



JOINT RAPID FOOD SECURITY SURVEY
in the
OCCUPIED PALESTINIAN TERRITORY
May 2008



“We have reduced our food consumption to a bare minimum. I honestly do not know what else we could do to cut our expenditures on food.”

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EXECUTIVE SUMMARY

The main driver of Palestinian food insecurity is of a political nature, as key elements of vulnerability are rooted in the military and administrative measures imposed by the Israeli occupation - closure regime, permits, destruction of assets - as well as settlement expansion and derived infrastructure multiplication - access to land and water, bypass roads, etc.

Soaring food prices, falling incomes and growing unemployment are jeopardizing the livelihoods of Palestinians, leading to heavy debt and changes in family eating habits. Previously self-reliant families are progressively falling into the poverty trap and are unable to escape from their situation in the absence of job opportunities. Furthermore those with work are facing increasing difficulties to manage due to unadjusted salaries, a degrading economic environment and high dependency ratios.

There is evidence of the positive effects of aid in mitigating the increase of Palestinians' food insecurity. However food security remains poor and there are real imminent threats to the livelihoods and nutrition of a growing proportion of the population. The rapidly increasing prices of food and the declining productivity of the agricultural sector in both the West Bank (WB) and the Gaza Strip (GS) as a result of natural calamities and Israeli measures, together with the tightening of restrictions on the free movement of people and goods in the West Bank and Gaza Strip (WBGS); the unprecedented and prolonged closure of the GS; and, the inability of humanitarian organizations to meet the increasing demand for and cost of humanitarian assistance have, combined, been leading to the erosion of the livelihoods of the Palestinian population.

There is little scope for action other than that of a humanitarian-emergency nature to solve food insecurity, until the political dimension is resolved. In this framework and in concert with the Palestinian Reform and Development Plan (PRDP), social safety nets activities need immediate support along with the relevant public institutions and implementing agencies.

1 INFLATION AND FOOD PRICE INCREASE

- The consumer price index for food has risen from March 2007 to the end of April 2008 by 14.6 percent in the WB and 16.3 percent in GS (PCBS, 2008). Price of wheat flour increased by 73 percent in the WB and 68 percent in the GS.
- There is high dependency on imported food items for household food consumption. Less than 5 percent of the cereals and pulses consumed in the WBGS is locally produced. Moreover, prices of locally produced fresh foods (meat, poultry and vegetables) have skyrocketed and many poor families can no longer afford them.
- Local production of food, as well as rural livelihoods dependent on agricultural production, have been hit by three major shocks in recent months: the complete closure in the GS, the late frost and a still ongoing drought in both the GS and the WB, leading to large fluctuations in the price of locally grown products. More than 12,000 farmers and many more agricultural labourers have been affected by the frost. The drought is equally affecting farmers who cannot water their crops and sheep herders who have not had any pastures to graze in the spring and cannot obtain water for their animals to drink in the summer. Distress sales of livestock are already taking place.

2 SOCIO-ECONOMIC DECLINE AND LIVELIHOOD CRISIS

- A third of Palestinians have reported a fall in income this year, the poor suffered most heavily with a 40 percent drop.
- 37 percent of breadwinners in the GS are now unemployed and 27 percent in the WB. Consequently, the dependency ratio is high (8.6 dependants per employed person in the GS and 5.6 in the WB).
- Wage employment continues to be the main source of income, followed by self-employment and transfers from relatives and friends. The main secondary source is emergency assistance in the GS.
- The agricultural sector in the GS is close to collapse, as no exports are allowed, and there is a total unavailability of fertilizer, pesticides and other crucial inputs. 70 percent of the spring crops are not being irrigated, due to the lack of fuel available for the pumps. Israeli incursions translate into significant damage to farming lands, crops and greenhouses.

- 97 percent of households reported being affected by food price rises in the past 3 months. Two thirds of the population believes to be financially steadfast for 6 months or less.

3 EROSION COPING MECHANISMS

- There is excessive use of negative coping strategies by the population. Having already sold disposable assets, 59 percent of households are now relying on credit to buy food. However this coping mechanism is increasingly exhausted and only available to those with a reliable income. There is progressively less informal credit availability (due to retailers' own uncertainties) and traders are extending credit only for essential items.
- The majority of Palestinians have not paid their utility bills (water and electricity) for many months. 31 percent still rely on this strategy, however almost half of Palestinian households have already exhausted this possibility.
- Palestinians are eating less. Many parents reduce their intake to allow for their children to eat. Half the surveyed population have decreased their spending on food, 89 percent reduced the quality of food they buy while 75 percent reduced the quantity since January 2008 and almost all people have reduced their consumption of fresh fruit, vegetables and animal protein to save money. Very few Palestinians now eat fresh (red) meat.
- Families cannot afford to compensate for the lack of protein and vitamins. Considering the high prevalence of anaemia and other micro-nutrient deficiencies, this will have health consequences in the long term especially affecting children.

4 INCREASED RELIANCE ON HUMANITARIAN AID

- Food aid and other safety nets have played a major role in preventing an even higher number of people falling into poverty and food insecurity. In the GS, 60 percent of households cite emergency assistance as a secondary source of income. The corresponding figure in the WB is only 1.6 percent.
- 76 percent of households in the GS have received some type of in-cash or in-kind assistance in the past three months, with higher levels of coverage for refugees, particularly amongst the poorest segments of the population. 23 percent of households have been assisted in the WB.
- The majority of assisted households received food assistance (almost 90 percent). Health care and cash/job assistance were received by 59 percent and 51 percent of the households who reported receipt of assistance, respectively.
- Inadequate funding levels coupled with high cereal and fuel prices have led WFP to revisit its activity types and scale down its caseload and ration size, and prevented UNRWA from meeting its food aid targets.
- The relative increase of families relying on assistance over the past six months makes the current coverage by main assistance providers insufficient. There is a need for in breadth and depth expansion of assistance both in the GS and the WB.
- Survey findings show that close to 52 percent of the households believe that the received assistance has become more important to their livelihood in the last three months.

5 RISING FOOD INSECURITY

- **Food security** exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life. **Food insecurity** exists when this access is jeopardized. As a result of the factors analysed above, i.e. food price inflation, livelihoods deterioration and erosion of coping mechanisms, the food insecurity is rising in the WBGS however, the delivery of targeted food aid has prevented a steeper decline in the food security status.
- 38 percent of the Palestinian population is food insecure (compared to 34 percent in 2006).
- Food insecurity in the GS is more widespread, reaching 56 percent, and in the WB it is 25 percent.
- Food insecurity is higher among refugees (44 percent) compared to non refugees (33 percent) however, both population groups faced a similar increase (10 percent) in their food insecurity in the past two years. Food insecurity reaches 50 per cent in camps.

- In the WB, 56 cents of every dollar earned is now spent on food whereas in the GS people spend 66 cents/dollar earned on food. Poor families are most affected, spending three quarters of their money on food.
- Palestinians living in refugee camps continue to exhibit the highest levels of food insecurity (50 percent); however, populations in urban areas have faced the highest increases in food insecurity over past two years (from 19 percent to 22 percent in the WB and from 53 percent to 56 percent in the GS).
- Approximately 54 percent of the food insecure people live in urban areas, compared to 27 percent in rural and 19 percent in camps.
- The share of food expenditure over the total household expenditure is as high as 64 percent in urban areas compared to 60 percent in rural areas and 67 percent in camps.
- The situation is especially desperate for the population of the GS who are heavily affected by the economic blockade. However, closed areas of the WB are equally affected due to high unemployment rates, wage depreciation, declining business opportunities and increased restrictions on movement and access.

6 RECOMMENDATIONS FOR ACTION

The main driver of Palestinian food insecurity is of a political nature, as key elements in vulnerability are rooted in the military and administrative measures imposed by the Israeli occupation - closure regime, permits, destruction of assets - as well as the settlement expansion and derived infrastructure multiplication - access to land and water, bypass roads, etc.

There is little scope for action, other than that of humanitarian-emergency nature to solve food insecurity, until the political dimension is resolved. However, this section will aim to point to recommendations at a technical level given the socio-political constraints. In this framework, social safety nets and small farmers/herders need immediate support along with the relevant public institutions and implementing agencies.

The following recommendations are still under discussion within the agencies and will be further articulated in cooperation with the relevant Palestinian Authority (PA) Line Ministries, UN agencies, donors, NGOs and private sector.

POVERTY ALLEVIATION, SAFETY NETS AND FOOD ASSISTANCE:

1. Meet the immediate needs of the destitute (Social/Special Hardship Cases):
 - ✓ Meet the basic food needs of the destitute population through general food distribution in order to prevent hunger and limit distress coping mechanisms
 - ✓ Ensure that there is no break in the pipeline of food to destitute cases
2. Assist the newly needy with adequate levels of emergency assistance: There is a clear imperative for emergency food assistance to cover newly affected population groups and meet their fast growing needs, such as:
 - ✓ Urban food insecure poor, particularly non refugees in the GS
 - ✓ Drought and conflict affected and other marginal rural communities in the WBGS
 - ✓ Unemployed workers, export farmers and fisher folks affected by June 2007 import restrictions and export freeze in the GS
3. Complement food assistance with livelihood support:
 - ✓ Transfer families with improved economic and food security status from food assistance to livelihood support programmes to help them escaping the poverty trap and allow food assistance to focus on the most needy
 - ✓ Pilot voucher programme focusing on urban areas particularly for non refugees in the WB
 - ✓ Align food and cash combined projects in order to respond to soaring prices
4. Increase the predictability of aid resources to optimize safety nets and caseload coverage
5. Enhance ongoing efforts for improved targeting between WFP and UNRWA, in consultation with the Ministry of Social Affairs (MoSA)

6. Specifically for WFP and FAO, support to MoSA and implementing agencies to improve equitability and inclusive social protection:
 - ✓ Re-targeting and strengthening of the social safety net programmes to ensure that they include the growing number of destitute cases (especially in urban areas and in the GS)
 - ✓ Institutionalize a socio-economic and food security monitoring system to timely update key indicators and inform flexible response programming
 - ✓ Streamline socio-economic and market research to address key information gaps for social protection

PROTECTION OF AGRICULTURE-BASED LIVELIHOODS:

7. Enhance food production: as both income-generating activities and as a way of countering the hike in food commodity prices - this is especially relevant to Gazan farmers:
 - ✓ Diversification of food production patterns to address local demand and production of high nutritional value products (meat, poultry, olive oil, vegetables and fruits)
 - ✓ Household production of food for the most vulnerable (backyard and peri-urban farming)
 - ✓ Development of appropriate technologies (energy- and water-saving, recycling)
8. Support services and insurance in the agriculture, livestock and water sectors, in order to mitigate the effect of natural disasters such as drought, frost and animal diseases.
9. Creation/rehabilitation of productive assets, including land reclamation and restoration of water facilities.
10. On-farm and off-farm income generating activities and vocational training
11. Support the Ministry of Agriculture and NGOs with technical assistance and enhanced coordination to ensure prompt and effective agricultural response to growing food insecurity

1 METHODOLOGY

In order to better understand the effects of the unfolding humanitarian crisis developing in the West Bank and Gaza Strip (WBGS) on the livelihoods of the population, the World Food Programme (WFP), the Food and Agriculture Organization (FAO) and United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) commissioned the services of Al-Sahel Company for Institutional Development and Communications (Al-Sahel) to conduct a household-level survey and a qualitative socio-economic assessment of the population in order to gauge the main food security indicators. Within this framework, the survey was designed to achieve the following objectives:

1. Assess the impact of the significant increase of the price of basic food commodities on poor people in the WBGS, and measure the continuous impact of current closure on Gaza Strip (GS).
2. Assess the changes in food patterns, coping mechanism (including assistance), market functionality and livelihoods in the aftermath of the recent escalation in violence and extended economic downturn in the GS.
3. Gauge the resilience of West Bank (WB) population (including the role and contribution of assistance) in the wake of prolonged closure regime, recent climatic shocks (drought and frost) as well as market induced shocks (high food, fodder and water prices) which are hampering the traditional farming and herding livelihoods, as well as the poor urban and camp residents.
4. Profile population groups most vulnerable to the above risks, considering their resilience and level of exposure to risk.

This report provides an analysis of the main survey findings. While contributing to achieving the above objectives, it is also intended to provide timely programming information for food aid and other sectors' interventions, as deemed necessary by the three organizations.

The rapid food security assessment, that took place between the end of March and mid April 2008, consisted of:

- ✓ Literature Review;
- ✓ Quantitative survey comprised of 2133 household questionnaires in the WBGS, and
- ✓ 300 Semi structured Interviews with key informants and community organizations.

For this purpose, 27 localities were visited, including urban areas, rural areas and refugee camps.

2 SOCIO-ECONOMIC BACKGROUND

Military and administrative measures imposed by the Israeli occupation, and more so since the outbreak of the Al-Aqsa intifada in 2000, are progressively damaging the Palestinian economy. Restrictions of movement of people and commercial goods, the closure of the Israeli labour market to Palestinians, as well as the repeated destruction of physical assets during regular military incursions are key elements in the economic downturn in the WBGS. During the period 1999-2007, punctuated by a very modest recovery during 2003-2005 driven by increased public spending, remittances and international aid, Gross Domestic Product (GDP) per capita declined by about one third.¹

The international embargo on the Palestinian Authority (PA) following Hamas' victory in the Palestinian Legislative Council elections of January 2006 aggravated further the protracted economic decline with the PA unable to meet most of its obligations and deliver services. Approximately 160,000 public sector employees only received 45 percent of their salaries in 2006, resulting in reduced household income for more than a quarter of the population. By June 2007, arrears related to unpaid salaries and pension contributions of public sector employees, and goods and services supplied by the private sector, accumulated to levels exceeding USD 1.3 billion².

¹ PCBS, National Accounts Data.

² MoP, *Building a Palestinian State: Towards Peace and Prosperity*, December 2007.

The Hamas' takeover of the GS and the establishment of the Fayyad-led caretaker government in Ramallah in June 2007, led to two different political realities in the GS and in the WB. The GS has been suffering an intensification of the closure to unprecedented levels by the Government of Israel (Gol). An export ban has been in place for almost a year, and imports are restricted to a minimal list of 13 humanitarian goods. The fuel supply has been reduced substantially. The economy in the GS, highly dependent on outside inputs and markets, is suffering irreversible damage to the productive capacity in all sectors (construction, furniture, clothing, agriculture, fishing, etc.).

The lifting of the embargo in June 2007 after the creation of the caretaker government in Ramallah, led to improvements in the fiscal situation of the PA, which has enabled it to resume the payment of salaries and salary arrears to its employees, thus allowing them to reverse the difficult conditions they had endured for more than 18 months. International assistance flows unhindered in the WB, but interventions encounter major difficulties in the GS due to military incursions, bank transfer impediments and the protracted and intense closure.

Resumption of payments, as will be shown below, has not helped much in mitigating the protracted livelihood crisis in the WBGS. Declining socio-economic indicators and increased food insecurity is the reality Palestinians, particularly in the GS, have to face, as the Gol has stepped up its movement restrictions and military operations.

The global soaring commodity prices, including food prices, coupled with decreasing incomes are a major shock to families. Since April 2007, the Palestinian Consumer Price Index (CPI) soared to a record, marking an increase of 10.8 percent in April 2008 since January 2007. The CPI increase was largely driven by significant increases (21 percent) in food prices in both the WB and the GS.³

Another recent crisis is the ongoing drought as well as the late frost that hit last winter. The frost has affected over 12,000 farmers⁴, many more labourers and the shock wave has hit the consumer markets. The ongoing drought is affecting large areas of both crop and animal production, jeopardizing future investments in agriculture as well as the sustainability of agricultural livelihoods in the drier areas of the WB.

3 FOOD AVAILABILITY AND MARKETS

Local production

The capacity to produce food in the WBGS is largely constrained by: limited access to land and water; high cost of water and poor quality of water sources; and limited access to fertilizers and other inputs, most of which are imported through Israel. In general, the WBGS is almost entirely dependent on imports of staple food items, such as cereals and pulses. Significant domestic food production is limited to a few commodities with a high nutritional value (mainly olive oil, poultry products, milk/dairy, tubers and vegetables).

Market availability

Palestinian traders have access to foreign markets through Israeli ports of entry and exit. However, access to these ports is continuously hampered by Israeli restrictions and security measures. Traders of agricultural produce are particularly affected in this regard as they are subject to unpredictable closures that often cause their produce to perish on route while waiting to be processed at Israeli checkpoints and commercial crossings. Moreover, agricultural and food market fragmentation in the WBGS, which has been well documented in several studies and reports (e.g. OCHA, WFP), cause a situation in which even the food that is produced or imported is not evenly distributed.

Despite this, overall, markets have the capacity to meet the demand for food. Market visits conducted by the assessment team confirmed that, on balance, food is generally available in the WBGS. Certain non-staple foods are unavailable in the GS due to the restrictions on imports and the closure of the three commercial crossings imposed by the Gol in the aftermath of the June 2007 events. Field

³ This is based on a new revised set of data that will be published by PCBS around mid June. The new data set is obtained using new weights for the consumption basket and using 2004 prices as a base year.

⁴ MoA, damage assessment

interviews with retailers and wholesalers in the GS suggest that both basic and non-basic food items are generally more available in the GS market at the time of the survey than four months prior due to a more systematic entry of basic foods through Kerem Shalom and Sufa, and due to the fact that most wholesalers and retailers were able to restock their shelves when the borders with Egypt were forcibly opened for a period of 10 days in late January 2008.⁵

Changes in the availability of food in the GS are dependant on the commercial and humanitarian access through the different terminals, controlled by the Gol. Political and military unfolding will therefore determine the permeability of these closures.

Retailers' food stocks

There is a reduced, and sometimes very limited, stock of several food items at both the retail and wholesale levels in the WBGS. In the WB, retailers and wholesalers reported that their below average stock levels of various items is mostly due to decreasing purchasing power among consumers, and in part due to their own financial inability to maintain the usual stock levels as result of the rapid price increase of several goods in which they trade. In the GS, the retailers and wholesalers interviewed attributed their reduced stocks mainly to the restrictions on imports. When asked whether they had run out of stock of any food items since June 2007, all retailers and wholesalers interviewed in the GS pointed out that they had indeed ran out of flour, rice, sugar, dairy products, powder milk, and vegetable oil on at least three occasions since June 2007. Generally, baby food, olive oil, nuts, chocolate, spices, juices and carbonated drinks continue to be in short supply in the GS market, continuing a trend that began to emerge in late July 2007.

Despite the resumption of payments of PA employee salaries and the ensuing debt repayments, retailers' stocks have not yet reached the usual levels. Further, the accumulated debt obligations and the high prices have led PA employees to reduce their purchases. Monthly sales have dropped between 20 and 50 percent as consumers are buying less of almost everything.

Anecdotal evidence suggests that smaller retailers with limited financial capabilities have reduced their carrying capacity of flour and other large-ticket items in recent months. Market visits confirmed that the stock of frozen and refrigerated foods at the retail level is also very low and sometimes non-existent in small and medium retail shops in both the WB and in the GS.⁶

Several retailers indicated a shift in their procurement practices towards lower price and quality commodities (that have lower profit margins). This is to respond to changes in customers' preferences due to lower disposable incomes. The shift to lower price items was a noticeably common practice among GS retailers and refugee camp retailers in particular, who also reported reducing their work hours in the past four months (especially in the GS).

Sales of food on credit

To mitigate the effect of reduced income and liquidity shortages due to high credit sales, many retailers have either put a ceiling of NIS 500-800/month for credit sales to their customers, or stopped credit sales altogether. Several retailers also reported extending credit only to employed customers, or customers whose family members are known to have a regular job as a guarantee for payment.

Availability of food at the household level: food purchased/consumed

The majority of households interviewed reported having reduced stocks of food compared to six months ago, despite increasing the percentage of their income spent on food (on average 60 percent in the WBGS) and substituting high-quality food with lower-quality, cheaper foods. For example, most households reported consuming less fresh meat, vegetables, and fruits in the past six months than ever before, and considered many of these foods (especially fresh red meat and fish) a "luxury" that they can no longer afford.

⁵ Anecdotal evidence collected during the field interviews and market visits shows that Egyptian made products are widely available in the Gaza market. It is rumored that some of these products get smuggled from Egypt through underground tunnels in the Rafah area.

⁶ The reduced stock levels were clearly noticeable in the shops of small and medium retailers. However this trend was less visible in large supermarkets and shops of wholesalers (particularly in urban areas of the WB).

“We have not had any stock of food for years now. The only stock we had in the last year was a few kilograms of flour, milk, white beans, sugar and rice, which we received from the [UNRWA] emergency [program]... I have been used to this, and I buy what I can on a daily basis.”

Households with no regular source of income were found to have even less stocks of food, many of them with stocks largely limited to what they receive from the emergency and social welfare programs of UNRWA, WFP, MoSA and other local and international humanitarian and charitable organizations. Furthermore, the survey suggests that the food stock of the chronically unemployed who do not receive any form of regular cash or food assistance is much lower

than any other type of household visited during the assessment.

The overwhelming majority of the households interviewed reported that they buy food in very small quantities two or three times a week. This was confirmed by retailers who also reported noticing that consumers are buying in fewer quantities, which has forced many of them to start selling bulk packages by the kilo.⁷

Survey results show that the percentage of households that decreased their food stock levels of all staple food items in the past three months is significantly greater in nominal terms than those who increased it. Surveyed households report higher decrease for vegetable oil (mentioned by 22.5 percent), followed by rice (19.2 percent), sugar (19.2 percent) and wheat flour (18.2 percent) With the exception of wheat flour stocks, Gazan households have less food stocks in weeks than WB households.

Availability of food assistance

Food and other humanitarian aid is significantly contributing to food security in the WBGS. Food assistance and other income transfers represent a key survival factor for the poorest households in the WBGS. However, some poor households seem to be excluded from most poor formal assistance schemes.

A main concern that stems from this assessment is the foreseeable reduction in supply of food aid to Palestinian households due to: increased food commodity prices, under funding, increased fuel prices and constraints in the GS (tight closures, political pressures, difficulty for bank transfers, etc.).

Underfunding and operational constraints are not only an issue for UNRWA and WFP, but also for Palestinian food aid providers. The Ministry of Social Affairs (MoSA) and local and non-governmental organizations (NGOs) that carry out food aid, cash transfers and employment generation schemes in the WBGS reported decreased funding in 2007 and an ensuing reduced caseload.

It is also important to note that UNRWA was unable to carry out emergency food distributions in the WB for about seven months (from October 2007 to April 2008), as a result of lengthy negotiations between the Agency and the West Bank Camp Popular Committees. Over 90,000 refugee families (corresponding to about 500,000 people), who used to rely on UNRWA's emergency food aid in the past, were directly affected by the suspension of the programme.

As a result of cereal price increase and high transport cost, the cost of the WFP operation rose by 61 percent since the start of the operation in September 2007, meaning that renewed and sustained contributions from donors are necessary in order to respond to the current needs and avoid a drastic reduction in WFP caseload and ration size.

4 LIVELIHOODS AND HOUSEHOLDS' ACCESS TO FOOD

With some exceptions in the GS, markets in the WBGS have the capacity to meet the demand for food. Therefore Palestinians' food insecurity is rooted in the limitations to access food, as a sub-set of consumption poverty. As shown in Section 8 below, food insecurity is on the rise (reaching 38 percent for the whole WBGS, 56 percent in the GS and 25 percent in the WB).

⁷ It was observed during the assessment that retailers have open bags of flour, rice and sugar which they sell by kilogram or fractions thereof. The same was observed with eggs (four eggs sold for 2 NIS).

Socio-economic factors determine food insecurity in the WBGS. Households see their disposable income wane as they have to face rising prices of food and non-food items as their incomes decline.

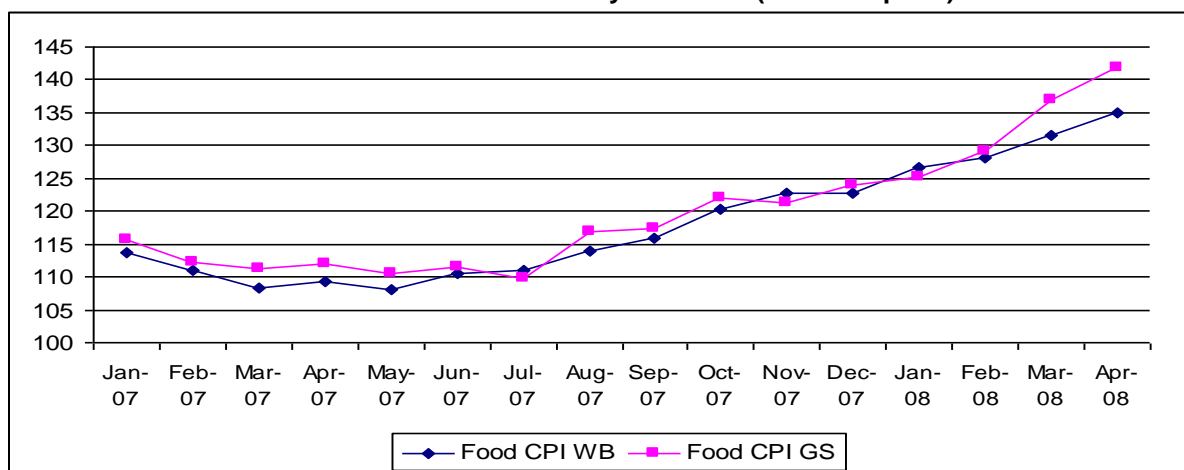
The labour market suffers from the lack of adequate investment environment (security, expected returns, free movement of inputs and outputs), coupled with lower demand for products, expropriation and destruction of productive assets and increased transport and input prices. Despite the aforementioned chronic constraints which are hampering the economic development in the WBGS, a certain improvement has occurred over 2007 in the WB productive sectors. Conversely, these factors have exacerbated the deterioration in the livelihoods of the population living in the GS.

Unfortunately, the resumption of payment of PA employee salaries since the summer of 2007 has not been able to reverse the effects of the increased prices, and the structural problems explained above. Unemployment, loss of livelihoods, and vulnerability to weather crises translate into decreasing incomes, increase dependency ratios, and a shift in expenditure patterns that put at risk households' "access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" i.e. households' food security.

Increase in food prices

Almost all the surveyed households (96.8 percent) reported having been affected by the recent increase in food prices. The CPI for food has risen from January 2007 to end of April 2008 by 20.3 percent in the WBGS. The increase over the four first months of 2008 alone was 11 percent.

Chart 1: Evolution of Monthly Food CPI (Jan 07- Apr 08)



Food prices have shown almost a similar increasing trend. Food CPI has increased by 23 percent in the GS and 19 percent in the WB between January 2007 and April 2008. However, the food price index has witnessed a sharper increase in the GS (10 percent) compared to the WB (5 percent) in the period from February to April 2008.⁸

According to semi-structured interviews with households and retailers in the WBGS, there are increasing numbers of Palestinians who are scrambling to put enough food on their tables as a direct result of the food price increases. As shown in the following sections, the combination of decreased incomes and increased food prices has forced the poorer households to change their food consumption patterns, shifting to lower quantity and lesser quality of foods. Particularly affected are the households of the chronically unemployed who have no regular source of income or assistance and whose capacity to buy on credit is limited.

⁸ PCBS, upcoming CPI revised estimates 2007, 2008

Dependency ratios and decreasing incomes

The general economic downturn in the WBGS, a hostile business environment and increased unemployment rates are pushing incomes to a downward trend. Loss of business and jobs mean greater pressure for the remaining breadwinners. The resumption of payment of PA employees' salaries has been unable to turn around these trends. High prices, high debts and an increasing number of dependents leaves PA workers in a precarious situation.

The economic dependency ratio (number of people per employed person) is lower for WB households than among GS households. This is due to a smaller household size as well as lower unemployment rates in the WB. On average, each employed person in the GS has 8.6 dependents, while each employed person in the WB has 5.6 dependents.

Despite high unemployment rates, wage labour remains the main asset families' incomes depend on. This makes unemployment levels even more alarming for their impact on households' food security. Survey results show that more than half of the households (55.3 percent) have only one source of income. Paid work is the main first source of income for 56.2 percent at the WBGS level, followed by self employment (16.6 percent) and transfers from relatives/friends (7.2 percent).

Table 1: Percentage distribution of households with respect of the first source of income

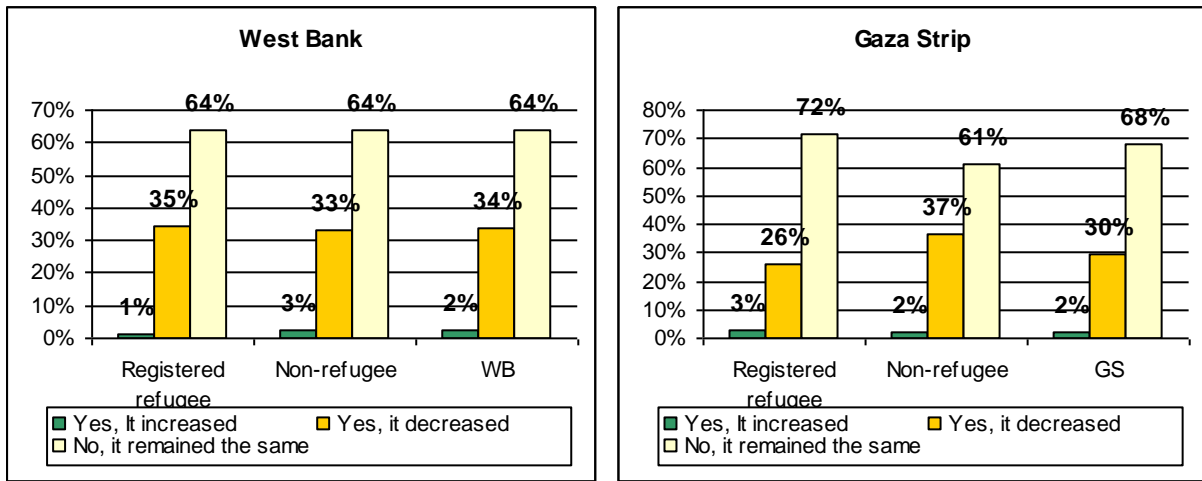
Primary source of income	West Bank			Gaza Strip		
	Refugee	Non-refugee	Total	Refugee	Non-refugee	Total
Paid Work (wages, salaries)	61.9	61.4	61.5	51.9	42.7	48.6
Self employed	13.4	16.7	15.6	15.4	22.5	17.9
Transfers from relatives/friends	10.4	6.7	7.9	4.5	9.5	6.3
Emergency aids	0.5	0.6	0.6	7.7	5.7	7
Other	13.8	14.6	14.4	20.5	19.6	20.2

In addition, 73.8 percent of the households in the WB have no second source of income compared to 29 percent in the GS. Of the households with a second source of income in the GS, 54.7 percent reported that it was emergency assistance/aid, compared to only 1.6 percent in the WB. Hence, livelihood options seem less diversified in the WB however, this is compensated by higher access to wage labour; whereas respondents in the GS report having better access to second sources of income despite half of these being limited to assistance/aid, showing their reliance on external support.

Notwithstanding the general tendency of respondents to underestimate their income, survey results show that households' income has been on a downward trend during the past three months. The monthly median household income has decreased by 11 percent in the last three months.

Whereas 65.6 percent of the surveyed households reported that their total incomes have not changed in the past three months, 32 percent reported witnessing a decrease in their total income during the same period. In general, income decreases are more prominent among non-refugee households than among registered refugee households.

Chart 2: Percentage of households reporting a change in income in the WBGS by Refugee status



When the households that reported a decrease in income were asked to identify the reason behind it, 62.1 percent indicated loss of their business or worsening business conditions; 37.7 percent indicated a loss of salaries; and, 13.4 percent and 29 percent respectively indicated lower levels of assistance and remittance.

Survey results indicate that the majority (88.2 percent) of employed household members have received all of their contractual salaries and wages for their jobs either always or most of the time. The remaining 11.8 percent either do not get the full contractual amount of money for their jobs either most of the time or ever. Even though the majority of workers have received their full wages, the reality is that salaries and wages are not matching inflation. Real salaries progressively decrease as commodity prices rise.

In interviews, PA employees claimed their purchasing power has not improved significantly with the resumption of salary payments due to the high levels of debt they accumulated during the transitory period in which their salaries were suspended. In fact, considering the general increase in prices, we can conclude that the PA employees' salaries have decreased in real terms, thus eroding their purchasing power. PA employees in the GS were even less positively affected by the resumption of salary payments than their WB peers as the increasing unemployment resulting from the closure imposed on the GS has put increasing financial burdens on them to support more dependents. This can explain why the assessment does not find that PA employees' households –particularly those at the low end of the pay scale - are significantly better off than other households visited in terms of their food consumption.

Unemployment rates were already high in 2007 (PCBS estimated figures for the WBGS are⁹: 28.9 percent, of which GS is 29.8 percent and WB 19 percent) The political turmoil following the June 2007 events has only exacerbated already existing processes that have undermined Palestinian livelihoods since 1967 and more so since the response to the second Intifada in 2000. Economic downturn, loss of access to unskilled jobs in Israel, high food commodity prices, lack of movement of people and goods, the expansion of settlements and related infrastructure, the Barrier and lack of access to key resources, are ongoing processes that perpetuate the livelihood crisis in the WBGS.

The survey enquired about the number of jobs that were lost in the first quarter of 2008. Many jobs were lost in the WB, with 9.7 percent of households reported having lost a job, and to a lesser extent in the GS (3.8 percent). This difference can be attributed to the fact that most of the jobs had already been lost in the GS before January 2008.¹⁰

⁹ Relaxed unemployment definition

¹⁰ See OCHA reports for extensive information on the siege-like closure and economic collapse of the GS.

Box 1: The agriculture sector under threat

The shocks detailed below are the main shocks to be immediately addressed to enable agriculture to be responsive to the soaring food prices. Unless the agricultural livelihood crisis is addressed, farmers will become an additional humanitarian caseload.

The siege-like closure and economic collapse of the Gaza Strip

Agriculture, traditionally a sector of employment of last resort to many unemployed Gazans, has also been severely hit by the loss of export opportunities, lack of and increased prices of agricultural inputs, and increased restrictions on fishing.

For example, the reduction in permitted fishing distance, and the unavailability of fuel or spare parts is making fish catch unavailable. High value fish cannot be exported. Many of the 3,000 licensed fishermen can no longer afford to leave the shore.

In the case of the plant production sector, the export ban has been a huge blow to Gazan farmers. The almost complete unavailability of inputs is dramatically reducing productivity. Export farmers are no longer hiring around 40,000 people in permanent and temporary jobs. Israeli incursions cause significant damage to farming lands, crops and greenhouses and the buffer zone has eaten away a large proportion of farming land. The situation is rendering agricultural work unprofitable and many farmers with decreased incomes and increased debt doubt if they want or can reinvest for the following season. The animal production sector is facing increased feed prices, destruction of farms by incursions, and a lack of inputs and medication.

The collapse of the agricultural sector has been exacerbated by the progressive reduction and final availability of fuel in the GS in the last months. Irrigation from diesel-operated pumps is no longer possible, meaning 70 percent of lands are not being irrigated.

The Weather Crisis

The rainfall patterns combined with below average precipitation rates have classified the agricultural year 2007/2008 as a year of drought. Farmers in the WBGS were confronted with several days of frost during early January 2008, which destroyed entire fields.

a. The late frost

All agricultural crops have been affected by the frost, albeit to varying degrees. The most affected crops were cucumbers, squash, tomatoes, hot peppers and green beans. Consequently, the availability of these crops in the local market has been very limited, and offered at highly prohibitive prices.

Seasonal agricultural workers shared the brunt of the effect with farmers, as they have lost several working days in high season. Field observations revealed that several farmers face constraints in replanting their lands or greenhouses due to a lack of financial resources and inability to buy the inputs needed for cultivation on credit.

b. The ongoing drought

It was clear through interviews with field crop farmers that the drought is severely detrimental to the growth of their crops. Most of these farmers were removing the crops they had planted, explaining that their crops had been ruined by the drought and that they can only be used as hay for livestock.

Livestock farmers, especially those who depend on spring grazing to feed their animals, have also been hard hit by the drought. Several farmers are resorting to distress sales.

The drought has increased the cost of farming for summer crop farmers, who began irrigating their crops as early as February. Farmers who depend on springs for irrigating their crops will also be directly affected, as well as fruit tree farmers (especially almonds and grapes). The extra costs entailed in maintaining agriculture will push consumer prices beyond the reach of many poor families.

An interagency appeal and response plan designed by the main stakeholders in the agricultural sector to address the drought and the frost was released in March 2008.

(http://www.apis.ps/documents/Weather_Crisis_Response_Final_Draft.pdf)

5 EXPENDITURE ON FOOD

Overall household expenditure and expenditure on food

The survey reflects that on average, the monthly household expenditure (including all items) has decreased in the last three months by 4 percent, with the percentage decrease in expenditure higher among WB households than among Gazan households (5 percent decrease in the WB and 1.4 percent decrease in the GS). This difference can be explained because in the GS expenditure decrease and massive reliance on aid were already ongoing before the recall period (first quarter of 2008).

When asked whether their expenditure had changed in the past three months, about half of the surveyed households reported a decreased expenditure on food, and 41.8 percent reported a reduced expenditure on clothing. Increased expenditures on transportation were reported by 42.3 percent of the surveyed households, whereas 21.2 percent of the households reported an increased expenditure on health.

Regarding food expenditures, 48.9 percent of households decreased their expenditure on food, 17.1 percent increased it and for 34 percent the expenditure remained the same. It is important to note that, due to increasing prices and diminishing incomes, the decrease in expenditure means that families are able to buy less food items and are forced to substitute normal foods with cheaper/less desirable items. If the expenditure increases, it means that these households are able to keep up with the food price inflation and manage to keep their consumption pattern. Finally, households who maintained the same food expenditure purchased lower quantity and/or they shifted to cheaper substitute foods.

Further analysis of the survey data reveals that the proportion of households who reduced their expenditure on food in the GS is larger than that in the WB. The decrease in expenditure on food among refugee households is greater than among non-refugee households in the WB, whereas the opposite is true in the GS.

Households that reported a reduction in food consumption indicated that they did so by reducing the quality (88.7 percent) and quantity (75.5 percent) that they usually buy/consume. Resorting to lower quantity and quality of food was higher in the GS than in the WB. There is no significant difference between refugees and non-refugees as to changes in quantity and quality in the GS, but 8-10 percent higher for refugees in the WB.

The most frequently mentioned food items which have been cut by the households visited are: canned foods, fruits, sweets, dairy products, meat products (especially fresh red meat and fish) and soft drinks. For example, more than half of households reported consuming less fruits; 54.5 percent reported consuming less fish, meat and chicken products; and 42.3 percent reported consuming less frozen or canned fish/meat/chicken products.

Households' consumption of potatoes, eggplants, eggs, legumes (especially lentils, fava beans and chickpeas), bread, and sugar – considered staple food items by Palestinian households – remains relatively unchanged. It is important to note that a large number of households in both the GS and the WB reported reducing their consumption of fresh vegetables (especially tomatoes) as a result of the exponential increase in vegetable prices in the aftermath of the frost that hit the WBGS in early January 2008

“We eat lentils almost twice every day... I have not bought tomatoes in more than 21 days. How can I? A kilo costs NIS7, and to make a salad for the family I need at least two kilos!”

“Customers who used to buy three kinds of food for their family's breakfast are now buying one kind, and in less quantity than before. They often select the cheapest food and the one that can offer the largest spread.”

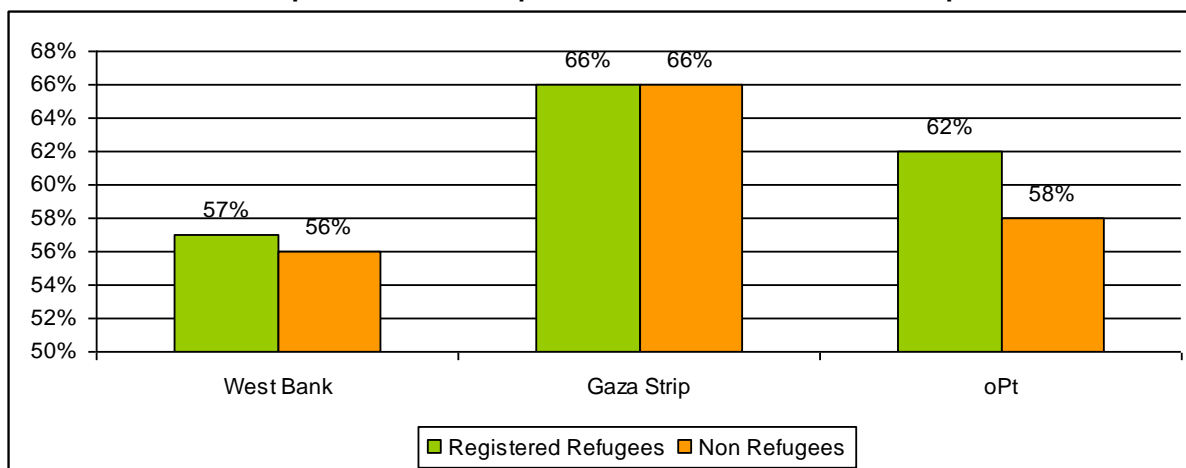
Due to the limitation in the sampling size, this rapid survey could not cover the food utilization dimension which requires specific data collection mechanisms and in depth analytical processes.

Food expenditure out of total expenditure on the rise

The proportion of food expenditure over the total expenditure is also on the rise, with as much as 60 percent of it being spent solely on food. This is an alarming development. According to PCBS PECS 2004 recorded as a reference year, the proportion of total expenditure spent on food in 2004 stood at 36 percent for the WBGS in general, 35.5 percent in the WB and 37 percent in GS¹¹.

The rising proportion of expenditure devoted to food over the total is an effect of the combined factors of: i) higher food prices; ii) less expenditure devoted to recreational and other items; and iii) lower purchasing capacity and lower incomes which are raising the overall weight of the food component in the household economy. Households are having to buy less food with the same or higher amount spent on it.

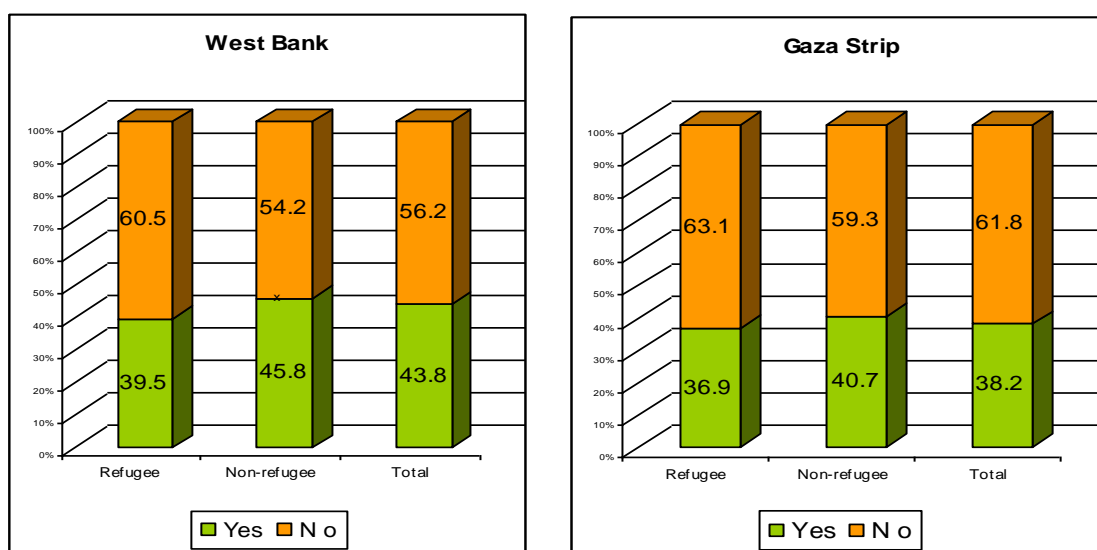
Chart 3: Proportion of food expenditure over total household expenditure



Households' purchase of food on credit

On average, 58.5 percent of the Palestinian households purchase food on credit. However, of the refugee households reporting purchasing food on credit, registered refugee households (62 percent in both the WBGS) seem to rely on credit for their food purchase more than non-refugee households (55.6 percent). The respective survey results are shown in the bar chart below.

Chart 4: Distribution of Households Purchase/Do not Purchase food on Credit



¹¹ Needs to be noted that the methodology used by WFP/UNRWA/FAO and PCBS to gauge the share of food expenditure over total expenditure included in this report differ.

Further analysis of the survey data reveals that about 27.5 percent of the households purchase more than 50 percent of the food they consume on credit, which strongly indicates the high level of vulnerability of these households. A further 46.6 percent of households reported purchasing 30 to 50 percent of their food on credit.

However, as mentioned before, retailers have increasingly less capacity to extend credit to customers. Retailers have reported either stopping credit sales or putting ceilings of NIS 500-800/month on their customers. Several retailers also reported extending credit only to employed customers, or customers whose family members are known to have a regular job as a guarantee for payment. Also, credit applies only to essential items.

Sources of food

As mentioned above, access to food is mainly achieved through market exchange. Own production represents a very small proportion of primary source of food in the WBGS (1.9 percent). Food production in the rural areas can only be a complementary source of food (e.g. 12 percent in the WB use own-production as secondary source of food). The main sources of food are therefore incomes. These can be derived from salaries or income generating activities. Income transfers such as informal or formal food and cash assistance are also of importance, especially in the GS.

Survey results show that 73.2 percent of the households depend on their own income - meaning salaries, wages, income generating activities - as the first/main source of securing their food needs. When asked to rank their secondary source of food, 37.8 percent of the households declared food on credit and 34.6 percent food assistance. In the GS 57 percent of households use assistance as a secondary source of food.

6 ESTIMATES OF HOUSEHOLD FOOD INSECURITY

The methodology used to produce the following food security estimates is consistent with the one used in the Comprehensive Food Security and Vulnerability Analyses (CFSVA) conducted by FAO and WFP in 2006¹². Estimates are based on income and consumption poverty, as opposed to the food acquisition methodology (more precise but more cumbersome as to data collection for a rapid assessment) that was used in the Palestinian Public Perception poll in 2007. The table underneath provides a description of the 4 Food Security Groups¹³.

Table 2 Food Security Groups: Descriptors

Food Secure	Marginally Secure	Vulnerable to Food Insecurity	Food Insecure
-Households with income and consumption above USD2.6/capita/day -Households with income or consumption between USD1.9 and USD2.6/capita/day but show no decrease in total, food and non-food expenditures	-Households showing either income OR consumption above USD2.6/capita/day (not both) -Households with both income and consumption between USD1.9 and USD2.6/capita/day but show no decrease in expenditure patterns	-Households showing both income and consumption below USD2.6/capita/day EXCEPT households showing no decrease in expenditure patterns (categorized as marginally secure)	-Households with income and consumption below USD1.9/cap/day -Households showing decrease in total, food and non-food expenditures, including households unable to further decrease their expenditure patterns

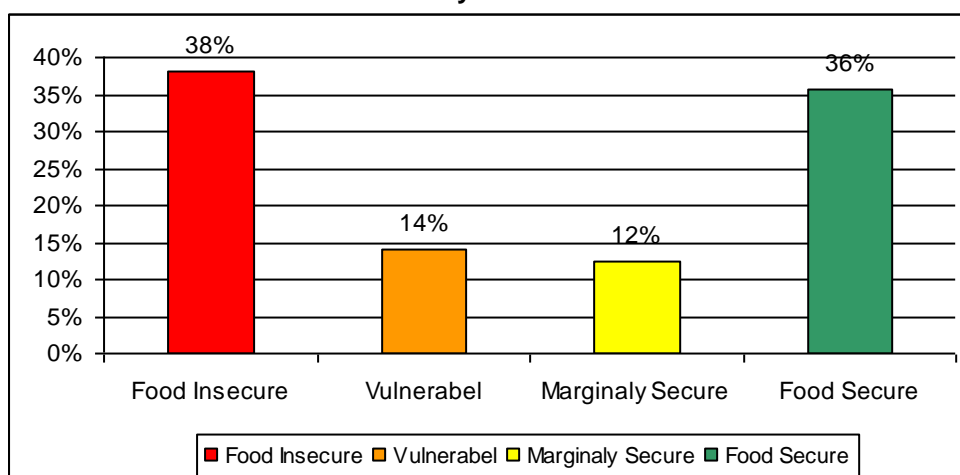
The findings show that 38 percent of assessed population is food insecure (compared to 34 percent in 2006¹⁴), 14 percent is vulnerable to food insecurity, 12 percent is marginally food secure and 36 percent is food secure. The food insecurity in the GS is more widespread, reaching 56 percent, almost double the level in the WB, which stands at 25 percent.

¹²WFP/FAO, CFSVA 2006 can be found at http://www.apis.ps/foodsecurity.php?page=fs_reports

¹³ The USD thresholds are consistent with the 2006 CFSVA estimates as they are adjusted for both the USD deflation and the high price inflation

¹⁴ WFP/FAO, CFSVA 2006

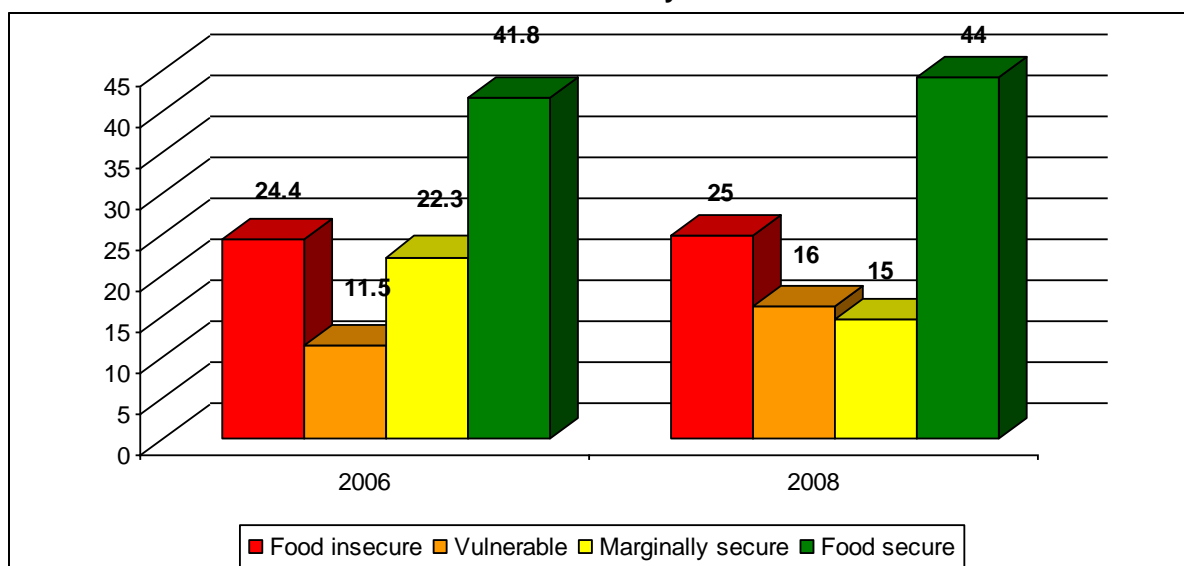
Chart 5: Food Security Levels in the WBS 2008



The food security analysis in both regions reveals the polarization between the two extreme groups - the food insecure and the food secure - with a shrinking amount of marginally food secure population and increasing vulnerable group. The distribution of the population is shifting towards the extreme groups and shows a general increase of food insecurity. This trend should be monitored and validated in conjunction with other indicators in order to gauge its developments across time to ascertain whether it is a temporary phenomenon – due also to reduced food assistance during the months preceding the survey - or a more permanent change.

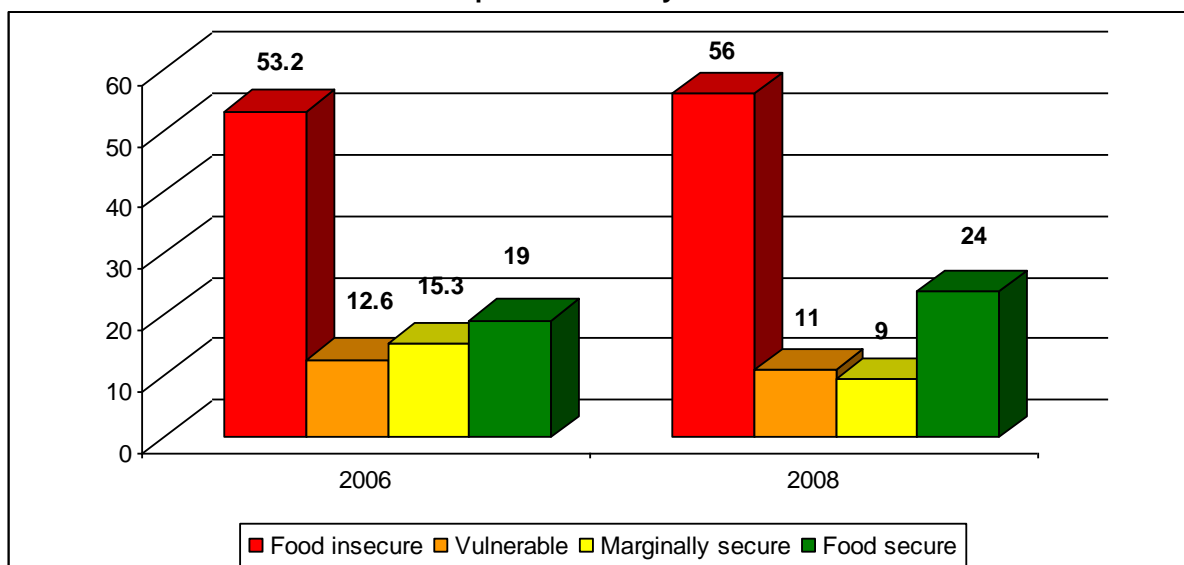
Food insecurity in the WB has slightly increased compared to 2006 CFSVA analytical results as well as the population in the food secure groups as shown in the bar chart below. However, the results show a drop of those being marginally food secure and a rise in those vulnerable to becoming food insecure. Most of the households in these intermediate groups are becoming less able to cope and their resilience is weakening.

Chart 6: West Bank Food Security Levels 2006 and 2008



As expected, the situation in the GS is more alarming. Findings clearly show that food insecurity levels, despite being already very high, are on the rise as a consequence of the economic collapse since June 2007 resulting in more than half of Gazan people found to be food insecure.

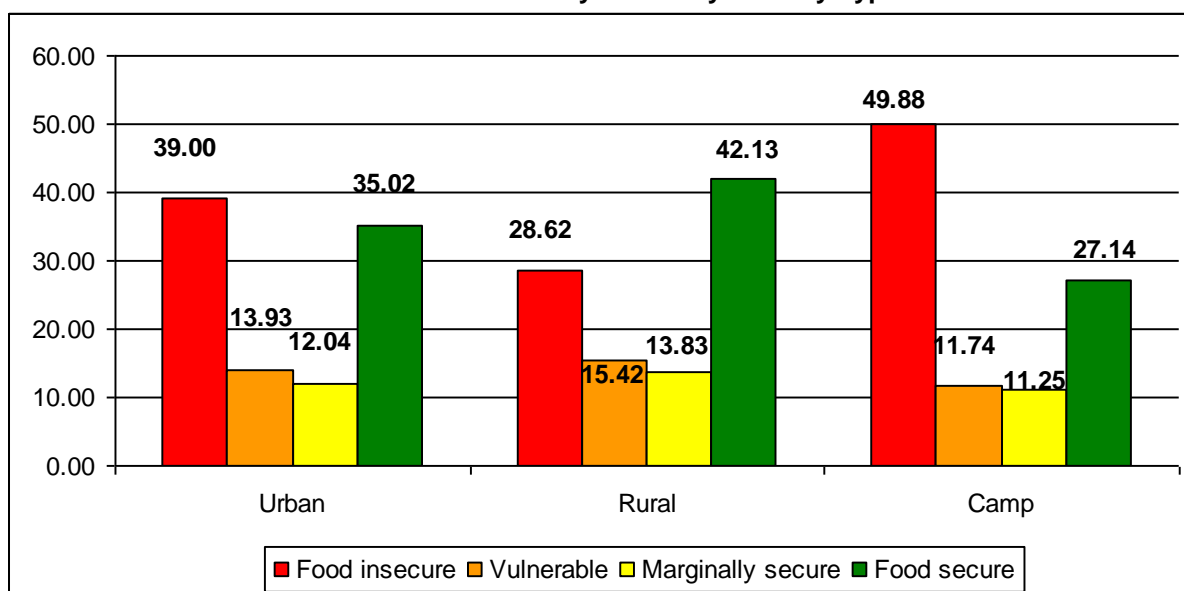
Chart 7: Gaza Strip Food Security Levels 2006 and 2008



Food aid and, to a lesser extent cash aid, played a major role in preventing a further increase in food insecurity and contributed to filling the shelves of the poorest groups. However, food aid alone cannot offset the decline in the socio-economic conditions affecting the WBGS and a more structural approach is needed to lift its economy, starting with a more integrated design of safety nets as well as support to the productivity of the agricultural sector.

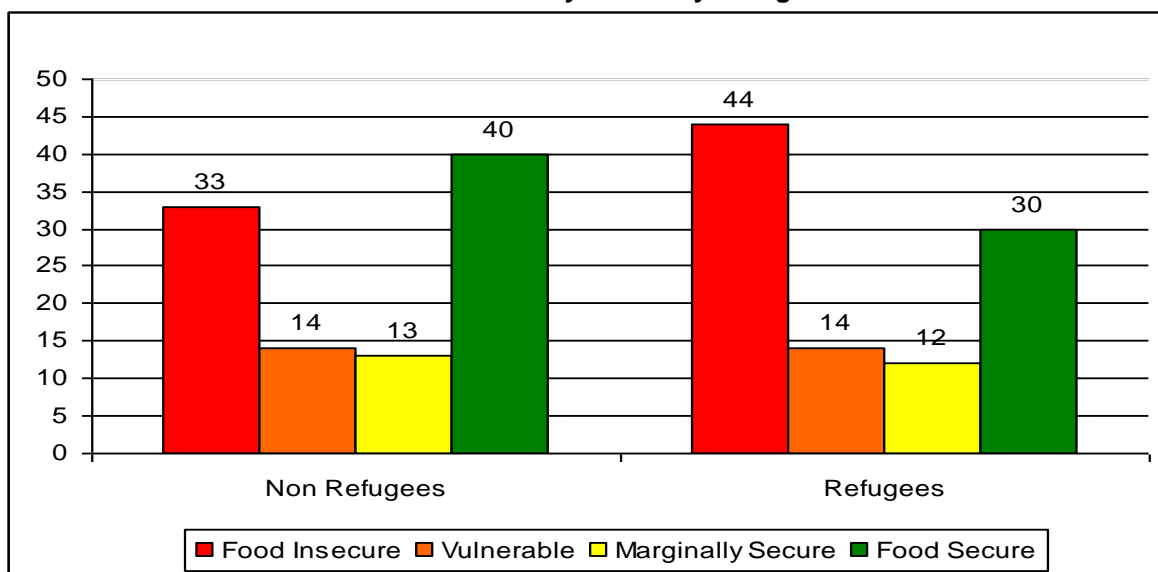
This is especially true when considering the food security status at locality type. Despite food insecurity among camp dwellers remains the highest, findings show a staggering increase of food insecurity among urban dwellers (from 32 percent to 39 percent, an increase of 22 percent compared to CFSVA 2006) mainly as a result of higher competition for jobs, a massive retrenchment of the private sector in the GS, rising food and transportation costs, as well as low daily wage rates and salaries unadjusted to inflation.

Chart 8: Food Security Levels by Locality Type



The survey findings confirm that the refugees living in camps and the urban poor are bearing the brunt of the economic downturn. Moreover, as shown in the chart below, food insecurity is higher among refugees (44 percent) compared to non refugees (33 percent) however, both population groups faced a similar increase (10 percent) in their food insecurity during the past two years.

Chart 9: Food Security Levels by Refugee Status



7 CURRENT SHOCKS, RISKS AND COPING STRATEGIES

Almost all the households (96.8 percent) have reported being affected by the increase in food prices in the past three months. Moreover, about 20 percent of the households reported being affected by salary and wage cuts, loss of assistance, deterioration/loss of business and the tightening of closures. The tightening of closure, salary cuts/delays/reduction and reduced levels of assistance seem to have influenced a higher proportion of WB households than Gazan households, whereas the deterioration/loss of businesses and unavailability of raw materials seem to have affected more Gazan households than WB households.

There is sufficient evidence from the survey results to suggest that the financial ability of households to cope with the prevailing conditions has been severely undermined in recent months. Almost two thirds of the surveyed households indicated that they can steadfast financially less than six months, which suggests that households' coping mechanisms have been either completely exhausted or substantially diminished.

To respond to these shocks and to other negative factors detailed throughout this report, households have to resort to coping strategies to mitigate the effects of these shocks on their living conditions.

A Coping strategies related to food consumption

A.1 General decrease in quality and quantity of food consumed

Households are decreasing the quality and quantity of their food intake, through:

- 10.2 percent of households have reduced the number of meals and 16.7 percent of households have reduced size of meals.
- 53 percent of the households resorted to purchasing lower-quality foods: examples include purchasing canned foods instead of fresh foods, chicken wings instead of whole chickens, and foods nearing the end of their expiry dates.
- Most households claimed decreasing consumption of fruits, vegetables and fresh meats and reliance on very limited varieties of food.
- Some households are coping with their loss of purchasing power by reducing the amounts of foods purchased.

A.2 Fresh meat substitution

Households visited are substituting fresh meats for cheaper, lower-value frozen meats. Households that own livestock and/or poultry such as those visited in Za'tara and Arab A'Ramadin also reported having very minimal consumption of fresh meat.

A.3 Seeking food aid

All registered refugee households visited highlighted that their utilization of the food rations they get from UNRWA has increased, and is considered as a main coping strategy for them. Both refugee and non-refugee households (particularly in the GS) have sought registering with local charitable organizations and NGOs to benefit from food rations whenever they are available.

A.4 Own-production of some types of food

Due to their inability to purchase some types of ready foods due to their relatively high prices, some households began making these foods domestically. The most prominent of these foods are bread, white cheese and *Labaneh*, which are usually made from the powdered milk received from UNRWA and other organizations.

A.5 Scavenging for food

A few of the interviewed households reported going through the trash bins of poultry shops and retail stores looking for food. While talked about in several of the visited localities, the majority of these households were found and met in Refugee Camps in the WB.

B General coping strategies

B.1. Personal debt

Most visited households indicated having accumulated debt to friends, relatives, and local shop owners for a variety of purposes. All of these households revealed that they consider debt as a main coping strategy. Most people are buying food and domestic supplies on credit from local shopkeepers and mounting large amounts of debt. With debt accumulating, many shopkeepers have reportedly stopped extending credit or put a ceiling on the credit they extend. 23 percent of households have resorted to taking up a loan to respond to the crisis.

B.2. Non-payment of utility bills

The overwhelming majority of households visited had not paid their utility bills (water and electricity) for many months, and consider non-payment of utility bills as a way of "saving money" in the short term. 31.8 percent of households rely on this strategy, however 48 percent have pointed out that they have already exhausted this possibility.

B.3. Sale of productive and unproductive assets

Many households reported having sold their jewellery and other financial assets a long time ago. Some households reported having sold durable goods such as television and radio sets to secure cash.

B.4. Decreasing expenditure on health and education

Anecdotal evidence suggests that households are being forced to cut down their expenditure on health care and education to save money (12.4 percent of households have reported a reduction on these expenses). Several households reported not buying medicine for chronic diseases to ensure that money is available for food. The fact that UNRWA provides health care services explains why decreasing expenditure on health was reported almost exclusively by the non-refugee households interviewed. With regards to reducing expenditure on education, the assessment also found that university students are being forced to withdraw due to the inability of their households to secure the needed tuition and other fees. Those that remain enrolled are registering for less university credit hours to save money for their households

"This is my second daughter who I could not send to pre-school because I know I cannot pay the NIS 60 monthly fee... If UNRWA charged fees for the schooling of my first daughter, she would be staying at home too."

(many of these students register for as little as two credit hours per semester). Similarly, many households reported an inability to buy the needed school supplies for their children, who often get sent back home by their teachers. Others either stopped sending their children to pre-school or did not enrol them altogether due to their inability to pay the fees and send the children's meals.

It should be noted here that the coping strategies used by the surveyed households are congruent with the generally well known coping strategies used by Palestinian households. These strategies concentrate on reduction of expenditures, changing patterns of consumption, sale of jewellery and other assets, use of life savings and borrowing. While some of these strategies can be effective in the short term, they generally lead to negative livelihood outcomes and reduce the household's long-term ability to cope with external shocks.

8 ASSISTANCE RESPONSE AND TARGETING

Assistance at the household level

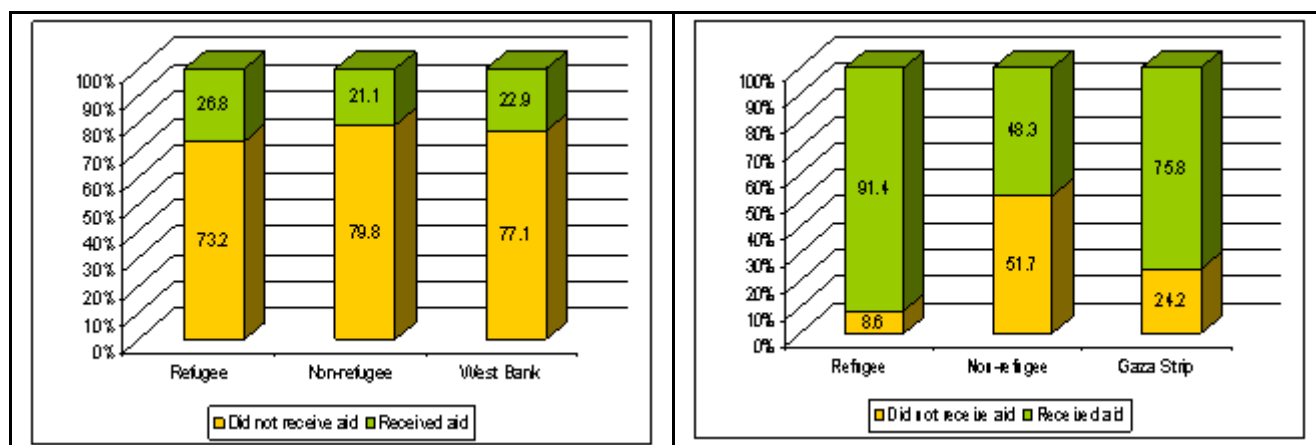
The survey findings show that 44.8 percent of the surveyed households have received some type of in-cash/in-kind assistance, irrespective of it being regular or one-off assistance, during the last three months.

Further analysis of these results shows that Gazan households, in response to their higher needs, received more assistance than WB households: 75.8 percent of the households in the GS reported receipt of some type assistance in the past three months, compared to 22.9 percent of WB households.

UNRWA's inability to deliver emergency food aid to about 90,000 refugee families in the WB at the time of the survey should also be taken into account while examining these findings. Lengthy negotiations between the Agency and the West Bank Camp Popular Committees resulted in the suspension of food distributions to approximately 500,000 refugees (almost one fourth of the total WB population) for about seven months (from October 2007 to April 2008).

As shown in bar chart below, the proportion of the refugee households in both the WBGS have received more assistance than non-refugee households, with the proportion in the GS being significantly higher than in the WB.

Chart 10: Percentage Distribution of Households who Received/Did not Receive Assistance by Refugee Status in the WB and GS



Out of the 44.8 per cent that benefited from some type of assistance, most of the households (87.8 percent) received food assistance, 59.1 percent received healthcare related assistance, and 51 percent received cash/job assistance. 21.3 percent of the households that received assistance reported that the assistance was received once only during the past three months. 37.2 percent

reported that they received assistance twice, and 41.5 percent reported that they received assistance more than three times. The survey findings show that more than 43 percent of the households who receive assistance rely either totally or extensively on the humanitarian assistance they receive, while 40.3 percent of them rely partially on this assistance.

It is worth noting that the percentage of households that rely either extensively or totally on the assistance they receive is slightly higher in the WB than in the GS (69.1 percent compared to 60.8 percent), while the proportion of the households who rely totally on the assistance they receive is almost the same in both regions.

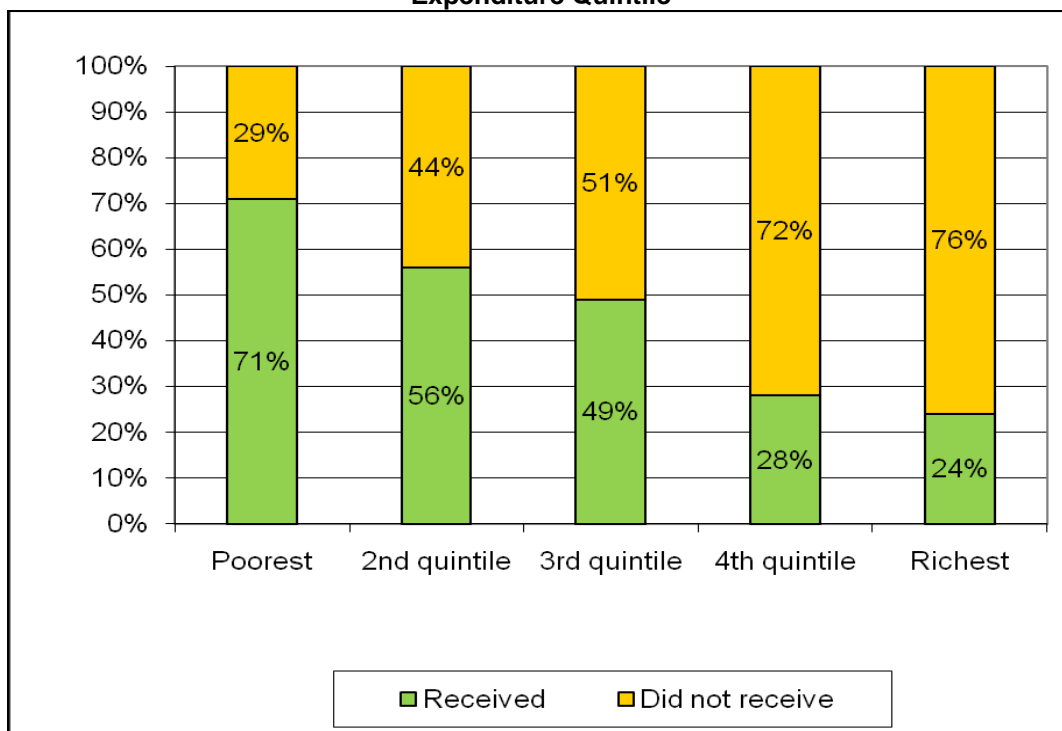
Humanitarian assistance is increasingly more important as a source of livelihood for Palestinian households: 52 percent of the households who receive assistance believe that the importance of assistance to their livelihood has increased in the last three months. Importantly, 63 percent of households in the WB indicated that assistance aid has become more significant to their livelihoods in the past three months. Growing unemployment and the hollowing business environment is increasing the relative importance of aid for Palestinian households.

Survey results show that 61 percent of the households that received assistance in the last three months reported that assistance was provided by UNRWA. At the same time, 27.9 percent reported receiving assistance from family/friends/neighbours, and about 20 percent indicated that assistance was provided by MoSA. In general, UNRWA is the largest provider of assistance to the refugee households (especially in the GS), whereas family and friends networks, charities and the Palestinian Authority/MoSA are the largest providers of assistance to non-refugee households. WFP is the largest provider of food assistance to non refugees; WFP delivers food aid through its implementing partners, with MoSA being the primary partner.

Even though targeting of the poor in assistance schemes in the WBGS compares favourably with other countries (World Bank 2004), data from this survey suggests inclusion and exclusion errors, i.e. some of the poorer households do not receive assistance while some of the richer households do. As illustrated below, 29 percent of the lowest income quintile (poorest 20 percent of households) did not receive any kind of assistance, whereas 24 percent of the highest income quintile (richest 20 percent of households) received some kind of assistance. However, the distribution among quintiles reflects a good direction of aid. Under-coverage might be due to the non-inclusion of the “newly needy”, not yet addressed by the targeting systems (there is a significant time lag in the updating of potential beneficiary lists). Over-coverage can be over-stated due to the fact that households are already receiving aid and this is included in expenditure calculations.

Further analysis of these findings suggests that under-coverage was not a problem amongst refugees in Gaza during the reporting period.

Chart 11: Percentage Distribution of Households who Received/Did not Receive assistance by Expenditure Quintile



9 RECOMMENDATIONS

As explained above, the main driver of Palestinian food insecurity is of a political nature, as key elements in vulnerability are rooted in the military and administrative measures imposed by the Israeli occupation - closure regime, permits, destruction of assets - as well as the settlement expansion and derived infrastructure multiplication - access to land and water, bypass roads, etc.

There is little scope for action, other than that of humanitarian-emergency nature to solve food insecurity, until the political dimension is resolved. However, this section will aim to point to recommendations at a technical level given the socio-political constraints. In this framework, social safety nets and small farmers/herders need immediate support along with the relevant public institutions and implementing agencies.

Food insecurity in the WBGS is a product of consumption poverty. There is a need to focus on economic access to food, to enhance incomes and to promote an improved environment for economic and social development. Focusing on households' access to food through safety nets makes their entitlements more reliable and resilient.

However, it is important to emphasize the role of local food production and its potential for expansion. Given the concerning rise of international food commodity prices, there is a need to enhance crop and livestock production, while also promoting resilience towards both natural and man-made disasters in the WBGS.

The following recommendations are still under discussion within the agencies and will be further articulated in cooperation with the relevant Palestinian Authority (PA) Line Ministries, UN agencies, donors, NGOs and private sector.

POVERTY ALLEVIATION, SAFETY NETS AND FOOD ASSISTANCE:

1. Meet the immediate needs of the destitute (Social/Special Hardship Cases):

- ✓ Meet the basic food needs of the destitute population through general food distribution in order to prevent hunger and limit distress coping mechanisms
 - ✓ Ensure that there is no break in the pipeline of food to destitute cases
2. Assist the newly needy with adequate levels of emergency assistance: There is a clear imperative for emergency food assistance to cover newly affected population groups and meet their fast growing needs, such as:
 - ✓ Urban food insecure poor, particularly non refugees in the GS
 - ✓ Drought and conflict affected and other marginal rural communities in the WBGS
 - ✓ Unemployed workers, export farmers and fisher folks affected by June 2007 import restrictions and export freeze in the GS
 3. Complement food assistance with livelihood support:
 - ✓ Transfer families with improved economic and food security status from food assistance to livelihood support programmes to help them escaping the poverty trap and allow food assistance to focus on the most needy
 - ✓ Pilot voucher programme focusing on urban areas particularly for non refugees in the WB
 - ✓ Align food and cash combined projects in order to respond to soaring prices
 4. Increase the predictability of aid resources to optimize safety nets and caseload coverage
 5. Enhance ongoing efforts for improved targeting between WFP and UNRWA, in consultation with the Ministry of Social Affairs (MoSA)
 6. Specifically for WFP and FAO, support to MoSA and implementing agencies to improve equitability and inclusive social protection:
 - ✓ Re-targeting and strengthening of the social safety net programmes to ensure that they include the growing number of destitute cases (especially in urban areas and in the GS)
 - ✓ Institutionalize a socio-economic and food security monitoring system to timely update key indicators and inform flexible response programming
 - ✓ Streamline socio-economic and market research to address key information gaps for social protection

PROTECTION OF AGRICULTURE-BASED LIVELIHOODS:

7. Enhance food production: as both income-generating activities and as a way of countering the hike in food commodity prices - this is especially relevant to Gazan farmers:
 - ✓ Diversification of food production patterns to address local demand and production of high nutritional value products (meat, poultry, olive oil, vegetables and fruits)
 - ✓ Household production of food for the most vulnerable (backyard and peri-urban farming)
 - ✓ Development of appropriate technologies (energy- and water-saving, recycling)
8. Support services and insurance in the agriculture, livestock and water sectors, in order to mitigate the effect of natural disasters such as drought, frost and animal diseases.
9. Creation/rehabilitation of productive assets, including land reclamation and restoration of water facilities.
10. On-farm and off-farm income generating activities and vocational training
11. Support the Ministry of Agriculture and NGOs with technical assistance and enhanced coordination to ensure prompt and effective agricultural response to growing food insecurity.