A Clear Decline in the Integrity of Governance and Management of Public Affairs was Manifested in Various Forms and Results.

AMAN Coalition Launches the Results of its Tenth Annual report “Integrity and Combating Corruption 2017"

With prominent presence of local and international media institutions, government representatives, some heads of public and community institutions, academics, legal persons and citizens interested in anti-corruption issues in Palestine as well as a number of international officials, headed by the Norwegian Deputy Representative, Dutch Ambassador and international donors, the Coalition for Accountability and Integrity "AMAN" has held a conference to launch the results of its tenth annual report on “Integrity and Combating Corruption 2017", simultaneously in Ramallah and the Gaza Strip and through separate broadcasting under the slogan: "Integrity in Governance is repayment… and Management of Funds otherwise will be Corrupt. "

"This is the situation even though we exist... Imagine how it would look like if we are not there?"

The conference was opened by the Executive Director of AMAN Coalition, Majdi Abu Zaid, who pointed out that this report has become an annual tradition that enjoys the confidence of citizens and decision-makers for its important role in monitoring the reality of the National Integrity System with its developments and challenges over an entire year. This report aims at providing practical and applicable recommendations that can reduce the corruption opportunities. Therefore, the Coalition is keen to monitor, document and analyze the information and facts from their sources by the team which prepares the report despite the procrastination and reluctance of some official authorities to disclose information during the preparation phase of the report. In addition, external readers were involved this year, namely, Dr. Ghassan Khatib and Dr. Mukhaimer Abu Saa’da in reviewing the report.

Abu Zaid pointed out that the conference comes in light of the decline of the government openness to civil society and the decline in the provision of information related to money and public affairs. However, this did not prevent AMAN Coalition from its continued oversight work on the governmental performance and spending and formulating a pressuring public opinion to adopt fortified measures against corruption as well as fiscal policies of the Palestinian Authority that are based on transparency and could achieve social justice.

Abu Zaid Also pointed out that in 2017 the AMAN Coalition has led the process of strengthening good governance in the local government units in Libya through the preparation of a national integrity system for seven local Libyan Units. The results of AMAN Coalition’s success were concluded during the year by granting it the “Ibn Rushd International Prize for Free Thought” for its distinctive efforts in the anti-corruption field at local, regional and international levels. In response to the repeated talk about "what have you done or what you are doing as corruption is

increasing since you were founded? “Abu Zaid has raised the question “how the situation would look like if the AMAN Coalition does not exist?

Al-Husseini: We Undergo Difficult Circumstances that Require the Government to Adopt Policies that Promise More Justice

The Chairman of the Board of Directors of (AMAN) Coalition, Mr. Abdul Qader al- Husseini, pointed out that launching this report is a leading contribution to accountability for the management of public funds and public affairs, especially in light of the continued absence of the accountability body, a consolidated Palestinian Legislative Council, which adds duplicated burdens to the civil society in the context of a general environment that continues to undermine the national integrity system. Such environment starts with the continued practices of the occupation, especially against the city of Jerusalem and its citizens and the impact of the political division. He also denounced the assassination attempt against the convoy of the Prime Minister of the National Consensus Government Dr. Rami al-Hamdallah due to its role in blowing the reconciliation efforts and perpetuating the state of division.

Al-Husseini pointed out that despite the positive indicators on the functioning of the Palestinian government, such as the approval of “National Policy Agenda – the Citizen First”, the government did not abide by the implementation of austerity plans and strategies to manage public funds and reduce the budget deficit during the said year. The government also did not issue the “Access to Information Law” and the “National Archive Law” without any justification despite the repeated promises. It has also restricted openness to the civil society and the open government policy remained as a slogan that is away from implementation and the concept of partnership remained constrained and dependent on the mood of government officials.

Al-Husseini stressed that the year 2017 has witnessed serious increase of political corruption represented by politicizing the legislations and decisions as one of the political division outcomes, which had serious and catastrophic repercussions on the lives of citizens and all walks of life, especially in the Gaza Strip. He stated that the difficult conditions of our people require a serious stance by the Palestinian leadership to adopt policies and measures that enjoy greater transparency and justice, hoping that the report will contribute, through its recommendations, to assist the decision-makers in overcoming the gaps and challenges of the national integrity system.

For her part, Ms. Unni Ramboll, Deputy Head of the Norwegian Representation Office to the Palestinian Authority, stressed the importance of this report as it evaluates the challenges and positive points that influence the anti-corruption efforts as it reflects a clear picture to the donors who were not aware of the anti-corruption reality. Ramboll pointed out that this report is an excellent opportunity for the Palestinian citizen to be informed of and contribute to the fight against corruption in the absence of accountability and control. She stressed that the donor group considers the efforts paid by AMAN Coalition complete the government's willing to build strong and transparent institutions. Ramboll also pointed out to the difficult management of anti-

corruption efforts in a complex socio-political environment, calling on AMAN to continue self-capacity-building and to develop local and international relations in order to adopt new mechanisms and integrate them into the work of other Palestinian institutions in order to achieve high transparency standards.

Younes: Multiple Manifestations of Political Corruption, and Lack of Reconciliation have Led to Uncertain accountability trends

In the same context, the member of Board of Directors of AMAN Coalition in the Gaza Strip, Isam Younes, has focused on the absence of specialized anti- corruption body, which raised questions about the failure of the Legislative Council in Gaza to enforce the Anti-corruption Law and made the anti-corruption efforts scattered.

Younes, in his intervention, stressed on the manifestations of political corruption, such as the decisions made on early retirement and the dismissal of public and military employees, in addition to some government decisions that were made as punitive measures against the Gaza Strip and its people. He pointed out that there are problems affected the reality of accountability in the Gaza Strip, especially when the Consensus Government started functioning there and some civil institutions were reunified like Education and Health but some others were not yet, especially the justice sector, which has resulted in a conflict of interests and overlapping, lack clear accountability trends and increased impunity.

Younes mentioned some of the models stated in the report that fall under the mismanagement and waste of public funds in the Gaza Strip, such as the cases of the Coastal Water Company, Tal as-Sakan, compensation of employees, Gaza budget management and the lack of integrity and transparency mechanisms in such management as well as the disclosure and publication of needed reports.

2017: The Year Declining Governance Integrity

In response to a question about what is new in 2017, the Advisor of AMAN Coalition's Board of Directors, Azmi Shuaibi, said that the general feature of 2017 was a decline in the integrity of governance and management of public affairs, which was clear in a number of practices and manifestations.

The most prominent of these manifestations is the continued un-separation of powers in 2017, as well as the deteriorating situation of the justice sector this year and the weakness of the government's opposition to the President Office authority, which created a lot of opportunities for influential people to share the positions and resources.

On the other hand and as a result of the insincere efforts to end the split, the Gaza budget was politically used by the two parties to the split. The Legislative Council in Gaza announced that the revenues of Gaza are sufficient for expenditures and that the Palestinian Authority spending in Gaza does not exceed 19% of the public budget; however, the government in the West Bank said

that it spends more than 34% of the budget in Gaza. After a detailed examination of the figures, it became clear that the actual spending in Gaza is only 25% of the public budget.

Shuaibi pointed out that the year 2017 has witnessed a decline in the number of employees in the West Bank and the Gaza Strip from 156 thousand to 136 thousand after the decisions made to end the service of some and the early retirement, which came within the framework of political rivalries. On the other hand, there was a lot of talk about investigations in corruption suspicions with some senior officials. The Anti-Corruption Commission did not announce its position on these cases because of political pressures and external influence on the Commission. Such cases were not referred to the Anti-corruption Court due to compromises or because those accused officials have left the public office, including suspicion of embezzlement that occurred at the Central Military Finance Directorate.

Among other examples, Shuaibi pointed out that the Chairman of the Industrial Cities Authority was appointed in violation of regulations and decisions for a salary of USD $ 18,000. Approximately, USD $17.5 million were spent to build a presidential palace which is inappropriate with the Palestinian priorities and was then converted to a public library. In addition, the tenders of the President's office were not subject to the Public Procurement Law nor to the Higher Procurement Council.

Shuaibi concluded his speech by pointing out the absence of transparency and competition in the appointment in senior positions, ignoring the principle of equal opportunities as vacancy advertisements were not published in the newspapers, no competitions were held for appointment, the Job Description Card was not completed and the appointments were not monitored by an independent official authority neither in the West Bank nor in the Gaza Strip.

Continued Negative Public Environment Undermining the Anti- Corruption Efforts in 2017

The report has demonstrated the continued negative environment influencing the structure and work of the Palestinian National Authority (PNA), which increased the challenges against fortifying the National Integrity System. The existing occupation and its aggressive policies coupled with the continued split as well as not achieving the Palestinian reconciliation have all influenced the public life of the Palestinian citizen. The situation was worsened due to the reduction of the international funding and assistance to the Palestinian Authority and the additional decline of the role of the Legislative Council in parallel with the weak role of the judiciary, oversight on public funds and public affairs, slow implementation of sectoral strategies and the national policy agenda that were announced by the government, the government's self-closure and its weak involvement of civil society organizations which reflected the reluctant political will to fight corruption. These and other situations have been reflected in the deterioration of the economic conditions of citizens, especially in the Gaza Strip, which led to the spread of corruption in food, medicine and job-competition.

Positive Developments and Improvement in some Fields of National Integrity System

Despite the continued inappropriate environment to combat corruption, the report noted that the year 2017 has including some positive practices such as the government's adoption of the "National Policy Agenda" under the slogan (citizen first) as an official document committed to the principle of strengthening accountability and transparency in rationalizing the public fund and public affairs' management.

In addition, there has been an improvement in the accountability system in some aspects, the most prominent of which was the conduct of local elections in the West Bank, while Hamas was disrupted their conduct in the Gaza Strip. Furthermore, The Public Prosecutor's Office in Gaza has published the Procedural Manual for its Complaints Department staff, which regulates the reception of complaints from the public.

On the other hand, the National Integrity System has been improved in some respects, such as developing the National Civil Service Strategic Plan 2017-2022, completing the "Job Description Cards" for a number of public posts and the identifying the sensitive posts that require constant job rotation.

With regard to the principles of transparency, there was improvement in the transparency of some government websites and the content of the information and services they provide to citizens. It was also found out that most of the ministries in the West Bank and Gaza have websites that are easily accessible and available in Arabic. In terms of the public funds management, there has been an improvement in the adoption of the unified portal for social assistance to distribute aid to as many needy and poor families as possible without duplication.

Challenges Accumulated from Previous Years… and the Integrity System is still the same

Despite the improvement in some practices and procedures, numerous challenges continued to face the National Integrity System. Some of these challenges are a continuity of those existed in previous years, such as the failure of adopting the Comprehensive Anti-corruption National Plan, the detailed Rationalization and Austerity Plan, not conducting presidential, legislative elections as well as local elections in the Gaza Strip, in addition to the continued paralysis of the Legislative Council which goes side by side with a continued step back in the role of judiciary.

Chaos in Law Issuance … and Restricting the Role of the Media in Accountability

The most prominent challenges at the judiciary and legislation levels were incompleting the reform process following the Decree issued by the President to form the "National Committee for Justice Sector Development", in addition to the continued chaos and the rush to issue decree laws in the absence of the Legislative Council. Some of these decree laws were issued due to the political rivalries between the Fatah and Hamas movements in the West Bank and Gaza Strip, or due to involving personal interests of some influential people. Add to these other formal legislations and practices that limited and restricted the role of media in the accountability process.

Accumulated Unissued Reports made Real Accountability on Public Affairs Management More Difficult

The shortage of accountability was manifested in the lack of complaint units, until the end of 2017, on the websites of the Ministry of Finance and Planning and the Ministry of Foreign Affairs and Expatriates. In addition, the Ministry of Finance and Planning failed to issue regular financial reports, in particular the failure to prepare the financial statement of the public budget for the 2014 and 2015 budgets, which was negatively reflected on the process of actual accountability for what was spent and it made the way difficult to verify the extent of compliance with the laws of approved budgets.

Appointments without Transparency or Fair Competition … And Higher Salaries than the President's

Appointments in senior positions have continued without transparency or fair competition without respect to the equal opportunities principle. Recruitment ads were not published in newspapers, competitions for recruitment were not conducted, job description card was not completed and the appointments were made without the supervision of an independent official authority in the West Bank and the Gaza Strip.

The continued absence of identifying the position, salary and remuneration of heads of non-ministerial public institutions has led to deepening of the wage gap as the salaries and remunerations of some heads of these institutions were higher than the salary of the Palestinian president.

The phenomenon of employees assigned to work with Palestinian factions, national figures or non-governmental organizations and associations has continued while they continued receiving their salaries from the Ministry of Finance. In the context of poor integrity and transparency in the public service, some contracted employees have enjoyed high privileges and salaries in violation of the Contract Law and disproportionate to the average salary in Palestine.

Challenges in the Field of Transparency Represented by Segregation from the Community, Blocking Access to Information or Limited Dissemination

The integrity and Anti-corruption Report of 2017 contains details explaining the continued weakness in transparency and not abiding by its principles due to weak political will to be open up to society. For example, the Council of Ministers refused to sign the "Transparency Pledge" prepared by the Coalition of International NGOs, which states that the government should be transparent in terms of the periodic review on its compliance with the International Convention against Corruption and involving the civil society in the review processes.

The most prominent challenges to the principles of transparency were the non-issuance of Access to Information Law and the National Archive Law, the continued blocking of public agreements signed on behalf of the Palestinians, in addition to blocking some information and decisions or not publishing them in a timely manner, such as the suspension of publishing the

Cabinet decisions through its electronic page since April 2017. The limited dissemination of public information via the websites of some official bodies has led to explicit failure to provide information on the services provided by those bodies such as the Ministry of Jerusalem Affairs, which does not have a website.

In the Gaza Strip, most of the ministries did not publish their annual reports and strategic plans. Moreover, the Financial and Administrative Audit Bureau in Gaza did not publish any audit reports on the financial statement or other oversight or annual reports due to fears that the existing regime in the Gaza Strip may use the published material in political rivalries.

Public Expenditures not Commensurate with the Priorities of a People under Occupation Reflected Poor Management of Public Funds

At the level of public funds management, reluctance to implement rationalization and austerity plans and policies led to the emergence of public expenditures that were not commensurate with the priorities of a people under occupation, such as rental, purchase and construction of new government premises, building the Presidential Palace and its transformation into a public library and paying the salaries and allowances to the staff of a non-existent airline. In the Gaza Strip, there were several practices that reflected the deterioration in the management of public funds, such as the allocation of state land in the historic Tal As-Sakan district as compensation for employees as well as the waste of public funds in the Coastal Water Company.

The rationalization plan has also faced challenges represented by the structure of the security sector, resisting the rotation and transformation of extra security apparatuses affiliates to other bodies, besides the problems related to the work of the Central Military Finance Directorate.

430 Complaints and Reports to the Anti-Corruption Commission… Only 9% of them were referred to the Prosecution

With regard to corruption cases in 2017, the Anti-Corruption Commission has received 430 reports and complaints (up to 6/12/2017). The Anti- Corruption Prosecution has followed up 38 cases of them representing 9% of all cases brought to the Anti-Corruption Commission, The prosecution has referred 21 cases to the Corruption Crime Court and dealt with 42 cases from previous years.

Custom Exemptions were granted in Violation of Law… and Corruption Suspicions in selling ecclesiastical lands as well as in the Palestine General Federation of Trade Unions

The report has monitored corruption cases during the year, including: granting custom exemptions to purchase cars for influential people in violation of law as a form of favoritism among individuals close to the political class. Official complaints were filed to the Attorney General on suspicions of financial and administrative corruption in selling the lands of the Orthodox Church. The phenomenon of corruption continued also on the crossings on the Gaza Strip, and there were some cases of embezzlement in the community institutions sector, in addition to a suspicion of corruption in the Palestine General Federation of Trade Unions.

Economic crimes also continued to be committed in the West Bank and the Gaza Strip. Such crimes were announced by the Ministry of National Economy and the Customs Authority with regard to daily seizure of products unsuitable for human use. This phenomenon was proved ineffective due to the dispersion of efforts since there is no unified competent authority in this issue. In addition, the penal sentences are mostly not deterring the perpetrators of such crimes and violations. The names of goods and people involved are also not being published otherwise those people could be punished societally.

Cases are under the Spotlight: Oversight on Public Service, Public Procurement Council, Medical Errors and Security Sector Structure

The report highlighted some of the issues for their importance which requires immediate follow-up. These issues are represented by the weak monitoring and accountability on public services run by the private sector, such as the weak role of the "Electricity and Water Sector Regulation Council", not establishing the "Telecommunications Regulatory Commission" and the continued failure to enable the "Public Procurement Policy Council" to monitor and supervise all tenders for public works and procurement.

The report also pointed to the failure of adopting the Health Insurance Bylaws and Accountability for Medical Errors Bylaws, which resulted in weak accountability for medical errors and the collapse of the "Palestinian Health Insurance System" and caused damage to the health budget. In addition, the report showed a continued shortcomings security apparatuses represented by the increase in the number of officers, which has negatively affected the ability of the security apparatuses to perform their duties, since the soldiers and lower ranks of officers are the backbone of the work and implementation of duties. The high number of officers also constitutes a burden on the public budget and causes the inflation of the security apparatuses payroll bill.

Recommendations aim at Enhancing the Integrity of Government, Transparency and Accountability in Public Funds Management, and Unifying the Anti- Corruption Efforts

In the light of the above mentioned, the report has made a number of recommendations at different levels. In terms of **enhancing the integrity of governance and public administration of the government**, AMAN Coalition has asked in its annual report all political parties in the West Bank and the Gaza Strip to end the split as quick as possible, empower the National Consensus Government to function in the Gaza Strip and solve the pending employees' problem. It also called on Mr. President and the Palestinian Government to reactivate and revive the legislative power and to call presidential and legislative elections as soon as possible in parallel with adopting an interim plan to reform the justice system, reunify the judiciary and adopt a comprehensive national plan for "rationalizing public expenditures". The report also asked the Council of Ministers to issue and approve the Job Description Cards for the senior and special categories and to take measures to ensure the seriousness of the public sector in dealing with the Code of Conduct and the Ethics of the public service.

With regards to enhancing the transparency of public funds management, AMAN Coalition recommended the government to open the file of non-transparent financial procedures with the Israeli side which manipulates the Palestinian funds and to publish all the agreements signed by the government on behalf of the Palestinians. It also asked all official bodies to prepare and publish their reports and make them available to the public at a reasonable time and without delay. In addition it requested the Council of Ministers and the President to finalize and ratify the Right of Access to Information Law.

With regard to strengthening accountability in the management of public affairs, the report recommended the Palestinian government to consult with the concerned parties to prepare a law on excellence, competition law and monopoly-prevention law. It also recommended to form and empower regulatory and oversight councils for public services managed by the private sector; adopt financial and administrative regulations for governmental (public) non- ministerial institutions and to review the package of privileges granted to senior staff of PA institutions, which is the basis of salary gap. The report, moreover, asked the President and the government to amend the Anti-Corruption Law by stipulating the publication (disclosure) of the financial statement of the PA President, ministers, Legislative Council members and senior State officials in the Official Gazette periodically.

Finally, with regard to strengthening the anti-corruption efforts, the report stressed that the government shall adopt and approve the "Comprehensive National Cross-Sectoral Plan for Integrity and anti-corruption" and to issue the special bylaw stipulated in the Anti-Corruption Law to protect corruption whistleblowers against counter-claims and retaliatory or revenge measures. The report also recommended developing a bylaw or regulation to regulate the move of ministers, deputies and tax and customs officers to work in the private sector. Furthermore, the report stressed the importance of the government's response to the observations on Palestine Implementation of the United Nations Convention by the Implementation Review Team.