developments were noticed in some local government units. For example, head of the Municipality of Jabalia in the GS, issues a decision on July 17, 2017 to form a committee tasked with promoting integrity and transparency within the municipality, in accordance with the findings and recommendations of the Local Integrity Study (LIS), carried out by AMAN, on the Municipality of Jabalia. In Hebron, the Municipal Council announced its readiness to take recommendations of the LIS study on the Hebron Municipality and integrate them in future plans for the municipality. The same stand was taken by the Jenin Municipality. Also in 2017, the Palestinian Advisory Commission for the Development of NGOs launched the project entitled “Strengthening Social Accountability in Local Government Units” in Jenin - third phase 2017-2018, which aims at enhancing communications and ties between local units and citizens through activating social accountability. Ya’bed Municipality during a community meeting organized by it announced the launching of the preparation of the development plan 2018-2021. The meeting was held in the presence of representatives from the private sector and the Municipalities Development and Lending Fund among others. One of the outcomes of the meeting included the establishment of a complaint unit at the municipality.

14  The ACC official website.
15  AMAN-The Hebron Municipality NIS study, 2017, and discussion session on the study in the Hebron Municipality.
16  Al-Quds Newspaper, August 2, 2017.
Public institutions: Initiatives, models, and examples where principles of transparency were adopted

- Adoption of the unified portal for social assistance
  In 2017, the Council of Ministers in its weekly session No. 136\textsuperscript{17} adopted the “unified portal for social assistance” in compliance with recommendations and demands of the Civil Society Team for Public Budget Transparency. A steering committee was established with members from ministries and other government institutions and NGOs. The number of beneficiary groups, needy and poor families reached approximately 109,000 family from the West Bank and GS, receiving assistance in the total amount of 520 million NIS yearly. From that amount, approximately 165 million NIS is paid by the European Union, and 350 million NIS are paid by the World Bank, while the public treasury pays the remaining amount\textsuperscript{18}

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<th>Objectives of the unified portal for social assistance</th>
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<td>The decision to adopt the unified portal for social assistance was an important one for the following reasons: aims at reaching the widest coverage possible for needy and poor families; prevents duplication of assistance; increases the pace of coordinated efforts between all channels and agencies that provide social assistance, hence achieving more equitable distribution of this assistance; creates equal opportunities and better planning and coordination of assistance at the national level between partners including service providers; reduces opportunities of corruption and bribery among beneficiaries, on the one hand, and service providers on the other hand; enhances integrity of related parties as a whole, and increases the level of transparency in providing social assistance.</td>
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- Improvement in the process of public procurement
  There has been a positive improvement in the public procurement process that is noticed in the announcement of tenders and public works. In addition, results of decisions concerning public tenders and supplies are made available for citizens to see. Moreover, companies that have been convicted of violating Regulations of the Tender and Procurement Committee have been barred from participating in tenders (i.e., blacklisted). Also in 2017, tenders were posted on websites and especially on the Ministry of Finance and the Ministry of Public Works and Housing websites. This improvement was reflected in the 2017 Integrity System Index symbolized by the indicator’s mark.

- Official institutions prepared and published their annual reports
  The issuance of public reports and their dissemination to the public constitutes an important tool in applying the principle of transparency providing that they are published in a timely manner and that the information they contain is sufficient and accurate. This action is also a binding procedure under provisions of the law. In this

\textsuperscript{17} The Council of Ministers Decision issued on January 24.2017 concerning the adoption of the unified portal for social assistance (in-kind and cash)

\textsuperscript{18} AMAN: an investigative working paper on cash transfers for social assistance, October 2016. Meeting with Dr. Mohammad Abu-Hmaid, Under-Secretary of the Ministry of Social Development. Meeting held at AMAN in 2017 on the unified portal.
regard, additional number of formal, private and civil society institutions have begun to publish their annual reports in 2017, on their websites and or in hard copies. Some of these institutions are: the SAACB, ACC, The Ministry of Health, the Palestinian Investment Fund, The Telecommunication Group, the Palestinian Capital Market, and the majority of the public shareholding companies.

On another note, recommendation issued by the Inquiry Commission tasked with looking into the Al-Bireh and Bethlehem events regarding attack by the security services forces on peaceful sit-ins in front of the courts were also published, noting that several human rights organizations participated in the preparation of the report. This was revealed by the 2017 National Integrity System Index results, in addition to noting that a slight improvement which has occurred in the provision of reports by non-ministerial public institutions to their reference bodies, in accordance with the law.

- **Governance in the private sector**

In its 2017 annual report, the Palestine Capital Market Authority (PCMA) highlighted progress and development in the governance of the private sector companies, not only in terms of periodic and initial disclosure, but also this annual report included the achievements of the electronic system, supervision and field inspection of insurance companies, as well as the integration of the corporate governance course into a university course\(^{19}\). However, the scoring cards which was developed by PCMA for applying corporate governance standards are still in the pilot stage.

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AMAN examined the transparency environment of the official websites of the government institutions in the West Bank and Gaza to identify the extent to which sites adhere to transparency principles and its effectiveness in providing services to the public. In addition to know the feasibility of accessing information needed, as well as how valuable the information posted is in terms of providing services to citizens, such as: complaint units, periodic reports, strategic plans, financial and administrative reports, work plans, public services. In the West Bank, a sample of 51 official sites were selected that were monitored, 31 of which belonged to public commissions, institutions and authorities; 17 sites were ministerial, in addition to two sites, the president’s office and the prime minister’s office. In the GS, the sample included 43 sites that belonged to public institutions such as ministries and non-ministerial institutions, government commissions as well as local government units. The results were as follows:

• The majority of ministries own websites that are easily accessible and is available in Arabic. It was noticed that the Ministry of Jerusalem Affairs has no website. In Gaza, it was discovered that websites for the SAACB, and the Ministry of Local government were not activated as of November 1, 2017.

• The majority of websites in the West Bank provide contact numbers, its geographic location. It also provides the public with a link to file complaints. However, many of the sites do not include all of the services that are provided to the public. In addition, instructions concerning services are not available in general. The Council of Ministers lists services provided by each ministry or public institution. There are no Requirements’ criteria or forms concerning service provision posted on websites. Also service fees are not posted. Time required to complete transactions and services also is not clear with the exception of a very limited number of sites. Website for the Ministry of Education published the Citizen’s Budget in addition to its strategic plan 2017-2022, both in Arabic and English. The Ministry also published its financial need for the upcoming years, noting that it will publish its 2017 budget in the three major newspapers.

Initiatives, models and examples that strengthened the accountability system

• The State Audit and Administrative Control Bureau is active in monitoring

The SAACB published its 2016 annual report on its website on December 21, 2017. The date of publication came late since it submitted it to the President and Prime Minister in the middle of June 2017. The report revealed tens of financial, administrative and legal violations in 114 bodies under its control. The Bureau received 485 complaints, 82% of them were followed up on. 24 files were referred to the ACC; 18 of them based on request by the ACC.

In 2017, the SAACB office in Gaza conducted monitoring on 70 central tenders for the General Supplies Department in the Ministry of Finance; 21 central tenders for
the Central Tender Committee in the Ministry of Public Works and Housing; 22 government tenders; and 39 bids. It also received 77 complaints; issued 95 reports noting that none were published20

• **Local Elections in the West Bank**

Local elections are an important instrument for social accountability. In that regard, these elections were held in the West Bank in May 2017 in 391 local government units. In 145 of them, more than one electoral list was nominated, while in 181 units only one list was nominated hence winning by acclamation, and in 65 units, no list was nominated. In addition, the number of candidates was less than the number of seats in 6 local units21. Supplementary local elections were held in the West Bank in July 2017, and included 70 local government units 38 of which no list was nominated; 4 units, its council members resigned after the elections that were held in May, 2017; one unit whose voters did not participate in the elections. It is worth noting that prior to holding the above mention elections Civil society had exerted continuous efforts and had carried out many activities to pressure the government to hold elections. In addition, attempts were made to persuade Hamas to participate and allow local elections to be held in Gaza. However, civil society efforts in Gaza were met by Hamas's refusal to participate as well as prevent citizens from participating.

The election process was carried out with integrity and transparency. Given the circumstances that accompanied elections held in May 2017, exemplified by the strike for freedom and dignity for Palestinian prisoners, and the fact that the supplementary elections coincided with the intifada in defense of al-Aqsa, the boycott of elections by a number of factions and political parties took away...

20 An official letter sent to AMAN in response to AMAN's request for information from the Committee on Public Control and Human Rights and Public Freedoms, the PLC, Dated November 5, 2017.
from its importance. In addition to that, the phenomenon of acclamation in the third elections in the West Bank reached 51% of the units participating in the elections versus 61% in 2016 for the same elections. "Acclamation," which is agreeing on one list of nominees within a given unit, is considered a phenomenon that is contrary to the philosophy of democratic elections, which is an instrument for accountability. Therefore, the higher the rate of acclamation, the lower the rate of participation and accountability. Furthermore, the resignation of four local councils after winning the elections along with the average turnout, which reached 53.4% of all voters, shows the decline in people's lack of trust towards elections as well as lack of understanding of the importance of elections22.

The lack of holding elections in Gaza has created a major gap that weakened accountability and reduced the chances for local government units in obtaining funding for their projects.

- Establishing electronic sites for complaint systems in some formal institutions

In compliance with the Government Complaint System No. 8, adopted and approved in 2016 by the council of Ministers, the General Department of Complaints in the General Secretariat of the Council of Ministers continued to work towards completion of the unified complaint system in public institutions, military and civic. Some positive development were revealed in the content of the fourth annual complaint report of 2016; approved by the Council of Ministers in September of 201723. Examples include: completion of this system by the majority of the civil and military institutions by establishing complaint units in these bodies, as well as allocating trained staff for this purpose. Moreover, the majority of these websites included an electronic link that is connected to the unified government complaint system at the Secretariat mentioned.

The abovementioned report also included a detailed review of challenges and obstacles faced by civil and military institution as a step towards developing an effective accountability system24. The number of complaints received by the various governorates showed an increase by 80% in 2016 than in 2015. However, requirements for activation of complaint systems still need additional efforts, especially in the security appurtenances, which was covered by a wide range of recommendations in the fourth annual complaint report.

22  The Central Elections Committee-Palestine. Local election report, 2017, P. 33
23  Decision by the Council of Ministers on September 19,2017 entitled “Verification of the 2016 Annual Complaint Report. Website of the Prime Minister’s Office.
24 .Ibid.
In the Gaza Strip: In 2017, handling complaints took a development from the traditional ways carried out until 2016\(^{25}\) to computerizing the government complaint system in the majority of the public sector’s institutions. This was considered to be a big development in the efficiency of the government’s complaint system. The system is directly supervised by the Ministry of Communications in Gaza. The system provides the possibility to submit suggestions or give feedback on responses of the ministries to complaints in terms of the level of satisfaction to a given response\(^{26}\). The number of complaints received by the system amounted to 767 requests; addressing 634 of them in 2017. The Legislative Council in Gaza, members of the “Change and Reform Bloc” has prepared (Guide to Parliamentary Action) in 2017, which entails mechanisms for submitting complaints to the Council\(^{27}\).

In the West Bank: The general prosecutor and judiciary assigned the task of receiving complaints related to members of the prosecutor’s office, concerning their behavior and professionalism at work, to the “Judicial Inspection Department”. This is in addition to monitoring the validity of application and completion of investigations and referral procedures among other issues. In 2017, 24 complaints were referred to the department, 16 of which were addressed, while 8 complaints are still under follow-up. In addition to that, a specially designed and programmed complaint unit was established in the Office of the Public Prosecutor\(^{28}\). The Judicial Inspection Department in the Higher Judicial Council received 139 complaints until December 12, 2017, where it addressed 122 of them in addition to the 40 complaints that remained unaddressed from previous years.

In the Gaza Strip, The public Prosecutors Office published in January 2017 a procedural guide for employees of the Complaints Department of the Prosecutor, since complaints are received by this department. It is worth noting that there are three sources where complaints are submitter: on-line complaints; complaint boxes; and direct in person complaints received at the department. The Guide contains principles that promote justice, equality, transparency, integrity, and accountability, when dealing with the public\(^{29}\).

On another note, results of a study conducted by AMAN in November 2017 on government institutions websites show that the majority of the sites include a section for submitting complaints and also on follow up. For example, in the GS, it was

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25 Report on the state of integrity and combating corruption, 2016
26 It is possible to view details by visiting https://eapp.gov.ps/complaints
27 Mr. Akram Al-Sahhar, Director of Public Administration for Parliamentary Affairs and Sessions, October 10, 2016.
28 Mr. Akram Al-Sahhar, Director of Public Administration for Parliamentary Affairs and Sessions, October 10, 2016.
29 Dr. Atef Muheisen, Director of the Complaint Department in the Ministry of Health. It is possible to view the guide by visiting: http://www.gp.gov.ps/ar/wp
revealed that 82% of the websites included such sections, 36 of which provide clear mechanisms for responding to the complaint and the time period it takes to respond. The results also showed that 32% of these sites provide sections for suggestions and consultations with service recipients as well as the general public. And despite the establishment of the government’s unified electronic complaint system, the majority of ministries have not included its link on their websites. For example, in the West Bank, websites included a special section for complaints that is easily accessible and links to the unified complaint system at the Prime Minister’s office. This is a positive development which came as a result to the Council of Minister’s Decision No. 8 of 2016 concerning the establishment of complaint systems. However, what is important to note regarding these sites is that they lack of clarity of a mechanism to respond to complaints and the time period it takes to respond by those in charge. Also missing are sections/space to submit suggestions and or comments from service recipients in order to measure their level of satisfaction.

Some websites of service providing institutions, such as the “Student Loan Fund”, institutions of the MoE and water authority, do not provide a section for submitting complaints, although these institutions serve a large segment of society. Also, the Ministry of Finance and Planning and the Ministry of Foreign Affairs and Expatriate Affairs have no complaint system in place.

- **Civil Society is active in the monitoring and accountability of the government’s performance**

In light of the of the continued absence of the supervisory role of the PLC, civil society and social media played an important and positive role in areas of social accountability and oversight of management of public funds and public affairs in

Some officials have responded to AMAN’s call to attend hearing and accountability sessions despite the government’s undeclared restrictions on ministers and other officials banning them from participating in such sessions.
general, in 2017. An example of activities carried out in that regard is symbolized by those conducted by the “Civil Society Team for Public Budget Transparency”\(^{30}\). The Civil Team issued a number of reports and work-papers on the state of transparency of the public budget. It also organized meetings with the media; held specialized conferences that aimed at reinforcing the role of media in monitoring and accountability over the preparation of the public budget\(^{31}\). In addition some community accountability initiatives have been recorded, such as: The “Community Initiative for promoting Consumer Protection” by Gaza activists\(^{32}\). Furthermore, eight NGOs adopted the Guide on complaint procedures and disclosure of information on assistance provided for people with special needs; held a youth conference entitled “Watch…Participate…Question” within the context of activating the movement for the promotion of integrity and combating corruption. The conference was held in partnership with AMAN and Pyalara, and in cooperation with the Environmental Quality Authority. The conference was culminated in launching the campaign for the safe disposal of medical waste, in Ramallah, which is part of a broader community-based youth accountability initiatives on activating the role of social accountability in the West Bank.

• **Responsiveness of some officials to social accountability**

In 2017, a number of officials from the West Bank and Gaza responded positively to the social accountability approach by participating in hearing sessions, dialogues, and panel discussions held in Ramallah and Gaza. These officials are: spokesman for the government information office in Gaza, Mr. Osama Ma’rouf. Also, Dr. Ahmad Majdalani, and Dr. Majed Al-Hilo, Chairman of the Board of Directors of the Retirement

\(^{30}\) “Civil Society Team for Public Budget Transparency”, within efforts for promoting principles of transparency, systems of accountability in management of public affairs. The team consists of a number of Palestinian civil society organizations, in addition to economic experts. Until today, the Coalition remains to be the executive secretariat for the Team. The Civil Team believes that citizens have the right to review and participate in the preparation of the public budget in order to hold officials accountable if and when needed and keep track of management of public expenditures and government spending. The team also believes in civil society’s participation in the preparation of the budget throughout its phases. The Team also sees that civil society has the right to have the full data and information regarding the budget in order to be able to follow up on its implementation, which in turn will reinforce the role of civil society and citizens in participating in the governance process. In addition it will also promote transparency and accountability for good governance. The following Palestinian NGOs that are members of the Team: Palestine Economic Research Institute (MAS); MIFTAH; The Agricultural Relief Association (PARC); Democracy and Workers Rights Center; UAWC; Jerusalem Legal Aid and Human Rights Center; Teacher Creativity Center; Jerusalem Center for Social & Economic Rights; Al-Haq; MA’AN Development Center; Palestinian Intellectuals’ Forum; PNIN; Palestine Governance Institute; FPCCIA; The Continuing Education Center/BZU; Health Work Committees; Applied Research Institute Jerusalem; Al-Nayzak; Juzoor for Health and Social Development; Alhadath Newspaper; NDC; IDS; Bunian Association; Palestinian Friendship Center; Social Development Forum; Center for Strategic Studies and Research; Pal-think for Strategic Studies; Filastiniyat; Hadaf Center for Human Rights; PICD; NAFC; ACAD; Academics and Media Analysts.

\(^{31}\) Meeting were held in cooperation with AMAN in its capacity as the Team’s secretariat.

\(^{32}\) A discussion session was held in coordination with AMAN in March 2017; the executive secretary.
Fund, and Head of the Fund, consecutively, who participated in a discussion session on the financial state of the Retirement Fund. Jebreel Rjoub, the President of the Higher Council of Youth and Sport, and Head of the Olympic Committee in Palestine who participated in a discussion workshop on the Olympic Committee’s stance in pursuing Israeli attacks on the Palestinian participation in the FIFA. Mr. Mohammad Abu-Hmaid, Under-Secretary of the Ministry of Development, who participated in a discussion session on the unified portal for social assistance; Dr. Ayman Al-Sabbah, General Manager of Insurance Supervision in the Palestine Capital Authority, who attended a workshop on insurance companies and the insurance industry in Palestine.

In the Gaza Strip: Officials also participated in hearing and accountability sessions, where Mr. Ahmad Abu-Al’umrein, Director of the Information Center of the Energy Authority; Eng. Suhail Maddoukh, Under-secretary of the Ministry of Communication and Information Technology; Mr. Mohammad Lafi, Inspector General of the Ministry of Interior; PLC member, Yahya Al-Abadesse, Head of the General Control Committee in the PLC in the GS; Mr. Yousef Ibrahim, Under-Secretary of the Ministry of Social Development; Mr. Salameh Ma’rouf, Government Information Office. This is in addition to a new development epitomized by the creation of Facebook accounts for officials where they expressed their readiness to receive calls, complaints, or request for meetings as well as to give advice and guidance if needed.

- **Role of Media in Accountability**

In 2017, Palestinian media (printed, audio and visual) sources, as well as social media means continued to play an active role in monitoring and accountability over management of finds and public affairs. It also monitored the conduct of public officials in the management of public affairs. In addition, integrity and corruption issues were more exposed to the public through dialogue accountability programs and investigative reporting, especially through audio and visual means like television and radio programs. Examples of these programs include but are not limited to: Watan Television Network investigations aired on November 1, 2017. Also on February 21,
2017, a program entitled “the poisoned Joy of Children”, which addressed children’s toys that do not meet Palestinian standards and specifications and are inconsistent with mandatory technical instructions, in addition to the absence of an industrial laboratory to ensure compliance with the required specifications for technical games. In regard to written media, one example is that of the investigative report of Mr. Mohammad Khaled on “customs and tax exemptions for purchase of private cars”, which wastes public funds for the benefit of influential and public figures. The report was published in “Al-Aribi Al-Jadeed” newspaper on December 2, 2017. Also on written journalism, there is Sa’d Najm and Mohammad Al-Jamal’s investigative report, published on September 26, 2017, which addressed bribery in obtaining permits through bypassing PA channels; Mohammad AbuThaher’s investigation corruption among inspectors of the Ministry of Economy. And despite the seriousness of these and other similar reports and the public response to them, role of media in Palestine remains modest when compare with media in other parts of the world. Results of the public opinion poll on the state of integrity and combating corruption, conducted by AMAN in 2017, indicated that 78% of respondents said that the role of media ranges between medium and weak in regard to shedding light and or exposing corruption cases. While 19% felt that the media role is effective in that regard. Results also revealed that 50% of respondents said that social media means are the most effective, followed by visual media, audio, and lastly, written means.

- **Challenges faced by the Palestinian National Integrity System in 2017**

One of the main challenges that faced the Palestinian NIS is the weakness of oversight bodies. This weakness is embodied first and foremost in the absence of the PLC, since it is the most important constituent between the oversight bodies, in addition to other regulatory bodies such as those related to water, electricity, communications and procurement. Add to that weakness of oversight units in formal institutions. This weakness allowed the two governments in the West Bank and Gaza to manage public funds, public affairs and the public budget without and real accountability or serious oversight. Moreover, challenges relating to transparency continued to pose problems symbolized by restrictions that prevent the public from accessing information, mainly due to the failure to pass the Access to Information Law, and to keeping agreements signed by the PA with the Israeli occupation and those signed with the Palestinian private sector confidential.

These challenges and more were revealed in the results of the Integrity System Index, conducted by AMAN in 2017, reflected in the average grade of the Index’s focal points, which is 552 for a total score of 1000. In other words, the state of the NIS barely exceeded the threshold of failure. It was evident in the indicators of Index that the regulatory institutions were worst off with the lowest grades, scoring 454 out of 1000. It was followed by lack of political will to promote integrity and combating corruption, which earned the mark of 500/1000. It was noticeable that 13 indicators earned a (0) which is the lowest mark in the Index. While 6 indicators earned very weak grades of (250-500). In conclusion, the total number of indicators that earned weak and very weak marks totaled 34 indicators out of a 72 total, which accounts for 47% of the total indicators. The results also showed that practices, conduct, and violations of laws formed the most prominent challenges in improving the NIS, surpassing legislations despite needed reform in that area. The abovementioned
assessment of the state of the NIS reflects the magnitude of the challenges facing the NIS system.

Moreover, challenges and failures occurring to the NIS led to the continued rise in the rate of citizens’ pessimistic perception of the anticorruption efforts being exerted, as reflected in the Integrity Index and opinion poll conducted by AMAN in 2017 where 55% of respondents said that corruption rose in 2017. And 59% of them predicted that it will rise even more in 2018.

Examples of challenges and impediments to integrity
The majority of the challenges and impediments that faced the NIS in 2017 were a continuation of those from previous years. In this regard, a number of setbacks and challenges, at different levels, were monitored and identified such as:

- **The continuation of non-adoption of a National and Comprehensive Anti-Corruption Plan by the government**
  
  Despite having the National Policies agenda 2017-2022, and the Anti-Corruption Commission’s Strategy 2015-2018, no comprehensive national anti-corruption plan has been prepared. What is meant by a national plan is one that involves, in addition to official institutions, representatives of civil society and private sector institutions in its preparation as partners, but is led by the government. The plan should also include a yearly work plan that outlines activities and interventions required by each partner, as well as specify timetables and reporting mechanisms to monitor and evaluate results of implementation of the plan. Finally, the plan should be approved by the Council of Ministers according to the mechanisms followed in the preparation of the plan. Absence of this comprehensive plan makes anticorruption efforts scattered with individual initiatives that are incomplete. It also limits combating corruption to criminalizing and prosecuting the corrupt without giving sufficient attention to tasks that fortify society within against corruption, such as address its underlying causes, and create public opinion that is hostile to its manifestations hence reducing it in official, private and civil society sectors. This was confirmed by results of the Palestinian Integrity Index, where the indicator regarding the existence of a government approved and declared anti-corruption plan earned in 2017 the mark of 500 out of a 1000, which is the same as previous years.

- **Non-activation of anti-corruption legislations, lack of respect for the rule of law, and protection of whistleblowers**
  
  In order to be able to combat corruption properly and efficiently in any given society, a favorable legal and institutional environment is needed, since it constitutes one of the most important requirement for combating corruption due to its provision of elements that fortify society and institutions against corruption. This type of environment is known to strengthen the NIS if backed by a political will for combating corruption which can translate it into a legal system (i.e., approved laws and legislations) along with procedures and measures that complement these laws. In this regard, the absence of the PLC led to chaos in the legislations arena for the last 11 years or since the internal division began, which created differences in the legal system concerning combating corruption in the West Bank and the GS.

In 2017, the state of recklessness and urgency in passing legislations continued, as
it became more reflective of the interests of individuals and or groups, either for power or for material gain. In addition to that, arbitrary and unfair uses of the rule of law were being practiced continuously as political pressure in the context of the internal division, both, in the West Bank and the GS. This resulted in the distortion of legislations issued which allowed an executive authority, in either governments, to use legislations to dominate and reinforce its own power. The number of legislations issued since 2006 and until October 2017, a total of 193 laws, 17 of which were in 2017 alone. Examples of these laws by decree is the issuance of a law on cybercrimes in record time, as well as a draft resolution amending the Supreme Constitutional Court Law, which was issued at the Council of Ministers meeting No. 134 on January 1, 2017. This draft law triggered a storm of criticism by civil society where it called for its annulment on bases that this law transforms the Constitutional Court to a body that legitimizes, justifies, defends and protects decisions taken by the President\(^{33}\).

On the other hand, legislations fell short in regard to strengthening the NIS in terms of amending some related rules and legislations, such as those governing conflict of interest. Also, those relating to address the absence of procedures for regulating the work of ministers and deputies, as well as tax and customs officials who work in the private sector, in addition to lack follow up on financial disclosures, and the use of WASTA and nepotism to escape punishment. Data provided by citizens coming forward to AMAN in 2017 seeking legal advice and support indicate that there have been cases where individuals accused of corruption crimes or other perpetrators who were not arrested by police or other security officers in charge of enforcing the law. Cases such as these are more likely to be those who have personal connections, or that WASTA and nepotism were practiced hence escaping consequences for their actions. In addition, AMAN received information on misuse of government vehicles by officials and members of their families for personal use despite the Council of Ministers’ Decision of 2010 concerning regulating the uses of these vehicles. This is attributed to the failure of the decision’s inclusion of tools and procedures for implementation, in addition to the absence of sanctions that would ensure its implementation, hence contributing to the continuation of circumvention of the decision and the misuse of government vehicles\(^{34}\).

On another note, legislations are also deficient concerning protection of whistleblowers whether legally, professionally or personally, which was reflected in the opinion poll results conducted by AMAN on “protection of Whistleblowers on Corruption”. The results showed that reason which earned first place regarding “reasons for lack of reporting corruption” was attributed to fear from revenge, in the opinion of 17% of respondents (20% in the West Bank; 12% in the GS). 16% (13% in the West Bank; 21% in the GS) of them believed that the reason is attributed to “lack of sufficient protection for whistleblowers and witnesses of corruption” which took second place. Results concerning reasons “Lack of sufficient awareness of the meaning of corruption and its forms” and “lack of political will to combat corruption” both earned the percentage of (14%) and came in third place. Percentage was


\(^{34}\) AMAN-Report on “the most prominent issues that reached the Advocacy and Social Accountability Unit at AMAN during 2017.
also close, nearly 9% in regard to the following two reasons “the inability to prove corruption, and lack of conviction in the usefulness of reporting corruption, believing that no actions will be taken against the corrupt”. This was followed by “Failure to know the authorized party to receive complaints on corruption”, “the conviction that reporting corruption is a form of being an informer”, and “weakness of complaint units in public institutions’, with 7% each.

Reasons for refraining from reporting corruption

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Weak complaints units in Palestinian public institutions</td>
<td>6.5%</td>
</tr>
<tr>
<td>Conviction that reporting perpetrators is a form of stinting</td>
<td>6.9%</td>
</tr>
<tr>
<td>Lack of information about the agency responsible for receiving corruption complaints</td>
<td>7.1%</td>
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<tr>
<td>Perception that reporting is useless since no action will be taken against perpetrators</td>
<td>8.9%</td>
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<tr>
<td>Inability to prove corruption</td>
<td>9.8%</td>
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<tr>
<td>Lack of information about the agency responsible for receiving corruption complaints</td>
<td>13.9%</td>
</tr>
<tr>
<td>Lack of awareness of the meaning and types of corruption</td>
<td>14.5%</td>
</tr>
<tr>
<td>Lack of protection of reporters and witnesses of corruption</td>
<td>15.8%</td>
</tr>
<tr>
<td>Fear of revenge/ retaliation</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

The Source: The Coalition for accountability and Integrity - AMAN, Citizens annual opinion Poll About “The reality of corruption and anti-corruption efforts in Palestine-2017”.

- **Favoritism and nepotism in appointing senior positions**

Appointments in senior positions continued to be conducted without transparency and in the absence of clear standards as well as disregard for the principle of equal opportunity. The majority of positions were filled without a fair competition, since no announcements were posted in newspapers and no contests were held for appointments. Moreover, appointments for senior positions were executed without job descriptions or oversight by a formal party to ensure qualifications of those being appointed. This was especially true in appointments of ambassadors, under-secretaries of ministries, judges, security officials, and heads of non-ministerial public institutions.

Although the GPC had exerted effort to solve the problem of appointing high officials through the adoption of job descriptions, its efforts continue to clash with centers of influence, namely: Office of the President, the government, the security apparatuses, and some of those close and are affiliated with decision makers. Moreover, the aforementioned centers refuse the idea of having an oversight party to these appointments as well as a system that defines conditions and procedures for appointments of these positions. Examples of these appointments in 2017 include:

- The appointment of a president and Vice-President of the Higher Judicial Council of the Supreme Court Justice without transparency or commitment to the Palestinian Authority’s Law.
Eight under-secretaries for ministries and other public institutions were appointed with varying ranks as follows: The Ministry of Finance and Economic Planning; the Ministry of Tourism and Antiquities; the Ministry of Labor; the Ministry of Education; SAACB; the Palestinian Agricultural Disaster Risk Reduction and Insurance Fund (PADRRIF); the Colonization and Resistance Commission, in addition to 21 deputy assistants in various institutions.

The “Degree” of minister was granted four times in 2017 to: Head of Land Authority; the General Supervisor for the Television and Radio Commission; Chairman of the Board for WAFA News Agency; Advisor to the Head of State of Foreign and International Affairs; Advisor to the Prime Minister for Arab and Islamic Funds. All were appointed without a legal reference or criteria for awarding these positions, which entail financial obligations and privileges in terms of salary and pension.

The Presidential Office witnessed several appointments and promotions. Seven promotions were granted to employees and or general directors. Also, an eighth promotion was granted to a deputy assistant, and a ninth to an under-secretary; all without an announcement or competition.

In the diplomatic core, six decisions were taken without competition to fill ambassador’s rank positions. In this regard, the SAACB published in its December 2017 annual report disclosed that there were violations of the provisions of the Diplomatic Law and its executive Regulations. The report also stated a non-compliance with the President’s Decision and that of the Council of Ministers regarding contracting experts and employees, which is a violation of the law. Additional violations included the extension of work contracts of ambassadors after the age of sixty without obligation to work in the ministry.

The Palestinian Integrity Index results reflected the negative practice of appointments in senior positions, where related indicators, such as: “announcements of job vacancies for senior and special posts”; the existence of an administrative independent committee assigned for overseeing the integrity of appointments in senior positions”; “the existence of a permanent body for receiving objections concerning public employment decisions” earned (0) points for the past four years (2014-2017). This means that appointments in high positions are free of any control. It also confirms the lack of supervision of the GPC over these appointments, which heightened conflicts in the race to access these positions due to the financial privileges they offer. This especially true for positions like a minister or the head of a non-ministerial institution or a brigadier general in the security services.

**In the Gaza Strip**, the number of senior positions appointment as of October 2017 reached 36. For example, seven members were appointed to the Government Administrative Committee who were granted salaries and privileges of ministers. These appointments were executed based on a decision by the PLC in Gaza (representatives of the Reform and Change Bloc). In addition, the same PLC members appointed a head for the SAACB there, and a public prosecutor. These actions by the PLC in Gaza violate the Palestinian Basic Law, article 69 which stipulates that appointments and supervision of heads of institutions are under the powers and jurisdiction of the Council of Ministers with some exceptions where the responsibility of appointment has been referred to the President of the PA.

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For its part, the Government Administrative Committee took decisions for eight appointments in senior positions, these are: deputy head of the General Intelligence Services with a rank of assistant under-secretary; Dean of the Ribat College; Assistant under-secretary of the Ministry of Interior Ministry and National Security, and acting head of the General Intelligence Services; Acting under-secretary of the Interior Ministry and National Security, Deputy Minister of Justice. In addition, 19 new judges were also appointed in the Magistrate Courts in the GS36. These appointments were carried out without announcements or selection competition except in the case of the judges. And although there was announcement concerning their selection, there were many complaints questioning the selection competition and transparency of procedures followed, claiming that the announcement was a matter of formality. Promotions in 2017 reached 130 who were promoted to the rank of general director, and 12 to deputy assistants and one to a deputy-prosecutor.

In violation of the spirit and purpose of the legislator, who defined the time period for assuming public office, the head of the Anti-Corruption Commission was re-appointed by a presidential decree issued on February 16, 2017, extending his term for an additional year. This decision came only one day after the issuance of the law to amend the Anti-Corruption law, on February 15, 2017. This emphasized the lack of purpose, which is founded in legislation to serve the public's interest and not in favor of a particular person. The Presidential decree stipulated that the extension period to take effect from March 9, 2017, which coincided with the end of his seven years term, which is the period stipulated by the Anti-Corruption Law before the last amendment. In addition, the majority of heads of the security services are also in violation of the law since they exceeded their term in office, especially heads of Preventive Security and Intelligence agencies. Ambassadors also are well into their seventies and are still on the payroll. This is in harmony with results of the Integrity Index where the related indicator earned a (0) concerning job vacancies for senior positions.

In 2017, the GPC confirmed completing preparation of all job descriptions for senior and high positions, as well as presented them to the Council of Ministers for approval. The GPC points out that it is vital to get this approval as soon as possible in order to monitor and control these jobs, since they are characterized by a surplus and imbalances. Unfortunately, as of the end of 2017, the Council has yet to give its approval.

• **The salary gap phenomenon is on-going**

The absence of policy and criteria for determining the salary scale of heads of non-ministerial institutions, as well as the absence of a maximum ceiling for salaries, led to the collapse of the State treasury. It also led to inflated salaries and rewards granted to heads of some institutions, where some exceeded salary and privileges granted to the President of the State of Palestine (i.e., more than $10,000 a month). This is in addition to the government’s failure to adopt a clear policy as well as specific and approved criteria for determining salaries and bonuses of heads of non-ministerial public institutions.

Furthermore, the absence of policy and criteria for determining a salary scale also contributed to widen the gap existing in public employment. In that regard, there
is a horizontal gap in the average salary of civil servant’s employees compared to the security/military service employees, as well as in comparison with the diplomatic corps and judiciary apparatus. The salary gap is clearly evident between the upper and lower categories in each sector. As it stands, the total salaries of employees working in the upper categories is equivalent to many times more the total amount of salaries of employees in other categories. In return, employees of the three lowest categories are paid (3rd-5th) less than 40% of the total salaries noting that these categories make up the majority of employees. Moreover, it is worthy to note that the degree of increase in salaries is more acute at the top of the administrative pyramid in comparison with its base. Also, the gap starts at the basic salary level and expands considerably when calculating bonuses and other work related privileges, such as: the use of government vehicles, mobile phone allocations, fuel allocations among other privileges and bonuses related to supervisory allowances, which are much higher for high-level employees compared to the lower and middle categories. These privileges, allowances and other allocations that are not salary related constitute one of the most important reasons for the abovementioned salary gap.

- **Weakness in transparency and Integrity in appointments in some ministries**

In addition to the progress mentioned above regarding jobs in civil service institutions, the SAACB discovered violations and irregularities that were revealed in its December 2017 ordinary jobs, some of which are listed below:

- **The Ministry of Health (MoH):** conducting appointments without job vacancy announcements in the local papers, or through the GPC’s website. Appointments were also carried out without following legal procedures in respect to examination and interviews. In addition, some job applications were not sorted out by the assigned committee and without justification; failure to adopt clear criteria that is written and formally signed by members of the selection committee, for some jobs; which should be carried out at the stage of sorting out applications; some applicants were granted this opportunity without entitlement; some applications were accepted even though they did not meet the specialization stated in the announcement; the unreliability of interview results, which reflects in the selection results; the absence of fixed standards and criteria that is agreed upon at the evaluation stage; some applicants are appointed through an internal interview by a committee consisting of staff of the MoH, without the presence of representatives from the GPC.

- **The Ministry of Education & Higher Education (MoE&HE):** Errors in the process of data entry for job applicants with no supervision or checking to ensure its accuracy, which can alter appointments’ results; appointing some applicants without committing to order within the role registry as well as without adhering to established employment standards and criteria. In 2017, AMAN received information concerning appointments and repeated cases of transfers without justification that were carried out in the MoE&HE, an issue which prompted

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doubt about the extent of entitlement of some to be appointed or transferred. Also, a number of applications contained information of suspicion of corruption concerning school trips’ fees. In this regard, AMAN sent an official letter to the Minister of Education urging him to establish rules to control this process.

- **The Energy Authority:** Lack of transparency and integrity in appointing some employees; failure to follow legal procedures in appointment contracts.

- **Civil Society Organizations (NGOs):** Some NGOs employed relatives of the administrative boards at their institutions, which is in violation of the law.

- **Local Government Units:** Some of these local bodies lacked transparency and integrity in their recruitment and promotion processes.

**Employees that are not employees:**

The total number of employees that are reserved for Palestinian factions, national figures, or NGOs and charitable organizations that are on the payroll of the MoF has declined in 2017, compared with 2016. This number currently stands at 1321 employees distributed as follows: West Bank (332) and the GS (989) employees.

**Inflated salaries and privileges for some employees on special contracts**

Despite the fact that salaries of employees who are recruited on special contracts (i.e., on temporary bases, emergency, or seasonal) are subject to the Council of Ministers’ Decision No. 335 of 2005, these salaries range from 3000- 4000 dollars. This means that some of these wages sometimes are equal to a minister’s salary. In addition, there are contracts that their value exceeds the salary of the Prime Minister. This, of course, is not consistent with the state of Palestine and its modest financial resources.

In 2017, AMAN received information that confirms the appointment of some officials through temporary contracts to carry on responsibly of the permanent positions they were in the first place. This is in violation of the special Council of Ministers Decision No. (h.r/w.m.o6/27/16) issued in 2014, on forbidding contracts with retired civil service employees.

The SAACB, in its 2016 annual report, pointed out to ministries and public institutions that violated the law in regard to contracting former civil service employees on special contracts. These institutions are: Ministry of Jerusalem Affairs; Ministry of Foreign Affairs, and the Energy Authority. In regard to the Energy authority, SAACB discovered that it did not have clear adopted standards that define salaries for employees hired under temporary contracts, in addition to the absence of transparency and integrity in procedures followed for promotions and temporary contracts in some case.

Similarly, the Ministry of Foreign Affairs also carried out direct employment for temporary contracts, Secondments etc. without adhering to legal procedures in terms of advertisement and competition.

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39 AMAN, Report entitled “Conclusions of the Most Prominent Issues that Reached the Advocacy and Social Accountability Unit in 2017.”
40 Recent correspondent with GPC obtained by AMAN on Sept. 1, 2017. For more information, AMAN’s report on “Transfer, Assignment, and Secondment in Civil and Military Posts”. Issued by AMAN in 2017.
41 An unpublished source from the MoF.
42 SAACB, Annual report 2016. P.47.
Provision of social assistance outside the unified portal for distribution of social assistance

Despite the launching of the social assistance portal, some institutions, in 2017, continued to distribute social assistance outside the portal. These institutions include the Intelligence apparatus and the Office of the President. Moreover, they distributed assistance without clarifying the criteria followed in provision of this assistance.

The Ministry of Social Development supported by AMAN and the Civil Society Team for Enhancing Public Budget Transparency are working to have all related parties that have not joined the portal, and the unified database, to do so as soon as possible.

- The state of transparency and public information management is at a standstill

The National Policy Agenda 2017 - 2022 referred to “enhancing government transparency, including the right to access to information”. It also emphasized openness to the public. The government, in its part, reiterated its pledge that it will “ratify the Right to Access Information Law that will be put into effect during the period covered by the Agenda”\(^43\). The government also confirmed its support for the Open Government Partnership Initiative and on the Council of Ministers’ approval, in 2015, of forming a national team to join the Initiative\(^44\). Furthermore, the Prime Minister and the Minister of Justice, as well as other officials, to have been quoted on their pledge to issue the Right to Access to Information Law. However, neither the pledges nor the assurances have been fulfilled, as the abovementioned law has not been issued as of the end of 2017. As for the National Archive Law, where significant amendments were applied to the draft in 2010, is still awaiting approval of the President.

Despite repeated calls by civil society institutions that public institutions should publish their reports in compliance with the law, in 2017 restricting information remained to be the norm, as information was blocked and hence unavailable to the public. This included government’s decisions, strategies, and or reports of official parties. Results of the opinion poll, conducted by AMAN in 2017 on corruption and combating it in Palestine, showed that 72% of respondents believe that they cannot access public records easily, versus 15% who feel that they can. Moreover, the Palestinian Integrity Index 2017, conducted by AMAN every year, indicated that the indicator on the feasibility of citizens having access to public records scored very low (150/1000) due to the continued withholding of information and denial of access to it easily, or finding cooperation to obtain it.

\(^44\) An initiative launched by the U.S in partnership with Brazil in 2011 to promote participatory democracy by improving performance of government institutions, and promote integrity and transparency in the management of public funds.
The importance of issuing the Right to Access Information Law in not only limited to enabling society to participate in decision making, but in enabling the community to hold officials in charge of public management accountable, which is in line with good governance principles. Activation of the Right to Access to Information Law is linked to the adoption and approval of the National Archive Law, since it is considered the guarantor of the proper implementation of the Right to Access to Information Law through classifying information according to a specific criteria and control elements. Also by providing a solid and reliable database that is user-friendly, thus facilitating the process of obtaining information required for those interested, on the one hand, and on the other hand for the facilitator, by having easy access if and when he/she is required to provide it to others. It might be appropriate for each official institution to determine the type of information that need to remain confidential and secretive, and to publish other public information, as an alternative for waiting for the issuance of Access to Information Law.

Refusal of the Prime Minister to sign a document “Commitment to Transparency”

AMAN requested from the government, represented by the Prime Minister, to sign a document entitled “Transparency Pledge” which the Civil society Coalition for the United Nations Convention against Corruption (UNCAC-Coalition) prepared and which stipulates the need for transparency in government in regards to the periodic review of the extent of progress made in achievements, its adherence to the United Nations Convention against Corruption (UNCAC) and the involvement of civil society in the review process.

The government rejected the request made by civil society based on a “recommendation” made by the ACC, since according to the ACC, the signing of this document voluntary and not a mandatory request by the UNCAC. It is worthy to note that this document was signed by Lebanon, Tunisia, and tens of other states. In addition, the ACC was also reserved concerning the participation of civil society representatives in reviewing Palestine’s commitment for 2018 under the “logic” that the review is the work of states and not civil society. Also, the State of Palestine did not publish its first review report in the newspapers nor did it involve citizens and civil society organizations in its discussion.45

Although a government committee was formed on July 28, 2016, for the purpose of communication and partnership with civil society based on a decision by the Council of Ministers, this committee never held a meeting as of the end of 2017.

Withholding some public information, decisions, and reports or not publishing them on time

The government withheld publication of its decisions on the Prime Minister’s Office website since April 2017 under the pretext of “site maintenance”, despite demands from NGOs and other institutions requesting the return of publishing information of their site. Publication of decisions were resumed in September 2017, but were limited to decisions concerning religious and public holidays.

45 Letter by AMAN urging the authority to sign the document “Transparency Pledge”; the Prime Minister’s Office response to AMAN’s letter.
In Gaza Strip, the following ministries continued not to publish their annual reports and strategic plans on their websites: the Ministry of Interior; MoF; the Ministry of Women affairs; The Ministry of Education; the Ministry of Transportation; the Ministry of Communications and Information Technology; the Ministry of Agriculture; the Ministry of Al-Awqaf; the Ministry of Justice; the Ministry of Labor; the Ministry of Planning and Administrative Development. The SAACB Office in the GS prepared monitoring reports, annual reports, in addition to special reports which it announced their completion before submitting these reports to PLC members from the Reform and Change Bloc, in Gaza; the reports were not published. It is evident that these reports are not shared with the public or the media, and are considered an internal affair limited to the Hamas movement. The SAACB office in Gaza also did not publish any audit report on the final financial account. Lack of publications of reports by the Hamas government in Gaza is attributed to fear that the Fateh movement and the PA in Ramallah might use it against them due to the on-going conflict between the two factions.

Failure to publish reports or delay in issuing them prevents the public from being informed of their content and recommendations. In that regard, civil society has repeatedly called for publication of reports of public institutions in a timely manner, first and foremost, the annual and monitoring reports of the SAACB in order that it is available for community discussions on time.

Limited use of websites by some public institutions in publishing public information

Websites of formalIn 2017, the government did not publish decisions taken by the Council of Ministers on its website despite its adoption of the openness policy. It merely published decisions concerning vacation leaves and official holidays. In the GS for example, it was revealed that 84% of public institutions there do not publish their annual budget on their websites, and only 50% of these institutions publish their annual reports, noting that all of the institutions are late in publishing these reports. Another 37% of these institutions do publish special report about services provided by them, while 18% of these institutions publish results of applications related to grants, employment, and tenders. Also 42% of websites do not have service guides (booklets/document that provides information on services provided by the ministry and describes procedures of obtaining these services, responsible parties and fees needed for a given service). And only 5% of the websites provide the browser with samples related to services given by the ministry. Results also showed that 97% of ministerial websites do not contain awareness raising material on services provided for the public. And in regard to service charges, 21% of websites provided information on the subject, while 55% of the ministries did not provide clarifications on the duration of service delivery. As for the West Bank, the absence of updating websites was revealed concerning many of the websites, including President Mahmoud Abbas’s website, which was considered semi-dysfunctional, since the last update was in 2009. In additions, information was not easily accessed as revealed by 50% of these websites. For example, “site location” is not available for many ministries and institutions such as: the Ministry of Interior, Tourism and Antiquities, in addition to several public commissions, institutions, and authorities.

And although there are many institutions, ministerial and non-ministerial, that publish job vacancies, call for tenders, and procurement announcements on their websites, there are some who do not follow suit, these websites are owned by: the Wafa News Agency, the ACC, the NGO Affairs Authority, the General Directorate of Crossings and Borders, the Ministry of Finance and Planning, the Palestinian Ministry of Culture, and the Ministry of National Economy. However, the Ministry of Local Government and that of Public Works and Housing are two ministries that publish periodically and continuously all matters relating to job recruitment and tenders, which is certainly commendable and should be circulated to all.

Results also showed that many ministries and institutions do not publish their annual, quarterly mid-year, evaluation reports, or strategic plans. Some of these ministries are: the MoH, Al-Awqaf and Religious Affairs, Transportation, and the Ministry of Information. Other examples also include the MoE&HE website where the last strategy plan posted was the “Sectoral Strategy for Education 2011-2013”; also the Ministry of Public Works and Housings’ website where the browser was constantly facing “the page is being setup” in response to many links offered on the page. In addition, phone numbers posted on many of these ministries’ websites do not respond to citizens’ needs.

In the GS: Only 24% of public institutions actually published job vacancy announcements on their websites. While 54% of these sites did announce calls for tenders and procurement. And Although the MoF website there publishes these Ads periodically, there is nothing preventing ministries from publishing their own tenders and procurement ads on their website as well. On another note, 89% of government websites do publish agreements signed with external parties that are related to service improvement provision.

Withholding and lack of publishing of signed public agreements (energy, electricity, water, communications)
The continuation of the government secrecy and lack of publishing of agreements signed with the Israelis and with the private sector is a violation of the principle of transparency. In addition, lack of sufficient and clear justifications for non-publishing of these agreements denies the public the opportunities to review and give its viewpoint towards them. Examples of those “secret” and unpublished agreements until the end of 2017, include:

- The PA did not publish the electricity MoU, signed on September 13, 2016, between the Israelis and the Palestinian private sector. The PA also did not provide a chance for citizens and civil society including media outlets to participate in
discussions concerning provisions of the abovementioned agreement. It settled for considering the signing of the agreement as a historical achievement for the Palestinian people in the management of electric power\(^{47}\).

- Furthermore, as of the end of 2017, the MoU remains confidential and “secretive” by a decision of the Palestinian authorities in charge for the file. And while the local media \(^{48}\) did publish an unofficial translation of the principles stated in the Agreement, lawmakers, human rights activists, civil society activists, and electricity distribution companies, in northern and southern Palestine, continued to demand disclosure of the content and terms of the Agreement\(^{49}\). Outstanding questions remain unsolved regarding this agreement in its political dimension, specifically in relation to: the central point of connection in Jerusalem; dealing with Palestinian sovereignty; dealing with supplying the Israeli colonies in the West Bank and Jerusalem with electricity and attitude towards that; compatibility of the Agreement with the Electricity Law of 2009, which is the reference to all agreements concerning electricity issues\(^{50}\). Nevertheless, calls to promote transparency; citizens’ right to access information, and the need to put the Agreement on the agenda of the public and that of the Executive Committee of the Palestine Liberation Organization (PLO) continued; given its political and sovereign dimensions.

- The Palestinian government signed an agreement, represented by the Minister of Finance, with the Jerusalem District Electricity Company regarding repayment of debts owed by the company to the Palestinian government. No details of the debt repayment mechanism were published. In the meantime, the Israeli Electric Company was threatening to ration or even cut power supply all areas of the company’s concession if the outstanding debts are not paid, in addition to threats of not activating the agreement signed with the Palestinian side. This made civil society and interested citizens more persistent in calling for the publication of the Agreement for the public to see considering that the electricity issue is a one\(^{51}\).

- The MoU signed, nearly three years ago, between Jordan, Israel, and the PA concerning water Affairs (The Red Sea-Dead Sea Agreement) has not been published as of the end of 2017, hence has remained “secretive” until now.

- A Palestinian-Israeli agreement was signed to extend a sewage pipe from Jerusalem to the Dead Sea. In this regard, no details were made available to the public specifying possible obligations placed on the Palestinian government such as land, networks, infrastructure, and financial obligations.

\(^{47}\) AMAN- August 2017- Investigative working paper on “Net Lending and its impact on the Public Budget Deficit and Waste of Public Funds”. Prepared by Mu'ayad Afaneh; Supervised by Dr. Azmi Shuaibi.

\(^{48}\) Al-Hadath Newspaper on January 1, 2017.

\(^{49}\) AMAN- a discussion session held by AMAN to discuss the file of the secret agreement between the Palestinian government and Israel on the regulations of the electricity sector; February 15, 2017.

\(^{50}\) source 50 above.

\(^{51}\) Al-Quds Newspaper August 8, 2017.
In 2008 an agreement was signed between the General Federation of Palestinian Trade Unions (PGFTU) and the Histadrut (the General Union of Israeli Trade Unions). Until today, this agreement is surrounded with ambiguity and has not been made public. Moreover, the agreement remained ambiguous to Palestinian laborers who regularly work in Israeli labor market. All of the above allowed for suspicion of corruption of influential people within the Federation such as: Breach of trust, waste of public money, and misuse of revenues coming from the Histadrut that are related to the rights of the PGFTU, which ended in bringing some Palestinian trade union symbols to the Anti-Corruption Court. It is worthy to note that the money in question amounts to eight million NIS per month, amounting to a total of 23,036,900 million NIS between January 1, 2013 and until December 31, 2015. This amount was paid by the Histadrut over three payments where 77% of this amount was used for expenses that have no relation to the objectives of the trade union.

Principles of transparency were absent from all agreements signed by the PA, hence remained surrounded by ambiguity which prompted questions about the underlying reasons and motives for all this ambiguity. The information and facts circulated through media means regarding these agreements were very scarce and do not rise to the level and importance of the signed agreements; nor to the content of the associated annexes and financial obligations required by the Palestinians. Finally, the government’s policy of non-publishing has led to the prevalence of inaccurate analysis and impressions instead of facts.

- **Decline in the role of the judiciary authority**

Despite the slogan “Achieving fair justice” as a title adopted by the justice sector

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for its five years strategy plan (2017-2022), the role of the judiciary authority in administrative control declined in 2017. This was mainly caused by outside interference in its affairs, especially by the executive authority. It was also affected by internal conflict within the judiciary such as: the referral of Judge Abd-Allah Ghuzlan to interrogation due to his publication of an article on the manifestations of the conflict. This is in addition to the state of tension between pillars of the justice system (the judiciary, the Ministry of Justice, the Public Prosecutor, and the Constitutional Court). All of the abovementioned issues had their impact on the judiciary in carrying out its role, and prevented reform from within. All of this coincided with the division of the judicial authority between the west Bank and Gaza. In an attempt to stop the deterioration befalling the judiciary, NGOs and human rights institutions, as well as academics and renowned personalities called for an end to these internal conflicts in order to restore prestige to the judiciary and to restore citizens’ trust in it.

In that regard, President Mahmoud Abbas issued a Presidential Decree, in September 2017, establishing “The National Committee for Development of the Justice Sector”. The Committee consisted of: Head of the Judicial Higher Council, the Legal Advisor of the President, the Minister of Justice, President of the Layers Bar Association, Executive Director of the Independent Commission for Human Rights, and Deans of

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53 Information given by Mr. As’ad Shnnar, Assistant Secretary General at the Judicial Higher Council, within the program “Face the Press”- Ministry of Information, Nablus, on November 24, 2017. Al-Ayyam Newspaper

54 AMAN’s Statement published in the local papers July 16, 2017 on the judiciary, where it called on the judiciary to implement recommendations of the National Steering Committee, formed by President Abass, on the reform of the judiciary, in 2005. In the forefront of these recommendations is the Judiciary Draft Law, which was suggested by the Committee, discussed by the PLC. And later ratified. The Law was based on a principle well-known in the reform of judiciary authorities, which relies on the formation of an interim body consisting of former judges, legal experts from outside the justice sector to ensure independence of the judiciary.
the faculty of Law at Al-Najah, Birzeit, and Al-Quds Universities. In addition, AMAN held a consultation meeting with civil society representatives on the subject, which resulted in sending a letter to the President pointing out elements and conditions necessary for the success of the “The National Committee for Development of the Justice Sector” in taking on the task of reforming the judiciary; these are:

- Serious political will
- Clear goal for the reform of the judiciary; represented by unification of the judiciary authority as well as making the necessary amendments to related legislations.
- Defined powers and tasks should be clear and within a specified time frame; also the Committee should have the authority to evaluate work of the justice sector to include its institutional and legislative aspects, as well as to provide recommendations and measures for reform that include the Constitutional Court, the Prosecutor’s Office, and the Ministry of Justice.
- Defined specification and conditions of the chairperson of the Committee in terms of independence, integrity and competence.
- To grant the Committee the powers and facilitations needed in order that it can carry out its tasks properly, especially the right to review all related documents, data, and information.

In October 2017, the Committee did not include in its membership any representatives from the justice sector in the GS, although the launching of the internal reconciliation provided an historical and exceptional opportunity for unifying and reforming the judiciary authority.

The draft law of the judiciary of the Palestinian security forces came as another blow, not only to damage the judiciary’s status, but also to its unity and comprehensiveness of its powers. It also attacked the basic terms of reference under the jurisdiction of the judiciary. In this regard, the fear comes from expanding the powers of the military judiciary in the proposed draft law, and the possibility of including certain individuals under the item “military affairs”55. It is worth noting that the abovementioned draft law was prepared by the Council of Ministers in 2017, as a prelude to its referral to the President for approval prior to issuing it in the form of a law by decree.

55 AMAN sent an official letter to the Prime Minister in this regard on July 7, 2017.
In the GS, a decision was issued by the Coordinating Council for the Justice Sector, on June 15, 2017 with the purpose of forming a special technical committee for developing the work of the justice system institutions. The Committee was headed by a representative of the judiciary authority with members from the Ministry of Foreign Affairs, the PLC, Interior Ministry, Prosecutor’s Office, the General Secretariat at the Council of Ministers, and the Ministry of Justice. Article 5 of the Decision states that the Committee shall exercise its powers to study the state of the institutions of the justice system, and to point out strengths and weaknesses found in the work of the institutions. Based on the study’s findings, the Committee is to put forth an emergency plan and a strategic plan for the development of the system. And to also define legislative priorities that need amending in order to develop the work of institutions in the criminal justice system.

Many problems arose in the Islamic judiciary system, some of which were related to the governing legislative framework, and some to the structural framework. Other problems included the absence of clear references, and the overlapping of the work between the Chief Justice institution, and that of the Islamic Judicial Institution.

Within this context, results of the opinion poll, conducted in 2017 by AMAN on the state of corruption and combating it in Palestine, showed that 73.2% of respondents believe that corruption exists in the judiciary authority (80% in the West Bank; 62% in the GS). This reflects the negative perception of the state of the judiciary authority. This finding is supported by results of the Palestinian Integrity Index where the judiciary earned a low score. In addition, there was a clear indication of the effects of influential individuals/institutions on the judiciary and in particular in regard to the implementation of the Supreme Court decisions and the Prosecutor’s office. This shook citizens’ trust and confidence in the judiciary system and its neutrality, especially since the majority of cases looked into was in favor of the government.

- **The Ministries of Finance and Foreign Affairs do not comply with the government complaint system**

The Ministry of Finance and Planning as well as the Ministry of Foreign Affairs and Expatriate Affairs have not completed the work related to the government unified
complaint system, and neither have complaints units as of the end of 2017. In addition the complaint system link posted on the website is not activated. Furthermore, some public institutions did not submit their 2016 reports on complaints to the General Complaint Administration in the Council of Ministers. These institutions are: the Palestinian Pension Agency, Palestine Capital Authority, The General Authority for Industrial Estates. In addition, the fourth annual complaints report indicated that the complaint system in the security services is not joined in one system. It also indicated that some of these systems functioned in the traditional manner rather than being computerized, lacks specialized staff, and also lacks a specific assigned facility for receiving complainants in some security agencies.

• The official endorsement of legislations and practices limited the role of media in the accountability process

The issuance of the Law by Decree on Cybercrimes is considered an attack and a restriction by the PA on the role of media means in general and social media in particular in regard to social accountability. International organizations, led by Transparency International, (TI) denounce this approach and called on the PA to amend the Cybercrimes Law, where the charges of “disrupting public order, national unity or social peace: was adapted to activists and media persons. This means that a person, whether a journalist or an ordinary citizen, maybe sentenced to 3-15 years in prison with hard labor, according to this law.

In 2017, the government blocked 29 electronic sites without any warning. It also pressured service providers to block certain sites. In addition, violations accelerated against journalists including arrests. In that regard, 28 journalists were summoned and or interrogated, and 24 were either detained or arrested, all in 2017.

And by the end of 2017, there was no serious positive change towards respecting and or protecting media freedoms by official parties, both, in the West Bank and GS. Neither was there any intentions to put an end to violations committed against media freedoms.

Moreover, the adoption of the Cybercrimes Law coincided with the stalling of the Palestinian government in passing the Right of Access to Information Law and the Higher Media Council Law.

The Law by Decree on Cybercrimes granted units specialized in cybercrimes, what it called “Judicial Control” over sites to be established in police and the security forces apparatuses. And as a result of the government’s insistence on restricting media freedoms, civil society organizations that are members of the joint committee with the government, announced the failure of this joint committee. This was based on the results of this decision on the ground, where arrests, summonses, and attacks against journalists and citizens were repeatedly carried out, and hence hindering accountability.

57 Information provided by Shams Center; Dr. Omar Rahhal.
58 MADA, violations of media freedoms in Palestine, annual report 2017.
59 Ibid.
60 Statement by civil society on approval of the Cybercrimes Law, and the explanatory memorandum of human rights organizations and other civil society forces on the Cybercrimes Law after failure of the joint committee initiative.
In the Gaza Strip: 2017 witnessed the arrest of many social media activists due to expressing their opinion, and in particular concerning the electricity crisis which has been progressively worse since the beginning of 2017.  

A blatant and clear example of interference by the Palestinian security services in restricting media freedoms is the case of attempting to dismiss Reem Al-Omari, Director of the local radio station “Ahla FM” in Ramallah, who hosts a program on accountability called “Sammat Badan” (Terribly Aggravating). The dismissal attempt was in the form of letters sent by the Ministry of Information to the owner of the radio station requesting that Reem be dismissed as a director of the station due to refusal of the Interior Ministry granting her “security clearance”. The first letter was sent on October 22, 2017, and the second on November 16, 2017. Two weeks after that, employees from the Ministry of Information came personally to tell her that she has to adhere to the order in the letters without clarifying reasons concerning refusal to grant her security clearance. Moreover, although not strait forward, the Ministry of Information hinted that unless Reem is dismissed, the station will be prevented from broadcasting. It is worth noting that requirement to obtain security approval for a director of a radio station has no legal basis or reference. This is confirmed by article 14 of the Press and Publication Law for 1995, as well as by article 12 of the Council of Ministers Decision No. 182 of 2004, on the licensing system for radio, television, space and wireless stations, where these articles did not include in the conditions of the position of director of a radio station is to obtain security approval. Legislators merely stated that the director was not convicted for a felony or misdemeanor that violates honor or trust.

Results of the opinion poll on the “State of Corruption and Methods of combating it”, conducted by AMAN, on the order of underlying reasons of the weakness of media in exposing of corruption issues, showed that 21% of respondents said that fear of legal prosecution was the reason, hence taking first place. In second place was the lack of legal protection and job security as well as the non-independence of media with 21% for each of the West Bank and GS. 19% of respondents said that the reason is attributed to the inability to access information. Also 19% of respondents said it was the lack of will among owners and editors of media was the reason.

Reasons that hinder a true effective role for the media in exposing corruption cases

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence of will among owners and editors-in-chief of media outlets</td>
<td>18.5%</td>
</tr>
<tr>
<td>Lack of access to information</td>
<td>19.1%</td>
</tr>
<tr>
<td>Non-independent media</td>
<td>20.4%</td>
</tr>
<tr>
<td>Lack of legal and professional protection</td>
<td>20.7%</td>
</tr>
<tr>
<td>Fear of legal prosecution</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

61 Data provided by the ACC in a response letter to AMAN, dated Dec. 10, 2017.
62 The case of Reem Al-Omari was followed up by NGOs, newspaper articles, statements such as the one entitled “Reemal-Omari is a journalist whom the Palestinian security does not want her to be a director of a radio station”; Nov, 11, 2017-Al-Arabi Al-Jadeed. https://www.alaraby.co.uk/medianews/2017/11/14/
• Weakness in the role of local councils’ members in monitoring and accountability

Local elected councils continue to suffer from lack of internal and external oversight and control over the work of local government units (LGU). Information received by AMAN in 2017, as well as studies conducted by it, to examine some LGU integrity systems, indicate that citizens do not view members of local councils are primarily responsible for the accountability of the work at the LGU. In addition, conclusions of applications and those of Local Integrity System studies (LIS) conducted on LGUs indicate a weakness in the performance of councils’ members in these bodies. Results also indicated a weakness in their monitoring role over the executive section of LGUs including the possibility of financial and administrative irregularities, conflict of interest, and abuse of position and or power63.

Results of the 2017 opinion poll conducted by AMAN indicated that LGUs are among the most bodies susceptible to corruption, same as government institutions. The SAACB annual report, issued in 2017, revealed financial, administrative, and legal violations and deviations committed by 43 LGUs in the West Bank, including municipalities, local and village councils, and joint services. Some of these violations include weak internal oversight; absence of an effective internal audit system that protects funds and assets from being damaged and lost64. These cases illustrate the weak role of members of councils in LGUs in oversight and accountability on the overall work of the units.

Limited control and accountability on public services (electricity, water and telecommunications)

Despite affirmation of the “National Policy Agenda 2017-2022” by the government, which illustrates the government’s desire to move towards being an effective government (i.e., developing public institutions capacities in order to improve public services65, reality on the ground indicates to the weak role of oversight in the electricity, water and public procurement sectors. In addition, establishment of the telecommunication Regulatory Authority (TRA) was not completed; nor the establishment of Higher Media Council; or the Higher Council for Public Procurement which is insignificantly operational.

Concessions for private sector companies continue to be granted without a comprehensive legal framework. This is due to the absence of a governing law that would regulate the rules and basis by which these concessions are granted for the purpose of management and operation of vital services that have been privatized. This absence led to weakening of the oversight role of regulatory bodies in general. The government does not operate under an approved and published public policy that can be relied on to privatize services, hence making regulating bodies ineffective in their oversight of service providers, leaving this role to the executive authority, and at times implementation, as in the case of the telecommunications, which is a task that must be included on the governmental and community agenda.

63 AMAN, Report entitled “conclusions of the most prominent issues received by the Advocacy and Social Accountability Unit at AMAN
Several challenges emerged that limited the effectiveness of the Electricity Regulatory Council in performing its technical and oversight role concerning the quality of service, and the objectivity and fairness of electricity cost consumed by citizens, which harmed citizens’ right of receiving this service at suitable prices.

In regard to securing water access to citizens and the establishment of the Water Sector Regulatory Council, pursuant to the Council of Ministers Decision No.4 of 2014, on the implementation of the decision on the water law of 2014, the Regulatory Council still lacks financial, human, and technical resources to carry out its oversight role. In that regard, two financial and administrative systems were approved in 2017, but were not issued by the Council of Ministers. The following systems can play an important role in activating the Regulatory Council, these are: licensing system for service providers; a standard water and sanitation system; performance incentive system for service providers; a unified whole-sale water price system; the administrative and financial system of the National Water Company; the regional water facilities system; and water users association system.

The continuation of disagreements over power and tasks between the Water Sector Regulatory Council and the Water authority; the establishment of the National Water Company, the Regional Water Utility, and Water Users Association never materialized, hence the water sector management system is incomplete.

The Telecommunications Regulatory Authority (TRA) was never established after eight years of issuing the law for its establishment, which was in 2009. The government continued to exercise the supervisory and oversight role on companies that provide telecommunication services through the Ministry of Communications and Information Technology. Therefore, serious oversight as well as an effective body that ensures the quality of service, in all areas of the PA including the GS, was absent. This, in addition to the high prices, in comparison with the neighboring countries, encouraged consumers to use phone chips that are owned by Israeli companies, especially in Jerusalem and its suburbs, as well as in the countryside.

“The Higher Council for Public Procurement Policies” is not empowered to carry out oversight and supervision tasks on all tenders for public works and procurement

Although The Higher Council for Public Procurement Policies is considered the most important regulatory body for public procurement, bids, and government tenders, as well as all other public procurement carried out by official bodies, the lack of empowerment of the Council to carry out its tasks, and incompletion of its establishment as of the end of 2017, reflects the absence of a serious will to respect the Public Procurement Law. It also reflects the maintaining of the exception policy adopted for public procurement, which weakens the integrity of public government tenders.
Part Two

Forms of Corruption in Palestine in 2017

No fundamental change has occurred on the number of corruption cases referred by the ACC to the Anti-Corruption Prosecution. Similarly, the rate of corruption cases referred to the Anti-Corruption Court also did not change in 2017. The number of cases has been stable for the past two years at approximately 20 referred cases, with 20 court decisions issued by the Anti-Corruption Court. Also in 2017, corruption notifications and complaints continued to flow to the ACC, same as in previous years. In 2017, 430 complaints were received by the Commission, 21 of which were referred to the Anti-Corruption Prosecution. This indicates that the Commission, staff and follow up mechanisms, are slow. In this regard, some cases take more than a year to determine the status of the notification or complaint.

As for the nature of cases decided by the Anti-Corruption Court, embezzlement, abuse of power, fraud, breach of trust, and bribery constituted the largest proportion of pending cases.

As for the pending cases related to the abuse of power, it was discovered that it is committed by some directors and general directors who are in decision-making positions. In this regard, the number of senior officials for whom complaints have been submitted against them reached 68 out of 430; while embezzlement and bribery are committed by ordinary employees.

The largest proportion of those accused of corruption crimes are employees in the government public sector, followed by employees in the LGUs. It has been noticed that in 2017, corruption cases continued to emerge in the General Petroleum Corporation, and for the first time in the PLC in Ramallah.

Also in 2017, rumors and stories were widespread among the media and in the streets. The stories revolved around some financial settlements being carried out with influential individuals who embezzled public funds or were involved in breach of trust. However, it was said that the stolen money was recovered in exchange for closing files of those accused, without investigation. The PA never offered any explanations about the abovementioned, although some of those involved either left their positions or were transferred.

And although social media means have on more than one occasion pointed out the involvement of some senior officials in corruption cases, the ACC dealt with the cases with strict secrecy, neither confirming nor denying the issue.

Independence and effectiveness of the Anti-Corruption Commission

There was no remarkable developments regarding the role of the ACC in 2017 when compared with previous years.

The ACC did not publish any information, data or stance concerning what is known by “the Panama Papers”. These papers are documents that revealed a list of thousands of names of those who concealed illicit money in safe havens, which included Palestinian names. Concealment of such money involves opening bank accounts in safe havens with money usually earned through tax evasion, money laundering, etc.

There were 430 complaints and calls on corruption in 2017, 68 of which were against senior officials, according to the ACC data. 21 of these cases were referred to the Anti-Corruption Prosecution, accounting to 9% of the total cases received. This means that accumulation and slow pace of determining cases is continuing due to a variety of reasons.
these safe havens generally preserve confidentiality of funds and names of original owners of real-estate properties, among other practices. For the ACC not to publish information or take a stance as mentioned, is surprising especially since Palestine joined the Interpol in September 2017, which is considered an important factor that gives it the chance to pursue the corrupt and other criminals escaping justice for their criminal acts such as, concealing their resources and assets in safe havens.

According to the results of the opinion poll, conducted by AMAN in 2017 in relation to the independence of the ACC and effectiveness of its performance concerning tasks entrusted with, are illustrated below:

Independence of the work of the ACC and effectiveness of its role as seen by respondents:

<table>
<thead>
<tr>
<th>Field</th>
<th>Yes</th>
<th>No</th>
<th>Don’t know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the ACC independent at work?</td>
<td>24.2%</td>
<td>69.2%</td>
<td>6.6%</td>
<td>100%</td>
</tr>
<tr>
<td>Is the ACC effective in the performance of its role and tasks entrusted?</td>
<td>33.2%</td>
<td>59.6%</td>
<td>7.2%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: AMAN-Opinion poll on the state of corruption and combating it in Palestine, 2017. Issued in October 2017.

Parties that interfere most in the operations of the ACC according to the views of the surveyed:

Results of the poll indicated that 42% of respondents, who believe that the ACC is not independent at work, said that the President’s Office is the most party that interferes in the work of the ACC, followed by the security apparatuses, and in third place comes the Prime Minister’s Office and Ministers.

Results of polls conducted in previous years show similar results with some disparity in the order of the most interfering party. For example, the security apparatuses took first place, followed by the President’s Office, and the opposite as well. As for the Prime Minister’s Office and ministers, it came in third place this year where it was in fifth place in 2016.
Status of corruption cases referred to the Anti-Corruption Prosecution
• 430 reports and complaints were received by the ACC in 2017, until December 6, 2017.
• The Anti-Corruption Prosecution pursued 38 cases in 2017.
• The Anti-Corruption Prosecution referred 21 cases to the Anti-Corruption Court.

Corruption cases pending before the Anti-Corruption Court
In 2017, the Anti-Corruption Court processed the following:
• 21 cases referred by the Anti-Corruption Prosecution.
• 42 cases remaining from previous years.
As follows:
• Embezzlement: 7 cases
• Abuse of position: 5 cases
• Fraud: 5 cases
• Breach of trust: 4 cases
• The remaining cases were mainly cases of bribery, whether solicitation, payment, or acceptance of bribes.

The Anti-Corruption Court issued indictments for 20 cases from the total cases received and those remaining from previous years, since January 1, 2017 and until December 31, 2017.

Professions of those prosecuted differed as illustrated below:
• LGUs: Municipalities’ employees; deputy director of a village council.
• Public institutions: an employee in civil liaison.
• PLC: Section Head.
• Courts’ employees.
• Unions, organizations, and director of an orphanage’s council

Corruption crimes in the Gaza Strip (GS) in 2017
The Public Prosecution in the Gaza Strip, followed up on four cases of misappropriation of public funds, and four cases of bribery in addition to one case of breach of trust. Moreover, a total of 124,000 dollars, and 105,000 NIS were recovered.

In Gaza, despite the activation of the Anti-Corruption Prosecution office in the last quarter of 2017, the absence of an Anti-Corruption Court and lack of enforcement of the Anti-Corruption Law weakens prosecution of the corrupt and grants them the opportunity to impunity.

66 Interview with Mr. S’ad Al-Sweiti, Head of the Anti-Corruption Court, on October 19, 2017, in his office. The interview was conducted by Mohammad Al-Najjar, AMAN.
**Corrupt individuals escaping justice**

- The number of cases sentenced in absentia for those escaping justice, living outside the country is (14).\(^67\)
- The number of requests submitted to international parties for return those accused of corruption is (28).
- The number of individuals living abroad and are accused of corruption is (3)
- The number of verdicts issued by the Palestinian Judiciary for corruption cases of individuals abroad who are escaping justice in 2017 is (1); abuse of position.\(^68\)
- The number of requests for assets and funds recovery pursuant to judicial decisions issued is (2).

According to citizens’ opinion, revealed by the 2017 opinion poll on the state of corruption and combating it, conducted by AMAN, in regard to the most serious forms of corruption in Palestine is as follows:

**Most serious forms of corruption in Palestine as viewed by respondents of the 2017 poll:**

<table>
<thead>
<tr>
<th>Corruption Form</th>
<th>West Bank</th>
<th>Gaza Strip</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embezzlement of public funds</td>
<td>30.2%</td>
<td>19.3%</td>
<td>26.2%</td>
</tr>
<tr>
<td>Bribery in return for public service or getting a benefit without being entitlement</td>
<td>26.2%</td>
<td>20.6%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Abuse of power</td>
<td>18.0%</td>
<td>16.3%</td>
<td>17.4%</td>
</tr>
<tr>
<td>Misuse of public funds</td>
<td>10.8%</td>
<td>18.9%</td>
<td>13.7%</td>
</tr>
<tr>
<td>Breach of trust</td>
<td>8.1%</td>
<td>13.7%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Money laundering</td>
<td>6.7%</td>
<td>11.2%</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: AMAN-Opinion poll on the state of corruption and combating it in Palestine, 2017. Issued in October 2017.

**WASTA remains the prominent phenomenon in social behavior to obtain jobs and public services**

Results of AMAN’s opinion poll revealed that 71% of respondents consider that WASTA helps to obtain services. Also 34% of respondents said that they used WASTA to obtain public services. In that regard, there was a clear difference between the West Bank and the GS as shown by the results, with (24% in the West Bank; 52% in the GS), which indicates the greater prevalence of WASTA in Gaza due to the lack of direct relationship between service providing departments between the West Bank and Gaza, and in particular in services related to civil affairs and border crossings and medical transfers. And although a slight improvement was noticed for the period between 2016 and 2017, acceptance of WASTA by society remains to be a serious corruption issue, since it contributes to the loss of trust between citizens and service providers.

\(^{67}\) Response letter from Judge As’ad Shnnar, Higher Judicial Council.

\(^{68}\) Ibid.
providers. The table below illustrates the underlying reasons to resorting to WASTA:

<table>
<thead>
<tr>
<th>Reason for resorting to WASTA</th>
<th>West Bank</th>
<th>Gaza Strip</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of trust in service providers</td>
<td>27.3%</td>
<td>16.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Fear of not obtaining the service due to the limited opportunities</td>
<td>18.0%</td>
<td>27.0%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Social culture, which does not consider resorting to WASTA is wrong</td>
<td>16.5%</td>
<td>15.9%</td>
<td>16.3%</td>
</tr>
<tr>
<td>Fear of granting the service to someone that is not entitled to it</td>
<td>15.9%</td>
<td>15.2%</td>
<td>15.6%</td>
</tr>
<tr>
<td>To save time by not following bureaucratic procedures</td>
<td>13.7%</td>
<td>11.4%</td>
<td>12.9%</td>
</tr>
<tr>
<td>A forms of assistance expected to be given by those one knows (i.e. friend, family members, etc.)</td>
<td>8.6%</td>
<td>14.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: AMAN-Opinion poll on the state of corruption and combating it in Palestine, 2017. Issued in October 2017.

**Political corruption in the West Bank and Gaza Strip**

Political corruption is the abuse of power or the use of power by government officials, or politicians for illegitimate partisan or political gain at the expense of public interest. Political corruption has deepened in the Palestinian case due to the presence of two authorities, one in the West Bank and the Other in Gaza, which harmed Palestinian lives on many levels. It also negatively affected public fund, human rights and freedoms, and development as the two governments took decisions and measures aiming to weaken each other in the context of political rivalry and political pressure, and not in the interest of the public, which sparked controversy over the legality of decisions and their impact on lives of Palestinians at the various levels; following are some examples:

- Requesting from PA employees in Gaza to refrain from work, which prompted the de facto authority in Gaza to pay salaries for newly appointed employees. At the same time, the PA government in the West Bank continued to pay salaries of those employees dismissed in Gaza.
- Exempting citizens and taxpayers in Gaza from paying taxes and service fees in order to weaken the financial resources of the Gaza authority.
- Decisions of the Government Land Committee in Gaza to allocate, own and lease State land for the benefit of individuals and public officials.
- Decision by the Gaza authority to obstruct the holding of local elections in the GS, hence preventing citizens from choosing their representatives in LGIs.
- Reducing salaries of employees in Gaza by up to 50%, which was considered discrimination against them as well as unequal with their colleagues in the West Bank.
- Referral of civil servants to early retirement.
• Political arrests in the West Bank and detention by the governor.
• Decision to obtain a security approval from the Ministry of Interior in Gaza, as a condition for travel.
• Security clearance requirement as a condition for assuming public office in the West Bank.
• Reducing the electricity supply for Gaza led to the deterioration of the economic situation and decline in the quality of life there, as well as damaging the agricultural and industrial sectors.

Purchase of vehicles and tax and customs exemption for individuals in contradiction with the law

Applicable law in the Palestinian territory specifies the amount for duties, customs and taxes, in addition to defining the categories entitled to benefit from customs exemptions on vehicles. These categories include, first and foremost, individuals with disabilities in the lower limbs, as well as members of the PLC and ministers where they have the privilege of obtaining a car during his/her term of service. In addition, the Law by Decree No. 5 of 2014 allows political prisoners who spent more than 20 years in Israeli prisons to buy a custom free car for one time only. Moreover, vehicles that are bought with the aim of promoting investment are also exempted, as well as cars granted as foreign assistance to the LGUs, security apparatuses, and Palestinian government. Other than that, it is not permissible to grant exemptions for the purchase of vehicles to anyone, since there no legal provision allowing tax or customs exemption to officials or close associates. It is worth noting that customs and taxes imposed on cars as well as those imposed on tobacco and fuel form the main sources of funds of the Palestinian public treasury.

Therefore, non-payment of customs and taxes for purchase of private vehicles for other than those mentioned in the enforced law is a waste of public fund. In this regard, AMAN took it upon itself to monitor the issue of granting exemptions to influential people and those in high positions, and found that it is tainted with corruption. And despite AMAN’s correspondence with the competent authorities, namely, the Ministry of transportation and the ACC, on the subject, no response or explanation was provided by either.

In the same context, and coinciding with AMAN’s follow-up on the issue, an investigative report 69 was published that confirmed the following:

69 Mohammad Khaled, the report was conducted by support from (AREEJ) by “Journalists
• Influential persons in senior positions were granted tax and customs exemptions without legal basis for approval.

• The amount of wasted funds is enormous, as the investigative report documented eight cases concerning influential officials where the amount wasted reached 357600 dollars, which should have gone to the public treasury. In order to envisage the enormity of the amount, it is worthy to say that this amount is sufficient enough to cover the cash program budget provided by the Ministry of Social Development, which it distributes to 1670 needy families with 214 dollars per a three-month period.

Management of land owned by the Orthodox Church: Financial and Administrative Corruption

The “leaks” concerning the sale of land owned by the Orthodox Church to Israelis revealed suspicions of administrative and financial corruption within the “management of the Orthodox Church”, as well as poor management of public funds. In that regard, Archbishop of Sabastia of the Greek Orthodox, Bishop Atallah Hanna, publically announced that he received several threats due to his speaking about the “sale” of land mentioned above, and was demanded to remain silent on the subject. He further indicated that the Orthodox Church in the holy land is experiencing a catastrophe and an unprecedented setback70.

Leakage of the sale of the Palestinian Orthodox land was accompanied with community protests. In August of 2017, the Palestinian Orthodox institutions organized a number of protests in Jerusalem and Bethlehem refusing the deal carried out by the Greek Orthodox Patriarchate with “Israeli” companies, where hundreds of Dunums of land in Jerusalem were sold. The protesters called for the dismissal of the Patriarchate Theophilus the III, who is the Patriarchate for Jerusalem, Palestine, and Jordan, due to his role in the “sale” of the Orthodox Church’s property to Israelis. Also in August 2017, 309 people submitted complaints to the Public Prosecution concerning the same Greek Patriarchate for selling Palestinian land to Israelis.

Corruption continues in the management of border crossings in the Gaza Strip

Wasta, favoritism, and bribery continued to be practiced on border crossings between Egypt and the GS, the (Rafah Crossing). This phenomenon became apparent after thousands of citizens were unable to travel outside of the GS due to the repeated closures of the Rafah Crossing and the siege that the Strip is been under since 2007. The Rafah Crossing was only opened for 29 days during 2017. Therefore, citizens who are able to pay a large sum of money resort to paying amounts that reach to $3000 to travel agents operating in Gaza. These offices are licensed by the Interior Ministry and provide services for the pilgrimage (Haj) and Omra, (both are religious duties required by Islam) to Mecca. In any case, these offices register those wishing to travel to Egypt through the Rafah Crossing in return for cash and provide the client with a receipt. According to available information, the bigger share of the money goes to Egyptian security officers.

70 Al-Hurrya website, on October 28, 2017.
In this regard, an investigative report was published in 2017, which quoted the Deputy Minister of Interior then, Kamel Abu Assi, as saying that the statements for “coordination” are an entry to corruption on the part of the Egyptian side. Where the Egyptian side sends a hand-written statement listing hundreds of names of travelers on a plain sheet of paper without heading or seal of any official Egyptian body.  

Embezzlement in the Civil Society Sector  
Gaza- the General Investigation Department of the Gaza police uncovered a $63,000 embezzlement of funds from an institution. The Director of Corporate Investigations, Majed Abu Al-Atta, said that the process was first a financial agreements between two societies/organizations, but one of them breached the contract. And in a preliminary investigation with the treasurer/accountant of the organization, it was revealed that $22,000 were embezzled from a total of $63,000. The stolen money was used to build a house for the financial director of the organization. The director did acknowledge embezzlement and retuned the remaining money. The case was referred to the Public Prosecution Office to complete the investigation.  

Jerusalemites’ Payments in return for accessing basic rights  
The Israeli occupation and its measures led and continues to lead to corruption. Its practices in occupied Jerusalem, such as demolition of homes, preventing construction, and complicating the process of obtaining building permits, in addition to the difficulties of obtaining basic rights and services such as health insurance and identification cards, has forced Palestinians citizens to pay money to middlemen and extort.
Israeli companies in return for services. In this regard, the phenomenon of “forced bribery”, as a result of Jerusalemites being extorted by Israeli officials was monitored. Furthermore, in 2017, the phenomenon of Israeli exploitation of Palestinian workers continued, as these workers are being forced to pay large sums of money to Israeli companies through a broker of a Palestinian middleman in order to obtain a work permits. This includes permits for work inside Israel, trade, medical treatment, or VIP cards to businessmen and women from the private sector to enter the green line.

The General Federation of Palestinian Trade Unions is under suspicion of corruption

Absence of integrity in popular unions and institutions constitutes fertile soil for corruption symbolized by the suspicion of corruption in the management of funds in the GFTP, and in particular in money transfers of the “Histadrout” concerning a portion of the participation fees of Palestinian workers in the Israeli labor market.

The issue lies in the agreement signed with the General Federation of the Israeli Trade Union (Histadrout) in the beginning of 1995, but was never published since. The agreement contained an item that stipulates that half of the funds deducted by the Histadrout from participation fees of Arab workers, which account for 0.8% of the union’s fees per month.

The SAACB audited the financial accounts of the GFTP, which consists of 14 sub-syndicates. The auditing process was conducted in 2014-2015.

Summary of the case in which (8) individuals were accused of corruption with several sessions held on their behalf in the Anti-Corruption Court

One of the members was charged with closing the amount of (2,924,878 NIS) plus (131,414 dollars) and more, which is in violation of the system, in addition to closing the amount of (102,303 JD) in debauchery, in the period of 2012-2015. The money was paid to individuals from the inside and outside of the federation without any justifications or legal grounds, while also benefiting from the exchange of currencies. In addition, another defendant was charged with hiding the amount of (546,610 NIS) from the revenues of the General Union Hall, which was under his management in his capacity as treasurer of the Union. It was also related to revenues of General Union...
Hall, “Salim Afendi” in the period 1998-2015, where he provided discounts to certain people for holding wedding parties and other celebrations, as well as after funerals’ gatherings and even free dinner parties were also carried out. As for the fourth defendant in the case, the total amount of money that he exploited for personal use amounted to (1,229,953 MIS), in addition to more than (130000 NIS) that was closed by the fifth defendant in compliance with an order by the Secretary General of the General Union (the number one defendant in the case).

The need to:

- continue the trial of all those involved in this case before the Anti-Corruption Court, ensuring that it is not closed by compromises between the parties in force, and to avoid any political deal that aims to close the file.
- prevent those found guilty of returning to work with the Union.
- conduct a comprehensive audit of all the years since the signing of the agreement by the SAACB. To demand that all wasted and stolen funds be returned to the Union's treasury, whether from the Histadrout or other outside sources, or from self-generated revenues from the Union's halls and real estate, because corruption crimes are not dropped by statute of limitation.
- draft a law, that is based on principles of international trade unions rights and freedoms, for regulating labor rights and freedoms of workers in Palestine. The draft law should be carried out in participation of stakeholders, mainly workers.
- conduct elections without factional intervention in order to produce a leadership that can solve problems remaining by previous leaderships.

The waste of public funds in the Coastal Water Company in Gaza

Due to mismanagement of the Coastal Water Authority in Gaza, which used funds of a World Bank funded project to build water tanks for management purposes of the Authority, through the transfer of funds for construction of the headquarters and the purchase of cars without obtaining a documented official permission from the World Bank grant. This led to the formation of several committees to investigate this case. Some of these committees included: an internal investigation committee of the Water Authority; an international committee from the World Bank; and an investigative committee from the Water Authority and the Ministry of Finance. All of the committees confirmed the presence of a financial and administrative error in managing the World Bank grant. This led to the freezing of the World Bank funding for the Coastal Water Authority. At the end of 2017, an agreement was reached between the MoF and the Coastal Water Authority, which requires the MoF to return an amount of money to the World Bank according to the World Bank terms in order to close the case, and to resume funding of the Coastal Water Authority's projects. The World Bank added another condition, which is exclusion of four senior employees of the Authority from signing any financial or official documents in order to resume funding mentioned.
• The need to continue the trial of all those involved in this pending case before the Anti-Corruption Court and not to strike any possible settlement between influential parties to close the case. Also to avoid any political settlement that would lead to closing this case.
• To prevent those found guilty to be reinstated as members in trade unions.

Economic crimes
Economic pressures and poverty forced certain segments of society in consuming inexpensive goods that are not in compliance with health specifications and conditions. This led to the manifestations and cases of economic corruption in food and medicine, as indicated by daily campaigns of inspectors of the Ministry of Economy. In 2017, the spread of economic crimes continued despite the increased efforts exerted on behalf of related parties in pursuing customs evaders who flood the markets with unusable materials, especially food items. Also in 2017, multiple and overlapping powers as well as disputes between the various competent authorities concerning follow up on the spoiled food file continued. These parties included: the MoH, Agriculture, Economy, Custom Control, Economic Crimes Prosecution, Consumer Protection Society, Governors and the Security Apparatuses among others.

Moreover, scarcity of human and financial resources for those in charge of pursuing economic crimes, such as shortage in inspectors and inspection vehicles, especially in the Ministries of Economy and Agriculture; and the absence of the PLC role in protecting the consumer, all are contributing factors to the manifestations and the spread of economic corruption in food and medicine.

In the GS: In 2017, the issue of consumer protection occupied an important place on the agenda of the people due to its gravity. The consumer in the GS was forced to settle and accept products and goods that are of less quality, hence cheap prices due to the conditions brought about by the financial collapse in the Strip. In that regard, efforts of the Consumer Protection Society became haphazardly applied as a result of the overlapping powers between institutions and the lack of commitment of the competent parties to the issue. In addition, the phenomenon of “financial settlements” became apparent as more people resorted to settle issues through some understanding though financial settlements with violators. This in turn weakened accountability as well as lowered the level of deterring violators. In addition, Gaza PLC members of the Reform and Change Bloc issued Law No 2 of 2017, to amend some articles in the “Consumer Protection Law, No. 21 of 2005, by adding article 32 which stipulates the following: “It is permissible for the Minister or his representative to reconcile with the accused.

2017 witnessed an increase in economic crimes, and the continued official policy that is limited to controlling economic crimes and the mere announcing of it daily due to competition between employees of the various official competent parties. It is also due to officials resorting to financial settlements for the purpose of money collections only. These actions do not protect the consumer nor deter the exploiters. The majority of crimes were focused on spoiled food trafficking and contaminated fuel, crimes related to agriculture and health; as well as flooding the market at times with expired products from Israeli colonies.

prior to the issuance of the ruling in criminal cases in offenses and misdemeanors where the punishment does not exceed six months of imprisonment, in return for
and amount that does not exceed twice the amount of the maximum fine. And once
reconciliation is final, the criminal case is closed”. Many legal experts believe that
this article was added to improve the government’s financial collection in the GS. It
also entails a blatant interference from the executive authority in the affairs of the
judicial authority. Some examples illustrating the weakness in measures followed
for consumer protection, which continues to escalate, was that the movement of
goods is limited to registration on paper of incoming trucks and the volume of goods
they carry. This was carried out without the presence of any government party or
department noting that the Ministry of Health, Ministry of Economy, agriculture, as
well as all official bodies working in consumer protection must be present.

For the third consecutive
year, AMAN has been
recommending to the MoH
to establish the “Drug
and Food Commission”
in order to overcome the
fragmentation of efforts
of the various parties
involved, where none
bears the responsibility
of failure, but blames the
other.
Statistics of the Economic Crimes Prosecution in the West Bank, from Jan.1 – December 31, 2017, based on data of the Criminal Prosecutions

<table>
<thead>
<tr>
<th>Accusation</th>
<th>No.</th>
<th>Type of File</th>
<th>File Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Misdemeanor</td>
<td>Felony</td>
</tr>
<tr>
<td>Money laundering</td>
<td>8</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Tax and customs evasion</td>
<td>75</td>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>Consumer/ fuel fraud</td>
<td>123</td>
<td>123</td>
<td>85</td>
</tr>
<tr>
<td>Price violation</td>
<td>152</td>
<td>152</td>
<td>-</td>
</tr>
<tr>
<td>Health law violations</td>
<td>120</td>
<td>120</td>
<td>106</td>
</tr>
<tr>
<td>Agricultural law violations</td>
<td>287</td>
<td>287</td>
<td>-</td>
</tr>
<tr>
<td>Practicing profession without a license</td>
<td>136</td>
<td>136</td>
<td>-</td>
</tr>
<tr>
<td>Colonies products</td>
<td>39</td>
<td>39</td>
<td>-</td>
</tr>
<tr>
<td>Intellectual property/ copying/theft of trade mark</td>
<td>26</td>
<td>26</td>
<td>-</td>
</tr>
<tr>
<td>Violations of technical and mandatory instructions/Palestinian specifications &amp; measurements</td>
<td>86</td>
<td>86</td>
<td>0</td>
</tr>
<tr>
<td>Intellectual property/ Copyright</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Trading spoiled food/trading in unhealthy conditions</td>
<td>95</td>
<td>26</td>
<td>69</td>
</tr>
<tr>
<td>Promoting telecom. Services to unlicensed companies</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Violating Environment Law</td>
<td>18</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Violating Companies Law</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Forging tax invoices/forging bank checks</td>
<td>4</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Money bills</td>
<td>1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Violating provisions of the Water Law</td>
<td>9</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1196</td>
<td>1120</td>
<td>76</td>
</tr>
</tbody>
</table>

The total number of the various charges and stages of follow-up amounted to 1196 charges, as illustrated in the table above. 1120 of these charges were misdemeanors accounting for 93.6%, where the ruling is little, in comparison with 76 felony charges accounting for only 6.3%. While the largest number of charges in the violations file was in the agricultural violations and violations of the Agricultural Law’s provisions, with 287 total all of which are misdemeanors. 267 of these were referred to court while 16 cases are still under investigation, and 4 were referred to the General Prosecutor. Cases tied to the consumer directly amounted to 424 cases: (deceiving consumers and fuel fraud accounted for 123 charges; health violations 120, violations of technical and mandatory instructions; Palestinian specifications and measures 86; trading of spoiled food 95, 69 of which are felonies).
The continuation of the spread of economic crimes, and especially those related to food and medicine, is attributed to two reasons: first is the existence of multiple and scattered entities related to the food and medicine rather than a single competent body. Secondly, it is due to the fact that the majority of related provisions are not deterrent for perpetrators of such crimes. In that regard, according to results of the opinion poll mentioned in this report, 76% of respondents said they believe that economic crimes have increased in 2017, versus 24% of them who said it declined.

The phenomenon of the spread of spoiled food in 2017

<table>
<thead>
<tr>
<th></th>
<th>West Bank</th>
<th>Gaza Strip</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>83.9%</td>
<td>61.6%</td>
<td>75.7%</td>
</tr>
<tr>
<td>Decreased</td>
<td>16.1%</td>
<td>38.4%</td>
<td>24.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: AMAN-Opinion poll on the state of corruption and combating it in Palestine, 2017. Issued in October 2017.

Reasons that led to the continuance of the spoiled food phenomenon as seen by respondents in 2017

<table>
<thead>
<tr>
<th>Reason</th>
<th>West Bank</th>
<th>Gaza Strip</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence of accountability and prosecution of perpetrators of these crimes</td>
<td>43.6%</td>
<td>14.5%</td>
<td>34.9%</td>
</tr>
<tr>
<td>Provisions of the Penal Law are not deterrent</td>
<td>21.9%</td>
<td>22.6%</td>
<td>22.1%</td>
</tr>
<tr>
<td>Use of WASTA, cronyism, and favoritism to overlook crimes</td>
<td>17.8%</td>
<td>29.5%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Dispersion and overlapping of roles of official parties entrusted with follow-up on food and medicine issues</td>
<td>8.9%</td>
<td>19.7%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Poor citizens awareness of these crimes</td>
<td>7.8%</td>
<td>13.8%</td>
<td>9.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: AMAN-Opinion poll on the state of corruption and combating it in Palestine, 2017. Issued in October 2017.

Results of the poll revealed, in both, the West Bank and Gaza Strip, citizens’ perception of reasons concerning the phenomenon of the spread of spoiled food and medicine, where opinion of respondents in the West Bank said that lack of accountability and prosecution of the corrupt was the most important of reasons. And in the Gaza Strip it was the use of WASTA, cronyism, and favoritism in overlooking these crimes was the most important reason.
Part Three

Governance in Management of Public Funds

The Palestinian government has officially adopted its “Sectoral Strategic Plan in Public Fund Management 2017-2022, in fall 2017, by adopting the General Financial Spending and Accounting Standards. However, the strategy was never published publicly. The importance of this strategy stems from its importance as tool to hold the government accountable concerning the extent of the government adherence to policies and procedures within it. It is also a tool for pressuring the government at the same time. The abovementioned strategy was launched due to the urgent need for reform in the various fields of management of public funds. This came as a result of criticism, recommendations and call for reform of the various aspects of public fund management by: The Civil Society Team for Transparency of the Public Budget, reports of the European Union and the International Monetary Fund.

Some recommendation for reform from the abovementioned parties included the following:

• Commitment to spending based on what sectoral strategies define and disaggregate.
• Applying a rational system for controlling the spending process.
• Activation and updating of the internal control systems for public fund management.
• Adherence to transparent and comprehensive accounting systems.
• Promote transparency of the public budget as well as publish the final accounts of 2012-2016.
• Accelerate the activation of the role of the General Procurement Council, and adhering to its provisions in regard to procurement, tenders and public works.
• Issue accurate and periodical financial reports and ensure its publication in a timely manner.
• Consider limitation of human and financial resources for implementation of reforms and strategy according to reform priorities listed.
• Achieve transparency in budget planning and ensure access of related information to citizens as well as government’s cooperation with civil society.

This adopted strategy was developed as a result of pressure to improve management of public funds, and is part of the National Policies Agenda. Nevertheless, the Minister of Finance and Planning presented the 2018 public budget in the Council of Ministers in secret and behind closed doors to the point that some ministers did not receive a copy. This reflects a policy of limiting public funds management to a specific group of officials, as if public funds are for the government and not the Palestinian citizen. This also explains the reason for publishing the citizens’ budget in English only

74 For more information on management of public funds, it is possible to go back to "Waqa’ Alyoum Al-Maftouh", an open day radio program implemented by AMAN on February 1, 2017, on the management of public funds, transparency of the public budget, and the austerity and rationalization plan, Radio Raya FM & radio Al-Rub’a, and radio Watan in Gaza. Access of the full interviews is also possible through visiting AMAN’s Website.
The Palestinian President issued a Presidential Decree No. 39 of 2017, on April 18,2017 on the establishment of “the National Team for Administrative Development” in compliance with the National Policies Agenda (2017-2022). The team consisted of the Prime Minister (Head), with membership of the Minister of Finance and Planning, Minister of Justice, Minister of Local Government, Minister of Higher Education, Minister of Health, and Head of the GPC. The first meeting for the team was held on August 10, 2017. However, no relevant decisions were published as of the end of 2017.

The Reconciliation Government Budget for 2017

In reviewing data of the MoF related to the 2017 budget, and comparing it with the Public Budget and Financial Affair Regulating Law No. (7) Of 199875, and relative Palestinian legislations, it is possible to list the following comments76:

1. The Ministry of Finance and Planning adhered to presenting the draft budget within schedule. The budget was presented during a meeting held in January 2017, in the presence of representatives from the private and civil sectors. However, this presentation and the meeting did not achieve a participatory approach followed in the preparation of the public budgets. In addition, paralysis of the PLC does not exempt the government from adhering to presenting the 2017 budget as scheduled in early November 2016, as stipulated in the Public Budget Regulating Law.

2. The full version of the budget was not published. Only revenues and expenditures were presented with no details as to allocations for each ministry, distribution of responsibility centers within the same sector, with the integration of several responsibility centers within a single responsibility center.

3. Relying on the figures and items of the 2016 actual and not the planned budget, despite that it suffers from distortions and deviations, where these figures became the reference to the estimates of the 2017 budget items. This means dealing with and building on these distortions. And although some budget items in the 2016 actual budget were the result of agreements concluded for one time only.

4. Lack of publishing the Citizen’s Budget in Arabic

5. The 2017 Public Budget law did not include a table illustrating the PA’s debts and loans (short or long term), or proposed plan for collection or payments of these debts and loans. In addition, contributions and investments of the PA, in local and non-local entities and companies were also not clarified; noting that this information must be presented on the basis of article (21) of the Public Budget and Financial Affairs Law.

6. Failure to prepare the final closing account of the public budgets of 2014 and 2015, and of course 2016, negatively reflected on the process of accountability of what was actually spent and also made it difficult to examine the extent to

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75 Law No. (7) of 1998 on Regulating the Public Budget and Financial Affairs.
which the enacted budgets laws were abided by. In addition, verifying the extent of compliance of approved budgets for the years mentioned will not be possible without their final financial reports that are audited by the SAACB.

**Public budget documents 2017**

<table>
<thead>
<tr>
<th>Document</th>
<th>Published publically</th>
<th>Published for internal use</th>
<th>Not published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-budget statement</td>
<td>Published</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary of budget proposal</td>
<td></td>
<td>Discussed but not published</td>
<td></td>
</tr>
<tr>
<td>Approved and adopted budget</td>
<td>Published</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizen’s budget</td>
<td></td>
<td></td>
<td>Not Published</td>
</tr>
<tr>
<td>Periodic reports quarterly &amp; monthly</td>
<td>Published</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-year report</td>
<td></td>
<td></td>
<td>Not Published</td>
</tr>
<tr>
<td>End of the year report</td>
<td></td>
<td></td>
<td>Not Published</td>
</tr>
<tr>
<td>Audited report</td>
<td></td>
<td></td>
<td>Not Published</td>
</tr>
</tbody>
</table>

**Paralysis of the PLC continued for the 10th consecutive year**

The continuation of the dysfunction of the PLC, in 2017, posed the biggest challenge to formal accountability and oversight of the government’s performance in terms of management of public funds and public affairs in general. This absence led to the government’s escape from accountability. Within the same context, activities of the PLC in the GS (Hamas affiliate bloc) do not represent the role of the PLC, but only represents PLC members of the Hamas Movement. This raises the question of the legitimacy of the continued allocation of the same budget to the PLC which has been dysfunctional since 2007. In addition, questions are raised concerning the allocation of “unspecified” amount of funds for development for the purpose of rehabilitation of the PLC hall as well as for the building of a second story to the building as well as offices of the heads of the parliamentarian blocs. In that regard, the report on actual spending in the public budget concerning money spent on the center of responsibility – the PLC, in 2017, amounted to 39,711,000 NIS distributed as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount (NIS)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>19,157,000</td>
<td>48.24</td>
</tr>
<tr>
<td>Social contributions</td>
<td>2,284,00</td>
<td>5.75</td>
</tr>
<tr>
<td>Goods and Services</td>
<td>5,888,00</td>
<td>14.83</td>
</tr>
<tr>
<td>Referral expenses</td>
<td>12,382,00</td>
<td>31.18</td>
</tr>
<tr>
<td>Capital expenses</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Development expenses | 0 | 0
---|---|---
**Total** | **39,711.000** | **100**

Increase in public expenditures does not reflect the government’s adherence to rationalization of these expenditures. It also weakens public trust in the integrity of promises to control unnecessary spending.

It is the right of citizens to inquire about the feasibility of these expenses without tangible results of the role of the PLC, and its failure to hold sessions that include members of Parliament in the West Bank and Gaza, in accordance with the law.

Results of the government’s plans did not show restraint in the continuing financial crisis of the PA, nor rationalization of public expenditures, or control over procurement and administrative and operational expenditures. In addition, talk of austerity continued without carrying out any serious implementation steps. Within this context, the following examples and cases have been monitored in 2017:

**The continuation of rental, purchase and construction of new government buildings**

In contradiction of government policy concerning rationalization of spending, formal institutions continued to rent or buy new real-estate. Furthermore, neither “the Government Rental Committee” nor any other government body carried out any studies or research on the general state of the rented government buildings in order to rented government buildings in order to understand the state they are in and also to identify mechanisms available to reduce related government spending in that regard. In addition, there was poor coordination between the MoF and that of Public Works on the adoption of transparent and binding criteria for approval of applications submitted by the various government institutions to allocate funds for purchasing new buildings; or the use of international aid to build and furnish new premises. This does not reflect the state of the financial crisis nor priorities intended to serve citizens, and not for the entertainment of officials who take advantage of the lack of regulations or system, issued by the Council of Ministers, to regulate least and owned government buildings77.

**Presidential palace coasting a large sum of money has converted into a public library**

Honorable as it may sound to convert the presidential palace into a public library, it remains to be the epitome of misuse of public funds as well as a bad example of lack of prioritization. It is worth noting that the premises mentioned was built and designed to receive and accommodate official foreign delegations visiting Palestine. And although the idea of building a hospitality “Palace” is not evil in itself, it is not and never was a priority for Palestinians given the urgent need to finance vital services such as health and education, especially given the few visitors who need accommodation in the first place. This is apart from the chronic financial crisis plaguing the Palestinian Authority. And while recognizing the importance of a national library,
The idea of converting the palace to one is detrimental, since it would cost more than building a new library from the start due to the construction and reconstruction details it involves.

The palace was built on an area of approximately 5 dunums at a very high price, hence it is not enough, in the management of public funds, to justify decisions such as this with no obligations or rationale and to rely on saying: "He decided to utilize the palace for the benefit of the people by converting it into a national library".

### Converting the hospitality palace into a national library

<table>
<thead>
<tr>
<th>Details</th>
<th>After the completion of building the “Hospitality Palace”, in 2017, President Mahmoud Abbas issued a Decision to convert the palace into a huge national library, to be supervised by a board of directors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Place</td>
<td>Surds Village- North of Ramallah</td>
</tr>
<tr>
<td>Total cost</td>
<td>17.5 Million USA $- Refer to *PECDAR</td>
</tr>
<tr>
<td>Construction period</td>
<td>5 Years</td>
</tr>
<tr>
<td>Description of the building</td>
<td>The palace covers an area of 4,700 Square Meters and other buildings of about 4,000 Square Meters with a helipad*.</td>
</tr>
<tr>
<td>Total area</td>
<td>27,000 Square Meters</td>
</tr>
</tbody>
</table>

### Squandering of money collected through traffic violations

According to the SAACB 2016 annual report, published in 2017, violations continued in the traffic violations/tickets file, one of which concerns money collected for traffic violations. This had its impact on the public treasury as it lost part of its revenues. Other violations included follow-up methods used by the General Administration of Traffic (Palestinian Police) concerning collection of violation fees. In addition, no investigation is carried out concerning data entry in the new system of traffic violations, as a number of violations are missing from this data. Also the continuation of the courts’ actions to reduce the amounts of fees charged by the police without any justifications. This is in addition to: closing files belonging to traffic violations of judges, and prosecutors that were entered in the electronic system (Mizan) in the High Judicial Council by a statement “pursuance ended”; or “claim not accepted”; or the word “NELL” due to immunity. There is also the closing of 100 files of traffic violations on the Mizan program that have the word “Paid” with no receipt number to verify that.

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79 This information was provided by the SAACB in its annual report issued in 2017.

- PEC DAR- is the acronym of the Palestinian Economic Council for Development and Reconstruction.
- A landing and takeoff area for helicopters
Paying salaries and allowances to employees of a non-existent airline

The Palestinian treasury paid salaries to hundreds of employees in the “Palestinian Airlines”, which is a governmental company that has a board of directors, headed by the Minister of Transportation. This “company” is not registered as a company in accordance with the law, nor does it have a governing law of its own, although the decree by which it was established goes back to 1994. In addition, neither the public budget for its financial reports state that there is a center of responsibility that is specific for Palestinian Airlines. The budget for this “company” is included in the budget of the Ministry of Transport and Transportation with no details. It is not even included as a separate budget within the Ministry’s budget that it is listed under. In that regard, the SAACB, in its 2016 report presented its auditing results of the airline company for 2015, where a number of financial, administrative and legal violations were pointed out, one of which is the failure to provide the SAACB with accurate and complete disclosure of salaries of the employees of the airline. This made it difficult to express and opinion on the state of these employees and the extent of eligibility for paying them salaries.\(^\text{80}\). (Newspaper picture of the announcement)
Granting investment exemptions to non-eligible companies caused the loss of large sum of money to the State Treasury

According to the SAACB, investment exemptions were granted to non-eligible companies (i.e. do not meet the required conditions). In addition, the SAACB said that no monitoring or control is applied to measure the extent by which the companies who obtained these exemptions are complying with the terms of these exemptions, hence the possibility of violating the terms, in violations of the law.

Lack of transparency of criteria in granting assistance to some NGOs

- In 2017, ambiguity continued to surround adopted criteria in providing assistance to a number of institutions, where assistance was provided by the government, the Civil Society Organizations Commission, Office of the President, as well as some security services and governors' offices, to some institutions. In this regard, the MoF had disbursed amounts of money to some institutions and unions without any transparent and or declared criteria, especially since these disbursements were given to select institutions and unions.

Ministry of Finance procrastinate regulating the General Petroleum Corporation’s work, although it is the biggest revenue contributor to the treasury.

The General Petroleum Corporation (GPC) was established on October 8, 1994. The GPC is the sole party responsible for management of oil & Petro-chemicals, minerals & gas oils. It is also in charge of the establishment and licensing of fuel and gas distribution centers in the PA territory. This corporation is the biggest contributor of revenues to the public treasury. However, keeping this body under the affiliation of the MoF without a governing law to regulate its work, and to keep dealing with it as one of the administrations in the Ministry, is abnormal a weakens control over this sector. It also creates confusion of responsibilities between the official bodies in charge of preparing and putting forth policies (the MoF and the Energy Authority) with those entitled to implementing the approved policies, which is the GPC under the authority of the Minister of Finance.

Absence of publication of the 2017 Austerity and Rationalization of Public Expenditures Plan in the public budget since its launching 2014, as well as lack of knowledge of the targeted items within the plan, constitute the main challenge. As is, the issue remained in the context of statements and words with no actions to back it up in terms of rationalizing expenditures.
An owner of a gas station was arrested after being on the wanted list for 10 years. Charges against him include stealing 22 million and 600,000 NIS through fraud and deception, and is the right of the GPC. The accused was detained and brought before the competent judicial authorities. However, none of the money was recovered.

Source: “Wafa News Agency”

The SAACB reports indicated the lack of reliable data on fuel quantities due to the absence of equipment and measuring tools. The reports also pointed out the absence of clear policy for stock inventory, loss rate, and the difference between the Palestinian and Israeli measurement. An investigative report on smuggled and contaminated fuel in the Palestinian fuel market revealed the following:

- Due to the Palestinian market needs of approximately 60 million liters of fuel per month, the phenomenon of smuggling diesel and gasoline daily into random fuel stations to distribute the smuggled fuel to citizens, owners of heavy equipment and public transportation vehicles was noticed. The estimated amount of smuggled fuel to the PA area is about 20%.
- The Palestinian treasury loses large amounts of money due to the smuggling operations, as the Blue tax money which goes to the MoF from fuel, actually benefits Israeli smugglers when they mix contaminated oil with kerosene and diesel, and mix cheap materials with gas, hence selling it for lower prices than the market.

Structure of Actualized Taxes and Sources until December 31, 2017 - million NIS

<table>
<thead>
<tr>
<th>No.</th>
<th>Tax category</th>
<th>Local tax</th>
<th>Clearance tax (Maqassa)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income tax</td>
<td>789.9</td>
<td>180.2</td>
</tr>
<tr>
<td></td>
<td>Added value tax</td>
<td>1011.3</td>
<td>2288.0</td>
</tr>
<tr>
<td></td>
<td>Customs</td>
<td>737.2</td>
<td>3353.7</td>
</tr>
<tr>
<td></td>
<td>Alcoholic Drinks tax</td>
<td>5.1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Cigarettes tax</td>
<td>193.7</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Property tax</td>
<td>13.3</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Fuel tax</td>
<td>0</td>
<td>2903.5</td>
</tr>
<tr>
<td></td>
<td>Other taxes</td>
<td>0</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>Purchase tax</td>
<td>0</td>
<td>4.7-</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>2750.6</strong></td>
<td><strong>8722.2</strong></td>
</tr>
</tbody>
</table>
The Retirement Pension Fund is threatened to collapse due to government debts 82

Although the National Policy Agenda recognizes that the public pension system is facing increasing risks that threaten its financial sustainability 83, and the government’s promise to take quick measures to ensure that its obligations are carried out by regularly transferring entitlements and addressing debts owed by the government, according to the law, crises continued. The number of members in the General Retirement Authority reached 161,329 employees, as of the end of 2016, who benefit from services provided by the Authority. 4064 of them are LGUs employees and employees from the electricity company, with 157,265 who are government employees 84. Their salaries amounted to 7.66 billion NIS 85. If we take into consideration that the amount transferred by the government to equal one fifth the amount of salaries, it would mean that the accumulated debts will threaten the mere existence of the Fund in less than 10 years. And despite commitment by the MoF in paying some pension entitlements such as those paid to military personnel and other threatened groups as PLC members, ministers and their affiliates, and retirees of the 2% system in force represented by pension salaries and lump sum payments, where in 2016 it amounted to 843 million NIS (approximately 70 million NIS monthly) provided for 291 retirees.

83 The National policy agenda P.33.
84 The General Retirement Authority, 2016 annual report. P. 44.
85 Look: Public budget law 2016
In addition to that, in 2017, the Ministry of Finance and Planning transferred the amount of 20 million NIS monthly to the Retirement Pension Fund, which accounts for only 20% of the General Retirement Authority’s entitlements owed by the government. However, that amount alone is not sufficient enough to cover all employees’ retirement entitlements. Therefore, the Pension Authority provides 5 million NIS monthly from its own account to cover the entitlements of retired employees. Consequently, the Pension Fund’s money is decreasing continuously, forcing the Fund to liquidate some of its assets to meet the increased pension salary payments.

In a nutshell: the chronic problem faced by the Pension Fund is embodied in two issues; the accumulated government debt due to the lack of transfer of employees’ contributions by the successive Ministry of Finance, and also on the government’s lack of transferring its contribution of funds for each participating employee, as it applies for each. As a result, the accumulated debts on the government to the Fund increased from 14 million NIS in 1999, to 5.6 billion NIS at the end of 2016.

In addition, the Pension Authority did not collect contributions of members of the Palestinian security forces who benefit from the pension system, which can lead to the Fund’s inability to meet its obligations hence its continuity.

The joint Accounting Committee of the Ministry of Finance and the Pension Authority completed its work, but no agreement was signed

In 2017, the technical joint committee between the Ministry of Finance and the Pension Fund completed its work in terms of determining the amount of debt to be transferred from the MoF to the Pension Fund’s account, in addition to committing to making monthly transfers to the Pension fund’s account, according to Dr. Ahmad Majdalani. However, no formal agreement was signed concerning the above-mentioned, which indicates that the agreement was not finalized in terms of the amount owed by the government to the Fund, nor methods and timeline of payments in 2017.

86 Presentation of the 2017 draft budget law by the Minister of Finance before the parliamentary blocs commission at the PLC on January 26, 2017.
87 Information given by Dr. Ahmad Majdalani during a workshop held at AMAN to discuss the General Retirement Authority’s report. March 21, 2017.
88 Data presented by the Minister of Finance to the parliamentary blocs commission in the PLC, on Jan.26, 2017.
89 Debts of the Fund were estimated at approximately 7 billion NIS, an equivalent of 1,829 billion U.S. dollars, as indicated by the financial data of “statement of the financial center” as of Dec.31, 2016 (annex 1). World Bank sources estimate the debts to be about 1.6 billion U.S. dollars as of Sept. 2016. Prime Ministe, Dr. Rami Hamdallah estimates the internal and external debts to be 4.2 billion U.S. dollars, half of which belong to the Pension Fund (about 2.1 billion dollars), which an amount close to that stated in the Fund’s 2016 report.
90 The SAACB, annual report, 2016.
91 Information given by Dr. Ahmad Majdalani during a workshop held at AMAN to discuss the General Retirement Authority’s report. March 21, 2017.
92 An interview conducted by Ahmad Al-Sabbah, General Accountant, the Palestinian Authority, Aug.10, 2017.
93 Information was given during a workshop held at AMAN to discuss report on the General Retirement Authority, which was prepared by Dr. Abd-Alrahim Taha, researcher. Full copy
Weakness in the governance of some of the non-ministerial public institutions

As of October 15, 2017, the Council of Ministers issued administrative systems that include the following: financial and administrative system for the Risk Prevention Fund, and Agricultural Organizations; financial and administrative system for regulating the water sector; financial system for the Palestinian Pension Authority; system for the National Child Council 94; only. In the meantime, the financial and administrative independence granted to non-ministerial institutions remains a challenge to the concept of “independence”. This is due to the absence of a financial and administrative system that should be issued by the Council of Ministers to regulate and control their procedures, administrative and financial issues, and to adjust the inflated salaries and privileges paid to directors of these bodies, which is the result of the Council of Ministers failure to reform the state of these institutions. The abovementioned led to continued weakness of integrity in the work environment of some of these bodies, which encouraged some of these officials to obtain privileges at the expense of public funds.

Furthermore, the problem is not limited to the absence of specific and transparent financial and administrative systems that can be the basis for accountability, but rather it is in the attitude of some officials of these institutions where they consider these institutions as their own property. This is attributed to lack of responsibility by

The majority of non-ministerial institutions suffer from weakness in accountability mechanisms as well as from the absence of serious and effective supervision by the relevant competent parties. Also, these institutions do not respond to the SAACB’s recommendations when it prepares reports concerning their state of affairs. In addition, salaries of senior officials of these bodies are not consistent with the PA’s budget.

Required: the issuance of a special law that determines salaries and bonuses of heads of non-ministerial public institutions, same as others in senior and high positions such as: members of the PLC, government, governors, and the President of the National Palestinian Authority.

Source: part of a letter sent by AMAN to the Minister of Finance concerning “salaries’ gap”. Sent on Nov.2, 2017.

94 This information was provided by review of the Al-Waqa’ Al-Filisteens (Palestinian newspaper); October 15, 2017.

of the report is available on AMAN’s website, also on AMAN’s website is a copy of the report on “Government policy regarding payment of debts; meeting the challenges of sustainability of the Authority”. AMAN, 2017.
the official bodies responsible for supervision and control over these institution, in accordance with the law which identified the Council of Ministers as the responsible body for many of them, directly or indirectly. As it stands, follow-up, supervision and control of the performance and role of these institutions are not carried out periodically, as stated in the Palestinian Basic Law, article (69/9). The article stipulates “that among the competencies of the Council of Ministers is the establishment or abolition of bodies, institutions, and authorities, or the like, of the units of the administrative apparatus covered by the executive branch of the government, where shall be regulated by law”; in addition to “appointing and supervising heads of these institutions referred to in the above item, in accordance with provisions of the law”.

**Allocation of land in the historical area of “Tal-Alsakan” as compensation to employees**

The “Government Land Committee” in Gaza allocated some areas of the State land in the GS, an estimated area of 12 dunums of “Tal-Alsakan”, located north of the city of Al-Zahra’ in the center of the GS, from the total estimated at 86 dunums. The land was granted as compensation to individuals from the higher categories (i.e., senior position employees) since 2015. This constituted an infringement on the collective Palestinian national heritage property, which goes back to the early Bronze Age of the Canaanite civilization, noting that the Ministry of Tourism has submitted, in 2004, a request to the UNESCO to have 21 locations to be listed on the World Heritage list, one of which is “Tal-Alsakan”; being the most important in the GS.
Part Four

Issues under the spotlight

The Ministry of Health is hesitant to adopt a fair and comprehensive health insurance system

The continuation to work with the current unfair health insurance system that also exhausting to the MoH budget indicates chaos in the management of the system mentioned. Add to that, it has failed to meet right to health needs.

The continued deterioration of the Palestinian health insurance system has contributed to the increase in expenses of medical treatment abroad (medical referrals), due to the inability of government hospitals to meet requirements of the basket of health and treatment services required by the MoH, in accordance with the insurance health system in force. Hospitals failure to meet the requirements mentioned is partly due to shortage in finances since clients' fees do not cover the high cost of medical treatment, but cover only 10% of the general health insurance overhead expenses.

Shortcomings of the government health insurance system as revealed by official data and statistics are as follows:

- The MoH, in its annual report issued in August of 2017, stated that the current budget of the Ministry amounted to one billion, seven hundred and eleven million, and nine hundred thousand NIS. 55% of which is allocated for medical treatment service given outside the MoH institutions. The amount of arrears amounted to 604,700,216 NIS.

- The total number of referrals involving purchase of service from medical centers outside the MoH facilities totaled 91,927 case. This reflected an increase of 4.9% from 2015, and an increase of 23.1% from referrals made in 2014. In addition, cost for referrals made in 2016 increased by 1% from those made in 2015, where referrals’ expenses for 2016 reached the amount of 566,720,980 NIS.

- Health insurance fees and revenues for 2015 amounted to 176,975,799 NIS, constituting only 10% of the Ministry’s actual expenditures on insurance services.

In practice, there remain many defects that plague the insurance system due to failure of the MoH in reforming this system, which is burdened with problems and gaps that need to be reformed in order to have a mandatory, comprehensive and equitable health insurance system. Reform also would be to improve the quality of services, develop facilities, and lessen reliance on medical centers outside the Ministry’s facilities, especially when unnecessary.

Results of the opinion poll on “corruption and combating it in Palestine”, conducted by AMAN, with regard to public services that most likely to have corruption in 2017, based on a personal experience of the respondents or a close associate, revealed that medical services came in second place with a 17.3% (19% in the West Bank; 14% in the GS).

Conflict of interest continues to impede the drafting of a legislation as legal reference on accountability for medical errors, as well as to protect those working in the health sector.

The persistence of medical errors occurrence in 2017 has raised once again the need for an accountability system in that regard.

In the Gaza Strip, the MoH in 2017 received 20 complaint concerning medical errors; submitted against the MoH and private sectors’ medical clinics and hospitals. An investigative committee was formed tasked with investigating these claims and submitting results of the investigation to the MoH and the complainant. The number of complaints brought forth against the MoH, MoF, and some doctors and nurses, reached 10 cases, which are still pending before the court.

Protests and other activities by civil on the subject in 2017 pressured official and human rights institutions to take action concerning medical errors. Some of these activities included workshops, and conducted investigative reports and studies among other activities. In that regard, Prosecutor, Dr. Ahmad Barraq recommended that a special law be drafted to regulate medical errors issues to improve medical services in the country, while stressing the importance of differentiating between medical errors and negligence, on the one hand, and medical complications occurring post surgeries, on the other hand. In this regard, AMAN received complaints in 2017, related to medical negligence, hence having an insurance system against medical errors is an important issue.

The Council of Ministers decided in 2017, to refer the draft law on “Medical and Health Protection and Safety” to members of the Council for consideration and feedback, as a prelude to taking the appropriate legal requirement during the next session. And based on the slogan “the National Policy Agenda-Citizen First”, there is no reason to procrastinate the adoption of the accountability system on medical errors any longer.

Continued flaw in the structure of the security apparatus

The increase in the number of officers affected negatively the performance of the security apparatus, since soldiers and lower ranks among officers are the backbone of work and implementation of duties. In addition, this increase in numbers places

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96 Interview with Mr. Said Al-Batta, legal advisor at the MoH.
97 AMAN, report entitled “Conclusions of the most prominent cases received by the Social Advocacy and Accountability unit at AMAN in 2017.”
and added burden on the public budget due to increasing the payroll bill. As of now, the total annual amount for salaries (basic and specific job allowance) for the ranks of Major General, brigadier General, Colonel, and Lieutenant colonel, in 2016, reached the amount of 238.7 million NIS per year, equivalent to the yearly salary of 13000 soldiers. Although the total number of the officers of the ranks mentioned is 5672. This translates into: for each officer assigned to lieutenant colonel or above there are two soldiers, despite the fact that the global experience shows differently. For example, in Israel, the ratio is 9 soldiers to one officer, and in the U.S. it is 5 to one. This raises questions as to the effectiveness of the measures taken for retirement. It also means that different measures should be followed in order to reform the structural flaw in the organizational structure of the Palestinian security forces.

The 2016 distribution chart and military ranks of employees in the security apparatuses

<table>
<thead>
<tr>
<th>Apparatus</th>
<th>No of employees</th>
<th>No of officers</th>
<th>Ratio of officers</th>
<th>No of officers ranks</th>
<th>Ratio of officers ranks</th>
<th>No of soldiers</th>
<th>Ratio of soldiers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>18105</td>
<td>7567</td>
<td>42%</td>
<td>10175</td>
<td>56%</td>
<td>362</td>
<td>2%</td>
</tr>
<tr>
<td>National Security Forces</td>
<td>16183</td>
<td>4756</td>
<td>29%</td>
<td>10879</td>
<td>67%</td>
<td>548</td>
<td>3%</td>
</tr>
<tr>
<td>Preventive Security</td>
<td>5915</td>
<td>3455</td>
<td>58%</td>
<td>2200</td>
<td>37%</td>
<td>260</td>
<td>4%</td>
</tr>
<tr>
<td>Intelligence Agencies</td>
<td>5866</td>
<td>3090</td>
<td>53%</td>
<td>2431</td>
<td>41%</td>
<td>345</td>
<td>6%</td>
</tr>
<tr>
<td>Presidential Guard</td>
<td>5838</td>
<td>2140</td>
<td>37%</td>
<td>3232</td>
<td>55%</td>
<td>466</td>
<td>8%</td>
</tr>
<tr>
<td>Military Intelligence</td>
<td>2918</td>
<td>1187</td>
<td>41%</td>
<td>1657</td>
<td>57%</td>
<td>74</td>
<td>3%</td>
</tr>
<tr>
<td>Civil Defense</td>
<td>1685</td>
<td>569</td>
<td>34%</td>
<td>1063</td>
<td>63%</td>
<td>308</td>
<td>18%</td>
</tr>
<tr>
<td>Central and Subsidiary bodies and Departments</td>
<td>9017</td>
<td>5077</td>
<td>56%</td>
<td>3618</td>
<td>40%</td>
<td>322</td>
<td>4%</td>
</tr>
</tbody>
</table>

The percentage of officers in three security apparatuses accounted for 50% of all officers; these are: Preventive Security, Central and Subsidiary bodies and Departments, and the General Intelligence Agency. While the percentage in the police force and military intelligence agency accounted for 40%; where the presidential guard, and civil defense the percentage was less than 40%. As for the national security forces, the percentage accounted for 29%, which is the least percentage. The highest rate, which was 58% belonged to the preventive security agency.

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98 AMAN’s study on military salaries included a set of important and practical recommendations on the subject.
99 This table is based on an unpublished report of the Geneva Center for the Democratic Control of Armed Forces (DCAF); challenges that face the reunification of the Palestinian security and justice sectors (unpublished), the Interior Ministry. Jihad Harb, Structure of the current security sector and the ability to provide security for areas B, and C and redistribution of resources. The Palestinian Center for Policy and Survey Research PCPSR, 2017, due to the absence of the administrative and regulating commission, the competent party for information.
Lack of compliance with the Service Law of the Security Forces with regard to conditions of promotions by considering seniority as a single basic condition, and relinquishing all others such as: efficiency report, job vacancy on the organizational structure, recommendations by the leadership, competency, as well as other necessary requirements. It is worth noting that the majority of security agencies and departments lack duly adopted and approved regulatory structures, which prevent them from identifying the needs of the security services of each military rank hence led to excessive promotions. In addition, having an approved regulatory structure also helps to save on the salary and wage bill by limiting the military ranks to a specific number. Savings can also be possible by reducing the ranks assigned to the different posts in view of the need to rationalize expenditures. The table below illustrates the flow in the security apparatuses, as it shows the number of soldiers in comparison to the number of officers. It also illustrates the state by which the number of high ranks will be in the few coming years if promotions continue to be granted automatically based on the years of service.

### Distribution of ranks in the security forces 2013-2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lieutenant General</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Major General</td>
<td>47</td>
<td>64</td>
<td>59</td>
<td>68</td>
<td>144</td>
</tr>
<tr>
<td>Brigadier General</td>
<td>195</td>
<td>387</td>
<td>354</td>
<td>440</td>
<td>503</td>
</tr>
<tr>
<td>Colonel</td>
<td>412</td>
<td>838</td>
<td>830</td>
<td>1370</td>
<td>1950</td>
</tr>
<tr>
<td>Lieutenant Colonel</td>
<td>1884</td>
<td>3917</td>
<td>3937</td>
<td>3794</td>
<td>4051</td>
</tr>
<tr>
<td>Major</td>
<td>5149</td>
<td>6501</td>
<td>6525</td>
<td>6895</td>
<td>7021</td>
</tr>
<tr>
<td>Captain</td>
<td>4953</td>
<td>5755</td>
<td>5803</td>
<td>5712</td>
<td>5606</td>
</tr>
<tr>
<td>First lieutenant</td>
<td>5885</td>
<td>5605</td>
<td>5629</td>
<td>5488</td>
<td>5881</td>
</tr>
<tr>
<td>Second lieutenant</td>
<td>4638</td>
<td>4617</td>
<td>4839</td>
<td>5249</td>
<td>5157</td>
</tr>
<tr>
<td>Warrant Officer 1st class</td>
<td>4762</td>
<td>7481</td>
<td>7378</td>
<td>7850</td>
<td>9089</td>
</tr>
<tr>
<td>Warrant Officer 3rd class</td>
<td>7626</td>
<td>10774</td>
<td>10643</td>
<td>9851</td>
<td>9947</td>
</tr>
<tr>
<td>Sergeant Major</td>
<td>11806</td>
<td>10163</td>
<td>9890</td>
<td>9519</td>
<td>7450</td>
</tr>
<tr>
<td>First Sergeant</td>
<td>9682</td>
<td>5225</td>
<td>5022</td>
<td>4687</td>
<td>4470</td>
</tr>
</tbody>
</table>

100 This table was prepared based on data provided in the budget law for 2015, 2016, and 2017, published on the MoF website. The 2015 budget was adopted to prepare the information for the year 2013 included in the table. Similarly, data in the 2017 budget was adopted to prepare the information for the years 2015-2017. As for the information for the 2014, it was prepared on the basis of the 2016 budget. Note that the table was prepared based on the latest information published.
Several studies\textsuperscript{101} have shown an imbalance in the distribution of employees in the security services. It was recommended that job needs of some public institutions be met through assignments, job rotations, transfers, and Secondments of surplus employees working in other institutions, instead of hiring new ones\textsuperscript{102}. This is possible because some of the agencies suffer from shortages in the number of employees compared to the tasks assigned to them. In particular, this applies to the civil defense, police and customs control agencies. In this regard, AMAN, in its annual 2016 report “State of Integrity and Combating Corruption” had, within its recommendations, called on the President, Prime Minister and Minister of Interior to prepare a comprehensive reform plan for the security agencies. An to also adopt the principle of job rotating a large number of them to work in the police force and customs control agencies given the urgent need to protect the law and serve citizens\textsuperscript{103}.

**Customs Control:** The number of employees working in Customs Control in the West Bank, as of May 2017, about 590 employees. This number is considered very low in comparison with the size, magnitude, and difficulties of the tasks assigned. The actual number of employees needed for this agency is estimated by those in charge of the agency at 3500. However, it is difficult to obtain this number due to the lack of new jobs allocated in the public budget, and also difficulties in job rotation from other agencies to the customs control agency. There are two underlying reasons for these difficulties: one is the specificity of the agency’s work and knowledge possessed by its employees, and the second is the difficulty of other agencies allowing their employee be transferred after they have trained them\textsuperscript{104}.

**Civil Defense:** The number of employees working in the Civil Defense Agency is 1230. However, in order for this agency to cover all areas assigned including cities, villages and refugee camps, and to its job efficiently and effectively, it needs and extra 500 employees. However, this number is difficult to obtain because this agency has not employed any one since 2012. Its employment is limited to replacement as a result of retirement, death, and resignation, which are few. This is in addition to the lack of allocation of new jobs for the agency in the public budget\textsuperscript{105}.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
Corporal & 3009 & 2134 & 1937 & 1936 \\
\hline
Private & 4443 & 1777 & 2769 & 2920 \\
\hline
TOTAL & 64491 & 65238 & 67184 & 65779 \\
\hline
\end{tabular}
\end{table}

\textsuperscript{101} AMAN report entitled “Transfer, appointment, and Secondments in military and civil posts” P.16,17; and report on military finances.

\textsuperscript{102} The World bank report on “Review of public spending” dated Sep. 10. 2016, indicated that “although number of the PA employees is not large, there remains a surplus in some cases, where the number of the security members is approximately (65000) employees. This number may not be considered large in the Middle East, but it is very large according to international criteria (i.e., about 10 to each 1000 population, compared with the global average of 4.5/1000). The report is published on the World Bank website: .albankaldawli.org

\textsuperscript{103} AMAN, 2016 annual corruption report. P. 75

\textsuperscript{104} Interview with Lieutenant Colonel, Radi Kitaneh, Director of Security and Control at Customs Control, May, 10, 2015.

\textsuperscript{105} Interview with Captain, Anas Rayyan, Director of Human resources at the Civil Defense agency, May, 15, 2017.
Police: the number of employees working in the police agency is 8000. Based on scientific studies and actual needs, the agency is in need of an approximately 3000 additional employees. It is worth noting that what has been stated above concerning the security services’ imbalance in the number employees’ distributions, applied to the police agency. As this structural imbalance in the number of employees in the last three service providing agencies is problematic in terms of staff distribution, differently.

A specialized study on the structure of the security sector recommended the redistribution of existing resources on the bases of need. This is vital in order to ensure the provision of security by strengthening the status and size of the civil section symbolized by the police and the civil defense agencies; reduce the proportion of the military section symbolized by National Security, Presidential Guard, and security services; addressing imbalance in grade categories due to the lack proportionality between the leadership ranks and lower ranks; redistribution of the Palestinian police in the West Bank proportionally between governorates; ease the congestion of the General Headquarters, which has the largest number of police; strengthen the technical departments and sections concerned with protecting society from crimes and law enforcement in the police agency. This can be feasible through transferring a number of the Preventive Security agency to work in drug control departments and criminal investigations, for example. Also to develop centers in the countryside by increasing the number of police there, as well as to provide them with necessary equipment, weapons and vehicles to enable them to work effectively to serve citizens.

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106 Interview with Colonel Jihad N’airat, Director of Human resources at the police agency, June 4, 2017.
Main Recommendations

First: To enhance the integrity of the Government General Administration

- Calling on all political parties to accelerate the process to end the internal division, and enable the Government of National Reconciliation to carry out its work in the GS, and solve the prolonged problem of employees.

- Calling on the government to oblige all ministers and officials to implement their action plans in line with the National Policy Agenda, as well as applying the government’s open policy, in addition to applying the policy of openness to society, and disclosure of information.

- Calling on the government to adopt a comprehensive national plan on “rationalization of expenditures”. The plan should be approved in accordance with prevailing norms in the approval of cross-sectoral national plans. This entails the development of a clear program using a participatory scientific methodology that defines areas of austerity and rationalization, proportions and ceilings, as well as implementing parties, ensuring that implementations are carried out without prejudice to the rights of the poor, and marginalized groups in the Palestinian society.

- Calling on the Council of Ministers to take measures that will ensure dealing with the Code of Conduct and Ethics in public services’ positions seriously. To also insure that actions are not limited to increasing training on provisions of the Code, but to provide a specific code of conduct for each party by adapting the main Code to fit needs and specializations of a given party. In addition, measures should include the integration of provisions of the code into the annual evaluation system, hence considered in consequent promotions.

- Calling on the government and the Ministry of Interior to redistribute resources of the security sector in order to supplement and reinforce the status and size of the police and customs agencies, by increasing the number of employees given the inflated number of employees working in the security apparatuses. Also, addressing imbalance in grade categories due to the lack proportionality between the leadership ranks and lower ranks, especially since it is the lower ranks that implement tasks on the ground. Finally, to redistribute the police force in the governorates.

- Calling on the government to approve the comprehensive and compulsory health insurance system to replace the voluntary insurance currently in force.

Second: To enhance integrity in governance

- Calling on the President to adopt a transitional plan (by law) to reform the justice sector (the Higher Judicial Council, Ministry of Justice, Prosecution, and the Palestinian Bar Association). Purpose of the plan is to unify the judicial system where public, judicial and professional figures who are balanced and fair are entrusted in reforming the judiciary. These figures are to be granted powers to review the legal and institutional state of the judiciary, and to put forth binding recommendations and overcome attempts to reform the judiciary from within.
• Calling on the President and government to revitalize and activate the Legislative Authority due to its importance in: strengthening the NIS; calling for presidential and parliamentary elections as soon as possible to maintain balance of the political system; monitoring and control on the executive authority’s performance.

• Calling on all parties to hold local elections in the Gaza Strip.

• Calling on the Council of Ministers to prepare and issue a code of conduct for members of the Council, as well as establish regulatory procedures, for ministers and PLC members that govern acceptance of gifts and hospitality. In addition, the PLC is also obliged to prepare and issue a code of conduct for its members.

**Third: To enhance transparency of public funds management**

• Calling on the government to open the file of non-transparency of financial procedures with the Israeli side, who tampers with Palestinian funds (clearance tax) to loot it, exploiting the lack of clarity of procedures in collection and deductions. In this regard, the government should use international pressure to intervene and control this financial arrangement in order to put a stop to Israeli theft of Palestinian funds caused by the lack of clarity and transparency of procedures.

• Calling on the government to publish all agreements it signed on behalf of Palestinians, and especially those related to the granting of concessions such as, the communications agreement, or agreements and memorandums of understanding, that involve money, signed with external parties, such as agreements on electricity, water, sewage, as well as the Dead Sea Red Sea Agreement, and all relative annexes. Also calling on the Minister of Finance to publish the agreement concerning debts of the Jerusalem Electricity Company as well as methods of payment, so as not to be at the expense of citizens who pay their electricity bills.

• Calling on the Council of Ministers and President to complete and ratify the “Right to Access Information Law” and the “National Archive Law”.

• Calling on all official parties to prepare and publish their report, as well as making available to the public within a reasonable time and without delaying the process of publication. This is important in order that reports are activated as tools for transparency and accountability. The reports must be taken seriously in terms of their quality of content where problems and challenges should be illustrated as well as methods to overcome them, in addition to presenting achievements. Moreover, reports should be utilized as tools for follow-up and accountability, by officials of the institutions who issue them, in terms of ensuring that recommendations included in these reports are implemented with consequences for those who fail to do so.

• Calling on official parties to activate established websites as well as open new ones for those who do not have as of the end of 2017, such as: the Ministry of Jerusalem Affairs. In today’s world, it has become vital for every institution that provides public services, whether ministerial or non-ministerial, to have a website that is updated periodically with relevant information regarding services provided, as well as reports, budgets, plans and agreements. Finally, to avoid
having sites that are established only as a formality as this frustrates the browser and contributes to the loss of credibility for the institution.

- Calling on the Council of Ministers to complete all systems, measures and mechanisms needed for activating the General Procurement Policy Council by providing all necessary staff, administrative and technical assistance in accordance with provisions of the General Procurement Law, hence enabling it to play its role in the control of public procurement.

**Fourth: To enhance accountability in the management of public affairs**

- Calling on the Palestinian government to consult with stakeholders and the Civil Team for the Control of Legislations and Parliamentary Blocs, in order to prepare a law on Franchise Law and the Competition and Antitrust Law, which will clarify procedures for the privatization of public services. It will also ensure competition and transparency in privatization and concession processes.

- Calling on the Council of Ministers to form and empower the regulatory and supervisory councils of public services that are managed by the private sector. This includes electricity, water, and communications; activate the legal text related to the establishment of the Telecommunications Regulatory Authority; activate the role of the Electricity Sector Regulatory Council, and the Water Sector Regulatory Council, in addition to providing these councils with sufficient finances in order that they exercise their oversight role; accelerate the process of regulating the work of the Petroleum Authority, and the forming of the Higher Media Council.

- Calling on the Council of Ministers to adopt financial and administrative regulations for public non-ministerial institutions to cover the lack of governing regulations in the work of these institution. This includes service provision as well as everyday business, while at the same time, respecting the basic rules of the financial system of the PA.

- Calling on the President and the government to amend the Anti-Corruption Law to stipulate the following: It is mandatory that the PA President, ministers, PLC members, and senior State officials publish their financial disclosures in the official newspaper periodically.

- Calling on the Council of Ministers to reconsider privileges granted to senior officials in the PA institutions, since they are the main cause of the salary gap in the first place, and do not concord with the economic viability of a country like Palestine. Moreover, granting these privileges comes at the expense of tens of thousands of low and middle-income employees.

- Calling on the Ministry of Finance and Planning, and the Ministry of Foreign and Expatriates Affairs to adopt complaints units as well as activate the system on their websites, pursuant to the decision of the Council of Ministers in that regard. In addition, all official parties are obligated to prepare their annual reports on complaints and to submit them to the General Secretariat of Complaints at the Council of Ministers. Also, the latter should ensure that all parties included in the government complaint system submit their reports as well.
• Calling on the security apparatuses to improve the state of their complaint units in accordance with the recommendations contained in the fourth annual complaints report, 2016, which was issued by the General Secretariat of Complaints at the Council of Ministers, which requires follow-up by official parties and civil society to see the extent of improvement occurring to the complaint system of the security services.

Fifth: To enhance anti-corruption efforts

• Calling on the government to adopt and approve the “Comprehensive Cross-sectoral Plan for Integrity and Anti-Corruption” in accordance with procedures followed for approval of cross-sectoral national plans. The plan should be developed in participation of the various official, civil and private sectors and led by the government, to identify priorities, implementation steps and responsibilities of each party or institution taking part in implementing the plan, according to a set agenda. The ACC, in its capacity as the competent party and the secretariat will be the body coordinating these efforts. An appropriate budget should be allocated in the public budget to implement the plan, which will be an expression of a strong will to combat corruption, and building a fair administration.

• The government response to comments of the UNCAC Review Team in Palestine by making the necessary adjustments to strengthen existing measures in Palestine, on the one hand, and ensure compliance of Palestinian legislations to provisions of the UNCAC, on the other hand.

• Calling on the Council of Ministers to issue the special system stipulated in the Anti-Corruption Law for protection of whistleblowers from counter-claims and reprisals, among other threats.

• Calling on the Council of Ministers to establish a system or regulations to regulate the procedures of the transfer of ministers, deputies, and tax and customs officials to work in the private sector.

Sixth: Integrity in the management of public employment

• Calling on the Council of Ministers to approve job descriptions that were prepared by the GPC, for senior and special positions, and to ratify it as soon as possible. The purpose of these job descriptions is to control and regulate these positions and subject them to the supervision of the GPC in order to reduce the possibilities of corruption, if there is political will in this regard.

• Calling on the Council of Ministers to draft a law or prepare a system for the establishment of the “Committee on Quality Governance in the Public Sector”. The committee role will be to consider the appointments of candidates for senior positions (civil and security) in the public sector. It will also identify procedures related to competition and job vacancy announcements for the high and special positions’ categories, as well as studying complaints related to appointments in the public sector.