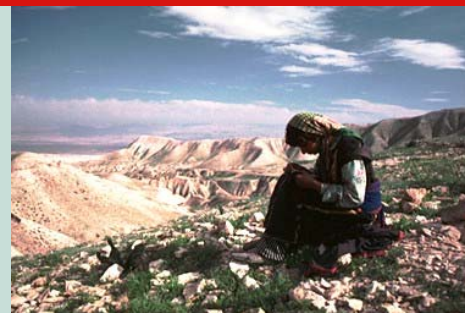




DFID Department for
International
Development



West Bank and Gaza Strip:

Comprehensive Food Security and Vulnerability Analysis (CFSVA)

January 2007

Comprehensive Food Security and Vulnerability Analysis (CFSVA)

West Bank and Gaza Strip

"Food security here is a special case.... We can be starving one day because there is no supply of food, and we can have more food than we ever need on another because we can freely fish and cultivate our lands and go to work.... Food security to us is mostly related to the political situation.... We are food secure if the Israelis leave us alone and stop trying to make our lives into a nightmare. If they do that then we can be food secure because we can earn a living, cultivate our lands, raise our animals, eat fish and import food as we desire."

A participant in a Focus Group discussion - Gaza Strip

January 2007

Food and Agriculture Organization of the United Nations

Musa Faidi Street, Sheikh Jarrah, East Jerusalem

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FAO projects aim to revitalize the agriculture sector and build the capacity of local authorities. In WBGS, FAO has established a multi-sectoral Food Insecurity and Vulnerability Information and Mapping System (FIVIMS) with EC support. The information system integrates the collation, comparison and analysis of existing data collected from various national and international partners and responds to stakeholders' information needs in an efficient and timely manner. FIVIMS will help to identify the most nutritionally vulnerable and food insecure households and groups in the region to facilitate targeting. It will broaden the scope of assessments to determine response options addressing complex food security requirements including food aid, cash aid, employment schemes, income generating activities and social safety nets, while also strengthening the institutional capacity of Palestinian counterparts in the area of food security information, analysis and monitoring. Complementary to this project, the WBGS is participating in the EC-funded Food Security Information for Action Programme, covering 20 countries. FAO's future activities in the WBGS will focus on emergency interventions for food insecure farmers' and fisherfolk's households to help them to restart the normal cycle of production. Activities for improved livestock productivity are also planned with a focus on better feeding, health management and hygiene practices. Projects will also (i) support female-headed households in backyard production to increase food availability—also through post-harvest processing; (ii) support to small farmers in the West Bank to improve the quality of olive oil production; and (iii) assist the most vulnerable civil servants to enable them to continue or restore small-scale production activities to replace their reduced salary. In addition to interventions in the agriculture sector and coordination responsibilities such as Avian Flu response, FAO will contribute to employment generation through a joint project with the UNDP focusing on the rehabilitation of destroyed agricultural facilities and infrastructure in the Gaza Strip.

United Nations World Food Programme

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In WBGS, the WFP provides a General Food Distribution (free) to two caseloads. The first group includes "social hardship cases," which are predominantly female-headed households, widows with a large number of children, orphans, the elderly and the chronically ill. These households lack an able-bodied male breadwinner and have limited or no access to income earning opportunities, no productive or disposable assets, and have a high dependency on WFP food. They receive relief food as part of the government's special hardship programme, which combines cash and food assistance. The household ration size is based on actual household size. The second caseload assisted through General Food Distribution is comprised of vulnerable groups reliant on social institutions (orphans, social cases, disabled, sick and elderly). WFP assists 150 social institutions in the WBGS. The second modality of assistance, Food for Work or Food for Training, is utilized to support the "New Poor" which constitute 60% of WFP's caseload. These households have lost their income, assets, and livelihoods, and have a limited capacity to earn income and replenish their assets. The New Poor category includes poor farmers who have lost their agricultural produce due to inaccessibility of markets, and landless and unemployed daily wage earners who have lost jobs because of restricted movement. Fisherfolk and municipal cleaners were added to this caseload in 2006. Approximately 59% of WFP clients are in the West Bank and 41% in the Gaza Strip.

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The views expressed herein can in no way be taken to reflect the official opinion of the European Union and DFID.*

Acronyms

ACH	Accion Contra el Hambre
AI-Sahel	AI-Sahel Company for Institutional Development and Communication
CAP	Consolidated Appeal Process
DFID	UK Department for International Development
ECHO	EC Humanitarian Aid Office
FAO	United Nations Food and Agriculture Organization
FIVIMS	Food Insecurity and Vulnerability Information and Mapping System
ICRC	International Committee of the Red Cross
MAAN	Ma'an Development Network, Ramallah
MAS	Palestine Economic Policy Research Institute
MICS	Multiple Indicator Cluster Survey
MoA	Ministry of Agriculture, Palestinian Authority
MoNE	Ministry of National Economy, Palestinian Authority
MoSA	Ministry of Social Affairs, Palestinian Authority
MT	Metric Ton
NAF	Needs Analysis Framework
NIS	New Israeli Shekel
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
oPt	occupied Palestinian territories
PA	Palestinian Authority
PARC	Palestinian Agricultural Relief Committees
PCA	Principal Components Analysis
PCBS	Palestinian Central Bureau of Statistics
PECS	Palestinian Expenditure and Consumption Survey
SENAC	Strengthening Emergency Needs Assessment Capacity, a WFP project funded by ECHO
TIM	Temporary International Mechanism
UAWC	Union of Agricultural Work Committees
UNICEF	United Nations Children's Fund
UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East
WBGS	West Bank and Gaza Strip
WFP	United Nations World Food Programme
WHO	United Nations World Health Organisation

Executive Summary

Comprehensive Food Security and Vulnerability Analysis (CFSVA) 2006

Background

Since the onset of the Israeli occupation in 1967, the economy of the West Bank and Gaza Strip (WBGs) has been an “income economy” rather than a “production economy”—making the WBGs extremely vulnerable to the Israeli labour and goods market. With the beginning of the current *Intifada* in late September 2000, economic conditions have deteriorated in the WBGs as reported by FAO/WFP in the Food Security Assessment, West Bank and Gaza Strip, 2003. High population growth rates outpaced real GDP growth, leading to a steady decline in per capita GDP. This deterioration has worsened since the beginning of 2006, following the election of the Hamas government and the subsequent severing of assistance to the Palestinian Authority by the international community. The impact of such deterioration on the socio-economic situation is more acute in the Gaza Strip than the West Bank.

Stringent closure policies on the movement of goods and people in the WBGs into Israel since the outbreak of the second *Intifada* in 2000 have negatively impacted the lives of the Palestinian population. The isolation of markets, widespread unemployment, and an economic crisis are continuing to cause a serious decline in living standards. The impact of this on food security levels is less clear as people adapt their livelihood strategies in order to maintain their food intake and resort to very dynamic response mechanisms. The fundamental question of how long these viable options will remain available to people has not been answered, and the local authorities and international aid community continue to shift their intervention policies to mitigate the effects of the crisis.

Unemployment rates steadily increased, reaching an unprecedented level of 31% in mid-2002. These rates have since levelled off, but remain on the high side of 24% in the WBGs. Again, the Gaza Strip seems to be more adversely affected than the West Bank. Loss of jobs, earnings, assets and incomes sharply reduced economic access to food with real per capita income decreasing by half since 1999 and resulting in six out of ten people falling below the 2.10 USD per day poverty line in mid-2006. Various aid modalities and channels have mitigated the consumption gap for many food insecure and vulnerable households over the years. Despite growing humanitarian assistance in 2006, the underlying livelihood crisis is expected to impact long-term food security in the WBGs.

Overall, the deterioration in economic conditions, livelihoods and decline in standards of living have also led to a reduction in household expenditure, particularly in the Gaza Strip, where four out of every five families had to reduce expenditures, including food.

Rationale for CFSVA 2006

The crisis in early 2006 triggered a revived interest by humanitarian agencies and donors in food security analysis and programming. This assessment is intended to update and expand the previous analyses and to inform and facilitate a comprehensive approach to food security—including peoples’ own perceptions; socio-economic statistics; income, expenditure, and consumption statistics; food traders’ study; and a nutrition review. This food security and vulnerability assessment follows up on the Food Security Assessment conducted by FAO with WFP in 2003.

CFSVA 2006 draws on various sources of existing data being collected in the WBGs—and on some primary data collected for this assessment—so as to provide an updated overview of the current situation. The following sources and analytical approaches were selected and contributed to the results:

- Review of food security literature
- Desk review of food availability
- Desk review of nutritional data (food utilisation)
- Analysis of the Impact of Israeli Measures Survey
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2006
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2005
- Trader Survey and Market Price Analysis
- Qualitative Study to Verify Causes of Food Insecurity

Time limitations and recent political-institutional developments have constrained the studies included in the present CFSVA, which was conducted by the WFP/FAO Team to respond to the immediate demand for updated food security information, while piloting processes are expected to become sustainable in an institutionalised system.

Complementary forthcoming studies include (i) Strengthening Resilience: Food Insecurity and Local Responses to Fragmentation in the West Bank (funded under EC/FAO Food Security Information for Action Programme), to be issued in March 2007; (ii) a food consumption assessment supervised by FAO-ESSA using 2005 data, the draft of which is expected to be issued in January 2007; and, (iii) a study on social safety nets operated by/through charities and NGOs to be conducted jointly with MAS in early 2007.

Snapshot of Needs and Aid in 2006

Against the background of growing needs, international donors' aid policy has significantly changed since March 2006, as documented by the World Bank and the International Monetary Fund among others, as follows:

- overall decline in budgetary support and the PA's own fiscal resources, partially offset by ad-hoc mechanisms, including TIM, Muslim charities, and Arab funds –with increased tracking problems;
- one-off and unplanned short-term aid assistance that jeopardizes the established longer-term assistance projects by generating unwanted duplications/overlap of aid channels;
- expansion of relief aid. Emergency job creation, cash assistance and food aid programmes are well funded (through CAP), while little support is extended to sustainable livelihood protection (e.g., agriculture, income generating activities) and social welfare. Also, most donors have disengaged from policy dialogue with the PA on medium-term planning;
- targeting imbalance: while this is being addressed by the revision of refugee targeting criteria (needs/poverty based), assistance to non-refugees and the urban poor requires enhanced inter-agency coordination and possibly joint programming to adequately address growing needs; and,
- the wide international restrictions and PA isolation, triggered by the recent political developments, has led to poor harmonization between actual needs and aid policies/programmes, which should be fine-tuned to generate the intended assistance outcomes.

CFSVA Key Findings

In brief, the overall food security situation in WBGS can be depicted as follows:

- Local production does not and will not provide sufficient staple food commodities (e.g., cereals and pulses), and the food supply will always rely on imports and commercial channels. However, areas that do have agricultural potential are affected by closures (e.g., Qalqilya, Tulkarm, Jordan Valley) and isolation from urban markets (e.g., Nablus). Recently, food aid has become even more prominent as a source of food.
- Economic access to food continues to be the most significant food security concern with food price increases amidst the drastic reduction of livelihoods. Reduced cash income and low consumer purchasing power should be considered as form of "market-induced shock" to vulnerable households.
- There are increasingly distinct, and isolated "economic islands" that are the basis for the determination of market catchment areas. It would be useful to monitor these over time to gauge the potential for acute crises, given the serious structural shifts (e.g., contraction of labour market, livelihood opportunities and trade) occurring in WBGS due to the current financial and economic crisis.
- From January 2006 onwards, food prices trends in the Gaza Strip and West Bank regions seem to have diverged from one another. Food prices in the Gaza Strip increased sharply, exceeding the food CPI in the West Bank since May for the first time in the ten-year period under consideration.
- Although the analysis indicates that movement restrictions, as proxied here by days of closure in the WBGS and the closure of the Karni crossing into the Gaza Strip, are not

directly correlated with food CPI, they are highly correlated with transport CPI. Progress in the implementation of the 2005 Access and Movement Accords would significantly reduce transportation costs.

- Most traders surveyed indicated that they: (i) had to stretch their credit lines both with their suppliers and customers; (ii) do not deal with products originating from food aid programs; and, (iii) rely on commodities from within their own governorates or neighbouring governorates. However, a significant percentage relies on commodities from outside their governorates, especially from Israel.
- In general, traders said that fluctuations in international prices, high fuel prices, and the higher costs of transport, have all exerted an upward pressure on prices. On the other hand, inflow of Israeli products into the Palestinian markets, the restriction of traders from other markets, including those in Israel or the West Bank or Gaza Strip, as well as the withholding of PA salaries and economic recession since the beginning of 2006 had a dampening effect on prices. The outcome, however, has been a rise in prices, especially in the Gaza Strip, which implies that the factors increasing prices have outweighed those factors that decrease prices.
- Dietary diversity seems to be negatively affected by rising poverty levels, and changes to diet in terms of micronutrient content could have long-term consequences on the nutritional wellbeing of the population. Increased consumption of eggs/chicken meat, dairy products and red meat merits further attention. Based on the findings it seems that poultry products, milk products and possibly tubers and legumes have the greatest potential for production expansion support. In this regard the issue of import (and, allegedly dumping) of products by Israel should be treated with caution and in the right context.
- Total food consumption shrunk in 2006, whereby households resorted to reducing cash expenditures on food and increasing own production, although only to a limited extent.
- Acute food crises have not materialized in the WBGS as traditionally strong social ties tend to preclude the possibility of acute household hunger. However, food security in all areas of WBGS has declined since the 2000 *Intifada*, and most recently, due to the loss of PA income amidst growing concerns about the sustainability of Palestinians' resilience.
- The nutrition review indicated that (i) albeit slowly, chronic malnutrition is on a steadily rising trend; and, (ii) micro-nutrient deficiencies are of concern, particularly iron, iodine and Vitamins A and D.

Food Security Status

The 2006 CFSVA concluded that 34% (1,322,019) of the population of the WBGS is food secure, 20% (777,658) is marginally secure, 12% (466,595) is vulnerable to becoming food insecure and 34% (1,322,019) is food insecure. Although the 2003 FAO/WFP Food Security Assessment used a different methodology, the findings were quite similar. The 2003 study concluded that four out of ten Palestinians (40%) were food insecure and 30% more were at risk of becoming food insecure, given the conditions at that time.¹

Food Security Groups: Frequencies and Descriptors

Food Secure	Marginally Secure	Vulnerable to Food Insecurity	Food Insecure
34%	20%	12%	34%
-Households with income and consumption above \$2.2/capita/day -Households with income or consumption between \$1.6 and \$2.2/capita/day but show no decrease in total, food and non-food expenditure	-Households showing either income OR consumption above \$2.2/capita/day (not both) -Households with both income and consumption between \$1.6 and \$2.2/capita/day but show no decrease in expenditure patterns	-Households showing both income and consumption below 2.2\$/cap/day EXCEPT households showing no decrease in expenditure patterns (categorized as marginally secure)	-Households with income and consumption below 1.6\$/cap/day -Households showing decrease in total, food and non-food expenditures, including households unable to further decrease their expenditure patterns

¹ These findings are also very similar to the levels found in the 2004 WFP update of the 2003 baseline estimates: 37% food insecure, 27% vulnerable to food insecurity and 35% food secure.

While the percentages of food insecure and vulnerable people remain generally at the same levels in the 2003 Food Security Assessment and the current CFSVA, the absolute number of people in need of assistance to meet their food requirements in a sustainable manner is growing as the population increases. The large-scale assistance received by Palestinians in different modalities and through different channels is supposed to have cushioned the humanitarian impact of the livelihood crisis. Since February 2006 new population groups have become food insecure (or more food insecure) in addition to the pre-existing food insecure groups. For example, families supported by PA employees are drastically affected by the transitory suspension of salary payments. This is partially offset by allowances received through the Office of the President that are sourced from TIM and Arab donors.

It should be noted that ongoing socio-economic decline and overall de-institutionalization processes are expected to further impact food security in the coming months, in particular as structural elements including household livelihoods, trades and industries, aid coordination and streamlining, remain unaddressed.

Analysis on the food security profiles by refugee status show that the depth of food insecurity is lower among the non-refugee population than among refugees:

- Out of the total 34% of the population residing in WBGS who are classified as food insecure, food insecurity among non-refugees is 30% while it is 40% for refugees thus demonstrating that the severity of food insecurity is higher for the latter group.
- 24% of food insecure non-refugees are located in West Bank and 58% are located in the Gaza Strip. Furthermore, 40% (237,088) of those described as food insecure are highly dependent on food aid.

Food Security Classifications by Refugee Status			
	Non-Refugees	Refugees	Total
Food Insecure	30.20	39.72	34.29
Vulnerable	11.58	11.73	11.64
Marginally Secure	19.77	19.45	19.63
Food Secure	38.46	29.09	34.43
Total	100	100	100

Food security levels of refugees are likely elevated due to the fact that "refugee" is merely a status that does not necessarily dictate living standards. For example, only 34% of refugees live in camps (51% live in urban areas and 15% live in rural areas). Moreover, refugees living outside of camps have living conditions similar to non-refugees.

Analysis on the food insecurity profiles by locality type shows the following:

- Population living in camps are the most food insecure (45%);
- People most vulnerable to food insecurity are equally distributed between rural and urban areas (32% urban and 34% rural); and,
- More people than expected in urban areas have been classified as food insecure.

This indicates that urban households have similar food security profiles to rural households and cannot be deemed to be categorically more food secure. Households in refugee camps have the highest food insecurity and dependency profile.

Food Security Status According to Locality Type				
	Urban	Rural	Camp	Total
Food Insecure	31.69	34.03	44.67	34.31
Vulnerable	10.93	13.18	11.47	11.65
Marginally Secure	17.98	22.4	20.52	19.62
Food Secure	39.4	30.39	23.33	34.42
Total	100	100	100	100

The table above shows that households in rural localities are more food insecure than the household in urban localities, however, food insecurity in rural localities may be overestimated as their higher potential for own food production may not be fully reflected in this analysis.

Finally, it is worth mentioning that 46% of the Palestinian population are children (0-14 years), who are typically more vulnerable to food insecurity nutritional outcomes.

Recommendations

One third of Palestinian households are food insecure and highly dependent on assistance which is unlikely to change until the root causes related to the political sphere of their food insecurity are tackled. It should be noted that it is necessary to embed food security concerns within a broader framework that creates space for advocacy (e.g., right to food) and long-term action. However, the aforementioned poses severe challenges due to the limitations presented by the current political situation.

Within the existing context, key features of food insecurity such as livelihood crisis and cash income decline need to be addressed with a focus on economic access to food in WBGS. The findings of the present analyses provide the foundation for adequate policy responses. Subsequently, specific objectives and strategies, need to be developed in close interaction and coordination among relevant actors, both locally and internationally.

Recommendations in this report are feasible, albeit under the current political situation they can focus solely on the short- and medium-term modalities,

1. Protection of livelihoods and mitigation of poverty can take place, for example, through sustainable employment generation schemes, promotion of productive and income-generating activities, micro-enterprises, and micro-finance. Support to industries and private sector requires close policy dialogue and commitment by different stakeholders to long-term processes.

Within this framework, agriculture/fisheries-based livelihoods should be protected to maintain some strategic food production capacity in most rural families. Supporting this coping mechanism would contain escalation of humanitarian needs and caseload and help to protect entitlements to land and water resources. In particular:

- strengthening of Palestinian produce, poultry, vegetables and olive oil should be promoted and support should be provided to poor farming households to maintain productive capacity in those vibrant sectors with a commercial perspective;
- investing in the diversification of food production patterns to enhance (i) local food security against fragmentation of food systems, and (ii) the source of locally procured food aid (e.g., from farmer to the poor, complementary high value food commodities for school feeding); and,
- improving technology to increase agricultural productivity within the natural limits of land and water resources with a main focus on expanding income opportunities from agriculture by increasing production and marketing of high value crops that also are suitable for local consumption. The production capacity of all high nutritional value products (e.g., poultry products, red meat, and milk products) should be protected and expanded. This will help replace some imports with local production and will also maximize income from exports, thus providing economic access to food that cannot be produced locally. Limiting factors are market access constraints and poor consumers' purchasing power.

2. Food aid: It is recommended that food aid continue to be distributed to food insecure and highly dependent households, and that serious consideration is attributed to the rations so as to ensure optimal nutritional outcomes for people that are food aid dependent. Food aid should be targeted to urban as well as rural areas and refugee camps, as there is increasing evidence that a sector of the urban population cannot meet their food requirements.

Food aid interventions should be geared towards including:

- Productive assets creation (Food for Work) and protection of livelihoods assets base (targeted to socially-impaired and poor households);
- Support for education (school feeding) and vocational/literacy training (Food for Training);
- Protection of food consumption/nutrition levels of very poor households; and,
- Response to acute food shortages (e.g., in situations of blockades and armed conflict) through contingency planning.

Targeting criteria should be based on geographical location and level of impact of the crisis rather than on categories that relate to the beginning of the *Intifada*. While it is recognised

that some households have few assets and can be described as chronically poor and in need of assistance and welfare programmes, other households should be categorised by their livelihood sources (main sources of income) and portfolio of coping strategies. Joint school feeding initiatives to improve the energy intake and quality of food baskets among school age children while raising awareness of healthy eating habits should be promoted. Bringing fresh and dry produce to schools and institutions can enhance local food production mechanisms as well as contribute to a more diversified diet.

3. Social welfare/protection schemes operated by various governmental (e.g., MoSA) and non-governmental (religious and secular charities and NGOs) actors for the “socially marginal” and “poorest of the poor,” preventing those groups from falling into destitution and offering the young generations opportunities for education and jobs. These schemes may include:

- Direct income transfers (cash assistance, food aid);
- Vocational training; and,
- Promotion of income generating activities.

Assistance should be determined on the basis of the difference between the desired overall consumption (e.g., the relative poverty line of USD 2.10 per person per day adjusted by the household size and composition as per the MoSA Social Safety Nets Reform Programme) and the actual level of access to essential needs, which include food as a sub-component of basic needs. Furthermore, the diverse range of eligibility and targeting criteria utilised by humanitarian actors and other agencies should be reviewed in light of social equity.

4. Job creation to provide temporary employment (income support) to the unemployed and cash assistance, enhancing households’ capacity to cope with shocks and stresses, with a spin-off effect on local economies—especially if aimed at creating productive assets, such as land reclamation.

Job creation schemes can address different non-mutually exclusive requirements:

- Maintenance of urban infrastructure including roads, water schemes and other civil infrastructure thus preventing degradation and maintaining towns/camps’ appearance and standards of hygiene; and,
- Investment in the productive asset base, particularly land and water conservation and management to prevent degradation of the physical environment, which also accrues to Palestinians’ entitlements and protection of their rights.

5. Food markets and trade should be supported to (i) address traders’ vulnerabilities in the areas of credit and supply chain, and (ii) regulate food prices and affordability in order to protect the purchasing power of the poor. As there is little experience in the area of traders and market support, interventions should be carefully studied with close interaction with the private sector.

6. Inter-sectoral coordination: Strong complementarities exist among the following CAP sectors: “Job Creation and Cash Assistance”, “Agriculture”, and “Food Security.” This requires close coordination among aid agencies to find a platform for needs assessment/re-assessment and programming (e.g., definition of assistance packages, eligibility criteria and beneficiary outreach).

Massive resources are invested in the emergency field programme addressing food insecurity. For instance, the CAP 2007 appeals for USD 363 million divided as follows:

- Food Aid: \$153 million;
- Job Creation (\$154 million) + Cash Assistance (\$44 million) = \$198 million; and,
- Agriculture: \$ 12 million.

Furthermore, there is a need to guarantee social equity by adopting standard criteria and methods to determine eligibility for social programmes (packages including food aid).

On the other hand, structural food insecurity determinants should also be addressed, particularly sustainable household livelihoods, employment, human and social capital, institutionalized social transfers/welfare, and resilient institutions. As food security encompasses many sectors, a comprehensive approach is necessary to optimize the impact of aid resources in terms of both immediate causes and structural factors.

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Part I – Background and Overview

1.1 Rationale

There have been significant changes in the political and economic situation of the WBGS recently and especially in 2006. Updated information is greatly needed to inform policy development and programme planning as it relates to food security. This assessment is meant to address the demand for such information.

Also, improved information should contribute to a shared understanding of food security status and dynamics leading to improved coordination among the broad range of actors working in the food security sector, which is currently in flux. The Ministry of Agriculture has the mandate over the food security portfolio within the Palestinian Authority. However, in 2006, activity by the MoA has been negatively affected by the international aid policy change, the PA fiscal crisis and the PA labour strike in the West Bank. There is an informal Food Security Sector Working Group co-chaired by WFP and FAO that acted as the food security group during the CAP/NAF process. It aims to bring major actors in the food security sector together: UN agencies (WFP, FAO, UNRWA, etc); international NGOs such as Oxfam, CARE, ACH; Palestinian NGOs (PARC, UAWC, MAAN); and donors (e.g., EC, ECHO). There is also the formal Food Security Sector Working Group (SWG) under the umbrella of the Local Aid Coordination Secretariat (LACS) that was established in 2004. The SWG is part of the mechanism agreed upon between donors and the PA in order to better harmonize donors' actions with the Palestinian strategy as defined in the National Food Security Strategy and Action Plan, finalised in February 2006. The Palestinian Ministries of Planning and Agriculture are involved. Preparatory stakeholders meetings occurred at the end of October and November 2006. The SWG is expected to be activated in 2007, and FAO is likely to be appointed as technical advisor to the group.

This food security assessment follows up on the Comprehensive Food Security Assessment conducted by FAO with WFP in 2003.² It will provide WFP with a tool for designing beneficiaries profiles based on socio-economic indicators as well as food insecurity profiles at the governorate level in view of fine-tuning the food aid distribution strategies at the micro-level with specifically identified needs (General Food Distribution versus Food for Work/Food for Training).

In terms of other stakeholders, this assessment is intended to update and expand the previous analyses and to inform and facilitate a comprehensive approach to food security –including peoples' own perceptions; socio-economic statistics; income, expenditure, and consumption statistics; food traders' study and nutrition review.

To this end, the study draws on various quantitative and qualitative sources, both primary and secondary, to shed light on the dimensions of food security—availability, access, utilisation—and the cross-cutting dimension of stability. However, primary focus is on food access, and in particular, economic access, as analysis of the food security situation in the WBGS consistently demonstrates that economic access is the linchpin of food security for Palestinians.

Further studies are expected to complement this assessment in the near future, including a study conducted by MAS on social safety nets delivered through charities and NGOs expected in early 2007, analyses of livelihood issues using the Labour Force Survey, UNICEF's Multiple Indicator Cluster Survey (MICS) investigating nutritional status, and a food consumption assessment supervised by FAO-ESSA using 2005 PECS data, which is expected in January 2007. All these studies will contribute to determining key indicators for food security monitoring in the framework of a comprehensive and sustainable food security and vulnerability information system.

Lastly, this assessment was seen as an opportunity to pilot test new methodologies for measuring food insecurity that address the unique peculiarities of the food security situation in the WBGS, to build capacity to analyze and use food security data by local actors and other stakeholders, and to raise questions about how to better respond to food security needs given the updated data.

² FAO with WFP. (2003). *Executive Report of the Food Security Assessment*, West Bank and Gaza Strip.

1.2 Food security context and recent developments

Since the onset of the Israeli occupation in 1967, the economy of the WBGS has been an “income economy” rather than a “production economy”—making the WBGS extremely vulnerable to the Israeli labour and goods markets.³ Israel’s movement, access and trade restrictions (checkpoints, curfews, permit system, roadblocks, ongoing construction of the Barrier, denial of employment or market opportunities in Israel, land expropriation and destruction of homes and agricultural structures) undermine economic development⁴ and create food insecurity and vulnerability. Without a political resolution—and particularly removal of restrictions on movement—improvement in the humanitarian situation is unlikely and millions will remain dependent on assistance. A substantive injection of aid and social transfers has partially cushioned such decline over the years—and against the severe crisis in 2006—but aid cannot fully compensate for the loss of self-reliance. Any deterioration of the political situation will no doubt lead to a continued increase in food insecurity, vulnerability and dependence.

“We have been transformed into a non-productive nation that depends on assistance. Instead of providing food packages, assistance programmes should concentrate on establishing income generation projects such as building a bakery or a factory, among other initiatives.”

- Rural community member from Jayyous, Qalqilya Governorate

The Food Security Assessment, West Bank and Gaza Strip⁵ produced by FAO in collaboration with WFP in 2003, detailed the food security situation in the WBGS prior to 1996, from 1996 to September 2000, and after September 2000 through the production of the report in 2003. The report found that the overall political situation had deteriorated significantly in comparison with the pre-*Intifada* period, and the overall food security situation for Palestinians in the WBGS had worsened as a result. The report summarized that “...the food security situation for the Palestinian population remains poor and food insecurity is a real or constant threat for seven out of 10 Palestinians....”

Since publication of the 2003 report, and especially in 2006, the political and economic situation in the WBGS has deteriorated even further. Increased mobility restrictions,⁶ continued building of the Barrier,⁷ and the PA fiscal crisis triggered by the boycott of the PA⁸ have all put increased negative pressure on the factors that influence food security—people’s ability to work and generate a cash income, to produce food, and to purchase food.

1.3 Economic conditions affecting food security

Poverty levels are generally expressed using two different values in WBGS reflecting relative and deep or absolute poverty values. The National Commission for Poverty Alleviation set an official poverty line in 1997.⁹ It was initially derived from a “relative” concept of poverty, and is commonly referred to as “relative poverty.” It is based on the average consumption of essential goods (food, clothing, housing, housekeeping supplies, utensils and bedding, personal and health care, education and transportation) of the sixth poorest set of households. PCBS sets the relative poverty line at USD 2.20 per person per day. The poverty line has been adjusted to reflect the different consumption of families based on their composition (household size and the number of children). The relative poverty line established by PCBS for family households, beginning with 2-person households increases more or less consistently with size.

Deep or absolute poverty is a more appropriate measure in crisis periods, where subsistence is a serious concern and public resources are scarcer, as it gives a better indication regarding the potential for a humanitarian crisis. This is the sum of the food and non-food subsistence consumption levels. PCBS calculates deep or absolute poverty as USD 1.60 per person per

³ UNSCO. (October 2005). *Economic Fragmentation and Adaptation in the Rural West Bank*.

⁴ World Bank Technical Team Report. (August 15, 2006). *An Update on Palestinian Movement, Access and Trade in the West Bank and Gaza*.

⁵ FAO with WFP. (2003). *Executive Report of the Food Security Assessment, West Bank and Gaza Strip*.

⁶ See World Bank Technical Team Report. (August 15, 2006). *An Update on Palestinian Movement, Access and Trade in the West Bank and Gaza*.

⁷ OCHA. *Preliminary Analysis of the Humanitarian Implications of the April 2006 Barrier Projects*.

⁸ See United Nations Relief and Works Agency. (November 2006). *Prolonged Crisis in the Occupied Palestinian Territories: Recent Socio-Economic Impacts*.

⁹ World Bank, PCBS. (October 2004). *Deep Palestinian Poverty in the Midst of Economic Crisis*.

day¹⁰ using arbitrary cut offs that correspond to a calculation of the cost of basic needs (food, clothing and housing).

Both poverty line cut offs used in the WBGS are set above the Millennium Development Goal global cut off of USD 1 per person per day. For the purposes of this report, poverty cut offs are assumed to reflect food insecurity status as poverty determines the ability to meet the essential needs. Further, this cut-off is consistent with definitions established by the PCBS whose data is used in this report. In WBGS external assistance is factored in the analyses, as aid contributes significantly to household's cash income, through different channels and modalities.

Since the beginning of the current *Intifada* in late September 2000, economic conditions have been deteriorating in the WBGS.¹¹ Overall economic growth performance has been negligible, and at points negative. High population growth rates outpaced real GDP growth, leading to a steady decline in per capita GDP. This deterioration has worsened since the beginning of 2006 following the election of the Hamas government and the subsequent cutting of assistance to the PA by the international community.

"As a Palestinian National Authority employee, I used to be regarded as lucky. That was seven months ago. Now, my financial position is no different than the hundreds of workers who lost their jobs in Israel. In fact, I am worse off than most because I have taken a loan from the bank which I cannot repay, and the occasional salary advances that have been transferred to my bank account have been taken by the bank to repay part of my over-due instalment. The situation is extremely difficult for all of us."

- PNA employee from Kufr Ni'ma, Ramallah Governorate

Indeed, real GDP declined by about 8.9% in the second quarter of 2006 compared with the second quarter of 2005. The situation is even grimmer in the Gaza Strip than it is in the West Bank. Population growth rates in Gaza tend to be higher, per capita GDP is lower and poverty rates are higher, in conjunction with a higher number of refugees (see *Table 1.1 below*).

Table 1. 1--Main Macroeconomic Indicators in WBGS for Selected Years

Macroeconomic Indicators	1999	2002	2005	2006¹²
Real GDP (millions, US\$)	5,095	4,169.3	4,456.4	1,101.1
GDP per capita in PT (US\$)	1,687.3	1,203.4	1,268.2	305.5
Population growth rate in (PT) (%)	4.2	5	4.5	4.4
Inflation (%)	5.5	5.7	3.5	0.95
Total Palestine workforce (PT) ,000	672	708	633	621
in (WB) ,000	466	488	453	452
in (GS) ,000	205	219	180	169
Unemployment rate (PT) (%)	16.3	31	23.5	24.2
in (WB) (%)	9.6	28.2	20.3	19.1
in (GS) (%)	17	38	30.3	36.3
Poverty rate (PT)	21	60	52	56
in (WB) (%)	n.a.	55	46	43
in (GS) (%)	n.a.	70	63	80

Source: PCBS, Labour Force Survey, National Accounts (various issues), MAS Economic Monitor (various issues).

Unemployment rates increased steadily, reaching an unprecedented level of 31% in mid-2002. These rates have since levelled off, but remain on the high side of 24% (see *Figure 1.1*). Again, the Gaza Strip seems to be more negatively affected than the West Bank.

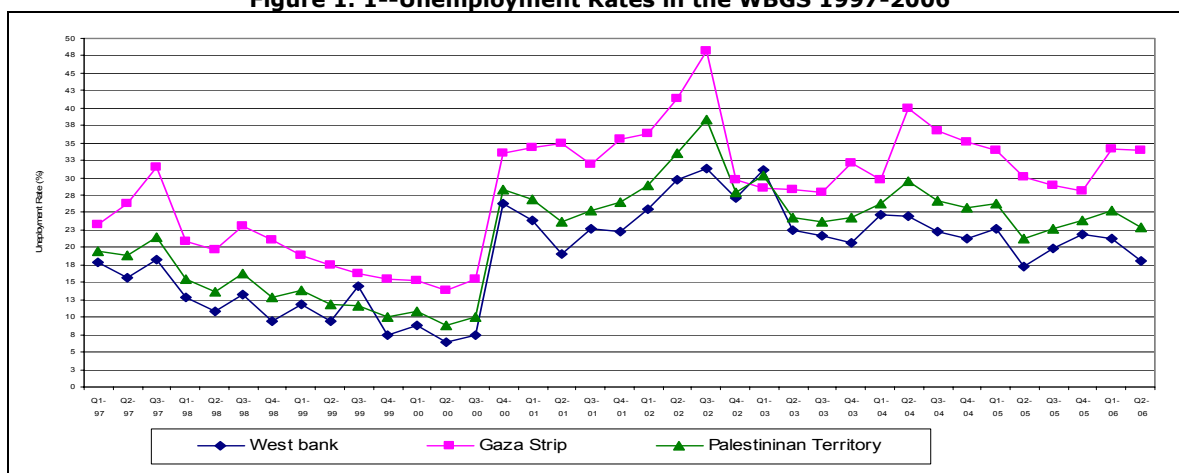
¹⁰ PCBS. (June 2006). *Poverty in the Palestinian Territories*, main findings report.

¹¹ The remainder of this section was written by Samia Al-Botmeh and Katherine Taylor. It was excerpted from *A Situation Analysis of Traders and Behaviour of Food Prices in the Context of Food Security in the West Bank and Gaza Strip*, a study commissioned by WFP from MAS in December 2006.

¹² Data for GDP, per capita GDP and the inflation rate are for the first quarter of 2006. Data on the workforce, unemployment rates and poverty rates are for the third quarter 2006.

The main reason behind the substantial increase in unemployment are the Israeli restrictions on Palestinian labourers' entry to Israel for work.¹³

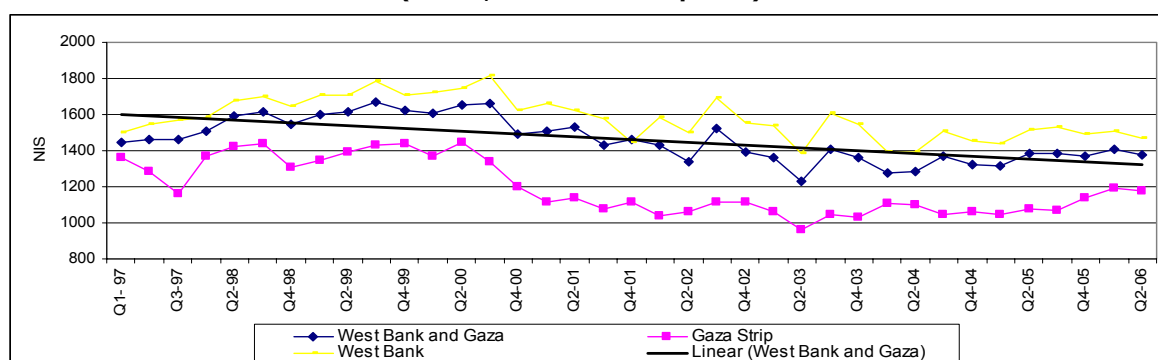
Figure 1. 1--Unemployment Rates in the WBGS 1997-2006



Source: PCBS, Labour Force Survey, various years.

Wages have also plummeted. Figure 1.2 illustrates the downward movement of monthly real wages in the WBGS. This is mainly due to the loss of employment in Israel and the consequent loss of higher wages earned there. On average, daily wages for Palestinians working in Israel and the settlements are approximately two-thirds higher than those earned in the WBGS (NIS 133 in Israel; NIS 78 in the West Bank; and NIS 69 in the Gaza Strip).¹⁴ According to the World Bank, the loss amounting to around 100,000 jobs in 2005 directly affected the welfare of 600,000 to 800,000 people, or between 18% and 24% of the WBGS population.¹⁵

**Figure 1. 2--Average Monthly Real Wages in the WBGS from 1997 – 2006
(in NIS, 1996 constant prices)**



Source: PCBS, Labour Force Survey, various years

As a result of the overall decline in economic performance in the WBGS, livelihoods are under severe strain and the standard of living has been declining as reflected by the following quote taken from Nablus:

"I can tell you stories of hundreds of cases of people I know whose businesses have closed. My neighbour is a butcher in the Old City. He used to sell 5-9 slaughtered sheep daily. After the Intifada, and with the closure and curfews, he only sells half a sheep. Now he has become obese, constantly sick and depressed."

- Resident of Nablus City, Nablus Governorate

¹³ PCBS. Labour Force Survey, third quarter 2006.

¹⁴ Figures are from the PCBS Labour Force Survey for the third quarter 2006.

¹⁵ World Bank. (September, 2006). *West Bank and Gaza Country Economic Memorandum - Growth in West Bank and Gaza: Opportunities and Constraints*, Volume 1.

The current poverty rate stands at 56% of Palestinian households in the WBGS compared to 43% in 2005 and 21% in 1999. The increase in poverty rates has been much higher in the Gaza Strip, where nearly 80% of families indicate that they are living in poverty.¹⁶

The deterioration in economic conditions, livelihoods and the decline in the standard of living have also led to a reduction in household expenditure. The following quote demonstrates the difficult conditions:

"I'm a university student. I certainly do not face the same obstacles as a merchant. I go home and have a meal ready, but I do feel with my parents. My father had a sweet factory and now he is unemployed. People stopped eating sweets as they are considered a luxury in this difficult situation."

- University student in Nablus City, Nablus Governorate

Particularly in the Gaza Strip, four out of every five families have had to reduce expenditures, including food (see table 1.2).

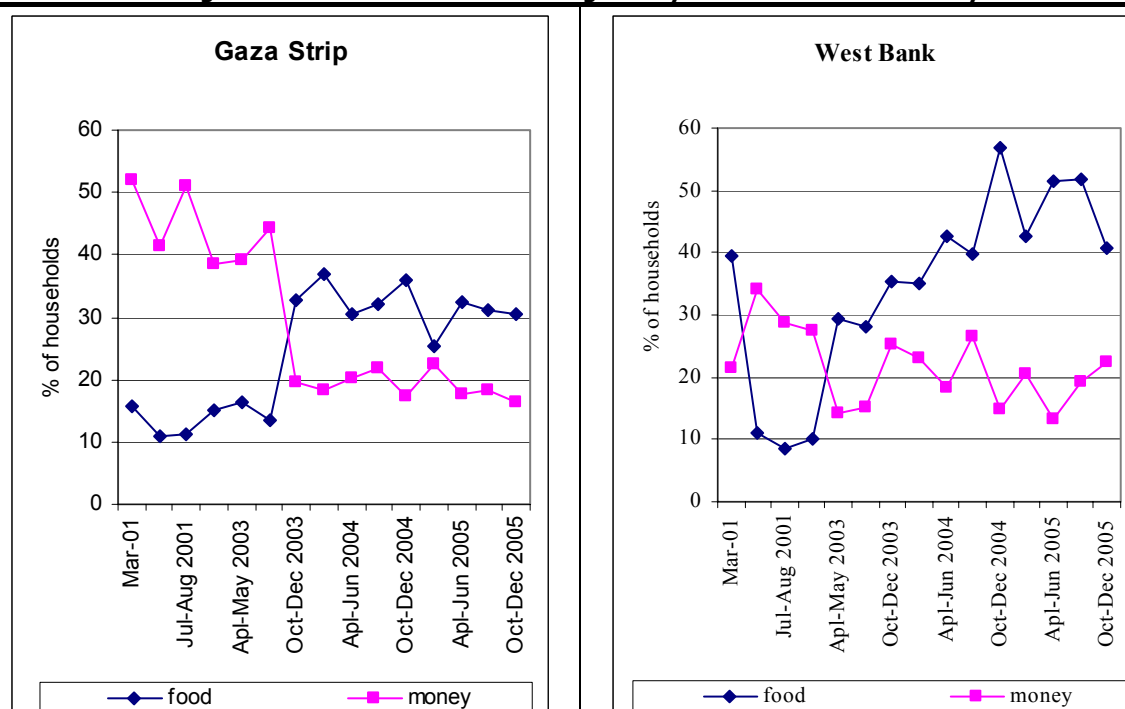
Table 1. 2--Percentage of Households Reducing their Expenditure in the WBGS

	WBGS	West Bank	Gaza Strip
Households that reduced their expenditure, fourth quarter 2005	47.8%	45.6%	52.2%
Households that reduced their expenditure, second quarter 2006	66.8%	58.2%	83.7%

Source: PCBS, Assessment of the Impact of Israeli Measures on the Economic and Social Conditions of Palestinian Households, 2005 and 2006.

In fact, there has been a switch over time in Palestinian households' priorities from March 2001 through December 2005 in both the West Bank and Gaza Strip. As Figure 1.3 (below) shows, the trend starts in March 2001 with households indicating that money is their top priority. However, in the middle of 2003, the trend reverses and households started to indicate that food represents a more pressing priority than money. Food remained a clear priority through the end of 2005 as reflected in Figure 1.3 below.

Figure 1. 3--Households Indicating Money or Food as Their Priority



Source: PCBS, Socio-Economic Conditions of Palestinian Society, various issues, 2000-2005.

¹⁶ Analysis of the PCBS Impact of Israeli Measures Survey, 2006.

"When you reach the point that you are anxious about securing food then you are food insecure."

- Refugee from Al-Jalazon Refugee Camp, Ramallah Governorate

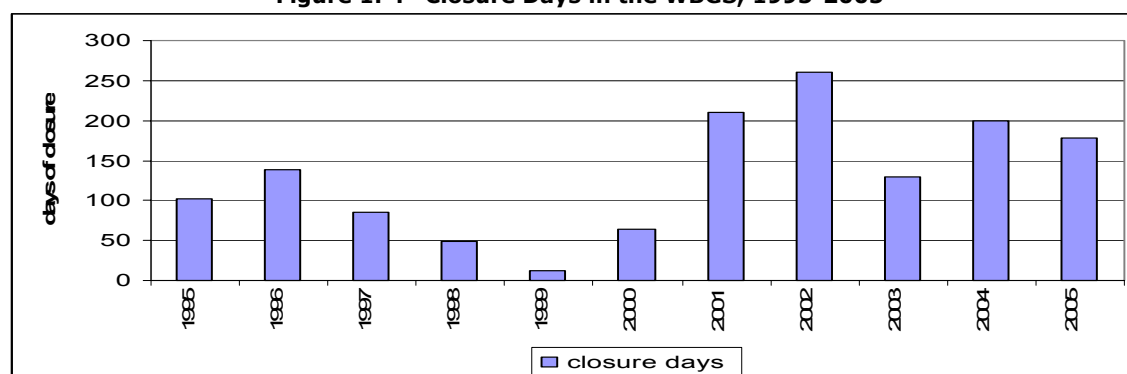
Several factors account for this deterioration in economic conditions, which has led, among other aspects, to the rise in the sense of food insecurity on the part of the population in the WBGS. The most significant factor is the system of movement restrictions imposed by Israel on the free movement of Palestinian goods and labour. These restrictions take several forms including external closures of the crossing points between Israel and the West Bank and Israel and the Gaza Strip, internal closures within the West Bank and the Barrier which restricts access from the West Bank to Israel across the Green Line. The following quote from a farmer in Kufr Ni'ma provides insight into the reality on the ground:

"In the old days, we used to cultivate our lands that are quite far from the centre of town. Now, because we cannot reach these lands, some of us are cultivating whatever lands we have next to our homes...We plant these lands with vegetables that we use for our own consumption."

- Farmer from Kufr Ni'ma, Ramallah Governorate

The Barrier also restricts access to some areas within the West Bank. Further infringements on mobility occur through flying checkpoints within the West Bank, cement blocks, curfews, and the closing of the crossing points between the West Bank and Jordan and between Gaza and Egypt.

Figure 1. 4--Closure Days in the WBGS, 1995-2005



Source: UNSCO and Ministry of Labour (1995-2005).

1.4 Needs and aid: Background and trends in 2006

In general, since 2003 aid requirements have significantly and consistently increased, along with the donor funding in the sectors directly related to food security: food, economic recovery and infrastructure, and agriculture. As the CAP reflects the assessed humanitarian needs, the table below shows the requirements and actual funding in the relevant sectors. Besides the CAP, many other agencies provide livelihood support and humanitarian assistance; however, these financing channels cannot be easily tracked.

Table 1. 3--Requirement and Funding of Consolidated Appeal Process (CAP) in WBGS (000 USD)

Year	Food		Economic Recovery and Infrastructure		Agriculture		TOTAL	
	Required	Funded	Required	Funded	Required	Funded	Required	Funded
2003	42,649	46,186	900	0	4,737	2,242	48,286	48,428
2004	82,576	43,183	113,231	18,535	5,450	2,345	201,258	64,064
2005	86,476	45,750	154,559	78,422	12,599	5,162	253,634	129,334
2006	106,628	141,408	154,254	76,150	36,897	936	297,779	218,494
2007	149,680	TBD	198,087	TBD	11,349	TBD	359,116	TBD

Source: OCHA, CAP, various years.

Food aid, in particular, benefits from better tracking. Food aid from all sources are captured in the INTERFAIS (International Food Aid Information System), which is operated by WFP. Table 1.4 (below) shows food aid in metric tons from 1996 to 2005, however, the 2005 data is incomplete. Also, there appears to be some unexplained inconsistencies between CAP and INTERFAIS data (for example, between 2003 and 2004) that should be explored.

Table 1. 4--Food Aid Delivery to WBGS from 1996-2005 (in 000 metric tons)

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
MT (00)	11.7	15.0	40.7	43.1	56.5	184.5	81.9	66.4	202.6	126+*

Source: WFP INTERFAIS (International Food Aid Information System)

(*) WFP and UNRWA distributed some 126,000 MT of food aid in 2005. Data from other sources and agencies are still incomplete.

Against the background of growing needs in 2006, aid policy has significantly changed since March, as follows:

- overall decline in budgetary support and the PA's own fiscal resources, partially offset by ad-hoc mechanisms, including TIM, Muslim charities, and Arab funds—with increased tracking problems;
- one-off and unplanned short-term aid assistance jeopardizes the established longer-term assistance projects by generating unwanted duplications/overlap of aid channels;
- expansion of relief aid. Emergency job creation, cash assistance, and food aid programmes are well funded (through CAP), while little support is extended to *sustainable* livelihood protection (e.g., agriculture, economically viable income generating activities) and social welfare. The following observation is appropriate within this context:

"When individuals invest in agriculture, for example, this will lead to long-term agricultural security and hence food security. Local self sufficiency is the key!"

- Resident of Dyuk, Jericho Governorate

Also, most donors have disengaged from policy dialogue with the PA on medium-term planning;

- targeting imbalance: while this is being addressed by the revision of refugee targeting criteria (needs/poverty based), assistance to non-refugees and the urban poor requires enhanced inter-agency coordination and possibly joint programming to adequately address growing needs; and,
- the extensive international restrictions and PA isolation, triggered by the recent political developments have led to poor harmonization between actual needs and aid policies/programmes which, in turn, should be fine-tuned to generate the intended assistance outcome.

In other words, unplanned/poorly planned and short term aid is detrimental to steadfast/equitable aid programmes, and this is exacerbated by the de-institutionalisation of longer-term planning and weakened PA coordination capacity (e.g., MoSA-implemented Social Safety Nets Reform Programme). Yet in the WBGS, all structural programmes supporting livelihoods, sustainable employment, and private sector and public sector spending have virtually halted since February 2006. As indicated by the IMF, this is causing pervasive and irreversible damage to the Palestinian economy.¹⁷

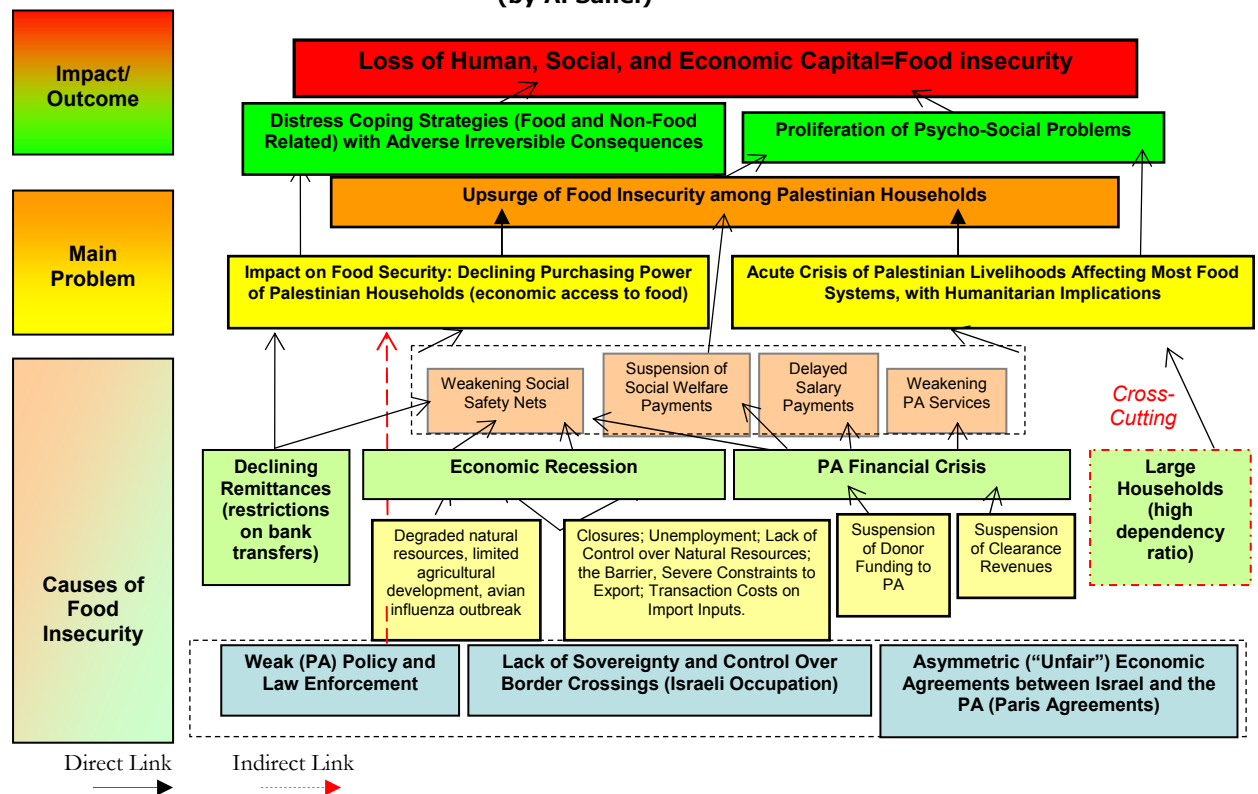
1.5 Causes of food insecurity

There is strong and consistent evidence that in the WBGS food insecurity is primarily a function of restricted economic access to food resulting from ongoing political conditions. In the framework of the qualitative study to verify causes of food insecurity (which is part of this assessment), feedback sessions with a broad range of stakeholders sought to articulate the

¹⁷ International Monetary Fund . (October 2006). *West Bank and Gaza: Recent Fiscal and Financial Developments*; and World Bank Group (September 2006). *West Bank and Gaza Update*.

complex relationships among factors influencing the unique food security situation in the WBGs. In the problem tree below, stakeholders identified the main problems as declining purchasing power and acute crisis of Palestinian livelihoods. These, in turn, were seen as the results of weak PA policy and law enforcement, lack of sovereignty and control over border crossings, and asymmetric economic agreements between Israel and the PA.

Figure 1. 5--Factors Leading to Food Insecurity as Depicted in Qualitative Feedback Sessions (by Al Sahel)



Comparing the humanitarian crisis in WBGS with other crises

In many severe humanitarian crises, both the crisis itself and the international response are time-bound. Typically, food insecurity is most prominent in agriculturally-based societies that experience chronic or acute shocks to the agricultural system, often as a result of drought or armed conflict and/or population displacement. Palestinians have however, experienced decades of chronic political crisis creating a complex middle-income society which is nonetheless extremely vulnerable to political factors.

Additionally, in most humanitarian crises, the welfare and food security baselines are extremely low and external assistance aims at enhancing/protecting the coverage of basic needs (shelter, access to services, availability of/access to food and nutrition). On the contrary, Palestinians in WBGS have been in a protracted process of losing their entitlements (e.g., education, health, social transfers) and livelihoods (e.g., job opportunities, land and water resources, trade and export) amidst a general degradation of the socio-economic condition that can itself be attributed to international policy.

In WBGS, cumulative effects of the different factors are likely to materialize into sudden, localized humanitarian crises, as growing needs for essential goods and services are met by (i) declining field delivery capacity¹⁸ and, (ii) restrictions imposed by Israel—a probable scenario in the Gaza Strip and in tight closure areas in the West Bank.

On the other hand, Palestinian society has proven extremely resilient in the past and is still banking on its social and human capital to further cushion against food insecurity. There are, of course, serious longer term implications of such adaptation, with increasing use of distress coping strategies with irreversible impact on livelihoods (e.g., sale of land, relocation of establishments overseas). Furthermore, significant per capita international aid, including food aid, is helping to contain humanitarian deterioration. However, aid policy restrictions (e.g., limited support to PA budget, private sector and livelihood programmes) are likely to exacerbate Palestinians' dependency on humanitarian assistance and postpone sustainable improvement.

¹⁸ The ability of the PA to deliver services cannot and should not be replaced by international agencies' outreach scale-up (see CAP 2007).

2.1 Objectives

This report aims to provide an updated analysis of the food security situation so as to allow for improved programming by the food security sector in WBGS. The last joint FAO/WFP food security report was issued in 2003¹⁹ and significant changes in the political and economic scene—despite the substantial increase in the delivery of humanitarian aid—are likely to have exacerbated an already precarious food security situation for many Palestinian families. This study aims to draw on the various sources of existing data being collected in the WBGS—and on some primary data collected for this assessment—so as to give an updated overview of the current situation. More specifically, the objectives are to:

- analyse the food security situation in the WBGS so as to identify the location, livelihood systems and coping strategies and key risks faced by groups experiencing and vulnerable to food insecurity so as to improve programming options in the food security sector.
- improve the depth, scope and availability of country reports and datasets (numerical and spatial) for detailed secondary data analysis as part of the SENAC and FIVIMS initiatives.²⁰

Information gaps will be further analysed at the local level in the ongoing food system fragmentation study entitled *Strengthening Resilience: Food Insecurity and Local Responses to Fragmentation in the West Bank* (funding under EC/FAO Food Security Information for Action Programme). Complementary studies include (i) a food consumption assessment supervised by FAO-ESSA using 2005 data, the draft of which is expected to be issued in January 2007, and (ii) a study on social safety nets operated by/through charities and NGOs to be conducted by MAS in early 2007.

The findings of this and additional studies will provide needed information to design and institutionalize the forthcoming Food Security Monitoring System for WBGS, an initiative co-led by FAO and WFP, by identifying key food security indicators to be monitored in the short-, medium- and long-term.

For WFP the findings will assist in the formulation of the 2007-2009 Protracted Relief and Recovery Operation (PRRO) by helping to identify characteristics and locations of the “hungry poor” as well as identifying the underlying causes of food insecurity so as to establish a more targeted role for food assistance.

The workplan, methodology and preliminary findings of this assessment have been systematically shared with all stakeholders, in order to establish a common understanding of food insecurity and contribute to harmonising response programmes. On the basis of this assessment and complementary studies, such consultations are expected to continue, involving Palestinian and international stakeholders in action-oriented review and analyses.

2.2 Analytical framework

Food security is context-specific and therefore food security analysis depends on local realities. In the WBGS, food availability and stability in supply is not a problem, though the proportion of local production to imports does indicate strong dependence on imports at the aggregate level, plus dependence on Israel for access to water, land, markets and employment. Thus, the WBGS is vulnerable to closures and other mobility restrictions which may affect food trade, industries and livelihoods. Qualitative research confirmed that food is generally available and with periodic exceptions (notably in the Gaza Strip), physical access to food is not a great concern.

In the context of the WBGS food insecurity is mainly determined by livelihood vulnerabilities and their poverty outcomes. As food trade remains the main supply source for most Palestinians, this assessment includes a specific study on food traders’ vulnerabilities. Aid, through various channels, contributes to offsetting poverty outcomes by providing jobs, cash

¹⁹ FAO and WFP. (2003). *Food Security Assessment West Bank and Gaza Strip*; see also WFP. (2004). *Emergency Food Needs Assessment – 2004 Update Assessment for occupied Palestinian territories*.

²⁰ As part of WFP’s Strengthening Emergency Needs Assessment Capacity (SENAC) project funded by ECHO and FAO’s Food Insecurity and Vulnerability Information and Mapping System in WBGS (FIVIMS), funded by EuropeAid.

and food assistance. Since aid is a structural food security component, it requires further investigation to optimize its magnitude, composition and outreach.

Food consumption, the most direct measure of food security, is a complex variable that cannot be derived from a single question on a survey, and in any case must take into consideration the sources of food. Households' food consumption is sourced from purchase, own production, and food received as aid or gifts. Given the Palestinian context outlined above, this assessment determines food insecure people on the basis of their ability to purchase the food they need, i.e., food access, and more specifically, economic access to food.

Future studies will better quantify the proportion of food received through own production by locality or food insecurity group and the proportion of income transfer received through aid or gifts –including food aid.

2.3 Methodology

Food security related documents from various sources consulted for this study are included in the list of references. They draw mainly on a literature review that formed part of the Needs Analysis Framework (NAF) process for the elaboration of the 2007 Consolidated Appeal Process (CAP) for the United Nations. The literature review exposed gaps in knowledge and needs for updated information, which informed the development of the methodology for this assessment. The current assessment draws on a number of studies prepared by WFP/FAO and conducted either directly or through consultants, focusing on different aspects of the food security situation. Each study is described below with its methodology and findings:

- Desk review of food availability
- Desk review of food utilisation
- Analysis of the Impact of Israeli Measures Survey
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2005
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2006
- Trader Survey and Market Price Analysis
- Qualitative Study to Verify Causes of Food Insecurity

2.3.1 Desk review of food availability

Productive capacity in the WBGS is, and will likely continue to be permanently restricted by limitations on access to land; limited access to water; the high cost of water; poor quality of water sources; limited access to fertilizers and other inputs; and, increased cost of fertilizer and other inputs.

Table 2. 1--Total Production & Consumption of Various Foods/Food Groups (Metric Tons)

Food or Food Group	Total Production 2004/05 WB	Total Production 2004/05 GS	Total Production 2004/05 WBGS	Total Consumption 2005 WB	Total Consumption 2005 GS	Total Consumption 2005 WBGS
Wheat for bread	35,324	9,396	44,720	854,707	500,739	1,355,447
Red meat	32,850	2,951	35,801	126,937	74,367	201,304
Broilers	41,863	27,227	69,090	186,800	109,439	296,240
Fish	0	1,818	1,818	68,371	40,056	108,427
Milk/ products	147,888	24,332	172,220	185,237	108,523	293,761
Eggs	26,040	10,740	36,780	30,854	18,076	48,931
Olive oil	6,532	258	6,790	8,632	5,057	13,689
Citrus and other fruits	131,303	43,790	175,093	877,291	513,970	1,391,262
Vegetables	338,891	25,5174	594,065	473,703	277,524	751,227
Tubers	41,689	55,765	97,454	193,618	113,433	307,052
Legumes	5,716	150	5,866	166,093	97,307	263,400
Honey	441	81	522	5319	3116	8435

Calculation based on data from PCBS and Palestinian Olive Oil Council.

The WBGS is dependent on imports, the availability and price of which are controlled by Israel. Further, the international market provides certain foods, such as cereals and pulses at such low prices that Palestinian production is unable to compete. The gap between total consumption and total production shown on in the table below displays a structural deficit in stable food commodities that is not likely to change.

According to FAO analysis, the total value of agricultural production in the WBGS in 2004-2005 was about USD 932 million, of which 53.1% is from plant production and 42.9% is from livestock production. There has been a slight increase in the value of agricultural production from 2000 to 2005; however given that the average annual population growth in the WBGS is 3.3%, the production increase is much lower than the increase in the demand for food commodities. Agriculture employed 16% of economically active Palestinians in 2005, compared to roughly 13% in 1999, and contributed nearly 12.5% to GDP, up from 11%.²¹ The sector has also provided work for nearly 40% of Palestinians employed in the informal sector, as well as contributed to those farmers who cultivate for subsistence farming.²²

In the chart below, the blue bar shows the percentage of total local production in relation to total local consumption reflected by the purple bar. The average annual total consumption in the years 2004/05 was calculated and used for comparison with the total production in 2004. Local production covered a portion ranging from 2% to 83% of the local consumption of the most important basic food groups. An exceptional case is olive oil, where the local production exceeded the local consumption by 164%. Local production of wheat and legumes/pulses covered only 4% and 2% respectively, i.e. that 96% of the consumed wheat and 98% of the consumed legumes are imported. Local red and broilers meat production covered only 18% and 20% of the local consumption, respectively. Local production of eggs and milk products covers most local consumption. The production capacity of all high nutritional value products should be protected and expanded.

Palestinian traders' access foreign markets through Israeli ports of entry and exit, and agricultural products are particularly affected by the unequal application of the 1994 Paris Protocol. Additional risks to Palestinian importers derive from the unpredictability of closure policies. It was estimated that the value of goods imported by Palestinian traders being held at Ashdod Port ranged from USD 600-700 million, with importers forced to pay significant demurrage fees for goods not released due to the closed Karni Crossing. Transaction costs to accommodate increased risk in shipping and documentation have increased from NIS 2,000 per container to NIS 10,000 per container.²³ These costs do not result in reduced availability of food but are reflected in reduced economic access to food. In contrast, Israeli agricultural products find it easy to enter the Palestinian market and this renders them very competitive in terms of price compared with local produce.²⁴ The export of vegetables from WBGS to Israel is about 20% of that coming into WBGS.²⁵

²¹ According to PCBS data, services absorbed nearly 35% of the labour force in 2004 compared to 28% in 1999, thus contributing 42.2% to GDP, up from 41.6%; and UNCTAD. (April 2006). *The Palestinian War-Torn Economy: Aid, Development and State Formation*. New York/Geneva.

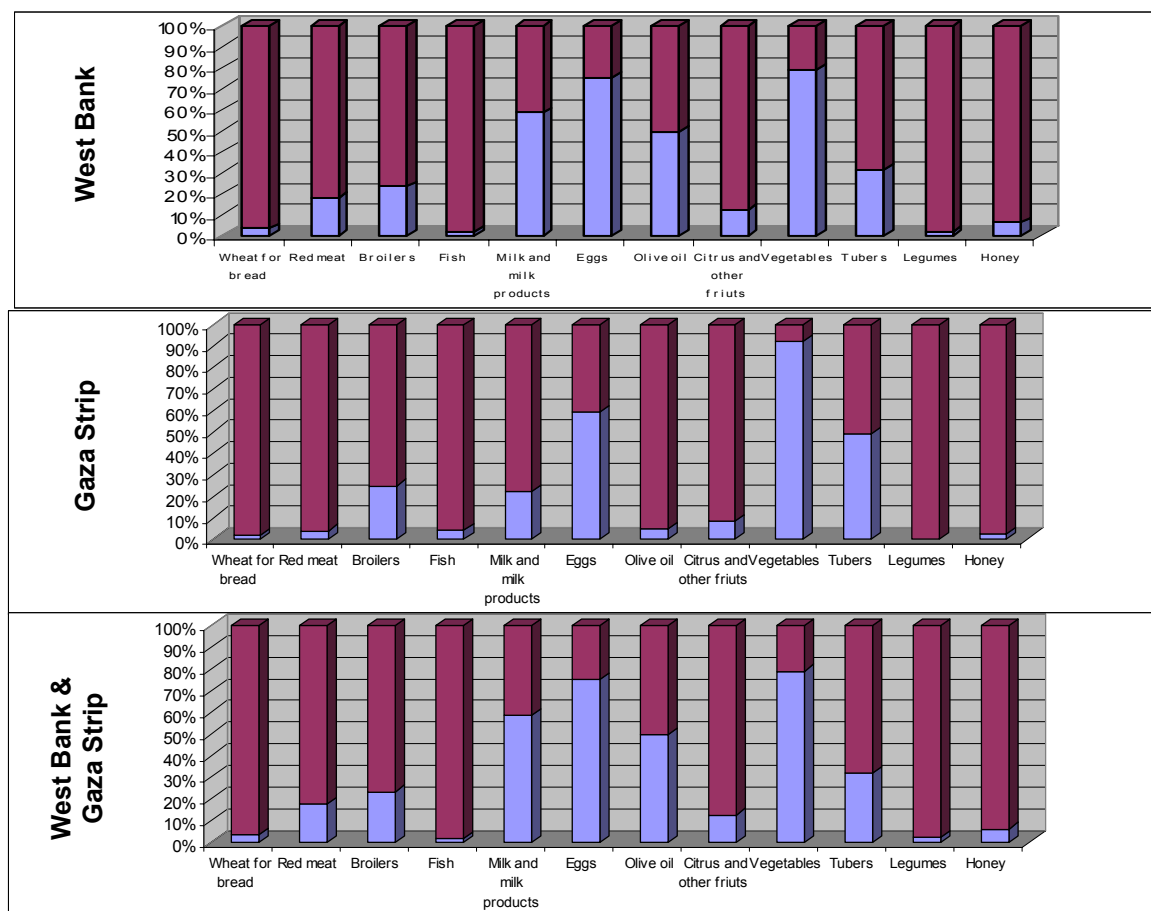
²² Ataya, Hitham. (2005). *Agriculture is a Key Pillar in the Palestinian Economy*. Palestinian Agricultural Relief Committee.

²³ See WFP Logistics Assessment Mission, Rafah and Kerem Shalom, March 2006, cited in Nyberg, J. (June 2006). *Rapid Market Analysis in WBGS Report*. WFP.

²⁴ ARIJ/Accion Contra el Hambre. (June 2006). *Study of the Israeli Market for Agricultural Products Produced in the Palestinian Territories*; p. 3.

²⁵ ARIJ/Accion Contra el Hambre. (July 2006). *The Palestinian Agricultural Marketing System: Status, Challenges and the Impact of Commercial Restrictions on Products and Socio-economic Conditions*; p 4.

Figure 2. 1--Percentage of the Total Local Production in 2004/05 (blue) in Relation to the Total Local Consumption in 2005 (purple) of Selected Food Items/ Groups in WBGS



Based on data from PCBS and Palestinian Olive Oil Council.

In addition, agricultural and food market fragmentation in the WBGS cause a situation in which even the food that is produced or imported is not evenly distributed. Thus, while overall food availability on the macro level is balanced by imports, the availability of particular foods in particular areas at particular times may be uneven.

Notably, the Avian Flu outbreak in March-April 2006 showed the multiple ramifications of a single shock throughout an entire industry. Cumulative impacts of that shock weakened the viability of the poultry sector, which is now unable to recover as farmers, traders and input suppliers are overwhelmed by contextual constraints, such as dependency on the Israeli supply chain, banking/financial crisis and marketing obstacles.

Um Ammar and her husband made their living by raising chicken on their piece of land (about 4,000 birds), which gave them an income of 9,000 NIS a month. With the Avian Flu outbreak, they culled all the birds and, as a result, still owe 50,000 NIS to their suppliers. They have rented their chicken coop to a farmer and are raising his chickens for him for about 1,200 NIS a month. Um Ammar also owes 2,000 NIS to local traders and 1,500 NIS to family members.

- Rural community, Kufur Ni'ma, Ramallah Governorate

2.3.2 Desk review of food utilisation

Various nutritional studies and assessments have been conducted during the past ten years, the most relevant being the 2004 Demographic and Health Survey conducted by the PA and PCBS and The State of Nutrition West Bank and Gaza, June 2005, published by the Ministry of Health. However, the quickly changing situation calls for an update to these nutritional

reviews. WFP is in the process of completing an MICS study (2006) that will inform possible interventions in the areas of health and nutrition. Preliminary information about outcomes is presented here.²⁶

1. Wasting: A review of data from 1996 to 2006 show that the rate of wasting declined from a high of 2.8% in 1996 to a low of 1.4 % in 2000 then increased again to 1.9% in 2004. It is important to note that although these rates are well below any emergency threshold, the rate curve seems to be on the rise. Results from the Multiple Indicator Cluster Survey (MICS) of 2006 will be critical in order to better assess the trend.

2. Stunting: The results seem to show an increase in stunting rates from 7.2% in 1996 to 7.5% in 2000 to 9.9% in 2004. This data seems to be comparable since the same methodology and sample framework has been used in the three different Demographic and Health Surveys (DHS) conducted by PCBS. Also, similar surveys conducted in the same period by Al-Quds University (2002 and 2004), Ard al-Insan, and ACF (2003), among others, seem to confirm these results. It is notable that stunting levels seems to be higher in Gaza with rates of 11% when compared to the West Bank rate of 8.6% in 2004.

3. Iron Deficiency Anemia: In all studies reviewed, Anemia seems to be one of the main public health problems in the WBGS affecting more than one-third of all children and women. The 2004 DHS shows high rates of Anemia in children of less than nine months of age with higher levels (46.5%) in Gaza when compared with 37.2% in the West Bank. Equally, children of 11 to 59 months showed levels of 37.9% and in all the other studies levels above 30% (Al Quds, 2004). Anemia among pregnant women appears at levels of 31.1% and higher levels of 34.8% in non-pregnant women. It is important to note that values of 40% or higher are considered by WHO international standards as a severe public health situation, which clearly applies to the WBGS.

4. Iodine Deficiency: A study conducted in 1997 by the Ministry of Health concluded that 14.9 % of school-age children from 8-10 years old had grade 1 and 2 goitre with the highest levels reported in Jericho and the south of the West Bank. The latest 2004 DHS survey reported that only 65.3% of households consumed iodized salt, which is an increase from figures as low as 37% in 2000. However, goitre rates above 5% are described as a severe public health problem by WHO standards and raise concerns for the WBGS that need to be further investigated.

5. Vitamin A Deficiency: A study conducted by the MARAM project (2004) found that 22% of children from 12-59 months did present some type of sub-clinical Vitamin A Deficiency with retinol levels in serum of < 200ug/l. Since levels higher than 20% are considered a severe public health problem, it is important to gather more national-level data to clearly assess the current situation.

6. Vitamin D Deficiency: The presence of Rickets seems to be a commonly-reported health problem in some areas of the WBGS. During 2003 Gaza reported more cases of Rickets than the West Bank. However since data is not available on a national level, it is very difficult to assess the situation. Vitamin D deficiency is reportedly endemic in the Middle East due perhaps to a diet high in phytic acid found in bread that is the dietary base of the region. Therefore further study is needed.

7. Breastfeeding Practices: Infant and child feeding practice are factors that directly influence child nutrition. In the WBGS a survey done in 2004 by the Ministry of Health reported that only a quarter (25.4%) of the women breastfed exclusively during the first 6 months. However, DHS data shows that more than 95% of mothers breastfed their children during the first 12 months. More accurate and current information is needed in order to inform programme planning to improve outcomes in nutrition.

8. Complementary Practices: There is some evidence that shows that mothers in general introduce unsuitable traditional foods and salty water at an early stage, while protein and iron-rich foods tend to be introduced relatively late. However, more studies are needed to properly assess these practices.

9. Mortality Rates: Infant mortality has remained low during the past decade with a rate of 25 per 1,000 during 2004 and 2000. Equally, under five mortality rates have been maintained during the past 6 years at rates around 28-29 per 1,000. Maternal mortality rates in turn have

²⁶ This section is excerpted from Cecelia Garzon. (November 2006). *Nutrition Review of the PRRO 10387.0 from 19-24, first draft,* WFP.

shown an increase during the past decade with rates of 2.5/10,000 live births in 1996 increasing to 11.0/10,000 live births in 2004 (WHO 2004).

It should be noted that nutritional status is not only determined by adequate food intake, but also by disease patterns, hygiene and care practices. The importance of the public health environment must not be underestimated. To date, food security assessments and nutrition surveys have been carried out separately; therefore, it is difficult to determine the underlying causes of malnutrition.²⁷

WHO has recently begun a nutritional surveillance system, which will, over time, provide a clearer picture of who is most at risk of malnutrition in WBGS from a public health perspective. The forthcoming Food Security Monitoring System is expected to complement information in the food dimension of malnutrition.

2.3.3 Statistical data analysis

PCBS collects and makes available official statistics on demographic, social, economic and environmental status and trends according to international standards. These datasets are considered more reliable than primary research because of the large sample size, the length of time over which the same studies have been conducted and refined, and the investment in the training of PCBS interviewers.

Three existing PCBS datasets were identified as most pertinent to a study of food security. Sampling frames for all surveys are based on the enumeration areas (EAs) selected from the Population, Housing and Establishment Census 1997. These consist of the following:

- i) Impact of Israeli Measures on the Socio-economic Conditions of Palestinian Households²⁸ (April-June 2006). This is a quarterly survey with a sample of more 8,070 households containing data on:
 - Demography (including education, marital status, relation to labour force)
 - Aid/assistance
 - Perception of the situation in the future
 - Coping strategies related to food and non-food needs
 - Income (absolute value and main activity)
 - Average monthly consumption (absolute value)
 - Relocation of family members since the start of the *Intifada*
 - Perception of situation about family life in general
- ii) Palestinian Expenditure and Consumption survey (PECS) (January-June 2006). This is an annual survey of approximately 1,300 households containing data on daily consumption and expenditure data on food and non-food items and durable goods over a calendar month per household. Data is collected on approximately 120-130 households per month and consolidated at the end of the year.
- iii) Palestinian Labour Force Survey (April-June 2006). This is a quarterly survey of 7,626 households containing data on employment, wages and livelihoods.

Time constraints only allowed for one comprehensive review. The Impact of Israeli Measures dataset from the second quarter of 2006 was deemed most complete (size of sample, quality of data, and inclusion of some consumption and labour data) for the purpose of structural socio-economic analysis. Analyses of the PECS datasets for 2005 and first semester of 2006 were also conducted. Analysis of the Labour Force Survey dataset is planned in the near future to supplement and expand on the livelihood analysis presented in this report.

Use of the PCBS datasets is also central to the FIVIMS objective to further build institutional capacity in the PA for statistical analysis and research-based programming. To this end, the survey datasets have been used in an interactive process between PCBS and FAO/WFP throughout the study.

²⁷ The analysis of nutrition-related effects and response options should particularly draw from the nutrition, health and water and sanitation sections of the NAF.

²⁸ Full questionnaire can be found at <http://www.pcbs.org>.

2.3.3.1 Analysis of the Impact of Israeli Measures dataset

The PCBS Impact of Israeli Measures dataset for April-June 2006 consisted of 8,081 households. A total of 21 households were removed from the analysis due to missing data and 17 were removed for being outliers. The final analysis is based on a sample of 8,043 households.

Table 2. 2--Sample Size Breakdown by Location, Refugee Status and Type of Location of Residence

No. of Households	WBGS	Strata		
		Gaza Strip	West Bank	
8,043	100%	34.1%	65.9%	
		Refugees	Non refugees	
		43.5%	56.5%	
		Urban	Rural	Camp
		57%	28%	15%

Selection of variables and methodological framework

The variables used to assess food security were chosen in three steps.

First, review of the 2003 Comprehensive Food Security Assessment²⁹ and qualitative information gathered for this study³⁰ confirmed macro-level analysis of aggregate data suggesting that food security in the WBGS is primarily a function of food access.

Second, the variable most related to food access is income however, due to the fact that it is usually underestimated in the household surveys, consumption³¹ was also included in the analysis.

Third, considering that the available datasets are a cross-section, the analysis is going to be static, using only income and consumption. A third variable reflecting the changing socio-economic impact of Israeli measures was added to make the model more dynamic.

Considering the multiplicity of indicators, several clustering techniques were run on the variables to identify the latent pattern of the data. The process generated three distinct clusters, with strong internal homogeneity. Characteristics of the three clusters are shown on the chart below.

Table 2. 3--Cluster Characteristics

	Cluster Characteristics				
	Decreased Total Expenditures (last 12 months)	Decreased Food Expenditures (last 12 months)	Decreased Non-food Expenditures (last 12 months)	Future ³² Financial Resources (+/- 4 months)	Average Household Size
Cluster 1: Highly Impacted	Yes	Yes	Yes	27%	6.5
Cluster 2: Moderately Impacted	Yes	No	Yes	44%	5.8
Cluster 3: Negligibly Impacted	No	No	No	51%	5.2

²⁹ Executive Report of the Food Security Assessment, West Bank and Gaza Strip, FAO with WFP, Rome, 2003.

³⁰ Al-Sahel Company for Institutional Development and Communication. (2006). Rapid Qualitative Verification Assessment in the oPt. Commissioned by WFP.

³¹ Consumption (expenditure) is often considered as a proxy for income as a more reliable variable.

³² The fourth column gives the proportions of the households that can steadfast for at least 4 months.

Each cluster represents the extent to which the household was impacted in the past 12 months. The level of impact is defined by decreases in expenditure patterns and correlated to financial steadfastness and household size.

Subsequently, a three-way cross-tabulation was performed on consumption, income (using both official thresholds: the "deep poverty rate" of \$1.6/capita/day and the "relative poverty rate" of \$2.2/capita/day) and the three clusters. This produced a decision matrix.³³ The matrix was subjected to a focus group discussion, through which local experts generated four food security groupings.

Findings of secondary data analysis

Table 2. 4--Food Security Groupings (Weighted)

Income	Clusters	Consumption			Subtotal
		less 1.6\$/c/d	1.6-2.2 \$/c/d	more 2.2\$/c/d	
Less than 1.6 \$/c/d	1	25.905%	4.914%	7.159%	37.978%
	2	2.286%	0.478%	1.258%	4.023%
	3	6.105%	1.583%	3.931%	11.619%
Subtotal		34.296%	6.976%	12.348%	53.620%
1.6-2.2 \$/c/d	1	1.213%	2.594%	2.043%	5.851%
	2	0.100%	0.386%	0.315%	0.801%
	3	0.375%	1.266%	1.021%	2.663%
Subtotal		1.689%	4.247%	3.380%	9.315%
More than 2.2 \$/c/d	1	1.803%	1.163%	11.546%	14.512%
	2	0.217%	0.151%	3.377%	3.746%
	3	0.793%	0.622%	17.405%	18.819%
Subtotal		2.813%	1.936%	32.328%	37.077%

This food security analysis sought not only to identify consumption and income poverty, but also to identify those groups most affected by Israeli measures in the past 12 months. The weighted results, presented below, show a prominent percentage of food insecure (3 groupings, 34%) and food secure households (7 groupings, 34%), with the remaining 32% of households dispersed over 17 groupings.

Key findings

Current 2006 calculations resulted in similar findings—almost 34% being food insecure and 12% being vulnerable to food insecurity. The 2003 FAO/WFP food security assessment used a different methodology but concluded that, at the time, four out of ten Palestinians (40%) were food insecure and 30% more were at risk of becoming food insecure. In May 2004 WFP updated the 2003 baseline estimates of food insecure people finding that 37% of the population³⁴ were food insecure, while a further 27% were at risk of becoming food insecure.

³³ matrix in the annexes

³⁴ Although the official population estimate is 3.8 million, based on data from other UN agencies, including UNRWA refugee statistics, WFP, uses a population estimate of 3.5 million.

The secondary analysis of PCBS data using clustering and the decision matrix (above in Table 2.6) uncovered four food security groups with the following frequencies:

Table 2. 5--Food Security Groups: Frequencies and Descriptors

Food Secure	Marginally Secure	Vulnerable to Food Insecurity	Food Insecure
34%	20%	12%	34%
-Households with income and consumption above \$2.2/capita/day -Households with income or consumption between \$1.6 and \$2.2/capita/day but show no decrease in total, food and non-food expenditures	-Households showing either income OR consumption above \$2.2/capita/day (not both) -Households with both income and consumption between \$1.6 and \$2.2/capita/day but show no decrease in expenditure patterns	-Households showing both income and consumption below 2.2\$/cap/day EXCEPT households showing no decrease in expenditure patterns (categorized as marginally secure)	-Households with income and consumption below 1.6\$/cap/day -Households showing decrease in total, food and non-food expenditures, including households unable to further decrease their expenditure patterns

Table 2. 6--Percentages of Food Security Groups by Governorate

District	Food Insecure	Vulnerable	Marginally Secure	Food Secure	Total
Jenin	22.01	11.52	25.83	40.65	100
Tubas	38.19	9.63	22.69	29.49	100
Tulkarm	29.14	9.82	31.13	29.91	100
Nablus	37.38	11.24	21.24	30.14	100
Qalqilya	28.85	12.52	24.42	34.21	100
Salfit	28.45	7.19	14.38	49.97	100
Ramallah	21.06	11.04	24.76	43.14	100
Jericho	11.83	10.1	38.13	39.94	100
Jerusalem*	23.9	8.99	17.98	49.13	100
East Jerusalem*	1.5	0	2.81	95.69	100
Bethlehem	22.09	14.19	19.24	44.48	100
Hebron	28.46	18.24	27.24	26.05	100
North Gaza	63.51	12.76	12.64	11.09	100
Gaza	51.46	11.76	15.37	21.4	100
Dee Al Balah	48.2	13.36	21.22	17.22	100
Khan Younis	53.38	11.12	12.94	22.56	100
Rafah	52.82	14.58	14.3	18.31	100
Total	34.296	11.645	19.634	34.437	100

*For analytical reasons, the Jerusalem governorate has been examined in a way to show the vulnerabilities and food insecurity in the areas east of the Barrier.

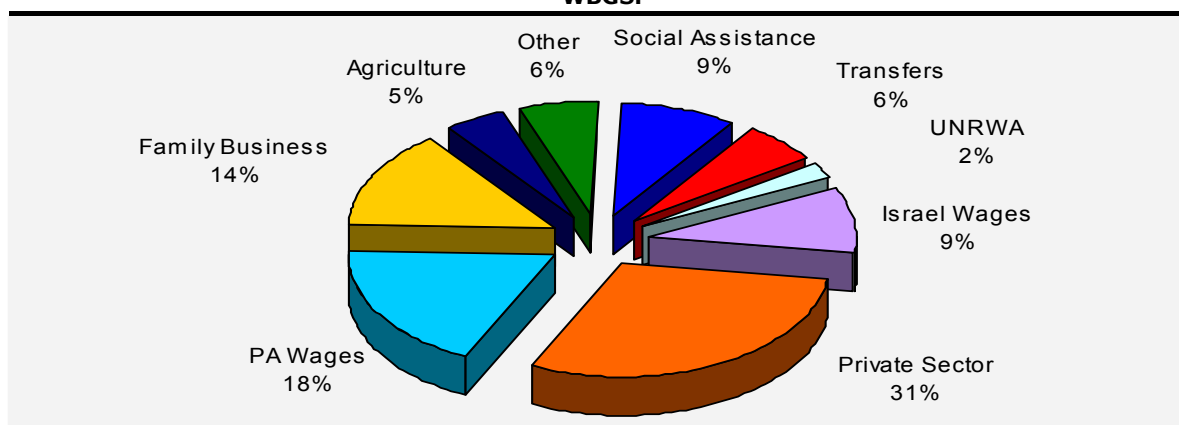
The table clearly shows the differences between the governorates in the West Bank and Gaza Strip. In the West Bank, Nablus and Tubas show the highest food insecurity levels, probably due to the closure regime. Qalqilya, Tulkarm and Salfit share similar levels and patterns among themselves. On the national level, agricultural production is negligible (around 3%), however, in Tubas and Jenin governorates it is the main source of income for 16% of the households. Due to this reason, food insecurity in these areas could be slightly overestimated (by 2-5%).

According to the findings, most people living in all five governorates in the Gaza Strip are among the most food insecure.

According to locality type, people living in camps are the most food insecure (45%) while food insecurity is equally distributed between rural and urban areas (34% and 32% respectively). This indicates that urban households have similar food security profiles to rural households and cannot be deemed to be categorically more food secure.

Table 2. 7--Food Security Status According to Locality Type

	Urban	Rural	Camp	Total
Food Insecure	31.69	34.03	44.67	34.31
Vulnerable	10.93	13.18	11.47	11.65
Marginally Secure	17.98	22.4	20.52	19.62
Food Secure	39.4	30.39	23.33	34.42
Total	100	100	100	100

Figure 2. 2-- The chart hereunder indicates the main source of income for the households in WBGS.

In contrast to the national-level income source data shown above, detailed analysis at the governorate level shows significant differences in livelihoods patterns. For example, agriculture is the main source of income for 16% of households in Jenin and Tubas and 8.5% of households depend on social assistance. More than 40% of households in Nablus and Ramallah engage in private sector activities. Households living in Gaza governorates depend in decreasing order on PA wages (29%), private sector (23%) and social assistance (16%). Further information on main sources of income and coping strategies can be made available on request for agencies' specific targeting and planning.

Limitations and areas for further investigation

"Impact" data sets reveal some weaknesses in respect to the following variables, which are very important to food security analysis:

- * Main sources of income
- * Coping strategies
- * Aid received and dependence on food aid
- * Consumption patterns and trends

Because of the qualitative nature of the 2003 Food Security Assessment (using Pairwise ranking and clustering), absolute comparisons with the current study cannot be made.

A baseline survey by the World Food Programme³⁵ provides insight into livelihoods and coping strategies of WFP beneficiaries, but does not address the larger population.

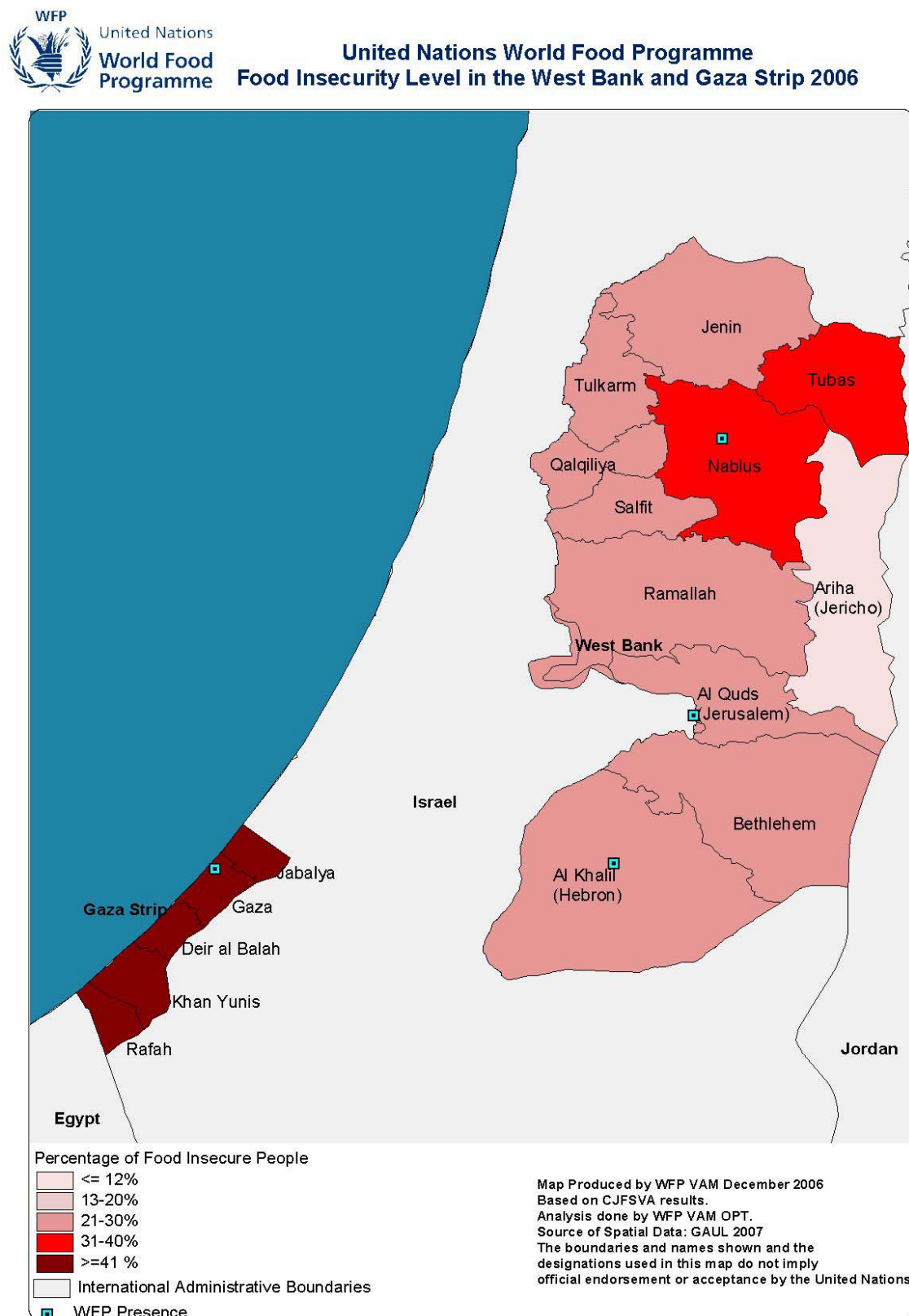
Also, comparisons should note that against a backdrop of recession in 2001-03, there was GDP growth in 2004 and 2005, though much of the gain has since been eroded in 2006. Overall, it does appear that overall food insecurity levels have remained stable as measured in the 2003 Food Security Assessment and the current CFSVA.

The similarity in food insecurity aggregate figures in the 2003 and 2006 studies—despite the dramatic deterioration in the overall economic situation in the WBGS—can be explained by Palestinians' resilience and a massive infusion of (possibly well-targeted) aid. However, since 2003 many of the then "New Poor" have shifted into the Food Insecure and Vulnerable groups

³⁵ World Food Programme. (September-November 2004). Livelihoods, shocks and coping strategies of WFP beneficiaries in the occupied Palestinian territory.

in this 2006 assessment. In other words, the “New Poor” have been unable to reverse the decline in their socio-economic status and their (supposedly transitory) poverty has evolved into a status that now appears structural/permanent. This seems to confirm that the livelihood crisis is irreversibly deepening since 2001, while its humanitarian impact is partially cushioned by social solidarity and income transfers (i.e., aid in different modalities from many sources).

Figure 2. 3--Map of Food Security Level by Governorate-Mid 2006



Parallel quantitative study

Since the development of a credible, context-specific methodology for assessing food security was a core objective of this exercise, a second quantitative study was implemented in order to test the strength of the cluster plus three-way cross tabs analysis.

Multivariate statistical analysis was used for the Impact of Israeli Measures dataset (second quarter 2006). Because food security is a multi-dimensional concept, PCA was used on 19 variables (13 active and 6 supplementary) from the Impact of Israeli Measures dataset and was followed by cluster analysis. Food security related variables were thus analysed for correlations simultaneously by group (cluster), bringing together households that share particular socio-economic patterns (profiles). The food security profiles form the basis of the food insecurity and vulnerability analysis.

PCA and cluster analysis were used to group households that share patterns of food accessibility. Households were clustered on 8 principal components, which together account for 91% of the original variance of the system. To maintain homogeneity within groups, the sampled households were initially divided into seven clusters according to mathematical criteria only.

The multivariate analysis was performed using the software ADDATI 5.2c developed by IUAV (Venice, Italy), with FAO/WFP contributions, which is the standard software used by WFP.³⁶

The PCA methodology produced results on the national level that are very comparable to those produced by the cluster plus three-way cross tabs analysis, but some significant differences did appear in certain governorates in the distribution of the population among the different food insecurity groupings. However, the team and specialists at FAO and WFP headquarters felt more comfortable with the cluster plus three-way cross tabs analysis technique.

2.3.3.2 Analysis of the Palestinian Expenditure and Consumption Survey 2006 dataset

The analysis of household consumption is based on data from the first semester of 2006 from the Palestinian Expenditure and Consumption Survey (PECS), conducted by PCBS as a pilot study. Average monthly household consumption for the two quarters of the first semester of 2006 is summarised in Table 2.10 (below).

The Palestinian household (average 6.3 persons) consumed an average of NIS 3,260 per month in nominal terms in the first semester of 2006. Of this amount, food accounted for an average of about 38% of all consumption, housing accounted for about 11%, clothing for about 5%, education for about 11%, health care for about 6%, and transportation and communications for about 10%. With an average household size of 6.3 persons, per capita monthly consumption was an average of NIS 518, which is about NIS 17 per person per day. Average per capita daily consumption was, therefore, about twice that of the deep poor in the first semester of 2006.³⁷

Notably, further analysis shows a drastic decline in household conditions between the first and second quarter of 2006. In the second quarter of 2006, the average household consumed an average of NIS 2,861 per month in nominal terms compared with NIS 3,708 in the first quarter of 2006. This means that the average monthly household consumption in the second quarter of 2006 declined by 23% compared to consumption in the first quarter, with food consumption declining by 8% and non-food consumption declining by 28%. When household size is factored into the calculation, per capita consumption declined by 12%. More specifically, per capita food consumption declined by 4% and non-food consumption declined by 15%.

³⁶ http://cidoc.iuav.it/~silvio/addati_en.html

³⁷ The estimated value of the national per capita deep poverty line stood at NIS 9.2 in the first semester of 2006 according to PCBS.

Table 2. 8--Average Monthly Household Consumption & Expenditure in WBGS (in nominal NIS)

	<i>1st Q 2006</i>	<i>2nd Q.2006</i>	<i>First semester 2006</i>	<i>Index change 1st and 2nd Quarter</i>
Sample size	299	336	635	
Household size	6.3	6.28	6.3	
Food cash expenditure	1,279.0	1,179.0	1,226.1	-7.82
Bread and cereals	208.6	187.4	197.4	-10.17
Meat and poultry	277.2	276.2	276.7	-0.39
Fish and sea products	34.3	23.1	28.4	-32.76
Dairy products and eggs	129.1	115.5	121.9	-10.55
Oil and fat	50.0	42.9	46.2	-14.36
Fruits and nuts	100.0	91.2	95.4	-8.80
Vegetables, legumes and tubers	174.4	164.9	169.3	-5.46
Sugar and confectionery	80.4	84.5	82.6	5.15
Non-alcohol beverages	47.1	53.8	50.7	14.33
Salt, spices and other food	74.9	68.7	71.6	-8.16
Take away food and meals in restaurant	102.9	70.8	85.9	-31.20
Own produced food in kind	37.9	70.8	55.3	86.93
TOTAL FOOD CONSUMPTION	1,316.9	1,249.8	1. 1,281.4	-5.09
Non-food cash expenditure	2,191.6	1,577.1	1,866.4	-28.04
Clothing and footwear	151.6	183.5	168.5	21.08
Housing	420.3	319.7	367.1	-23.94
Furniture and utensils	174.0	141.3	156.7	-18.80
Household operations	15.7	3.9	9.5	-75.40
Medical care	316.9	103.6	204.1	-67.30
Transportation and communications	380.1	267.0	320.3	-29.75
Education	146.2	106.8	125.4	-26.93
Recreation	74.0	54.7	63.8	-26.10
Personal care	105.9	81.6	93.0	-22.96
Tobacco	200.1	158.2	177.9	-20.94
Alcohol beverages	0.1	-	0.0	-100.00
Other non-food consumption expenditure	206.6	156.7	180.2	-24.15
Other than food	3.2	6.9	5.2	119.32
Estimated rent value of own dwelling	716.6	589.0	649.1	-17.81
Own produced non-food in kind	719.8	595.9	654.3	-17.21
TOTAL NON-FOOD CONSUMPTION	2,911.4	2,173.0	2,520.7	-25.36
TOTAL CONSUMPTION	4,228.3	3,422.9	3,802.1	-19.05
- Own produced food in kind	37.9	70.8	55.3	86.93
- Own produced non-food in kind	719.8	595.9	654.3	-17.21
+ Remittances in cash	13.4	17.9	15.8	33.63
+ Taxes in cash	18.0	20.1	19.1	11.35
+ Other than non-consumption expenditure	206.3	67.3	132.7	-67.39
= TOTAL CASH EXPENDITURE	3,708.3	2,861.4	3,260.2	-22.84

Source: PECS 2006, first semester

Table 2.11 (below) indicates that the percentage of the households in deep poverty increased by an estimated 43.1% between the first and second quarters of 2006. The official deep poverty rate climbed from 18.1% to 25.9%, while the share of the households in poverty increased by an estimated 26.8% as the official poverty rate climbed from 29.6% to 36.9%.

The poverty gap—the difference between the mean income among the poor and the poverty line—increased by an estimated 31.6% between the first and second quarters of 2006 as the poverty gap rate climbed from 7.9% to 10.4%, while poverty severity, i.e., the spread of poverty across the population, increased by an estimated 27.3% as the poverty severity rate climbed from 4.4% to 5.6%.

Table 2. 9--Poverty in the WBGS, First Semester 2006				
	Q1. 2006	Q2.2006	1st semest er 2006	Index change 1st and 2nd Quarter
Official poor households	29.1	36.9	33.2	26.8
Poverty gap	7.9	10.4	9.3	31.6
Deep poor households	18.1	25.9	22.2	43.4
Poverty severity	4.4	5.6	5.0	27.3

Source: PECS 2006, first semester.

Changes in poverty can be understood as changes in average consumption and changes in the distribution of the consumption across households.³⁸ In addition to the decline in average household consumption, Table 2.12 shows the changed distribution of consumption across households. The table compares the share of consumption of various groups between the first and second quarters of 2006. In the first quarter of 2006, the poorest 10% was consuming 3.1% of the total monthly household consumption, compared to 5.2% in the second quarter. Similar patterns existed for other deciles. This means that the richest appear to have been relatively more affected by the current situation in the WBGS. The results indicated that the richest 10% was consuming 19.7% in the second quarter compared to 29.3% in the first quarter of 2006. In addition, the results indicated that the ratio of the richest 10% to the poorest 10% was as follows: 4.3 in the first quarter compared to 1.6 in the second quarter of 2006.

Table 2. 10--Household Total Monthly Consumption Distribution Patterns, First Semester 2006										
Highest 10% to lowest 10%	90%	80%	70%	60%	50%	40%	30%	20%	10%	Poorest
4.3	70.7	54.2	41.7	31.1	25.5	18.4	12.3	6.8	3.1	1 st Quar.
1.6	80.5	66.5	55.9	46.1	34.2	25.8	18.7	12.0	5.2	2 nd Quar
2.7	75.4	60.1	48.5	38.2	29.6	21.9	15.4	9.3	4.1	1 st semi

2.3.3.3 Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2005 dataset

An assessment of food security based on food consumption statistics derived from the 2005 Palestinian Expenditures and Consumption Survey using the Food Security Statistics Module (FSSM) was conducted as part of FAO support to develop and institutionalise a food security information system in WBGS.³⁹ The Food Security Statistics Module (FSSM) developed by FAO-ESSA produces many statistics useful in analysing the situation of food security in the country at national and sub-national levels.

³⁸ See World Bank and PCBS. (October 2004). *Deep Poverty in the Midst of Economic Crisis*.

³⁹ Three Palestinian specialists (an MoA policy analyst, a PCBS senior statistician and a FIVIMS econometrist) underwent a one-month long on-the-job training in at FAO headquarters in Rome in November/December 2006.

PECS 2005 statistics were analyzed with respect to different sub-groups of population (location: urban/rural/refugee camps; income levels; age, sex and education level of the head of the household; size of the household; employment; and, other). The results cover the following food security aspects:

- Magnitude of food deprivation
- Food consumption and expenditures:
 - Dietary energy consumption and unit costs
 - Monetary value of food consumed and share of food consumption in total consumption expenditure
 - Share of food consumption from different sources in total consumption
- Inequality in food access due to income
- Dietary diversity and sources of calories (carbohydrates, proteins and fats)
- Food poverty

Given the great potential for a wide range of useful food security information, the FSSM applied to PECS datasets is going to be considered as a major tool for the forthcoming Food Security Monitoring System. As FSSM would require some adjustments to the PECS methodology and a significant sample size scaling up, close consultations are scheduled with PCBS, donors and other stakeholders to evaluate feasibility.

According to analysis of the 2005 PECS data, 35% of population was food insecure in 2005, with some 90% of food insecure households in the lowest income quintile (i.e., the 20% of the population with the lowest income). Approximately 50% of households in the income second lowest quintile are food insecure. Food deprivation, which can be equated with food insecurity, was higher than the national average in rural areas and refugee camps and in households with more than 7 members (51%). In addition, food deprivation was higher among households depending on income from sources other than the public sector (38% in other sectors versus 28% on public sector income) and those with basic education and lower education levels (40% compared to 24% in secondary education and above). Limited differences exist in food deprivation regionally (35% in the West Bank compared to 37% in the Gaza Strip) and by refugee status (37% among refugees compared to 34% among non refugees and unregistered refugees).

The dietary energy consumption levels mirror levels of food deprivation shown previously. Population groups with high food deprivation levels showed low dietary energy consumption. The average dietary energy consumption (average household size of 6.5 members) was 2030 kcal/person/day. It ranged from 4.6 people and 3030 kcal in households in the highest income quintile to 8.4 people and 1330 kcal in households of the lowest income quintile. The average dietary energy consumption (kcal/person/day) is 2090 in urban areas and 1970 in both rural areas and refugee camps.

The cost of the kilo-calories differed among population groups. Lower energy costs were recorded in low income households (lowest two quintiles) and those in refugee camps, indicating consumption of cheaper foods. Gazans' energy unit costs were lower than in the West Bank, reflecting the overall lower food CPI.

Food consumption in monetary terms was higher as income was higher. West Bank households spent more on food than Gazan households. In addition, higher income urban households spent more on food than higher income rural and refugee camp residents. Smaller sized households spent more than larger sized households, and households headed by people with higher education levels devoted more money to food.

The share of food monetary value to total consumption in 2005 was relatively moderate—33% of total consumption expenditures were devoted to food consumption nationwide, whereas PECS 2006 first semester figure is 38%. Share of food to total consumption was higher in the lowest income quintile (44% in 2005 and 34-37% in 2006) than in highest income quintile (26% in 2005). In addition, the share of food to total consumption was higher in the Gaza Strip compared to the West Bank, and in rural areas and refugee camps compared to urban areas. It was also higher the larger the household size.

In the PECS 2005 most of food was acquired (in energy and monetary value) through purchases and other sources (90%), followed by food acquired away from home (6%). Share

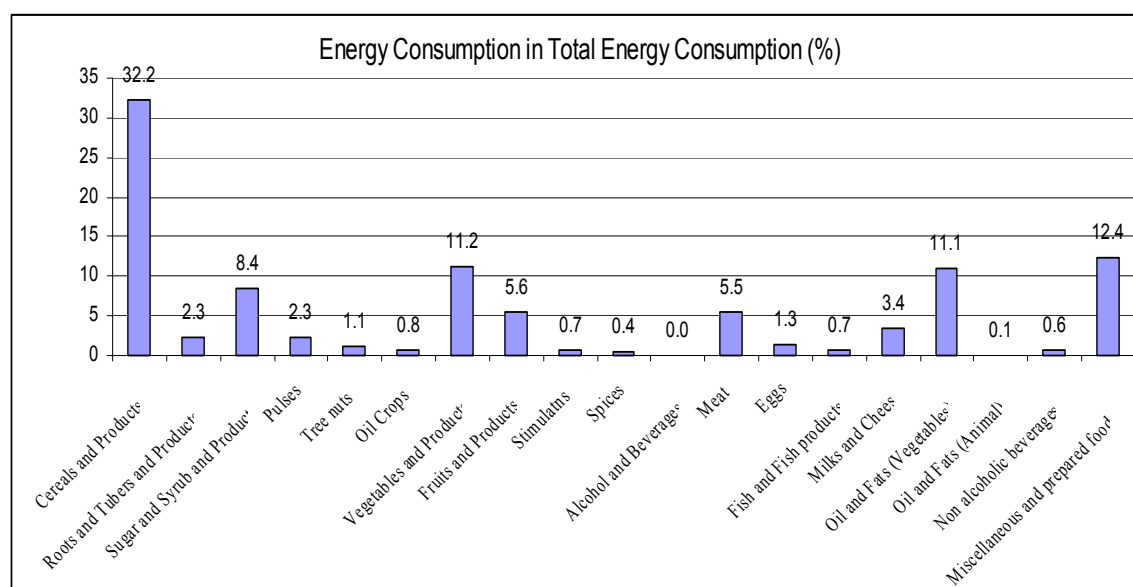
of food consumption from own production was as low as 4% in monetary and energy terms. The ratio reflects a very weak household dependence on own production and strong dependence on food purchases. The high share of purchased food in total consumption reflects high dependency on income. Share of food consumed from own production was higher in rural areas (8%) compared to urban areas (3%) and refugee camps (1%).

Food consumed away from home increased with increasing household income levels (9% in the highest quintile compared with 5% in the lowest quintile). Urban residents and refugee camp residents consumed more food away from home than rural households. Smaller households and households in the West Bank consumed more food away from home. It is worth noting that in PECS 2005, food aid and food gifts were pooled with the food purchased.

According to PECS, nationwide the highest share of total dietary energy was derived from carbohydrates, which contributed 55% of dietary energy consumed followed by fats and proteins with 33% and 11% of dietary energy consumption, respectively.

As shown in Figure 2.4 (below), dietary energy consumption relies mainly on "cereals and products" contributing 32% of total dietary energy consumption (204 g/person/day). "Vegetables and products" comes second contributing 11% of total dietary energy consumption (294 g/person/day). Meat provides 6% of total dietary energy consumption (109 g/person/day), followed by "fruits and products" contributing 5% of dietary energy consumption (183 g/person/day).

Figure 2. 4--Percentage of Energy Derived from Foods and Food Groups



Source: PECS 2005.

2.3.4 Traders survey and market price analysis⁴⁰

In order to investigate the changes to trading practices in the WBGS due to the fragmentation of markets, the Palestinian Economic Policy Research Institute (MAS) was contracted to carry out primary data collection and analysis to evaluate traders' experiences and market price fluctuations.

PCBS datasets were obtained for monthly market prices of commodities per governorate for January 1997-September 2006. Twenty-five food commodities were chosen for analysis (see Annex 4). Price trends for each commodity were mapped out and comparisons were made by geographical location, with a specific focus on differences between patterns in the WBGS. Particular attention was paid to price changes since January 2006. It is expected that more analysis on possible links between general price fluctuations and closures will be made available as a result of this study at a future date.

⁴⁰ The entire section on food trader behaviour comes from Samia Al-Botmeh and Katherine Taylor (December 2006). *A Situation Analysis of Traders and Behaviour of Food Prices in the Context of Food Insecurity in the West Bank and Gaza Strip*, a study commissioned by WFP from MAS, Ramallah.

In addition, questionnaires were designed to collect primary data from retailers and wholesalers trading in 1) meat products; 2) fresh fruits and vegetables; and, 3) other food stuffs. The questionnaires captured practices and strategies related to food trading and were analysed to identify any specific geographical vulnerabilities. Questionnaires for retailers and wholesalers were piloted and then elaborated into 12 different questionnaires specific to the type of trader (wholesaler, retailer), the type of trade (fruits and vegetables, meat products or general commodities), and their geographical location (West Bank or Gaza Strip).

A list of registered food traders was obtained from the Chamber of Commerce for the West Bank and the Gaza Strip. The selection of the type of trader and location in which to interview was based on food consumption patterns in WBGS and linked to the number of registered food traders as laid out in the table below:

Table 2. 11--Relationship of Palestinian Food Consumption Patterns to Traders Interviewed				
	Percentage Food Consumption		Number of Traders Interviewed	
	West Bank	Gaza Strip	West Bank	Gaza Strip
Meat products	12%	10%	16	7
Fresh fruits and vegetables	33%	37%	43	24
Other food stuff	55%	53%	71	34
Total	100%	100%	130	65

Source: PCBS. "Quantities of Household Consumption of Food Products in the PA, 2004-2005".

One hundred eighty-four (184) trader questionnaires were successfully completed; eleven were excluded from the analysis due to missing information. Interviews took place in all 16 governorates in September 2006. The traders interviewed represented 45% of all registered food traders in the West Bank and 88% in the Gaza Strip.

Table 2. 12--Number of Food Traders Interviewed for Survey by Type			
	Retailer	Wholesaler	TOTAL*
West Bank	69	47	106
Gaza Strip	37	31	68
TOTAL	106	78	184

Most of the questionnaires were distributed in the cities, giving less weight to other localities (refugee camps and rural areas). This is consistent with PCBS's general approach of collecting price data in cities given the fact that traders in villages and refugee camps get their supplies from the cities.

Specific attention was paid to the commodities most consumed out of the food basket in WBGS.⁴¹

2.3.4.1 Consumer Price Index (CPI) and food prices

The food category makes up 41% of the CPI consumer basket, thus changes in food prices can have a significant impact on the overall CPI. The second largest portion of the CPI (approximately 12%) is transport and communication, which affects food security by influencing food production and marketing costs.

⁴¹ Rice, sugar, flour, olive oil, *labneh*, eggs, beef, lamb, chicken, tomatoes, cucumbers, onions, potatoes and apples.

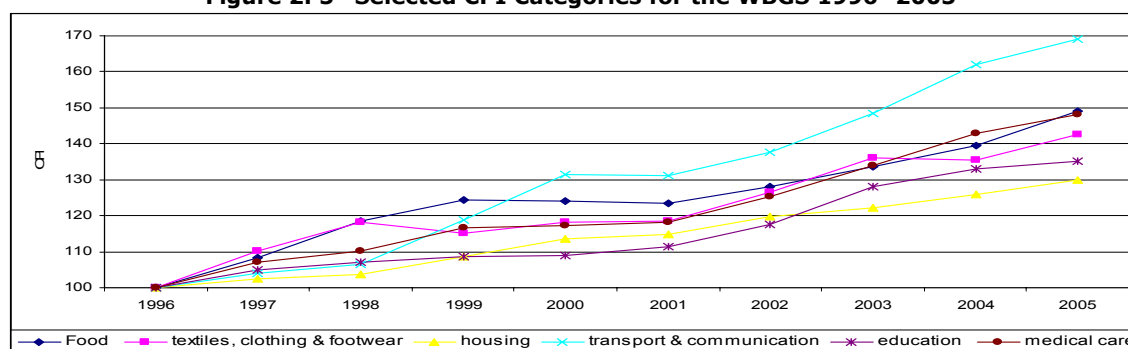
Table 2. 13--Percentages of Categories and Services Included in the Consumer Basket

Major Groups	WBGs	WB	GS
Food	41	40.26	42.9
Transport and communication	12.7	12.7	11.2
Textiles, clothing and footwear	9.5	9.7	9.4
Furniture, household goods & service	7.4	7.4	7.8
Housing	6.9	6.4	7.8
Beverages and Tobacco	6.7	6.9	6.4
Miscellaneous goods and services	5.9	6.3	5
Medical care	4.8	4.9	4.5
Education	3.9	3.9	3.4
Recreational, cultural goods & services	1.6	1.5	1.6

Source: PCBS, Household Consumption and Expenditure Survey, 1996.

As Figure 2.5 (below) shows, many of the major categories, including food, followed the same general trend as the overall CPI. However, the transportation and communication category has been increasing faster than the rest of the categories thus exerting an upward pressure on the general CPI. This is particularly true since the year 2000, which suggests that the increase may be due to the increase in Israeli restrictions since that time.

After mid-2004, the food CPI experienced greater volatility than the overall CPI. The causes for this volatility could be changes in international prices, an increase in Israeli restrictions, or the incorporation of the rise in transport costs as transaction costs in food prices.

Figure 2. 5--Selected CPI Categories for the WBGs 1996- 2005

Source: PCBS, CPI (1996-2005)

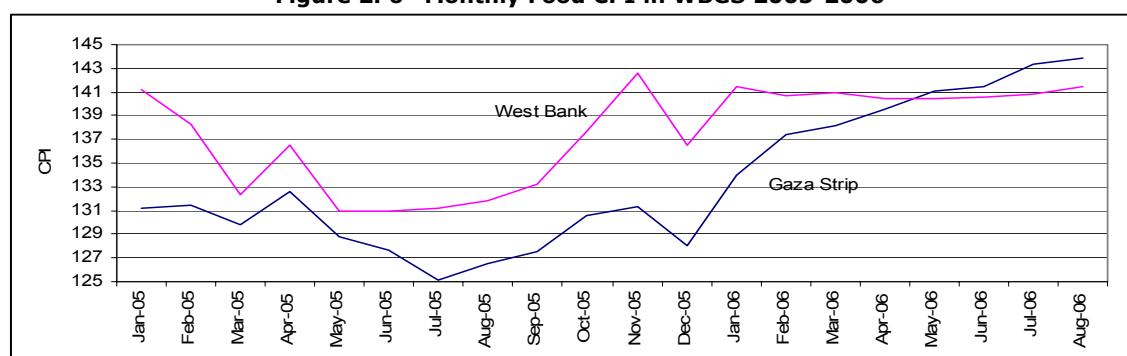
There is, however, a clear link between transport prices and days of closure in the West Bank. That, of course, adds to the cost of delivering food between various areas and must have an impact on the cost of foodstuffs.

2.3.4.2 Prices of basic commodities in the West Bank vs. Gaza Strip

When considering the West Bank and the Gaza Strip separately, fluctuations in the general and food CPIs can be categorized into three time phases: a) pre-*Intifada*, b) 2000-2005, and c) during 2006. Both the West Bank and Gaza Strip general and food CPIs followed a similar trend of steady increase with no significant fluctuations from 1997 until 2000. However, between 2000 and 2005, the West Bank experienced a more rapid increase in overall CPI than the Gaza Strip. This is mainly due to the fact that the category driving the rise in the West Bank CPI is transport, which increased substantially after 2000 as a result of the increase in Israeli restrictions. While Israel applied all sorts of internal restrictions in the Gaza Strip before its disengagement in August 2005, the extent (and logically, the number of mobility restrictions) to which food is transported in the Gaza Strip is not as extensive as in the West Bank.

Food CPI in the West Bank remained higher and more volatile than that of the Gaza Strip. Between February 2002 and April 2002, food CPI dropped considerably and overall CPI rose slightly. This may be related to Operation Defensive Shield. A second aberration was a peak in food CPI between December 2002 and February 2003.

Figure 2. 6--Monthly Food CPI in WBGS 2005-2006



Source: PCBS, CPI (2005-2006)

In 2006, and more specifically, after April 2006, there was a reversal in the levels of food CPI in the WBGS. For the first time since price data was collected in 1997, food prices in the Gaza Strip became higher than food prices in the West Bank. This period coincides with the political pressure imposed on the Palestinians following the election of the Hamas government including the closing of Karni Crossing and Israeli incursions into the Gaza Strip.

Interesting conclusions can be drawn from analysis of the different time periods. In the pre-2006 period, while the Gaza Strip had a lower food CPI, the two regions tended to follow the same pattern of rising and falling prices. Since the West Bank and Gaza Strip respectively experienced different types of closure measures (i.e., the West Bank has an internal system of closures as well as the Barrier, while the Gaza Strip experiences external closure points), we can conclude that food prices were not significantly affected by closures in either region.

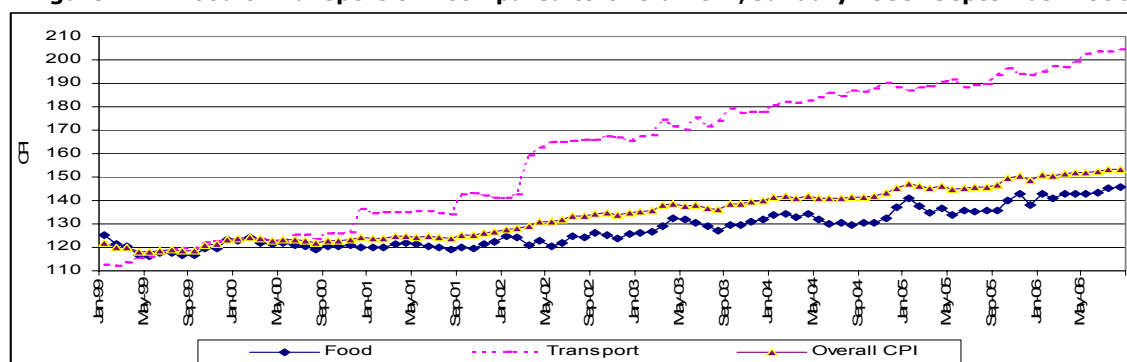
However, a different scenario arises after January 2006. From this point on, food prices in the two regions show different and unrelated patterns. Food prices in the Gaza Strip increase sharply at beginning of January and continued to do so until August 2006, exceeding the food CPI in the West Bank for the first time in the ten-year period under consideration. However, food prices in the West Bank showed a slight decline between January and May 2006, after which they began to rise again, although much more modestly than the rise in the Gaza Strip. This suggests that there were different factors affecting food prices in the Gaza Strip than in the West Bank after January 2006. The reasons for the sharp increase in food prices in the Gaza Strip are twofold. For the first time ever, Israel restricted the entry of certain food stuffs into the Gaza Strip which led to increases in the price of those food stuffs. Additionally, the continuous Israeli incursions into the Gaza Strip made it difficult to reach certain regions within the Strip, which led to further reductions in food supplies and which pushed prices up even further.

2.3.4.3 Transportation and communication CPI

The transportation and communication category of the CPI has the second greatest weight after food at 12.68% of the CPI (12.79% West Bank and 11.24% Gaza Strip). Furthermore, this category is directly linked to food security—in terms of physical and economic access to food—and to food prices as transportation relates to transaction costs.

After September 2000, the start of the second *Intifada*, transportation prices rose considerably, surpassing the overall CPI by a large margin. This increase was mainly in the West Bank, so that by August 2006, the transportation and communication CPI had reached 155.24 in the West Bank and 143.92 in the Gaza Strip.

Figure 2. 7--Food & Transport CPI Compared to Overall CPI, January 1999–September 2006



Source: PCBS, CPI (1999-2005)

2.3.4.4 Overview of food prices

Generally speaking, over the period under review (1996-2006), most food items had higher prices in the West Bank than in the Gaza Strip. However, there are notable exceptions: rice, lamb, milk, powdered milk, leban, olive oil, corn oil, and chickpeas. All those items are imported and none is produced in the Gaza Strip. After January 2006, the price patterns changed dramatically for certain items in the West Bank and Gaza Strip, including rice, flour, lamb, chicken, milk, eggs, olive oil, greenhouse tomatoes, Israeli-produced onions, chickpeas, and sugar.

To illustrate the evolution of prices over time, Table 2.16 (below) shows calculations of percentage changes in prices for each food item for September 2000, 2005 and 2006—all in relation to September 1997. The same month was chosen for comparison in order to factor out seasonal fluctuations in prices. As would be expected, different food items experienced different levels of change over the past 10 years. In the West Bank, price increases in September 2006 compared to September 1997 have been less drastic than in the Gaza Strip. In the West Bank, only the price of four items have increased by more than 50% (lemons, olive oil, beef and sugar), while in the Gaza Strip, the increase in the price of seven items exceeded 50% (apples, cucumber, flour, greenhouse tomatoes, sugar, beef, and chickpeas). Notably, massive price increases are not limited to one food category or another. With the exception of cucumbers, all food items that experienced huge increases are imported, either from Israel or abroad.

The data indicates that the prices of the 25 food items fluctuate around the average in the Gaza Strip. In the West Bank the story is different—prices of food items tend to vary according to the governorate. Prices are generally higher in the southern districts of the West Bank (Bethlehem, Jericho, and Hebron) compared to the northern districts (Jenin, Tulkarm, Qalqilya and Nablus). Within the northern governorates, Nablus and Jenin had the lowest prices. The central district of the West Bank, Ramallah, stands out as having the highest prices for every food item.

Table 2. 14--Change in Food Prices between September 2000, 2005 & 2006 vs. September 1997 (base)

	West Bank			Gaza Strip		
	Sept 2000	Sept 2005	Sept 2006	Sept 2000	Sept 2005	Sept 2006
Apples	47%	-12%	-12%	113%	32%	93%
Chicken	20%	21%	38%	-11%	2%	46%
Cucumber	55%	62%	46%	96%	110%	107%
Fish	16%	22%	43%	17%	-6%	-2%
Flour	-11%	38%	41%	-11%	44%	51%
Greenhouse Tomatoes	20%	57%	2%	-5%	27%	71%
Israeli Onions	10%	16%	40%	-46%	-46%	36%
Lamb	30%	23%	40%	28%	34%	39%
Leban	28%	22%	22%	11%	5%	5%
Lemons	15%	74%	67%	N/A	N/A	N/A
Local Onions	15%	-15%	32%	N/A	N/A	N/A
Local tomatoes	29%	58%	12%	N/A	N/A	11%
Milk	12%	20%	22%	14%	22%	39%
Olive Oil	70%	47%	64%	53%	29%	32%
Oranges	33%	N/A	14%	3%	N/A	-1%
Powdered Milk	-7%	3%	6%	-6%	-1%	-1%
Rice	-2%	32%	35%	6%	42%	37%
Sugar	-7%	21%	68%	-20%	7%	127%
Beef	15%	27%	57%	9%	21%	60%
Bread	-3%	29%	29%	-22%	0%	0%
Cheese	20%	39%	21%	N/A	-20%	-20%
Chickpeas	32%	17%	38%	30%	28%	48%
Corn Oil	16%	15%	23%	25%	27%	26%
Eggs	-2%	22%	14%	16%	44%	36%
Eggplants	22%	18%	11%	23%	37%	43%

Source: Calculations by the authors based on data provided by the PCBS.

N/A: not available because of insufficient data.

It is important to note that food prices and fuel costs have increased on the international market in this time period, and given the heavy import dependence of Israel and WBGS for basic staple foods, a percentage of food price changes in the WBGS is attributable to these global increases.⁴²

2.3.4.5 Food traders in the WBGS: A situation analysis

On the whole, although a large percentage of wholesalers rely on commodities from within their own governorates or neighbouring governorates, a significant percentage does rely on commodities transported from farther away, especially from Israel. This indicates that traders, particularly those in the West Bank, are greatly affected by movement restrictions.

⁴² WFP. (June 2006). *Market Assessment of the Occupied Palestinian Territory*.

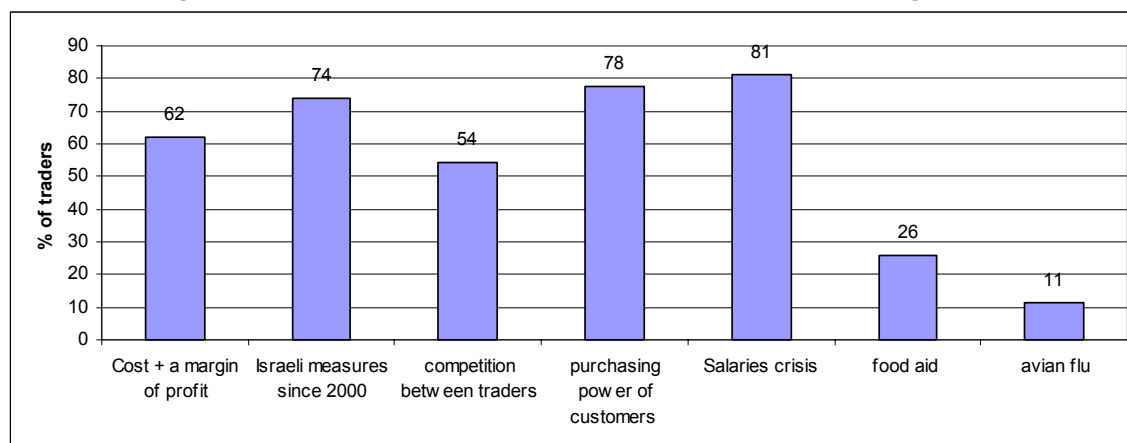
Table 2. 15--Percentage of Wholesalers Indicating Main Supply Channels for their Products⁴³		
	West Bank	Gaza Strip
From the same governorate	72	45
From neighbouring governorates	78	61
Israeli products	70	42
Imported products through Palestinian agents	9	10
Products imported directly	8	16
Imported products through Israeli agents	9	30

There used to be significant trade between the West Bank and Gaza Strip. However, only 3% of wholesalers in the West Bank surveyed noted that they trade with the Gaza Strip while only 5% of Gazan traders noted that they trade with the West Bank. The breakdown in trade (mostly fruits and vegetables) and divergence in food prices between the two areas reflect disintegration between the markets in the two areas due to Israeli restrictions.

2.3.4.6 Factors affecting prices

Traders were asked to weigh the relative importance of factors that affect their setting of prices.

Figure 2. 8--West Bank Traders' Indications of Factors Affecting Prices

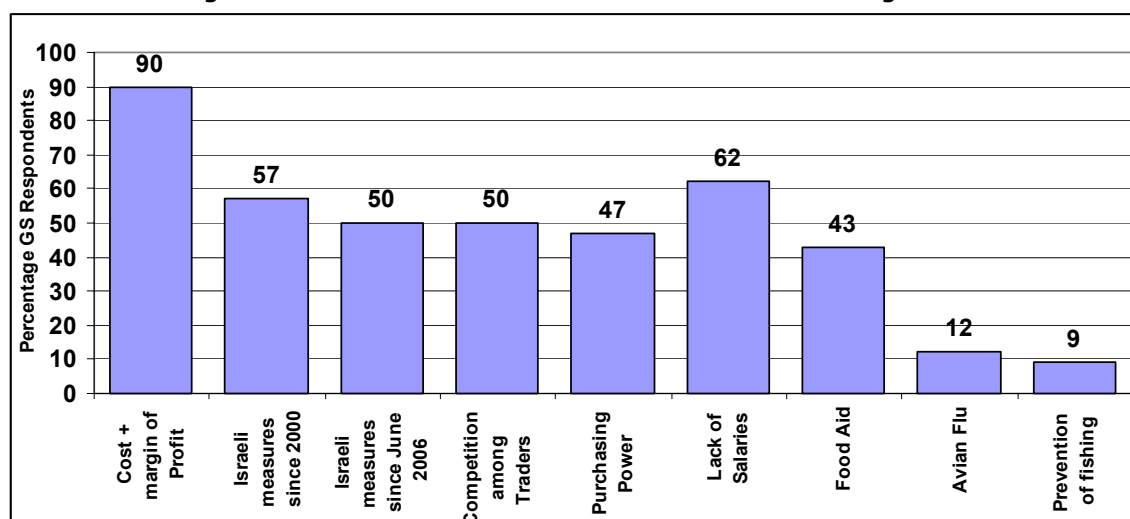


In the West Bank, the largest percentage of respondents (81%) indicated that the withholding of salaries resulting from the PA fiscal crisis had a large impact on price-setting. As would be expected, the purchasing power of consumers ranked second at 78%, as the two are linked. Furthermore, a total of 74% of West Bank respondents indicated that Israeli measures were significant in price-setting. Taken together, these top three categories indicate the extent to which traders are vulnerable to the economic conditions resulting from the prevailing political situation.

Only 62% of West Bank respondents indicated that cost and margin of profit was significant in setting prices. Once again, this indicates a level of trader vulnerability to political and economic shocks as setting prices in response to cost and a margin of profit is the most common price-setting method in normal economies.

⁴³ Traders could choose more than one option, which is why the percentages do not sum up to 100. Thus each category has to be explored separately.

Figure 2. 9--Gazan Traders' Indications of Factors Affecting Prices



Results from the Gaza Strip differed drastically from those of the West Bank. Ninety percent of Gazan respondents indicated that the cost plus a margin of profit were very important in price-setting. This indicates that traders in the Gaza Strip view the current political upheavals as persistent and therefore automatically adjust their prices accordingly. Also, more than 60% of Gazan respondents indicated that the withholding of salaries was an important factor in the setting of food prices.

2.3.4.7 Mobility restrictions and coping mechanisms

Among all traders that are affected by mobility restrictions, (72%) stated that the time needed to transport foodstuffs that they purchase from different sources has increased on average by (58%). Since the distance that is needed to transport the commodities did not change significantly, the increase in delivery time can be attributed to one type of mobility restriction or another. Consequently, the results show that the majority of traders (75%) indicated that the delivery costs for foodstuffs (from the source to their stores) have increased by (67%) on average. In other words, the cost increase is attributed to the mobility restrictions that have increased the time needed to transport foodstuffs.

In spite of the extra costs that traders bear, the majority of them (75%) said that they have not changed the sources of their products. It may be that changing the source might force the trader to incur a higher cost than the extra cost s/he incurs because of the mobility restriction. Another reason might be that the traders have developed a sort of special relationship with their sources that results in special treatment (credit, facilities and trust) considered valuable to the trader.

The traders were asked about the mechanisms they used to deal with the negative impact of the movement restrictions. Strategies included: 1) raising prices; 2) switching to buying from local suppliers; 3) switching to buying from Israeli suppliers; 4) switching to buying through Palestinian agents; 5) focusing on selling in local markets; and, 6) reducing costs.

In the West Bank, none of the mechanisms listed received more than 30% of responses, indicating that the coping mechanisms used by traders vary greatly. The method most frequently mentioned was to focus on sales within the local market (28%), while the measure ranked second was to reduce costs through the hiring of family members. Only 8% of West Bank respondents indicated that they raised prices, presumably because they have limited power to do so. Furthermore, this may help to explain the lack of correlation between stricter closure and increased prices in the West Bank. The survey results suggest that traders are finding other ways of absorbing or circumventing the added costs caused by movement restrictions rather than passing them on to the consumer. In the Gaza Strip, however, the most frequently mentioned method to deal with the negative impact of movement restrictions was to increase prices (18%) followed by switching to buying from local suppliers.

2.3.4.8 Traders' perceptions of factors affecting the fluctuation of prices

According to traders, a number of factors contribute to the changes in prices of foodstuffs in the WBGS. The results showed that 68% of traders in the WBGS indicated that the increase in the cost of transport is a major factor in rising costs and therefore rising prices. The importance of this factor is clear in the West Bank due to the type of restrictions imposed.

Table 2. 16--Percentage of Traders Indicating How Factors Increase or Decrease Costs

	WB		GS		WBGS	
	↑ costs	↓ costs	↑ costs	↓ costs	↑ costs	↓ costs
Flow of Israeli products into the Palestinian market	16.0	73.4	3.1	83.1	10.7	77.4
Closure of Israeli markets to Palestinian products	20.9	64.0	23.3	45.0	21.9	56.2
Inability to reach WB or GS markets	31.9	58.5	6.3	64.6	23.2	60.6
High freight costs (external market)	89.0	6.0	15.0	35.0	67.9	14.3
World price fluctuations	64.0	14.0	57.8	15.6	61.1	14.7
Withholding of PA salaries	21.2	60.6	10.9	67.2	17.3	63.1
Electricity and water supply cuts	33.3	45.8	39.7	34.5	37.8	37.8
High fuel prices	74.2	25.8	62.1	8.6	66.3	14.6
Restrictions on fishing	0.0	0.0	38.5	15.4	38.5	15.4
Avian Flu	0.0	0.0	25.0	50.0	23.1	46.2

Traders said that the inflow of Israeli goods into the Palestinian market increases supply and therefore pushes prices down. Closure of Israeli markets to Palestinian goods has also pushed prices down by reducing demand for Palestinian products. Traders said that fluctuations in international prices have increased prices of particular commodities. They reported that the salary crisis has also had a dampening impact on prices because consumers' purchasing power has declined. Therefore, on the whole, fluctuations in international prices, high fuel costs, and the higher costs of transport, have all exerted an upward pressure on prices. On the other hand, inflow of Israeli products into the Palestinian markets, the inability of Palestinian traders to access other markets, including those in Israel or other areas in the WBGS, as well as the withholding of salaries since the beginning of 2006 have all had a dampening effect on prices.

2.3.4.9 Impact of food aid on prices

The precise effect of the prevalence of food aid on food prices in the WBGS is not clear from this study. Past research has indicated the existence of "spot markets" in which beneficiaries sell food aid in order to buy non-food items.⁴⁴ Researchers have maintained that the downward pressure on food prices resulting from this practice "may actually help mitigate problems of declining household purchasing power for vulnerable households in which food access is the predominant concern related to food security."⁴⁵ In this study, a majority of the traders surveyed indicated that they do not deal with food aid items. None of the traders surveyed in the Gaza Strip handled items originating from food aid programs, while in the West Bank 5% of the surveyed noted that they handled such items. Most of those surveyed are from the Northern part of the West Bank.

2.3.4.10 Credit dealings with suppliers and customers

Traders reported significant changes in the way they deal with credit, both in terms of credit periods and amounts, which is an indication of the volatility of the market. They reported different credit arrangements in each of the three different time periods considered in the

⁴⁴ WFP. (June 2006). *Market Assessment of the Occupied Palestinian Territory*.

⁴⁵ WFP. (June 2006). *Market Assessment of the Occupied Palestinian Territory*.

survey (i.e., before the second *Intifada*, in December 2005 and after the January 2006 elections).

In terms of credit extended by suppliers to traders, traders surveyed said the amount of credit extended to traders in WB by their suppliers has increased this year. At the same time, 27% indicated that it has decreased. So on the whole, it seems that a greater percentage of traders were able to secure larger amounts of credit since the end of 2005. Also, the period of credit extended by suppliers seems to have increased and decreased in equal amounts in the WB as nearly 35% of the traders indicated that the period of credit extended by suppliers has increased and 32% of traders indicated that credit periods have decreased. Notably, in the Gaza Strip, more of the traders indicated that credit amounts and credit periods extended to them by suppliers have decreased (46%). This puts pressure on repayment and could be translated into higher pricing policies by retailers.

In terms of credit extended by traders to their customers, those surveyed said that both credit periods and amounts of credit extended to customers have increased sharply in the West Bank and Gaza Strip by 77% and 89% respectively compared to the end of 2005. This indicates that borrowing is one of the most common methods households use to deal with cash shortages, although it is a common practice which over 40% of the traders claimed to be in place even before the *Intifada*.

2.3.4.11 Main findings from traders' survey and market analysis

From January 2006 onwards, food prices in the Gaza Strip and West Bank regions seem to have diverged from one another. Food prices in the Gaza Strip increase sharply at beginning of that month and continue to do so until August 2006 exceeding the food CPI in the West Bank for the first time in the ten-year period under consideration. However, food prices in the West Bank showed a slight decline between January and May, after which they began to rise again, although much more modestly than the rise in the Gaza Strip.

Prices of rice, flour, lamb, chicken, milk, eggs, olive oil, greenhouse tomatoes, Israeli-produced onions, chickpeas, and sugar seem particularly susceptible to the political turmoil which has occurred since 2006 including increased closure measures and international sanctions. Thus, they should receive particular focus in any food monitoring system.

Although the analysis indicates that movement restrictions, as proxied here by days of closure in the WBGS and the closure of the Karni crossing into the Gaza Strip, are not directly correlated with food CPI, they are highly correlated with transport CPI. The unclear relationship between closures and costs should be investigated further.

The majority of traders surveyed indicated that they do not deal with products originating from food aid programs. Rather, they suggested that a subgroup of traders specialize in the trade of food aid items.

In the West Bank, traders have not resorted to raising prices as much as in the Gaza Strip. Instead, they have coped by localizing their trading activities in an attempt to cut down on costs.

2.4 Qualitative study to verify causes of food insecurity

An additional study was commissioned to verify the likely causes of food insecurity at the community level. The consultancy firm, Al-Sahel Company for Institutional Development and Communication, was contracted to carry out fieldwork using qualitative methods in close consultation with FAO and WFP representatives. The study had three components:

- Eleven (11) community-level group discussions (8 in West Bank and 3 in Gaza Strip)
- Sixteen (16) household-level case studies (11 in West Bank and 5 in Gaza Strip)
- Two (2) feedback sessions with stakeholders (West Bank and Gaza Strip) to validate findings

The selection of communities was based on representation of the following:

- Geographical location (North, South, Middle, East and West)
- Proximity to the Green Line and the Barrier
- Urban and rural areas as well as refugee camps

- Communities known to depend on agriculture as their main economic activity

Participants in these community-level group discussion sessions included representatives from community-based and charitable organizations, local authorities, youth organizations, farmers, school teachers, women's representatives, and other community activists.⁴⁶ Content of the community-level group discussions centred on the specific causes and the effects of food insecurity among different socio-economic groups and the characteristics of households vulnerable to food insecurity.

The case studies took place in the same locations as the group discussions with a selection of 16 households from different socio-economic groups in order to get more in-depth information about families' food security status and livelihood strategies.

The feedback sessions were held on 15 October 2006 in Gaza and 17 October 2006 in Ramallah with Palestinian and international NGOs, PA ministries, ICRC, UNRWA, FAO and WFP to verify the findings.

The local definitions of food security in all eleven communities were similar in several aspects as they focused, in general, on equating food security to the availability of food on a sustainable basis and economic access thereto. These definitions also suggested that the level of food security or lack thereof is largely dependent on, and sometimes caused by, the economic and political conditions in the WBGS; clearly highlighting that loss of purchasing power is among the main causes of food insecurity in the WBGS.

The factors that have been identified to have an affect on food insecurity were: closures and movement restrictions; high levels of unemployment and poverty; lack of control of and access to limited and deteriorating natural resources; the Barrier; degraded lands; limited attention to agricultural development; suspension of donor funding to the PA; suspension of transfer of clearance revenues by Israel; and, the outbreak of the Avian Flu. The discussions also suggest that weak policy and law enforcement, lack of sovereignty and control over border crossings, and asymmetric economic agreements between Israel and the PA are underpinning factors behind food insecurity in the WBGS.

Focus group discussions in the studied communities suggested that the households that are most vulnerable to food insecurity have the following characteristics:

- main source of income is derived from work in Israel (loss of employment);
- dependence on daily wages and cannot access their place of employment on a regular basis;
- main source of income is dependent on fishing (restricted income potential);
- inability to market their produce on a predictable and regular basis due to closures;
- agricultural lands are entirely or partially inaccessible;
- main source of income is derived from agricultural lands behind the Barrier;
- main source of income is from public sector employment;
- dependence on subsistence allowance is provided by the Ministry of Social Affairs (widowers, elderly, handicapped, divorcee families); and,
- main source of income was derived from poultry trade and who lost (culled) their birds as a result of the Avian Flu.

Reportedly, households use several coping measures to varying degrees to get food on the one hand and to cope with the general economic hardships they face, namely:

- Decrease in the quality of and/or quantity of food consumed by 1) eating one meal per day; 2) purchasing lower quality foods; 3) decreasing consumption of fruits, vegetables, and fresh meats; 4) reducing the variety of foods purchased; and, 5) reducing the amount of food purchased.
- Fresh meat substitution with cheaper frozen meats and artificial meat flavours;

⁴⁶ Participants were identified through an initial, rapid mapping of the active organizations and individuals in each of the communities in close consultation with the local authorities and FAO and WFP. A list of organizations and individuals was compiled through these consultations, from which ten to twenty participants were invited to attend the group session.

- Increasing dependency on food aid and assistance programs;
- Formula milk substitution with cheaper whole-fat powder milk and regular foods;
- Debt from family and friends and credit from local merchants;
- Sale of productive and unproductive assets (mainly land and jewellery); and,
- Decreasing expenditure on health and education.

A number of new phenomena have emerged in the studied communities as result of or in connection with the coping measures taken by households to improve their general economic conditions and secure food, and they include: declining household food storage capacity; increasing prevalence of Anemia and low birth weight; and, increasing psycho-social problems including a sense of deprivation among adults and children, increasing school dropout rates, university enrollment deferrals, child labour, and social domestic problems. These phenomena require further investigation as they have a huge potential for undermining the human, social, and economic capital of the Palestinian people.

Combating food insecurity in the WBGS requires concerted efforts from local organizations, international relief and development agencies, and the international community to deal with the root causes of food insecurity in the WBGS including facts on the ground being created by the occupation, and lack of economic and political sovereignty. These efforts need to be supported by a comprehensive vision and an action plan for unemployment and poverty alleviation in both the short and long-run. Possible solutions include, *inter alia*:

1. Ending the economic sanctions imposed on the PA so that it can resume paying salaries and providing public services.
2. Reviewing the existing policies and strategies in general and the agricultural policies in particular to make them more focused on improving local marketing and supply chains and to link agricultural production patterns with local consumption patterns.
3. Revising the coordination between the different food aid and humanitarian assistance programs, and revising the criteria and mechanisms thereof with the purpose of identifying better targeting mechanisms and ways to limit the sale of food rations, as well as exploring ways for incorporating needs-based rations in food assistance programs and linking relief programs with development initiatives.
4. Considering the establishment of new mechanisms for the provision of fresh vegetables fruits, formula milk, and fresh meat to food assistance recipients, while relying on domestic supplies for this purpose.
5. Raising public awareness of bad food intake habits and proper food handling techniques through different mediums.
6. Continuing the promotion of, and support to, household food production processing initiatives, and seeking out possible ways to include families living in urban areas and refugee camps in these initiatives.
7. Establishing a national fund to compensate farmers for the loss of land and inputs as a result of Israeli military/security measures, including a window for compensation for animal diseases outbreaks.

2.5 Limitations of the 2006 CFSVA

Time limitations and recent political-institutional developments have constrained the studies included in the present CFSVA, which was conducted by the WFP/FAO Team to respond to the immediate demand for updated food security information, while piloting processes are expected to become sustainable in an institutionalised system. It should be noted that upon establishing an institutionalized food security information system, the following limitations will be addressed:

- Fieldwork in WBGS is greatly hampered by mobility restrictions imposed on both national and international staff as well as access issues due to increased insecurity. Thus, assessments with national coverage are time-consuming and logistically challenging.
- The use of existing PCBS data sought to (i) avoid the “snapshot” approach, linking this assessment to a stream of sustainable PCBS data enabling retrospective analyses and future updates; and (ii) overcome some of the access issues. Furthermore, as assessments

are ceaselessly conducted by different agencies, it was felt that a certain fatigue would emerge in the respondents. This approach required selecting food security-related proxy indicators from existing PCBS survey questionnaires designed for different purposes. However, there was no FAO or WFP involvement in the supervision of the data collection and entry processes.

- The main study period coincided with a general strike of the PA workers, which began on 1 September 2006 as a response to the non-payment of salaries to PA workers since March 2006. This created some delays in gaining access to PCBS statistics.
- It was originally envisaged to analyse data collected from the Labour Force Survey corresponding to the second Quarter of 2006, in order to have more information on employment profiles. Time constraints did not allow for the identification of an appropriate methodology for drawing comparisons.
- Due to time limitations, the comparison of PCBS data between 2006 and previous years was limited to PECS and not applied to the Impact of Israeli Measures or Labour Force Survey.
- There is an urban bias in the analysis of price data series since PCBS collects data in cities at the governorate level and in the food trader survey since most of the questionnaires were collected in the cities. Camps and rural areas may therefore be under-represented, although traders in villages and refugee camps get their supplies from the cities.
- The qualitative study on the other hand under-represented urban areas and focused on localities with rural characteristics, in line with traditional thinking that these areas are considered as more food insecure. Until recently, urban dwellers were better off, which is no longer the case as urban livelihoods are particularly affected by the PA fiscal crisis and overall economic recession.
- Collaboration with UNICEF on a nutrition survey was not possible in the available timeframe, even though it is widely agreed that a concurrent nutritional assessment discerning the relative importance of food security and public health factors as underlying causes of malnutrition is necessary in WBGS. No previous study has looked at these distinct causes of malnutrition simultaneously so as to be able to improve programming to reduce malnutrition. It is hoped that UNICEF will be able to include food security related questions in their upcoming nutrition survey scheduled for 2007.
- WFP is developing diet diversity and food frequency tools as proxy indicators for food security. This study was only able to use food consumption data collected by PCBS, which includes both monetary value (NIS per food stuff spent by month) and quantities of food purchased.
- The methodology for collecting data in this study is different from the previous FAO/WFP assessment carried out in 2003 and therefore does not allow for statistical comparison. However, the conceptual framework of food security and vulnerability analysis and the use of similar indicators allow for comparable interpretations. With this exercise, WFP and FAO are developing a new methodology for comprehensive food security and vulnerability analyses (CFSVA) as a tool for assessments and monitoring. It is hoped that the circumstances in WBGS will enable institutionalization within Palestinian counterparts.

Part III - Synthesis of Findings along Food Security Dimensions

This section captures the key information generated by the different studies mentioned above and organises it according to the three food security dimensions: availability, access and utilisation. The synthesis of the findings along food security dimensions presented in this section builds on the previous detailed analysis presented in Part II. While Part II addresses a technical audience, Part III provides an overview directed towards policy-makers and other interested parties.

3.1 Food availability

Food availability, according to FAO, is ensured when sufficient quantities of food of appropriate qualities are present, whether supplied through domestic production or imports (including food aid). Physical availability of food commodities is not considered a major problem in the WBGS, though there have been sporadic losses of stable physical access to food as a consequence of the restrictive and arbitrary closure regime, mainly in the Gaza Strip. Furthermore, the destruction of infrastructure, mostly in the Gaza Strip, has put at risk other essential components for food security such as access to clean water, health care and productive assets.

In WBGS, local production does not and will not provide sufficient staple food commodities (e.g., cereals and pulses), and the food supply will always rely on imports and commercial channels. However, areas with an agricultural rich potential are affected by closures (e.g., Qalqilya, Tulkarm, Jordan Valley) and isolation from urban markets (e.g., Nablus). The following quote depicts how the situation has affected Nablus:

"Nablus was once at the economic heart of Palestine because of its rich agricultural and dairy production and the flourishing markets. Shops and markets are now full of Israeli goods, often produced in the settlements. It is difficult and sometimes impossible to buy locally produced goods such as olive oil in the city."

- Resident of Nablus City, Nablus Governorate

Recently, food aid has become even more prominent as a source of food.

From January 2006 onwards, food prices in the Gaza Strip and West Bank regions seem to have diverged. Food prices in the Gaza Strip increased sharply, exceeding the food CPI in the West Bank for the first time in the ten-year period under consideration. Although the analysis indicates that movement restrictions, as proxied here by days of closure in the WBGS and closure of the Karni crossing into the Gaza Strip, are not directly correlated with food CPI, they are highly correlated with transport CPI.

In general, fluctuations in international prices, high fuel costs, and the higher costs of transport, have all exerted an upward pressure on prices. On the other hand, the inflow of Israeli products into Palestinian markets, the inaccessibility to other markets, including those in Israel or the West Bank or Gaza, to Palestinian traders, as well as the withholding of PA salaries and the economic recession since the beginning of 2006 have had a dampening effect on prices. The outcome has been a rise in prices, especially in the Gaza Strip.

Most traders surveyed indicated that they: (i) had to stretch their credit lines both with their suppliers and customers; (ii) do not deal with products originating from food aid programs; and, (iii) rely on commodities from within their own governorates or neighbouring governorates. However, a significant percentage relies on commodities from outside their governorates, especially from Israel.

There used to be significant trade between the West Bank and Gaza Strip. However, only 3% of wholesalers in the West Bank surveyed noted that they trade with the Gaza Strip while only 5% of Gazan traders noted that they trade with the West Bank. The breakdown in trade (mostly fruits and vegetables) and divergence in food prices between the two areas reflect the lack of connection and the ensuing disintegration between the markets in the two areas due to Israeli restrictions.

In 2005, WFP and UNRWA distributed a total amount of 126,066 Metric Tons of food aid⁴⁷. In the 2005 CAP, agencies appealed for USD 86.5 million in order to assist an estimated 1.3-1.5

⁴⁷ Calculated on the basis of figures provided by WFP and UNRWA (emergency and regular programs). No data are available from other food aid sources and agencies.

million food insecure Palestinians (including Food for Work schemes' beneficiaries on a rotational basis).

In 2006 the WFP and UNRWA food aid caseloads were initially estimated at 1.55 million Palestinians, revised upwards in June 2006 to 1.83 million with a USD 96.5 million budget in the June Revised CAP 2006.⁴⁸ In fact, the food security sector was funded at USD 106,628,115—116% of the amount pledged. The 2007 CAP, which was prepared before this assessment, estimated nearly 2 million food insecure people in WBGS and sought USD 150 million for food aid alone.⁴⁹

The following table shows the percentages of the food insecure households that received or did not receive assistance. Further investigation is required, however, to explicate the various sources and modalities of assistance provided by different humanitarian agencies.

Table 3. 1--Households That Receive Assistance by Governorate			
Governorate	% Not Received	% Received	Total
Jenin	61.5	38.5	100
Tubas	76.28	23.72	100
Tulkarm	76.52	23.48	100
Nablus	78.16	21.84	100
Qalqilya	74.49	25.51	100
Salfit	79.49	20.51	100
Ramallah	95.63	4.37	100
Jericho	100	0	100
Jerusalem	71.7	28.3	100
Bethlehem	79.17	20.83	100
Hebron	79.21	20.79	100
North Gaza	32.47	67.53	100
Gaza	40.98	59.02	100
Dee Al-Balah	21.24	78.76	100
Khan Younis	35.32	64.68	100
Rafah	19.97	80.03	100
Total Food Insecure	54.17	45.83	100
Total Food Secure	84.8	15.2	100
Total WBGS	70.6	29.4	100

Source: Analysis of Impact data, 2006.

For instance, food and non-food aid distributed through charities and NGOs as a one-off assistance are difficult to capture. It can be concluded that the significant amount of food aid distributed through conventional and non-conventional channels enables food insecure Palestinians to cover their food needs. This prevents negative repercussions on nutritional status, which shows only a slow—although steady—growth of chronic malnutrition (measured as stunting). In addition, poor Palestinians receive different forms of assistance and services from a number of actors, enabling many of them to maintain enough access to necessary foods.

However, the drastic economic downturn registered in 2006 has significantly changed the terms of the equation. The dramatic livelihood crisis impacts income levels while food market prices are rising—especially in the Gaza Strip. Most Palestinians are facing declining purchasing power, and their long-term food security is at risk (46% are food insecure or vulnerable). Income support (food and cash aid, temporary jobs) is critical to fill the widening food consumption gap. While Palestinians tend to reduce non-food expenditures more than food expenditures, the trend towards reduced overall consumption and food consumption in particular is of great concern given the large number of income poor households.

⁴⁸ (June 2006). CAP 2006—Revised.

⁴⁹ CAP 2007.

Notably, the reliance on imports and food aid was emphasized in all community-level group discussions and in all case studies commissioned from Al-Sahel for this report.

The necessity to improve agriculture in WBGS has been underlined as a way to improve food availability for the Palestinian population. Closures, destruction of agricultural lands, lack of water, etc. all hinder the already minimal food availability from own production. Significant domestic food production is limited to a few commodities (mainly olive oil, poultry products, milk/dairy, tubers, and vegetables) with a high nutritional value. Most staple food commodities (cereals, pulses and red meat) are imported.

The proportion of own produced food in kind compared to the total food consumption has increased dramatically between the first and the second quarter of the year 2006 (from 38 to 71 NIS/household/month from the first and the second quarter of 2006), however its relative share is still extremely low as shown in the Table 3.2 (below).

Table 3. 2--Average Monthly Household Consumption (in nominal NIS) in WBGS, first semester 2006

	Jan-March 2006	April -June 2006	Index change 1st and 2nd Quarter
Food cash expenditure	1,279.0	1,179.0	-7.82
Own produced food in kind	37.9	70.8	86.93
TOTAL FOOD CONSUMPTION	1,316.9	1,249.8	-5.09

The average contribution of food produced by the household to the total food consumed between 1998 and June 2006 is minimal (3-6%). Of course, own food production is more important to poor and rural households. As apparent in Table 3.3 (below), cash expenditures decreased while own production increased between the first and second quarters of 2006, thus showing the direct economic benefit of own production.

Table 3. 3--Average Food Cash Expenditures and Own Food Produced in Various Years

	Av. 1998	Av. 2004	Jan- March 2005	April- June 2005	Jan- March 2006	April- June 2006
Food cash expenditure (NIS)	1,101	1,215	1,147	1,173	1,279	1,179
+ Own produced food in kind	39	51	67	64	37.9	70.8
= TOTAL FOOD CONSUMPTION	1,140	1,266	1,214	1,238	1,317	1,250

Source: PECS

The extended closure of the Karni crossing has a direct and significant impact on food availability, especially the length of stock duration, and prices of goods in the Gaza Strip, as reflected in the quote below and shown in the short-lived crisis in March/April 2006:

"The closure of Karni for more than 40 days left the entire Gaza Strip with no food supply. During that time we had to buy rice by the kilo and bread in 5 kilogram quantities. These were very small quantities, and we would only get them if we were lucky."

- Resident of Beit Hanoun, North Gaza Governorate

Table 3. 4--Overall Food Availability in the Gaza Strip as of 16 April 2006

Commodity	Daily Food Consumption Needs (in MT)	Quantity Available (in MT)	Duration of stock (in days)
Wheat Flour	450	2501	6
Sugar	111	805	7
Rice	72	987	14
Oil (vegetable and olive oil)	44	585	14

Source: WFP Market Monitoring Report, Number 6, April 2006.

The denial of access to the sea has had the same impact as the closures of the Karni Crossing by reducing the income from fishing and availability of fish in Gaza Strip and, to a lesser extent in the West Bank due to transportation restrictions.

3.2 Food access

Qualitative data suggests that physical access to some foods in some places at some times is variable in response to unpredictable, localized events and conditions. In these cases, households appear to switch to different, more accessible foods.

The assessment found that the depth of food insecurity is lower among non-refugees than among refugees:

- Out of the total 34% classified as food insecure (refugees and non-refugees), food insecurity depth among non-refugees is 30% while for refugees it is 40%, thus showing that the severity of food insecurity is higher for the latter group;
- Among non-refugees, 24% of food insecure people are located in the West Bank and 58% in the Gaza Strip.
- Finally, it is worth mentioning that 46% of Palestinian population are children (0-14 years), who are typically more vulnerable to food insecurity outcomes.

Table 3. 5--Food Security Classifications by Refugee Status

	Non-Refugees	Refugees	Total
Food Insecure	30.20	39.72	34.29
Vulnerable	11.58	11.73	11.64
Marginally Secure	19.77	19.45	19.63
Food Secure	38.46	29.09	34.43
Total	100	100	100

According to the above table, the difference in food security levels between refugees and non-refugees is only 9.5%. Food security levels of refugees are likely elevated due to the fact that "refugee" is merely a status that does not necessarily dictate living standards. For example, only 34% of refugees live in camps (51% live in urban areas and 15% live in rural areas). Moreover, refugees living outside of camps have living conditions similar to non-refugees.

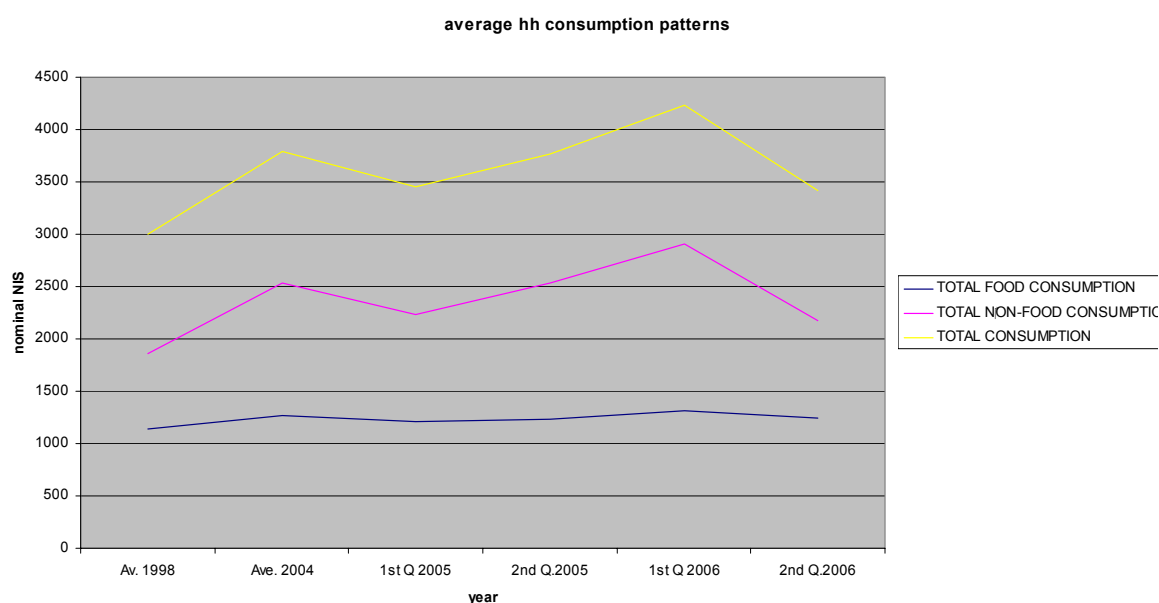
According to PECS data, in the first semester of 2006 the average Palestinian household reduced its cash expenditure on food by 7.8% against an overall expenditure contraction of - 22.84%. Daily realities are reflected by the following quote:

"No one knows what happens behind doors, but I can tell you that in our house the red meat consumption has been reduced extensively. We rarely bring it at home. I bake my own bread to save some money to buy gas for cooking and I never give my children money any more - not even one shekel to buy sweets or coke."
 - Head of household, Burqeen, Jenin Governorate

(See trader survey section for a graph of average monthly CPI from January 2005 to August 2006.)

Simultaneously, the food CPI has been consistently increasing, especially in the Gaza Strip where the CPI has been higher than in the West Bank since May 2006. Combined with the significant contraction of employment and income, households' purchasing power is shrinking, pushing consumption patterns towards cheaper food commodities and an overall reduction in quantity. These trends are particularly acute among better off households, as poorer households are likely to have limited adaptation capacity.

Figure 3. 1--Average Household Consumption in WBGS from 1996-2006 in NIS



Source: PECS 2006, first semester

Economic access to food continues to be the most significant food security concern in WBGS. Moderate food price increases in the face of drastic reduction of livelihoods, cash income and consumers' purchasing power have created a kind of "market-induced shock" to vulnerable households. Traditionally strong social ties tend to preclude the possibility of acute household hunger, thus preventing an acute food crisis, however, food security in all areas of WBGS has declined since the 2000 *Intifada*, and most recently due to the loss of income by PA employees and their dependents, as well as the destruction or inaccessibility to productive assets and jobs by households affected by the Barrier.

Fragmentation of food systems in the West Bank is caused by closures, checkpoints and the Barrier. Physical fragmentation of the West Bank, created by the construction of the Barrier, has resulted in a horizontal trisection—limiting the flow of commodities among north, central and southern regions—and a vertical bisection—severing the agricultural productive Jordan Valley from its absorbing markets.⁵⁰ Clearly, many markets have closed or have been relocated, increasing transaction costs and restricting the access of some population groups to buy or sell products. There are increasingly distinct, and increasingly isolated, "economic islands" that are the basis for determination of increasingly distinct market catchment areas. A recent WFP study⁵¹ counted thirteen market catchment areas in the WBGS. It would be useful to monitor these over time given the serious structural shifts occurring in WBGS due to the current financial and economic crisis. A more comprehensive study of the fragmentation of food systems in the West Bank is underway and will be published by FAO by the end of February 2007.

The case studies collected for the qualitative study included in this assessment confirmed that people are indeed reducing the quality and quantity of food intake to reduce their expenditures. This is why people do not feel food secure as indicated in the qualitative study and in other sources.⁵²

In the case studies, the sale of jewellery and land were the most commonly-cited ways of coping according to the households visited. As a one-time option, the sale of personal property significantly erodes available households' livelihood strategies in general, particularly the sale of productive assets. Also, the sale of agricultural land may potentially have an adverse long-term impact on domestic food availability, especially if sold lands are not used for agricultural purposes.

⁵⁰ OCHA. (October 2006). Territorial Fragmentation of the West Bank – Map included in the CAP 2007.

⁵¹ Nyberg, J. (June 2006). *Rapid Market Analysis in WBGS Report*. WFP.

⁵² See IUED. Palestinian Public Perceptions. Several reports. Geneva: Graduate Institute of Development Studies; and PCBS, various studies.

Food access depends then on a number of factors but is highly connected to the securing of economical resources. To overcome the loss of income and the subsequent loss of economic access to food, Palestinians are using different coping mechanisms such as receiving assistance from friends and family, re-distributing limited resources among households, cultivating their land and rearing animals, borrowing money and taking loans. Palestinian households appear to be spending on average similar proportions of their total cash on food over the years (34-40.5%).

Table 3. 6--Average Household Food Cash Expenditure as a Percentage of Total Cash Expenditure

	Av. 1998	Av. 2004	Jan- March 2005	April- June 2005	Jan- March 2006	April- June 2006
Sample size	709	973	532	542	299	336
Food cash expenditure	1,101	1,215	1,147	1,173	1,279	1,179
TOTAL CASH EXPENDITURE	2,735	3,219	3,095	3,467	3,708.3	2,861.4
Food cash expenditure as a % of total cash expenditure	36.6%	40.5%	37.1%	31.2%	34.4%	34.4%

Source: PCBS, PECS data

Averaging across income levels, food accounted for around 35% of total household expenditure. Housing accounted for 11%; education 11%, transport & communication 10%; health care 6%; and, clothing accounted for 5% according to PECS data from the first semester of 2006.

According to the econometric model piloted by PCBS using the Impact data from 2006, the household consumption is estimated at the regional level and by locality type. The estimated household monthly consumption stood at NIS 3,072, during the first semester of 2006. The results showed that there is still a big gap between households in the West Bank and those in the Gaza Strip in terms of overall consumption. The following quote reflects the situation in the Gaza Strip:

"No one dies of starvation in Gaza We eat what we can get and we ration our consumption of food... we eat the same meal for several days... sometimes we only have one main meal every week and it is usually on Fridays. I have not bought any meat for more than three months now."

- Head of household, Ash Shati Refugee Camp, Middle Gaza Governorate

However, in the Gaza Strip, camp residents' consumption levels are close to urban dwellers and the average, whereas in the West Bank, refugee camp residents' show significantly lower consumption levels. In general, rural households' monthly consumption is lower than in urban centres by 12% in the West Bank and 17% in the Gaza Strip (See Table 3.6 below).

Table 3. 7--Est. Monthly Household Consumption for First Semester 2006 by Locality Type (in NIS)

	West Bank	Gaza Strip	WBGS
Urban	3,384	2,937	3,216
Rural	2,985	2,434	2,950
Refugee camp	2,662	2,806	2,765
Average	3,176	2,869	3,072

Source: Impact of Israeli measures data 2006, using the pilot econometric model developed by PCBS for this assessment

The PECS 2005 analysis shows that the 60% poorer households spent between 34-37% of their total consumption on food, whereas their better off counterparts spent 24-30%.

As mentioned above, aid is significantly contributing to food security in WBGS. However, different agencies identify their beneficiaries on the basis of their own specific eligibility criteria, use different scales and provide diverse aid packages, including food. Thus, the specific role and impact of aid for households is difficult to measure.

3.3 Food utilisation

Food utilisation is defined as consumption and utilization of food through adequate diet, clean water, sanitation, and health care, to reach a state of nutritional well-being for which all physiological needs are met. In addition to the food dimension that is captured in this assessment, the definition highlights the importance of non-food dimensions such as sanitation and health care to nutritional outcomes.

The nutrition-related literature review indicated that (i) chronic malnutrition is increasing steadily, although slowly; and, (ii) micro-nutrient deficiencies are of concern, particularly iron, iodine, and Vitamins A and D.

According to the qualitative study, the most frequently mentioned food items which were eliminated or reduced by the households visited were fruits, sweets, olive oil, and fish. Tomatoes, potatoes, eggplant, eggs, lentils, bread, and sugar remain staple foods, and have not been substituted.

Table 3. 8--Average Household Expenditure on Food Commodities (in nominal NIS)

	1 st Q 2006	2 nd Q.2006	Index change 1 st and 2 nd Quarter
Bread and cereals	208.6	187.4	-10.17
Meat and poultry	277.2	276.2	-0.39
Fish and sea products	34.3	23.1	-32.76*
Dairy products and eggs	129.1	115.5	-10.55**
Vegetables, legumes and tubers	174.4	164.9	-5.46
Oil and fat	50.0	42.9	-14.36***
Fruits and nuts	100.0	91.2	-8.80
Sugar and confectionery	80.4	84.5	5.15

Source: PCBS, PECS data January to June 2006

(*) possibly, due to restrictions on fishing in Gaza Strip

(**) possibly, due to the Avian Influenza outbreak

(***) possibly, as a shift to cheaper, imported vegetable oil

Bread is still the staple of all meals for most of the population. There is limited diversity in terms of vegetable consumption. Palestinian households tend to rely on cucumbers, tomatoes, zucchini, eggplants, onions, potatoes and do not diversify their consumption.

Price variation charts for most consumed commodities are available in Annex 7 (in NIS per kg). The price increases in red meat, chicken and fish since January 2006 as well as inquiries from case studies, clearly indicate that households with low purchasing power will have to forego these foods and replace them with lower quality foods.

"The last time I bought red meat was about six months ago. When the price of one kilogram of meat is 50 NIS how can you expect me to buy it? We eat frozen meat only occasionally."

- Um Mustafa in Burqeen, Jenin Governorate

"You ask whether we noticed an increase in the price of red meat! For those who buy it, I am certain that they have noticed the price hike. I personally have not bought it in a long time."

- Resident of Kufur Ni'ma, Ramallah Governorate

It should be noted that the impact of the Avian Flu on consumption was limited in time. People stopped eating poultry and eggs for a short time because of the threat of Avian Flu and in response to the rise in poultry prices, but consumption quickly resumed. In fact, all qualitative case studies emphasized that households rely on eggs for proteins that they cannot afford to get through higher priced foods. Red meat prices, for instance, increased significantly reaching an average of 45 NIS per kilo. This price is highly discouraging for poor people who tend to revert to buying frozen meat and meat-flavoured stock cubes. Fishing for sale was a source of income for numerous households in the Gaza Strip and was also a source of local food. Since

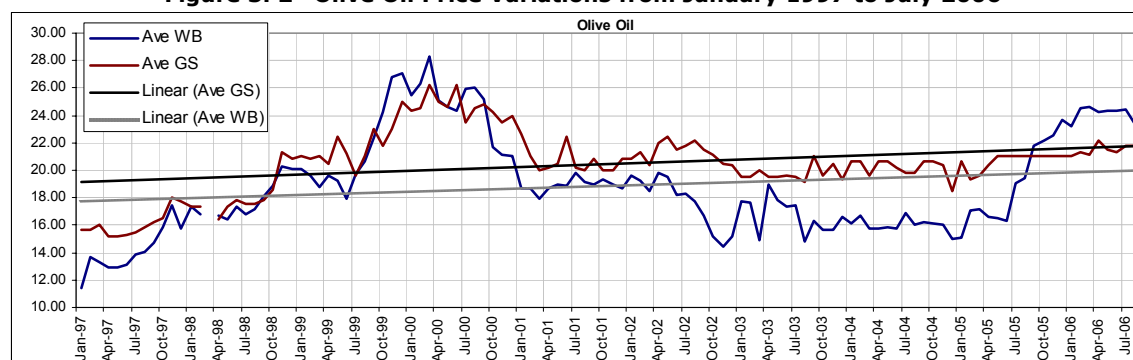
June 2006, inaccessibility to the sea has had a significant negative impact on the availability of fish for local consumption and for sale.

The price of milk has recently increased sharply, especially in Gaza, due to tight closures and limited local milk production inside the Gaza Strip as noted by the statement below. Another phenomenon to note concerning milk and dairy is the dumping of Israeli dairy products predominantly within the West Bank.

"Our consumption of milk has been greatly reduced from daily use to special occasions when preparing sweets. Sometimes we go one month without drinking any milk. Instead, we have eggs and yogurt at breakfast along with thyme and oil."
 - Resident of Kufur Ni'ma, Ramallah Governorate

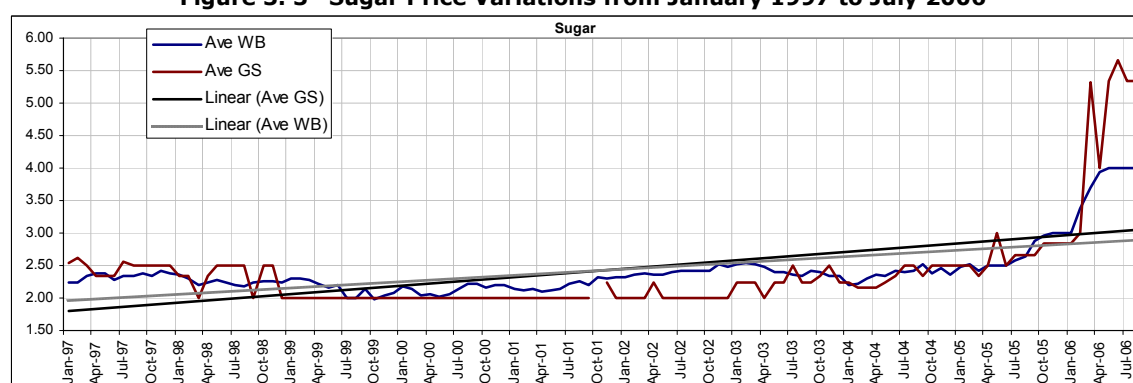
Olive oil is the oil of choice in WBGS; it is consumed by all households as a traditional food. Olive production shows a marked bi-annual fluctuation –as in all regions receiving poor rainfall. Olive oil prices can be considered as a sensitive indicator of welfare in terms of food security for Palestinians. Olive oil is normally purchased immediately after the harvest in sufficient quantities to last the household throughout the entire year. The sharp rise in olive oil prices since October 2005 as indicated on the graph below is likely to indicate that many people have not supplied themselves with stocks for the year. These households may buy lesser quantities and then resort to cheaper oils. All the people interviewed in the qualitative study indicated that new habits are being introduced in the way people eat and process food. For example, people may mix olive oil with other kinds of oils.

Figure 3. 2--Olive Oil Price Variations from January 1997 to July 2006



Fruits, like sweets, are now considered a luxury product. WBGS is highly dependent on Israel for fruit production. The increase in sugar prices seen in Figure 3.4 (below) is highly connected to the increase in the price of sugar on the international market. This price change is also captured by WFP Gaza Strip sub-office monitoring systems as sugar prices increased by 41%⁵³ from December 2005 until March 2006 in Gaza.

Figure 3. 3--Sugar Price Variations from January 1997 to July 2006



⁵³ According to WFP. (June 2006). *Rapid Market Assessment* (p. 9): "Global prices for basic foods have increased significantly in recent months, and in the case of sugar, prices reached 25-year highs by late 2005 due to increased demand for ethanol production, primarily in Brazil, the most important global exporter of sugar."

In terms of fish and meat, Table 3.8 (below) shows that the average monthly expenditure on fish and sea products decreased from the first to the second quarter of 2006 (34 to 23 NIS per month), most probably due to decreased availability. Expenditure on meat and poultry appear the same, but it is likely that smaller quantities have been purchased at higher prices.

Table 3. 9--Average Household Expenditure on Food Commodities (in nominal NIS)			
	1 st Q 2006	2 nd Q.2006	Index change 1 st and 2 nd Quarter
Bread and cereals	208.6	187.4	-10.17
Meat and poultry	277.2	276.2	-0.39
Fish and sea products	34.3	23.1	-32.76
Dairy products and eggs	129.1	115.5	-10.55
Vegetables, legumes and tubers	174.4	164.9	-5.46
Oil and fat	50.0	42.9	-14.36
Fruits and nuts	100.0	91.2	-8.80
Sugar and confectionery	80.4	84.5	5.15

Source: PCBS, PECS data, first semester 2006

Not surprisingly, Palestinians are also cutting down on the amount of food eaten outside the home:

Table 3. 10--Average quarterly expenditure on food eaten outside the HH (in NIS)			
	1 st Q 2006	2 nd Q.2006	Index change 1 st and 2 nd Quarter
Take away food and meals in restaurant	102.9	70.8	-31.20

Source: PCBS, PECS data, first semester 2006

These links between price rises, household food consumption patterns collected by PCBS and reported food consumption related behaviour shared during discussions show a trend towards a less diversified diet which can be partly attributed to increasingly limited purchasing power.

Abu 'Abed's family in Sureef reported the following diet on a weekly basis:

Saturday, 16 September 2006: lentil soup

Sunday, 17 September 2006: tomatoes, rice and bread

Monday, 18 September 2006: potatoes, rice and bread

Tuesday, 19 September 2006: lentil soup

Wednesday, 20 September 2000: tomatoes, rice and bread

Thursday, 21 September 2006: leftover tomatoes, rice and bread

Friday, 22 September 2006: potatoes, rice and bread

Monotony in the diet and reliance on carbohydrates as the bulk of food intake is expected to compromise the nutritional status in the long-run as essential micronutrients may be lacking.

To cope with the situation, people have tried to reduce their costs by reducing the quantity, quality and variety of the food they consume:

"I pass by the market at the end of the day when things are cheapest or I buy low quality vegetables."

- Resident of Nablus City, Nablus Governorate

Red meat is considered a luxury item due to its high price. Therefore, during the current economic recession, consumption has been reduced.

In Palestinian society, children, the elderly, and the sick will be prioritised when it comes to household food allocation at the detriment of adults. The potential impact of such food intake pattern adaptation must be further investigated in order to project possible increases in already known nutritional imbalances with the public health profile, such as Anemia, Vitamin A deficiency and Rickets.

3.4 Conclusions

As documented in the current assessment, thus far, physical and economic constraints to food trade do not significantly affect food availability, although they impact food prices. In fact, food insecurity in WGBS is mainly determined by declining socio-economic conditions of Palestinian households. Nevertheless, the unimpeded closure regime is leading to the fragmentation of markets and economic isolation with severe consequences on the livelihood resilience of communities.

The food security profiles described in this report place one-third of the population in a situation where they either rely on assistance or compromise their food security status. However, one third of the population is food secure. This leaves the last third exposed to various factors and leaves them vulnerable to food insecurity.

The severe strain on the socio-economic fabric of Palestinian society is exacerbated by concomitant developments in 2006, including:

- the increasingly restrictive Israeli closure policy, including restrictions on the movement of people and goods, access to land and water resources such as the fertile and (food security) strategic “seam zone” and the Jordan Valley;
- the process of PA disempowerment or institutional “dissolution”⁵⁴ since February 2006, adding to the pre-existing discrimination against Hamas-led municipalities;
- the PA fiscal crisis affecting service rendering capacity (e.g., health and education) and salaries to approximately one quarter of the Palestinian population who are dependant on PA employees’ income;
- the economic recession affecting all industries, cash flow and liquidity, consumers’ purchasing power and food trade and production—with the additional threat of a new Avian Flu outbreak;
- restrictive aid policies, with massive under-funding of social safety nets, private sector and, livelihood support programmes; and,
- the closure of Gaza Strip and the destruction of productive assets (especially in the agricultural sector) and civil infrastructure since June 2006.

The most visible impact on food security includes expanding and deepening the gap between (i) households’ declining income and (ii) ideal food consumption combined with the following structural changes in food security determinants:

- loss of livelihood entitlements including job opportunities in Israel, access to land and water resources, freedom of trade, fast growing unemployment in both the public and private sectors due to the PA fiscal crisis, economic recession, and debt cycle and banking restrictions that are affecting all industries and trades;
- extreme vulnerability of most residents in the Gaza Strip caused by the high volatility of food supply pipelines (including the missing link with the West Bank), the economic and financial crises and the disruption of basic services and utilities. Gazans’ vulnerability is partly offset by large coverage of UNRWA and other agencies’ assistance;
- fragmentation of food systems and markets in the West Bank with structural changes in the labour markets and livelihood systems, as well as in food production and trade patterns;⁵⁵
- declining social and human capital relating to psycho-social stress, short-comings in the education and health systems, weakening social solidarity networks, and weakening social fabric overall. While many agencies operate social security and safety

⁵⁴ World Bank. (May 7, 2006). *The Palestinian Fiscal Crisis*.

⁵⁵ A specific FAO study is ongoing –report expected in February 2007

net programmes for the poorest and socially marginal, the lack of institutionalized coordination hinders achievement of the goal of overall social equity.

Since February 2006 new population groups became food insecure (or more food insecure) in addition to the pre-existing food insecure groups. For example, families supported by PA employees are drastically affected by the transitory suspension of salary payments. This is partially offset by allowances received through the Office of the President that are sourced from TIM and Arab donors.

It should be noted that ongoing socio-economic decline and overall de-institutionalization processes are expected to further impact food security in the coming months, in particular as its structural elements (e.g., household livelihoods, trades and industries, aid coordination and streamlining), remain unaddressed.

Finally, while the percentage of food insecure and vulnerable people remains at the same levels, the absolute number of people in need of assistance to meet their food requirements in a sustainable way grows as the population increases. However, the large scale assistance received by Palestinians in different modalities and through different channels suggests that the rations/packages should be designed and calibrated to fill the actual consumption gap. In particular, the assistance should be determined on the basis of the difference between the desired overall consumption (e.g., the relative poverty line of USD 2.1 per person per day adjusted by the household size and composition as per the MoSA Social Safety Nets Reform Programme) and the actual level of access to essential needs, which include food as a sub-component of the basic needs. Furthermore, the diverse range of eligibility and targeting criteria utilised by the humanitarian actors and other agencies should be reviewed in light of social equity.

Part IV –Recommendations

One third of Palestinian households are food insecure and highly dependent on assistance which is unlikely to change until the root causes related to the political sphere of their food insecurity are tackled. It should be noted that it is necessary to embed food security concerns within a broader framework that creates space for advocacy (e.g., right to food) and long-term action. However, the aforementioned poses severe challenges due to the limitations presented by the current political situation.

Within the existing context, key features of food insecurity such as livelihood crisis and cash income decline need to be addressed with a focus on economic access to food in WBGS. The findings of the present analyses provide the foundation for adequate policy responses. Subsequently, specific objectives and strategies, need to be developed in close interaction and coordination among relevant actors, both locally and internationally.

Recommendations in this report are feasible, albeit under the current political situation they can focus solely on the short- and medium-term modalities,

In view of these findings, it is clear that many of the recommendations given in previous food security assessments still hold. One third of Palestinian households are food insecure and highly dependent on assistance, and this is unlikely to change until the root causes of their food insecurity are tackled—mainly, livelihood crisis and cash income decline. Food security needs to be addressed with a focus on access to food in the WBGS.

While barriers to food trade and production pertain to and depend on developments in the political sphere, feasible options are available to humanitarian agencies to improve households' socio-economic conditions.

Moreover, the geographical breakdown provides detailed information on the food insecurity profiles in the different areas, hence enabling area-specific response profiling that can maximize the utilization of limited resources.

4.1 Options for action

Options for action to counteract the declining socio-economic condition and its food insecurity outcomes are presented in this section. Priority should be assigned based on their ability to address the key features of food insecurity—i.e., livelihood crisis with declining employment and income. The following excerpt of a case study reflects the latter:

"There are 500 dunums of land that would be suitable for agricultural purposes if reclaimed... We face many problems when we think about reclaiming our lands... There are no springs in the villages or any water sources... There are no opportunities for marketing our crops if we cultivate. While 80% of the village households own olive trees, we have a real problem in selling our olive oil and reaching some of our lands because of the military zones and bypass roads.... The cost of caring for olive trees is more than the price we get for olive oil. Our individual land ownership is small due to inheritance, so we cannot cultivate on a large scale."

- Farmer from Kufr Ni'ma, Ramallah Governorate

Prevailing aid policy and constraints to field operation impose limitations to the feasibility of interventions impacting the structural determinants of food insecurity. It is to be noted that the PA strongly advocates donors' and international agencies' efforts to balance short-term responses with developmental policies.

1. Protect livelihoods and mitigate poverty, for example, through sustainable employment generation schemes, promotion of productive and income-generating activities, micro-enterprises, and micro-finance. Support to industries and private sector requires close policy dialogue and commitment by different stakeholders to long-term processes.

Within this framework, agriculture/fisheries-based livelihoods should be protected to maintain some strategic food production capacity in most rural families. Repercussions on livelihoods are illustrated in the following comment:

Supporting a protective coping mechanism would contain the escalation of humanitarian needs and caseloads and help to protect entitlements to land and water resources. In particular, the following should take place:

1. strengthening of Palestinian produce, poultry, vegetables and olive oil should be promoted and support should be given to poor farming households to maintain productive capacity in those vibrant sectors with a commercial perspective;
2. investing in the diversification of food production patterns to enhance (i) local food security against the fragmentation of food systems, and (ii) the source of locally procured food aid (e.g., from farmer to the poor, complementary high nutrition value food commodities for school feeding); and,
3. improving technology to increase agricultural productivity within the natural limits of land and water resources with a main focus on expanding income opportunities from agriculture by increasing production and marketing of high value crops that also are suitable for local consumption. This will help replace some imports with local production, but will also maximize income from exports, thus providing economic access to food that cannot be produced locally.

2. Food aid: It is recommended that food aid continue to be distributed to the food insecure and highly dependent households, and that serious consideration be given to the rations so as to ensure optimal nutritional outcomes for people that are food aid dependent. Food aid should be targeted to urban as well as rural areas and refugee camps, as there is increasing evidence that a sector of the urban population cannot meet their food requirements.

Food aid interventions should be geared at including:

- Productive assets creation (Food for Work) and protection of livelihoods assets base (targeted to socially-impaired and poor households);
- Support for education (school feeding) and vocational/literacy training (Food for Training);
- Protection of food consumption/nutrition levels of very poor households; and
- Response to acute food shortages (e.g., in situations of blockades and armed conflict) through contingency planning.

Targeting criteria should be based on geographical location and level of impact of the crisis rather than on categories that relate to the beginning of the *Intifada*. While it is recognised that some households have few assets and can be described as chronically poor and in need of assistance and welfare programmes, other households should be categorised by their livelihood sources (main sources of income) and portfolio of coping strategies. Joint school feeding initiatives to improve the energy intake and quality of food baskets among school age children while raising awareness of healthy eating habits should be promoted. Bringing fresh and dry produce to schools and institutions can enhance local food production mechanisms as well as contribute to a more diversified diet.

3. Social welfare/protection schemes operated by various governmental (e.g., MoSA as described in the box below) and non-governmental (religious and secular charities and NGOs) actors for the "socially marginal" and "poorest of the poor," preventing those groups from falling into destitution and offering the young generations opportunities for education and jobs. These schemes can include:

4. Direct income transfers (cash assistance, food aid);
5. Vocational training; and
6. Promotion of income generating activities.

4. Job creation to provide temporary employment (income support) to the unemployed and cash assistance, enhancing households' capacity to cope with shocks and stresses, with a spin-off effect on local economies—especially if aimed at creating productive assets, such as land reclamation.

Job creation schemes can address different non-mutually exclusive requirements:

- Maintenance of urban infrastructure including roads, water schemes and other civil infrastructure thus preventing degradation and maintaining towns/camps' appearance and standards of hygiene; and,
- Investment in the productive asset base, particularly land and water conservation and management to prevent degradation of the physical environment, which also accrues to Palestinians' entitlements and protection of their rights.

Public works are a key entry point for injecting cash in the socio-economic system, although this approach does not address the productive industries and sectors of the Palestinian economy. Indeed, it merely seeks to fill the gap left by the massive loss of employment in Israel and the impact of (i) economic recession (retrenchment in the private sector) and (ii) fiscal crisis (retrenchment in the public sector). Unfortunately, the declining PA capacity to provide technical guidance and supervision in the design and implementation of public works schemes is likely to undermine quality and durability. Implementing agencies should find alternative solutions—directly and/or through local NGOs/consulting firms—in order to maintain minimum technical standards.⁵⁶

5. Food markets and trade should be supported to (i) address traders' vulnerabilities in the areas of credit and supply chain, and (ii) regulate food prices and affordability in order to protect the purchasing power of the poor. Although the traders interviewed said that food aid is not an important determinant of food prices, the issue warrants further study.

6. Inter-sectoral coordination: Strong complementarities exist among the following CAP sectors: "Job Creation and Cash Assistance," "Agriculture," and "Food Security." This requires close coordination among aid agencies to find a platform for needs assessment/re-assessment and programming (e.g., definition of assistance packages, eligibility criteria and beneficiary outreach).

Massive resources are invested in the emergency field programme addressing food insecurity. For instance, the CAP 2007 appeals for USD 363 million divided as follows:

- Food Aid: \$153 million;
- Job Creation (\$154 million) + Cash Assistance (\$44 million) = \$198 million; and,
- Agriculture: \$ 12 million.

Furthermore, there is a need to guarantee social equity by adopting standard criteria and methods to determine eligibility for social programmes (packages including food aid).

On the other hand, structural food insecurity determinants should also be addressed, particularly sustainable household livelihoods, employment, human and social capital, institutionalized social transfers/welfare, and resilient institutions. As food security encompasses many sectors, a comprehensive approach is necessary to optimize the impact of aid resources in terms of both immediate causes and structural factors.

⁵⁶ However, replacing PA capacity impinges the stated UN principle.

Social Safety Net Programme

Within the framework of the aid programmes reform process initiated by MoSA in 2005, the "Social Safety Nets Programme" was developed with an annual budget estimated at USD 240 million.⁵⁷ It is composed of nine sub-programmes, of which only the "Social Protection Programme" is currently operational, targeting the poorest of the poor (10- 15% of the Palestinian households or approximately 45,000 to 55,000 families).⁵⁸ The annual budget was estimated at USD 84 million.

Under this programme, priority is given to: (i) families with no source of income or low income and classified within the poorest 30% households; and (ii) families including a member that belongs to a marginalized group within the poorest 30% of the households.

Due to lack of funding and consequent budget restrictions, a pilot phase was to be implemented in August/September 2006 with outreach to approximately 3,500 households only. However, the process was interrupted following the PA employees' strike.

A specific application form has been used by MoSA to identify eligible households under this programme, and the households are categorized according to a formula that includes factors affecting poverty: (i) family demographic and economic information about the household (e.g., age, educational status and social status of all family members); (ii) acquisition of durable goods; and, (iii) income of the head of household. A team of social workers subsequently visits the households to verify the information provided and evaluate the socio-economic conditions of the family. Support is awarded according to certain conditions, and the situation of the beneficiaries is subject to regular revaluation.

The support scale ranges from between 228 NIS/person/month to a maximum of 1,000 NIS/household/month. Significant investments have been made to develop the formula and the MoSA capacity to implement the programme. The amount granted is determined based on the following formula:

Basic amount: $200 \text{ NIS} + 28 \text{ NIS} * \text{number of household members}$

Incentives: $14 \text{ NIS} * \text{number of children under 5} + 28 \text{ NIS} * \text{number of children enrolled in basic education} + 84 \text{ NIS} * \text{number of children enrolled in secondary education} + 56 \text{ NIS} * \text{number of vulnerable members (including elderly, orphans, disabled, female head of household, chronically sick members)}$.

Eligible households also receive free health insurance as well as a lump sum in cash, in addition to payments linked to certain conditions (conditions include that family members receive health care and education and that the head of household attends at least four awareness workshops yearly on topics related to the family's social and health conditions). This program is considered a step forward in improving the national scale of social support as it raises the minimum amount per individual granted under the current schemes from 110 to 228 NIS and the maximum grant per household from 600 to 1,000 NIS. Consequently, it raised the average grant per household from 184 to 600 NIS.

Furthermore, such a formula could be the basis for inter-agency dialogue to address the multiple needs of poor households in an integrated way, by looking at standardised scales and complementarities among different aid commodities and modalities in filling the household consumption gap. Indeed, it should be assumed that no single solution can comprehensively cover all the symptoms and root causes of food insecurity. The adoption and implementation of these standards by all actors would therefore ensure the provision of a basket of assistance that meets the minimum required goods and services and attains an equitable level of food security for all the poor.⁵⁹

⁵⁷ This programme, included in the PA Medium Term Development Plan, was supposed to be co-funded by the PA and the donor community.

⁵⁸ However, insufficient funding pushed MoSA to target fewer numbers. It is worth noting that 170,000 households applied to benefit from the programme. None of the selected cases has so far received any aid.

⁵⁹ For further information, see FIVIMS. (26 September, 2006). Working Paper II: Social Safety Nets and Social Support Programmes in their Relation to Food Security in the West Bank and Gaza Strip.

Targeting Responses to Various Groups' Needs

According to the findings of the current assessment, food insecurity depends on overall household consumption poverty, as a sub-set of consumption items. Access to food is affected by income poverty, while food traders are still able to secure food supply pipelines by coping with the economic recession and declining purchasing power. Therefore, support to food insecure households should be planned within a comprehensive response approach, addressing contextually all different "symptoms" and root causes.

Consumption-based poverty lines	Household Income Poverty	ACTION / RESPONSE
Relative Poverty: Essential needs \$2.2 per person per day (pp/pd): <ul style="list-style-type: none"> Basic needs + health care, education, transportation, personal care, and housekeeping supplies 	Gap – to be monitored	Humanitarian Assistance to fill the gap <ul style="list-style-type: none"> Outreach Targeting: <ul style="list-style-type: none"> geographic socio-economic Basket composition: <ul style="list-style-type: none"> food aid + cash aid + job creation
Absolute Poverty: Basic needs \$1.6 pp/pd: <ul style="list-style-type: none"> Food Housing Clothing 	Current Assistance	Livelihood support to lift actual income <ul style="list-style-type: none"> Sustainable employment: <ul style="list-style-type: none"> Income Generating Activities Private sector development Agriculture-based livelihoods
	Actual Income	

Income-poor households receive assistance from different sources to meet their consumption requirements –income/consumption gap filling. On the other hand, households adapt their consumption and (to a lesser extent) income-generating patterns to minimize the income/consumption gap.

When households are unable to cope with the shocks/negative trends, they resort to extreme coping mechanisms, which dent their asset base. This often has a knock-off effect pushing them into worse socio-economic conditions (more vulnerable to further shocks). Distress coping mechanisms may include: 1) reduction of food intake and consumption of cheaper foods; 2) sale of household and productive assets, such as land; 3) dropping out of school; and, 4) failure to meet social obligations and solidarity requirements.

Humanitarian assistance is supposed to fill the gaps, but funding and operational constraints result in insufficient response capacity and imbalanced outreach to population groups affected by recent developments.

Protecting and restoring households' productive asset base (including education levels and productive skills) is critical in preventing households from falling into an irreversible poverty cycle, further inflating the humanitarian caseload. Emergency job creation, food and cash assistance schemes may cushion impoverishment but cannot stop the poverty cycle.

4.2 Food Security Monitoring System

A Food Security Monitoring System (FSMS) based on regular data collection and analysis and endorsed by the food security sector is long overdue in the WBGS. This study has shown the potential for using a combination of regular existing datasets from PCBS to form the skeleton of such a system. Household's socio-economic condition can be measured in terms of income and consumption poverty, with a particular focus on household food purchase and household consumption. PCBS sustained data stream is a key asset for measuring poverty and food insecurity over time as a reliable and sustainable data source for socio-economic analyses and assistance planning, both at humanitarian and development levels.

It is recommended the Impact of Israeli Measures Survey be used as a basis for such work and that slight modifications to the questionnaire to better capture livelihood assets and sources of income be negotiated with PCBS. Food insecurity estimates can be updated every quarter upon availability of fresh PCBS "Impact" datasets.

PECS is also a key source of data on food consumption. A specific food security analysis based on PECS 2005 data was conducted in FAO-Rome by 3 Palestinian specialists (statistics, econometrics and policy analysis) as part of a training process. PECS 2006 datasets will be analysed with the same module as soon as possible in close cooperation with PCBS. The current PECS sample is too small to provide inter-annual updates and geographic breakdown beyond the West Bank and Gaza Strip. However, it is hoped that PCBS will increase the sample size in 2007 to overcome such limitations.

The FSMS will be a joint FAO/WFP initiative in partnership with the government. In view of complementing the PCBS database with sector specific information, WFP intends to add food security modules to the impact survey questionnaires whereby additional indicators such as dietary diversity and assets ownership can be monitored over-time.

There is a commitment by WFP and FAO to support the establishment of such FSMS, which should focus on the following:

1. Systematic review of ongoing programmes in the areas of food aid, cash aid, job creation, and agriculture:
 - UN, NGOs, charities, etc.: who is doing what where?
 - Typology of packages, e.g., food aid, cash aid, job creation, voucher schemes, agricultural inputs;
 - Typology of beneficiaries: eligibility and targeting criteria; and,
 - Coverage: planned (e.g., CAP) vs. actual outreach capacity of different field programmes.
2. Measuring periodically (e.g., every 6 months) the gap between ongoing programmes and estimated needs (i.e., consumption poverty gap with a specific focus on food consumption):
 - Needs assessment update every 6 months and/or as required for specific interventions or as a consequence of major change.
 - Against the estimated needs, define how many beneficiaries are being reached by different agencies against the estimated needy people (inclusion and exclusion errors).

The current assessment will determine (i) the most appropriate food security descriptors (income, consumption, livelihood vulnerabilities, and trade related threats), (ii) the indicators for monitoring, and (iii) the methodology for monitoring, based on sustainability considerations. Proxy indicators for measuring food insecurity are:

- level of impact of current shocks and longer term trends on the socio-economic condition of Palestinian households;
- household income and consumption poverty gaps and trends;
- share of household income spent on food and its elasticity against income level/pattern change;
- food intake patterns (calories, macro and micro-nutrients), with particular attention to nutritionally vulnerable groups, such as children and women in reproductive age; and,
- economic and financial viability of vulnerable traders, such as those in areas affected by the Barrier or high unemployment and poverty.

4.3 Proposed Institutional Set-up for Food Security Coordination

The main purpose of an institutionalised food security forum is to optimize:

- Interaction between information/analysis and planning/implementation;
- Complementarities among agencies and interventions; and,
- Linkages among short-term (and sometimes fragmentary) interventions within a structured vision.

The latter is particularly important in a time of (i) PA de-institutionalization and disempowerment, and (ii) an aid policy swing towards relief.

Discussions are in process with donors, the PA and UN agencies to establish a Food Security Working Group within the LACS framework. The Food Security Working Group is expected to deliberate on the institutionalisation of food security analysis and programming.

Given the complexity of food insecurity and the need for concerted efforts to address it, it is recommended that the PA develop an inter-sectoral platform (including MoA, MoP, MoNE, MoSA, private sector, NGOs) for planning and implementation, while the food security information and policy analysis function should be assigned to an independent body (e.g., MAS), with a special agreement with PCBS as the statistic powerhouse of the system.

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Annex 1: Food Security Concepts and Terminology

Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. Individuals are considered food and nutritionally secure if the following components of food security are present:

- Availability – sufficient quantities of food of appropriate quality are present, whether supplied through domestic production or imports (including food aid)
- Access – access by individuals to adequate resources (entitlements) to acquire appropriate foods for a nutritious diet. Entitlements are defined as the set of all those commodity bundles over which a person can establish command given the legal, political, economic and social arrangements of the community in which they live (including traditional rights, e.g., access to common resources)
- Utilisation – Consumption and utilisation of food through adequate diet, clean water, sanitation, and health care, to reach a state of nutritional well-being for which all physiological needs are met. This highlights the importance of non-food inputs such as health for nutritional outcomes.

Stability is a cross-cutting dimension of food security based on the consideration that an individual, household, or population must have access to adequate food at all times and should not be at risk of losing access to food as a consequence of a shock, e.g., an economic or climatic crisis, or cyclically, e.g., during a particular period of the year (seasonal food insecurity).

Food insecurity therefore differs from poverty and includes the degree of vulnerability to the effects of harmful events over which people have no control.

The concept of vulnerability⁶⁰ requires a distinction between *vulnerability as defenselessness vis-à-vis a harmful event* (for example drought, political turmoil) and *vulnerability to a specific negative outcome* following a harmful event (for example vulnerability to food insecurity). People vulnerable to food insecurity are therefore vulnerable to specific factors that can result in inadequate food intake due to inadequate livelihood strategies and coping capacity.

Vulnerability to food insecurity implies the probability of an acute decline in food access or consumption in reference to some critical value that defines minimum levels of human well being. Vulnerability implies varying degrees of insecurity (exposure to risks, shocks and stress), defencelessness, and lack of resilience and ability to cope.

Structural vulnerability⁶¹ results when slowly-changing factors expose people to high levels of risk and stress, and undermine their ability to cope with them. Chronic food insecurity—the inability of a household or an individual to meet the minimum daily food requirements for a long period of time—is usually the result of persistent structural vulnerability. Food secure people may be exposed to similar risks and stresses, but their ability to cope is adequate.

Transitory food insecurity occurs when a household or individual faces a temporary decline in the ability to meet food needs. Transitory food insecurity occurs for a limited time because of unforeseen and unpredictable circumstances (e.g., floods, civil unrest, blockades like in Gaza Strip last March/April). Seasonal food insecurity occurs when there is a cyclical pattern of inadequate access to food (e.g., food shortages in pre-harvest period). All people in a population are exposed to occasional shocks, and hence face some risk of transitory food insecurity. The extent of pre-existing structural vulnerability and their ability to cope will be important factors determining the nature and effects of such an episode.

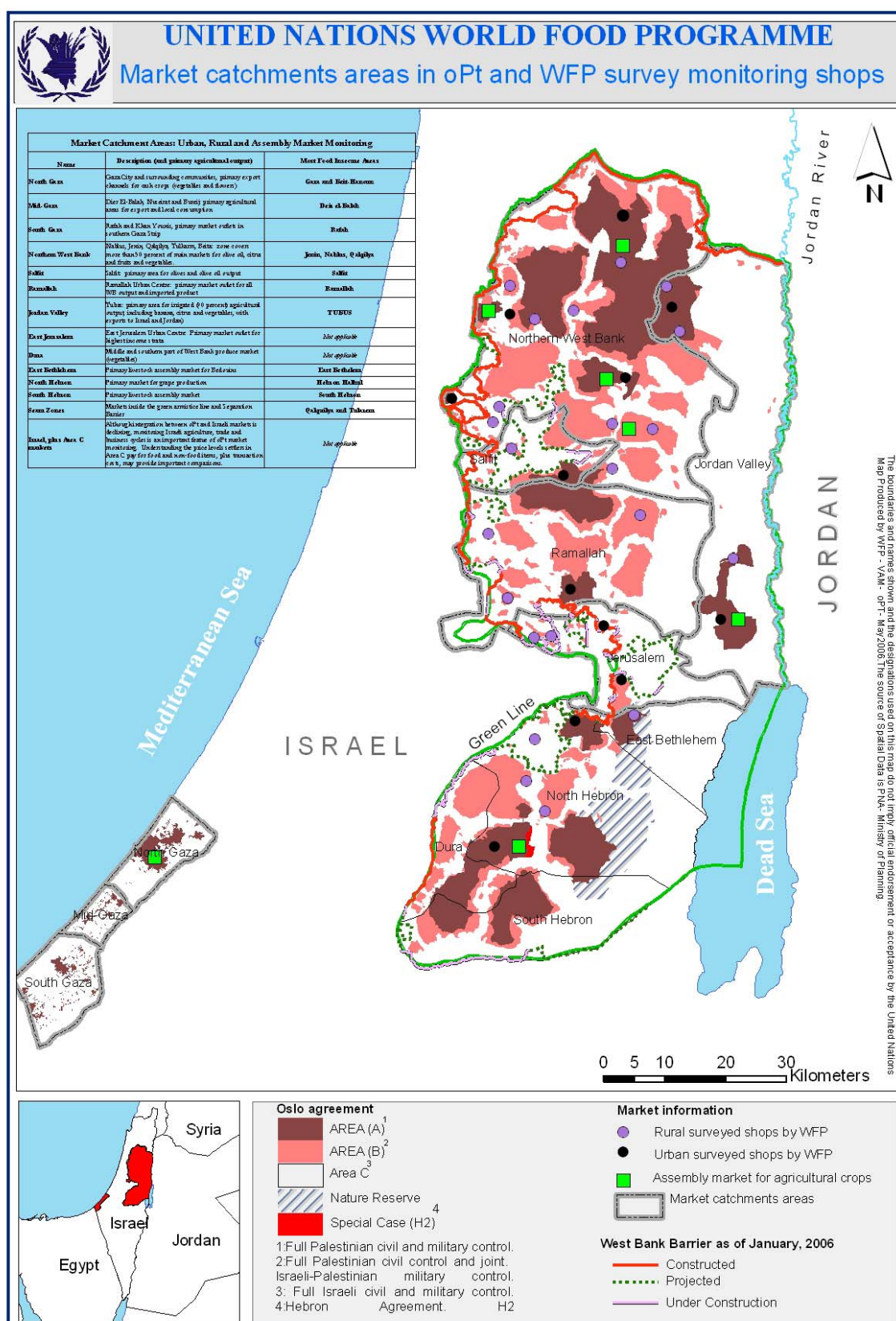
Among chronically food insecure people both macro and micronutrient deficiencies will almost certainly be present. Diversification of diets is usually sufficient to redress these imbalances, but the cost is often too high. People may experience nutritional imbalances even when obtaining sufficient dietary energy.

Livelihoods refers to activities required for a means of living. It includes the assets including material resources, human capabilities and social resources that people mobilise in order to sustain themselves.

⁶⁰ C. Lovendal and M. Knowles. Tomorrow's Hunger: A Framework for Analyzing Vulnerability to Food Insecurity. FAO, Rome.

⁶¹ FIVIMS. (2002). Understanding Food Insecurity and Vulnerability, Tools and Tips Series, FAO Rome.

Annex 2: Map of Market Catchment Areas



Annex 3: Decision Matrix for Cluster Analysis

Income	Clusters	Consumption			
		less 1.6\$/c/d	1.6-2.2 \$/c/d	more 2.2\$/c/d	
Less than 1.6 \$/c/d	1	1	7	17	Food Insecure
	2	2	8	18	
	3	3	9	19	
1.6-2.2 \$/c/d	1	4	10	20	Vulnerable
	2	5	11	23	
	3	6	15	24	
More than 2.2 \$/c/d	1	12	16	25	Marginally Secure
	2	13	21	26	
	3	14	22	27	

Annex 4: Food Commodities Chosen for Market Price Fluctuation Analysis

Food Group	Item	Brand/Type	Amount	Origin
Grains	Short-Grained Rice	Star White	25 kg. bag	Australia
	White Flour	Haifa Zero	60 kg. bag	Israel
	White Pita Bread		1 kg.	Local
Meat	Fresh Sheep with Bones		1 kg.	Local
	Fresh Beef		1 kg.	Local
	Fresh Plucked Chicken		1 kg.	Local
	Fish (mullet)		1 kg.	Local
Dairy Products	3% Pasteurized Milk	Tnuva	1 kg.	Israel
	Powdered Milk	Nido	2.5 kg.	France
	Normal Leban	Al-Juneidi	500 gm.	Local
	Boiled White Sheep Cheese		1 kg.	Local
Eggs	Chicken Eggs		2 kg.	Local
Oils	Olive Oil		1 kg.	Local
	Corn Oil	Shaqha	3 litres	Israel
Fruits	Yellow Lemons		1 kg.	Local
	Medium-Sized Clementines		1 kg.	Local
	Red Apples		1 kg.	Israel
Vegetables	"Baladiyya" Tomatoes		1 kg.	Local
	Greenhouse Tomatoes		1 kg.	Local
	Large Seeded Eggplants		1 kg.	Local
	Greenhouse Cucumbers		1 kg.	Local
	"Baladiyya" Onions		1 kg.	Local
	Israeli Onions		1 kg.	Israel
Pulses	Chickpeas		1 kg.	Turkey
Sugar	White Sugar	Crystal	1 kg.	Holland

PCBS data

Annex 5: Locations of Community Discussions and Their Characteristics

Community discussions were held by Al-Sahel in September 2006 as part of the qualitative verification study including in this report.

Community Location for group discussion on food security	Associated characteristics which informed the selection criteria for the location
Kufr Ni'ma Ramallah Governorate	Rural community in the middle of the West Bank whose economic base is largely dependent on public sector employment and poultry farming.
Al-Jalazon Refugee Camp Ramallah Governorate	A West Bank refugee camp that is located on the outskirts of Ramallah city.
Jayyous- Qalqilya Governorate	A rural community in northern West Bank which is largely dependent on agriculture and significant affected by the Barrier.
Burqeen Jenin Governorate	An agricultural rural community in the northern West Bank.
Dyuk and Nuweimeh Jericho Governorate (Jordan Valley)	An agricultural community in eastern West Bank with a history of agricultural trade with neighbouring Jordan
Sureef Hebron Governorate	A remote rural area in southern West Bank (between the cities of Bethlehem and Hebron) that is close to the Green Line, and which is known to have animal wealth (sheep and goats)
Bani Naim Hebron Governorate	A semi-urban community in southern West Bank that is known to have strong animal wealth base and a significant public sector employment.
Nablus City Nablus Governorate	An urban centre in northern West Bank. Considered as the main business and residential centre of the northern West Bank being at the cross roads of the Jerusalem – Jenin road running north to south and Tulkarm-Jordan Valley running east to west.
Beit Hanoun North Gaza Governorate	An agricultural and industrial community in northern Gaza Strip which has been severely affected by recent political turmoil.
Ash-Shaate' Refugee Camp Middle Gaza Governorate	The second largest refugee camp in the Gaza Strip which houses the largest number of fishermen households.
Abbassan – Khan Younis Governorate (South Gaza)	An agricultural community on the outskirts of Khan Younis City and on the seam line with Israel.

Annex 6: Total Local Production and Total Local Consumption of Selected Food Items for Various Years

Food or Food Group	Total local production 2000/01*	Total local production 2001/02*	Total local production 2003/04*	Total consumption 2004**	Total consumption 2005**	Average annual total consumption 2004/2005**
Wheat for bread	24285	52821	46340	1272537	1355446	1313991
Red meat	24179	27500	36421	199306	201304	200305
Broilers meat	81413	83145	57009	282662	296240	289451
Fish	2120	2567	2995	93284	108427	100855
Milk and milk products	147739	167536	185015	312507	293761	303134
Eggs	35625	30412	36240	52212	48931	50571
Olive oil***	5443	27744	22106	13231	13689	13460
Citrus and other fruits	251789	267077	332807	1140752	1391261	1266007
Vegetables	535670	570236	589909	663384	751227	707306
Tubers	57277	64860	95804	278762	307052	292907
Legumes	2505	4435	4242	248998	263400	256199
Honey	353	300	466	8582	8435	8509

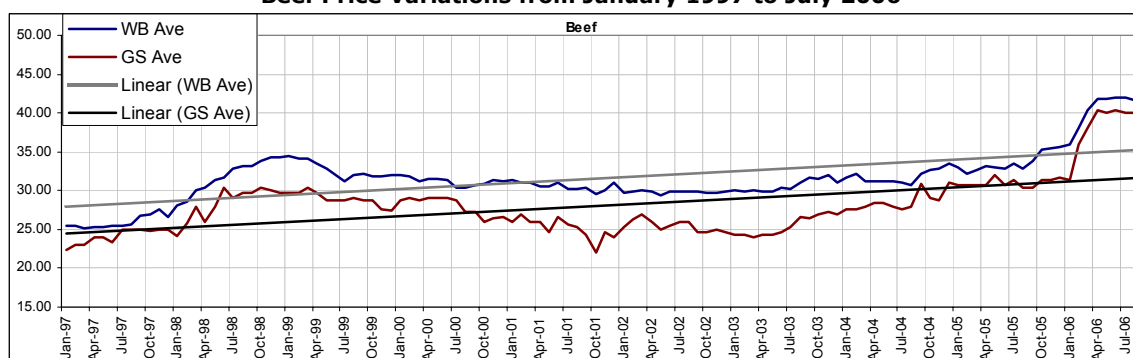
All values in the table in metric ton/year

* Production values were calculated from PCBS data for the respective years

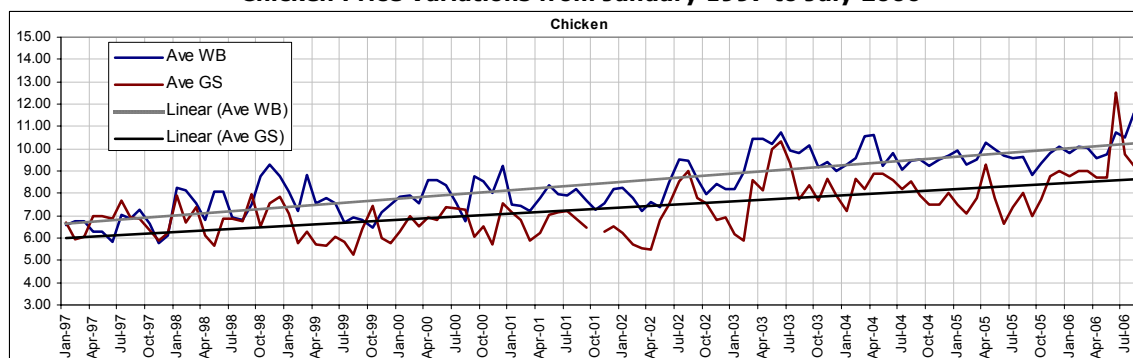
** Consumption values were calculated based on PCBS PECS surveys in the years 2004 and 2005.

Annex 7: Food Price (NIS/kg) Variation Graphs

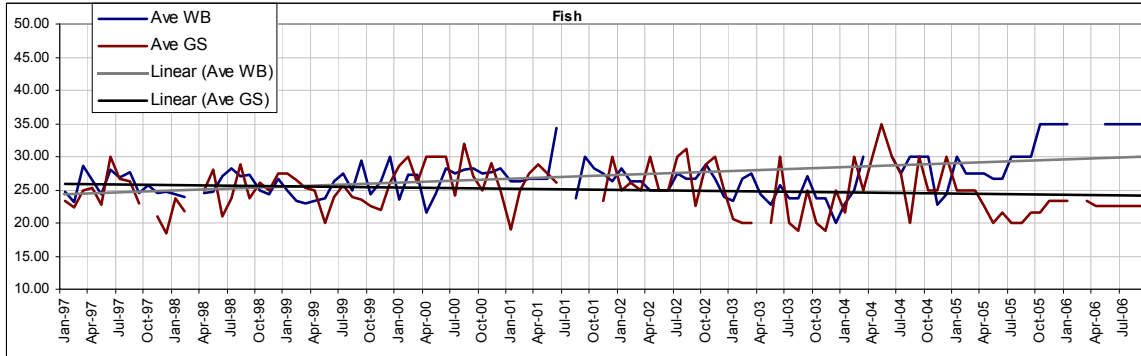
Beef Price Variations from January 1997 to July 2006



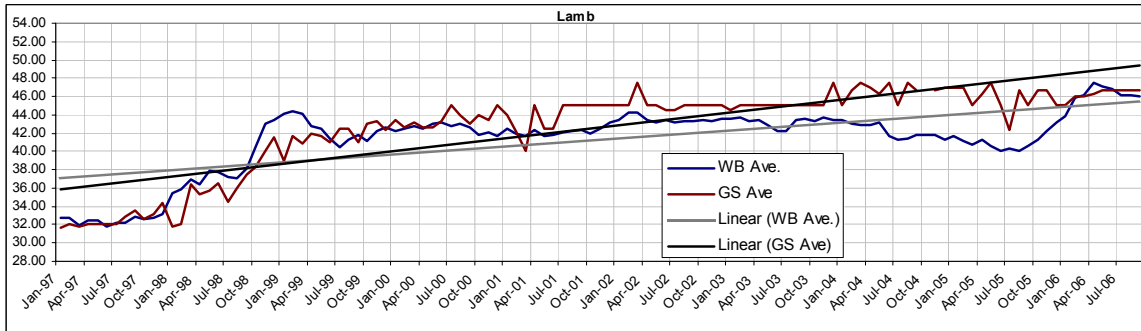
Chicken Price Variations from January 1997 to July 2006



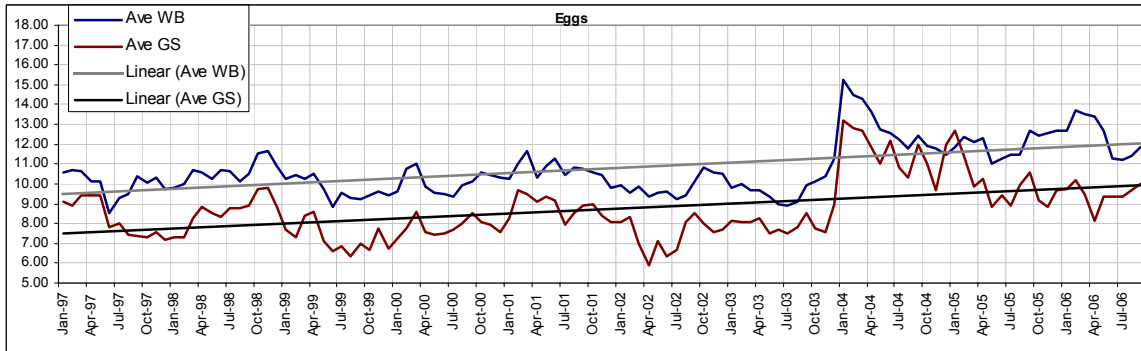
Fish Price Variations from January 1997 to July 2006



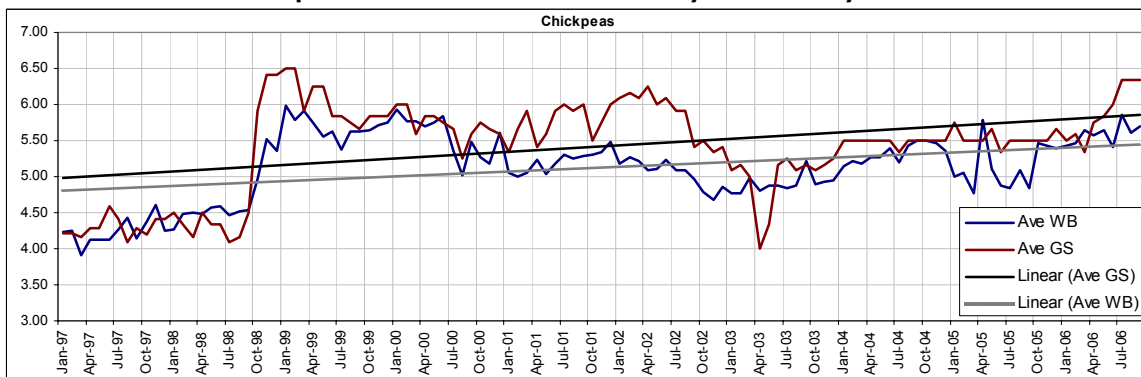
Lamb Price Variations from January 1997 to July 2006



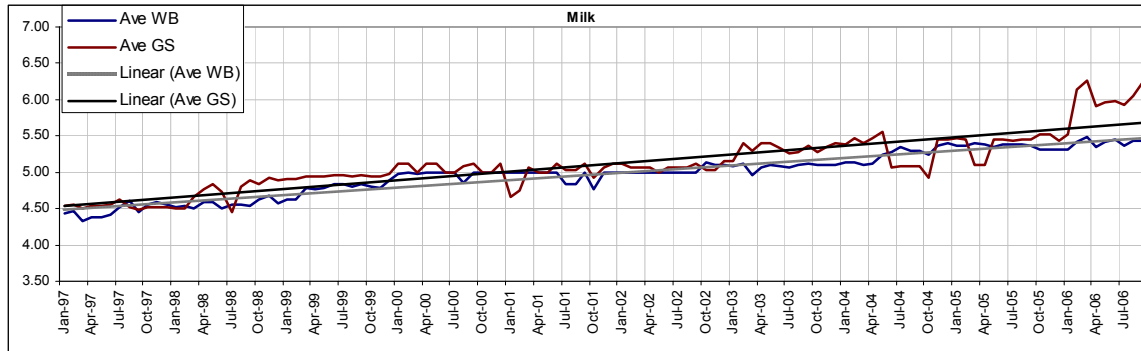
Egg Price Variations from January 1997 to July 2006



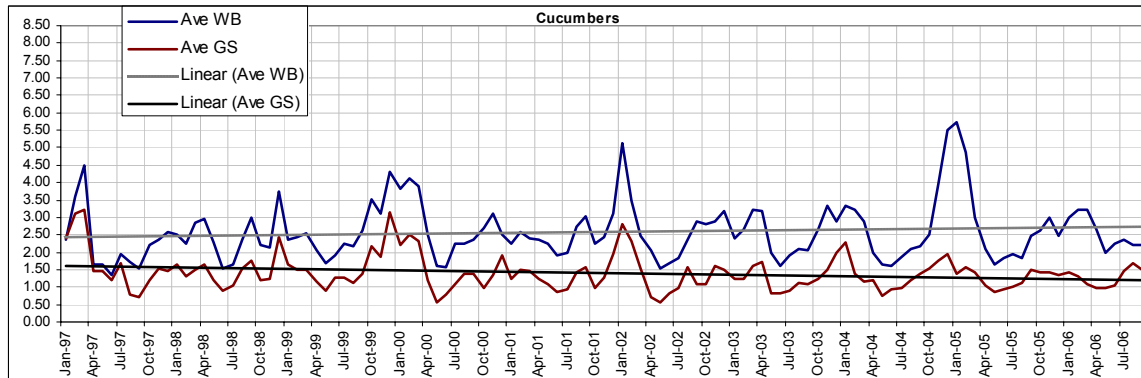
Chickpea Price Variations from January 1997 to July 2006



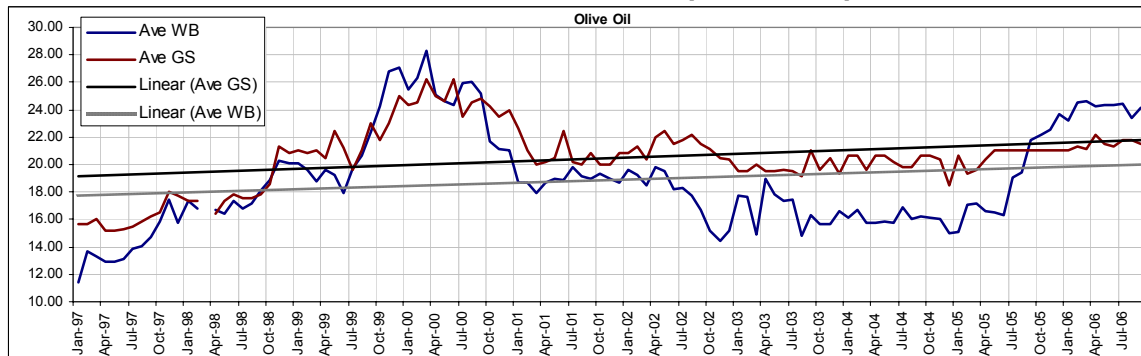
Milk Price Variations from January 1997 to July 2006



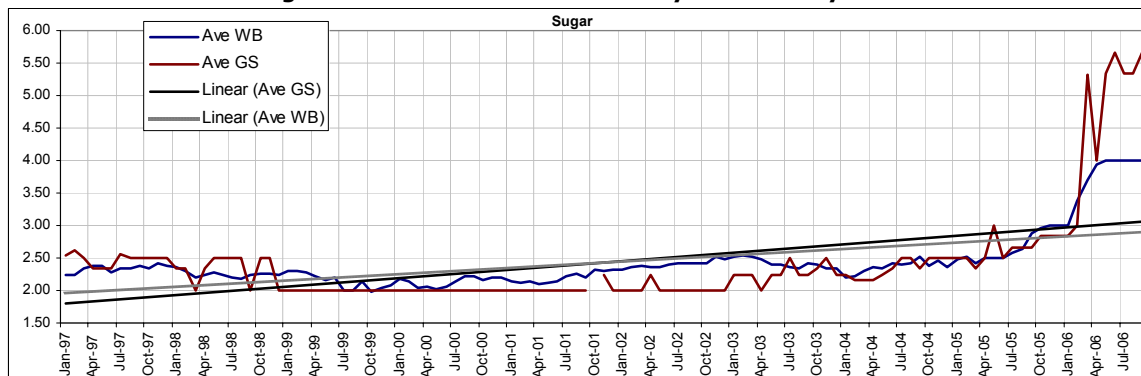
Cucumber Price Variations from January 1997 to July 2006



Olive Oil Price Variations from January 1997 to July 2006



Sugar Price Variations from January 1997 to July 2006



Annex 8: Locations and Associated Selection Criteria of Community-level Group Discussions Held by El Sahel in September 2006

Community Location for group discussion on food security	Associated characteristics which informed the selection criteria for the location
Kufur Ni'ma Ramallah Governorate	Rural community in the middle of the West Bank whose economic base is largely dependent on public sector employment and poultry farming.
Al-Jalazon Refugee Camp Ramallah Governorate	A West Bank refugee camp that is located on the outskirts of Ramallah city.
Jayyous- Qalqilya Governorate	A rural community in northern West Bank which is largely dependent on agriculture and significant affected by the Separation Wall.
Burqeen Jenin Governorate	An agricultural rural community in the northern West Bank.
Dyuk and Nuweimeh Jericho Governorate (Jordan Valley)	An agricultural community in eastern West Bank with a history of agricultural trade with neighbouring Jordan
Sureef Hebron Governorate	A remote rural area in southern West Bank (between the cities of Bethlehem and Hebron) that is close to the Green Line, and which is known to have animal wealth (sheep and goats)
Bani Naim Hebron Governorate	A semi-urban community in southern West Bank that is known to have strong animal wealth base and a significant public sector employment.
Nablus City Nablus Governorate	An urban centre in northern West Bank. Considered as the main business and residential centre of the northern West Bank being at the cross roads of the Jerusalem – Jenin road running north to south and Tulkarem-Jordan Valley running east to west.
Beit Hanoun North Gaza Governorate	An agricultural and industrial community in northern Gaza Strip which has been severely affected by recent political turmoil.
Ash Shati Refugee Camp Middle Gaza Governorate	The second largest refugee camp in the Gaza Strip which houses the largest number of fishermen households.
Abbassan – Khan Yunis Governorate (South Gaza)	An agricultural community on the outskirts of Khan Yunis City and on the seam line with Israel.