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# Annual Report 2023



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# THE ITALIAN COOPERATION IN PALESTINE

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Since 1985, Italy has been passionately dedicated to supporting Palestine through development cooperation and humanitarian aid programs. Our efforts span across the West Bank, East Jerusalem, and Gaza, showcasing our unwavering commitment to the Palestinian people.

Italy has always been a key player among international donors. The initiatives carried out by the AICS office in Jerusalem are the result of dynamic collaboration with the Palestinian Authority Ministries, Italian Civil Society, the European Union Representation Office and its Member States, major UN Agencies, and the World Bank.



The Framework Agreement, signed in Rome on November 23, 2012, marks a mutual commitment between the Italian Republic and the Palestinian Authority (PA) to promote sustainable development, contributing to the Millennium Development Goals and aligning with Palestinian development strategies.



# OUR COOPERATION EFFORTS

Italy's longstanding commitment to Palestine is marked by a rich history of initiatives designed to foster development and address urgent needs. In 2023, we further solidified this dedication by approving an additional 19 million euros, strategically allocated between development projects and humanitarian aid. This investment underscores our enduring support and commitment to making a positive impact in the region.

## Network & Partner

**CIVIL SOCIETY**

**LOCAL AUTHORITIES**

**UN AGENCIES**

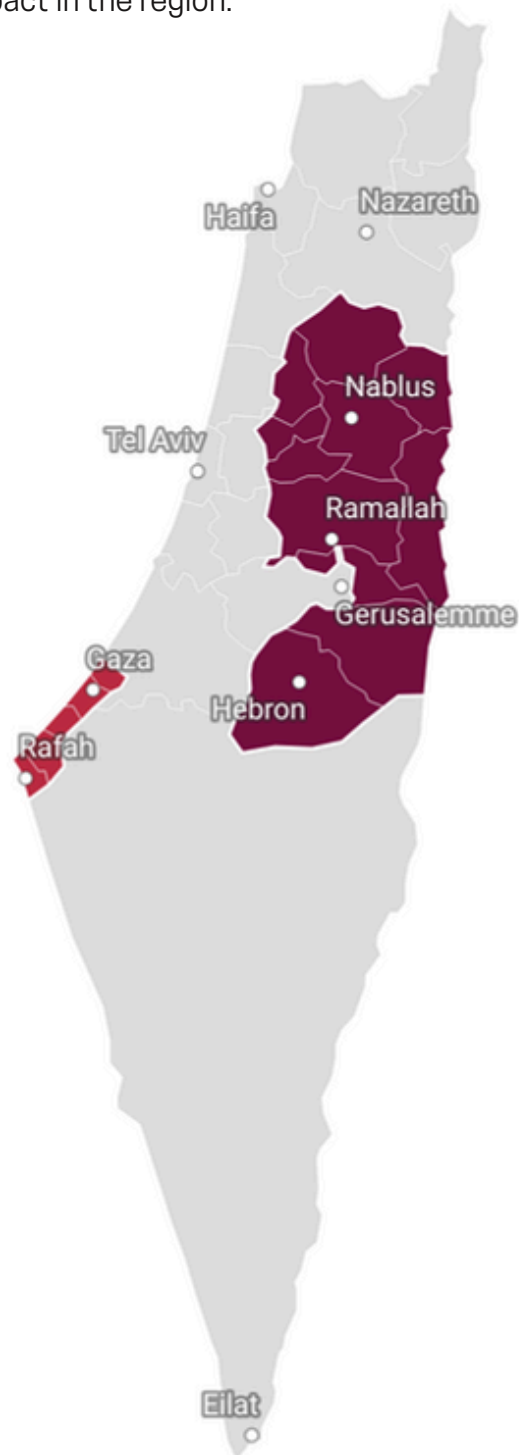
**EUROPEAN UNION**

**PALESTINIAN AUTHORITY**

**PRIVATE SECTOR**

**UNIVERSITIES**

**DEPOSIT AND LOAN FUND**



# CONTEXT AND CHALLENGES



In 2023, the Palestinian situation has reached a critical point, with a worsening humanitarian crisis amid a stalled peace process. The conflict and ongoing occupation have left the Palestinian population facing severe challenges without immediate prospects for resolution or economic development.

The conflict intensified dramatically in Gaza following the devastating Hamas attacks on October 7, 2023. This has triggered a major humanitarian emergency, with widespread displacement, severe food insecurity, and substantial destruction of homes and infrastructure. The Italian cooperation efforts have been heavily impacted, particularly in Gaza, where operational capabilities have been nearly lost, and much of the previously supported infrastructure has been destroyed.

In response to the crisis, additional funds have been allocated to sustain essential aid efforts in Gaza. Similarly, the West Bank has faced a parallel decline, with new Israeli settlements and outposts exacerbating the humanitarian situation and causing further displacement of Palestinian communities.

The West Bank also saw increased restrictions on movement, leading to higher unemployment and further weakening of the critical agricultural sector. Additionally, the suspension of tax revenue transfers to the Palestinian Authority since October has strained the ability to provide vital services.

Throughout the year, heightened violence from settlers and security operations in refugee camps, especially in Jenin and Nablus, have resulted in the highest number of casualties recorded in the West Bank.

This year's developments underscore the urgent need for sustained international support and effective intervention to address the escalating crisis and support affected communities.

# STRATEGY AND PRIORITIES

Italy's efforts are a key component of the broader European and EU Member States' commitment to Palestine.

The guiding framework for our cooperation strategy in Palestine is the 2017-2022 National Policy Agenda, "Putting Citizens First," which focuses on the following key targets:



## **Institutional Strengthening**

Building Effective and Accountable Palestinian Institutions, in Preparation for the Anticipated Two-State Solution



## **Government Reform**

Citizen-Centric Government  
More Effective Governance



## **Sustainable Development**

Economic Independence  
Social Justice and Rule of Law  
Quality Education for All  
Resilience of Underserved Communities

Through the European Union Joint Strategy 2021-2024, Italy plays the following roles:

### **LEAD DONOR**



#### **HEALTH**

in



#### **HUMAN RIGHTS AND GENDER EQUALITY**

### **ACTIVE DONOR**



#### **RURAL DEVELOPMENT**

in



#### **ECONOMIC DEVELOPMENT**

This strategy reinforces Italy's pivotal role in supporting the Palestinian people, focusing on Health, Human Rights, and Gender Equality. Italy also stands out as a leading advocate in social protection, education, sustainable tourism, cultural heritage, tackling unemployment, and promoting sustainable land management.

# PRIORITY PILLARS

Italy's updated strategic vision is built on the five pillars of the 2030 Agenda—People, Planet, Prosperity, Partnerships, and Peace. It is dedicated to advancing the Sustainable Development Goals and their targets, as detailed in the 2021-2023 Three-Year Programming and Strategic Document.

The strategic pillars identified by AICS Jerusalem for 2023 are:

## PEACE PROSPERITY

AICS has adopted a customized Theory of Change, anchored in Results-Based Management (RBM), to guide its programs and projects.

This strategic approach is designed to bolster the capacity of governments and development partners to tackle emerging challenges, enhance resilience, and minimize risks. The aim is to ensure that collaborative efforts drive meaningful improvements in people's well-being and the health of our planet.

AICS's strategy goes beyond development assistance to embrace a comprehensive approach that includes humanitarian interventions. Partnering with international organizations and civil society, these efforts meet global effectiveness standards set by the Good Humanitarian Donorship Initiative and the World Humanitarian Summit, while aligning with both the Agenda for Humanity and the Palestinian National Policy Agenda.

In 2023, we launched LRRD (Linking Relief, Rehabilitation, and Development) initiative, which bridges immediate emergency aid with long-term development efforts. This approach exemplifies the vital "Humanitarian-Development-Peace Nexus" in addressing the ongoing crisis in Palestine.

Humanitarian assistance is not just a moral commitment for Italy but a crucial strategic priority. It serves as a bridge between immediate support and the long-term goals of peace and prosperity.

## ITALIAN SYSTEM

AICS's work in Palestine is fueled by a vision of inclusive collaboration, integrating the diverse contributions of Italian stakeholders. This synergy among local entities, institutions, the private sector, and civil society is the driving force behind the Italian system. Through joint initiatives and funding opportunities, AICS Jerusalem not only advances development and humanitarian efforts but also builds a cooperative framework that showcases Italian excellence while adapting to local needs and dynamics.

# HEALTH



Italy is at the forefront of supporting the Palestinian healthcare system. Since 2019, we have been the leading donor, with a clear objective: to strengthen the healthcare system by providing the specialties urgently needed by the population. Our commitment translates into tangible projects such as the construction of health centers and hospitals, including the new Dura and Halhoul hospitals in the Hebron governorate. Additionally, we supply cutting-edge equipment and high-level training for healthcare workers.

Mental health is a crucial priority. Through training programs with experts from the Azienda Sanitaria Universitaria Giuliano Isontina (ASUGI), we are dedicated to restoring dignity to patients by treating them with listening and understanding. In 2023, we started the construction of a new facility in Bethlehem, which will feature recreational spaces and be open to the public, aiming to reduce stigma and promote mental well-being.



In collaboration with the World Health Organization (WHO), we are working to enhance the emergency and urgent care system. Our goal is to increase the resilience of the healthcare sector to reduce preventable diseases, deaths, and disabilities, while also supporting social stability during emergencies and disasters.

# HUMAN RIGHTS AND GENDER EQUALITY



For over 20 years, Italy has been at the forefront of promoting human rights and gender equality, investing over 35 million euros in bilateral and multilateral initiatives. Recently, we have intensified our efforts in the field of justice, with a particular focus on protecting the most vulnerable, especially children.

## HUMAN RIGHTS

Strengthening the rule of law is central to our commitment. Through reforms in juvenile justice and projects such as KARAMA, Padis, and In Your Interest, we have prioritized the needs of minors and achieved concrete results. Additionally, with the humanitarian support of the AICS Office in Jerusalem, we have ensured the right to education and health in refugee camps.

## GENDER EQUALITY

In the area of gender equality, where Italy is a leader in European coordination, initiatives such as SI-GEWE, AMAL, IRADA, and OIL are making a difference. These projects involve Palestinian authorities and civil society to promote empowerment and equality. Although the construction of the "International Women's House" was canceled due to recent hostilities in Gaza, we have recently launched a new project: "Multidisciplinary Intervention to Support Gender Equality Education in Palestine."

Our bilateral actions supporting the Ministry of Women's Affairs, the Ministry of Social Development, the Office of the Public Prosecutor, and the Ministry of Education have led to significant results. We have strengthened services against gender-based violence, promoted the socioeconomic empowerment of women, and initiated a reform of juvenile justice to prevent detention and find alternatives to imprisonment.

# ECONOMIC DEVELOPMENT

The Economic Development sector is the largest area of focus for Italian Cooperation in Palestine, representing about one-third of the total funds allocated. We concentrate our efforts on three key areas: Private Sector Development, Employment, and Energy. This includes managing funds directly on the ground and providing support to Palestinian national authorities and international partners.

Our mission is to support the growth of the Palestinian economy and address the high unemployment rates, which the ILO projects will peak between 42.7% and 45.5% in 2024, potentially reaching 57% in the first quarter.

Currently, we are running seven programs with a total investment of €74.6 million. These include three credit aid programs, three bilateral cooperation initiatives, and one multilateral project.

However, since October 7, 2023, many of these activities have been suspended or redirected to other areas beyond Gaza due to security concerns for AICS Jerusalem staff and our partners.

A notable example is the professional training and job placement activities for youth and women under the AYADI Project. Designed to tackle the region's unemployment rate, which is projected to soar to around 60%, these crucial initiatives have been indefinitely suspended due to recent challenges.

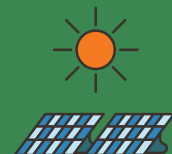
**Private Sector:** Drive business growth, with a focus on small and medium-sized enterprises (SMEs), by providing access to credit, entrepreneurial training, and technical support to boost productivity and efficiency.



**Employment:** Boost job creation by offering professional training programs, supporting youth entrepreneurship, and implementing initiatives that facilitate access to the job market.



**Energy Sector:** Expand energy access and boost efficiency through investments in infrastructure and the development of renewable energy projects.



# Key Achievements in 2023

## Budget Support

**START UP Palestine:** We've created 620 new jobs and issued 529 new loans and 12 grants. Since the program's launch, over 5,900 jobs and 4,081 loans have been generated.

**Palestinian SME Development:** With a 146% turnover rate, we've provided 327 loans totaling 36.7 million euros, supporting small and medium-sized enterprises in their growth journey.

**Electricity Utilities Management (EUMP):** We're implementing an electricity distribution system in the West Bank, having completed about 80% of the first phase, with completion expected by mid-2024.

## Bilateral Cooperation

**Financial Inclusion in Palestine (Fin-Pal):** We've carried out informative campaigns and advanced training in leasing, Islamic finance, and microfinance, promoting greater financial inclusion.

**Improvement of the Business Environment (EPEC):** We support SMEs with consulting services, feasibility studies, and energy system installations, working closely with the Palestinian Energy and Natural Resources Authority.

**AYADI:** Launched in February 2023, this program aims to ease youth access to the job market. Despite interruptions due to the Gaza conflict, we've completed needs assessments and beneficiary mapping in the West Bank and Gaza.

## Multilateral Cooperation

**Be The Impact:** In partnership with the ILO and the Palestinian Cooperative Labor Agency, we're revolutionizing the cooperative sector and social entrepreneurship. We've completed the Cooperative Sector Strategy (2024-2029), trained 149 cooperatives, and established the Al-Manshiyeh Women's Cooperative. We're also creating the Cooperative Development Institute and Fund and launching new projects to enhance cooperative skills and performance in 2024.



# RURAL DEVELOPMENT

The Rural Development sector has been driving Italian-funded initiatives across agriculture, environmental management, and food security, with a focus on boosting employment by fostering entrepreneurship among vulnerable communities.

In 2023, we proudly supported the agricultural census project, aiding the Palestinian Central Bureau of Statistics (PCBS) in building a comprehensive and up-to-date database. This vital resource is essential for crafting effective strategies and policies across government, private sector, civil society, and donor communities.

On the multilateral front, we celebrated the successful completion of an FAO-led project, which introduced cutting-edge aquaculture techniques and established a social enterprise for offshore fish farming, significantly benefiting the fishing community in the Gaza Strip.



We are thrilled to spotlight the SANET project, a key multilateral initiative led by the International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM/IAM Bari). This project is dedicated to enhancing agro-food cooperative networks in Palestine, turning agriculture into a vital driver of resilience, job creation, and socioeconomic development. With a special focus on including youth and women, SANET also includes an in-depth analysis of the forage supply chain and the plum sector, setting the stage for impactful improvements and sustainable growth.

## Delegated Cooperation

In January 2023, a groundbreaking three-year European Union delegated cooperation project kicked off, aiming to transform solid waste management in the Dheisheh refugee camp in Bethlehem and its surrounding areas. This initiative is set to enhance environmental quality and improve community health. CESVI is on the ground, driving the project's field activities and ensuring impactful results.



In the environmental sector, two new Italian-led projects are making strides in urban waste management through a circular economy approach. The Municipality of San Giovanni Valdarno, in collaboration with John Paul II Foundation, is enhancing waste management practices in Bethlehem. Simultaneously, the Union of Municipalities of Trasimeno, partnering with FELCOS Umbria, is providing support to 21 municipalities in the Ramallah governorate. These initiatives aim to improve waste management systems and promote sustainability in the region.

# INFRASTRUCTURE AND CULTURAL HERITAGE

Culture as a bridge to peace and self-identity is at the heart of the Palestinian Authorities' efforts, recognizing cultural heritage and sustainable tourism as invaluable assets. With Italy's unique expertise in this field, we have enthusiastically responded to this call, supporting projects that celebrate and preserve Palestinian cultural heritage. In 2023, we launched a collaborative project with the Ministry of Tourism and Antiquities, UNESCO Ramallah, and Sapienza University to enhance the archaeological site of Tell El Sultan. This project was crucial in the inclusion of the Ancient Jericho/Tel el-Sultan site in the UNESCO World Heritage list, achieved the same year.



But our efforts don't stop there. We are working to protect the unique landscape of Battir and restore historic buildings within the Bethlehem Psychiatric Hospital complex, which will become spaces for a social cooperative run by the patients themselves.



In 2023, we completed the reconstruction of Al Nada and are nearing completion of the Al Awal complex in Gaza City. With a funding of 16 million euros, we've restored dignified homes to over 400 families and created new social spaces.

Additionally, work continues on the Central Desalination Plant in the Gaza Strip, a project funded by a World Bank trust fund with an Italian contribution of 8 million euros. This facility is essential for providing potable water to Gaza's population.



*Al Nada Neighborhood Upon Project Completion (2022)*

[https://www.youtube.com/watch?v=0Wb03tvW05Y&t=18s&ab\\_channel=AICSJerusalem](https://www.youtube.com/watch?v=0Wb03tvW05Y&t=18s&ab_channel=AICSJerusalem)



*Al Nada Neighborhood Devastated by the war (October 2023)*

<https://www.youtube.com/watch?v=44s9gAxfpMk>

# HUMANITARIAN AID



The humanitarian crisis in Palestine stands as one of the most severe emergencies of our time, marked by a persistent lack of access to essential services and dramatic food insecurity. In 2023, the Humanitarian Needs Overview (HNO) identified 2.1 million people in need of humanitarian aid: 1.3 million in Gaza and 800,000 in the West Bank and East Jerusalem. The escalation of the conflict on October 7, 2023, has intensified this crisis, pushing the number of people in distress to 3.1 million, with 2.2 million in Gaza and 900,000 in the West Bank and East Jerusalem.

Italy, through AICS's Humanitarian Aid Programs, is dedicated to protecting the most vulnerable segments of the Palestinian population, including displaced persons and those in high-risk areas. With a total budget of 20.2 million euros, we work closely with international bodies, UN agencies, and civil society organizations to ensure aid and protection in critical zones, such as Area C of the West Bank, East Jerusalem, and the H2 area of Hebron.

In 2023, we continued our collaboration with global partners like OCHA to respond to unforeseen emergencies and with the European Union (DG ECHO) to prevent forced displacements and support Palestinian communities. Alongside UNMAS, we have worked to reduce risks from unexploded ordnance, safeguarding civilian lives.

A significant new initiative is the launch of the LRRD “POP – Post-Emergency Palestine” program, designed to strengthen essential services and address the structural causes of human rights violations. This program, implementing the Linking Relief Rehabilitation and Development (LRRD) approach, blends emergency response with development to meet the complex needs of the Palestinian population. With a 3.6 million euro budget, it is managed by three civil society organizations: We World, ACS, and Terre des Hommes. The goal is to improve access to fundamental rights such as land, water, education, and health.



Throughout 2023, we also completed two emergency initiatives with the support of eight Italian civil society organizations, in collaboration with international and Palestinian partners. These projects, valued at 4.2 million euros, have protected communities most exposed to human rights violations and humanitarian law breaches.





In the first half of 2023, Italy completed two significant emergency initiatives spearheaded by Italian Civil Society Organizations (CSOs) to safeguard the Palestinian population at heightened risk of human rights abuses and breaches of international humanitarian law. These efforts involved eight Italian NGOs collaborating with international and Palestinian partners, with a total funding of €4.2 million dedicated to these critical projects.

An additional set of emergency initiatives, originally planned for 2023 with a combined budget of €5 million, is currently under review and adjustment in response to the escalation of hostilities that began on October 7.

In a further demonstration of support, Italy has allocated a substantial €10 million package to address the humanitarian crisis in the Gaza Strip. This funding will assist key organizations, including the International Federation of Red Cross and Red Crescent Societies (IFRC), the International Committee of the Red Cross (ICRC), the Food and Agriculture Organization (FAO), the World Food Programme (WFP), and the World Health Organization (WHO), in their vital relief efforts.

# SUCCESS STORY

## TURNING PASSION INTO PROFESSION: THE STORY OF GHAIIDA



*A look at the inspiring journey of a graphic designer who turned dreams into reality through hard work and a relentless pursuit of excellence.*

In the realm of graphic design, where creativity blends with functionality, every project tells a unique story. Among these stories of innovation and ingenuity, one stands out for its testament to passion, perseverance, and creativity. This is the story of Ghaida, a nineteen-year-old design enthusiast who pursued specialized training to hone her skills and joined the "Ayadi" project, funded by the Italian Agency for Development Cooperation (AICS) and implemented by the Palestinian Fund for Employment. Ayadi aims to boost job market access for young people through vocational and technical training and the development of essential "21st Century Skills."

Ghaida's dream is to transform her passion into a profession. "I want to turn my passion into a career," she says, envisioning her own shop where she can print her designs on clothing and picture frames.

Against the backdrop of numerous challenges, Ghaida is determined to transform her passion into a thriving career. Her journey began with a simple fascination for visual design during her school years, where she started creating basic designs in Paint. This spark of creativity soon blossomed into a series of striking graphic projects, including designs for jewelry stores that gained attention on social media.

Encouraged by the enthusiastic response from clients and friends, Ghaida launched an online store to sell her designs.

A significant turning point came when she was accepted into a training program funded by AICS. This course not only sharpened her graphic design skills but also boosted her confidence and opened new professional opportunities. It enabled her to view herself as a valuable contributor to society through her growing success.

With guidance from a skilled graphic design mentor, Ghaida applied her new knowledge by working with various companies. “The project gave us the chance to put everything we learned into practice,” she reflects.

Ghaida’s story is a beacon of inspiration for aspiring designers in Palestine, demonstrating that with passion, dedication, and relentless pursuit of excellence, dreams can become reality. “I encourage young women to join projects that offer essential skills and support, like the ‘Ayadi’ project,” she says.

“The greatest gift a woman can give herself is ambition—striving to learn, grow, and make a meaningful impact on society,” Ghaida adds.

Her story highlights the importance of gender equality and the vital role of organizations like AICS in creating opportunities for women. Ghaida’s journey is a powerful reminder that with perseverance, every woman can achieve her dreams and contribute to a brighter future.

# 2024 GOALS

In 2024, Italian Cooperation in Palestine is committed to fortifying Palestinian institutions to enhance their effectiveness and ensure that all citizens have access to their fundamental rights. Our focus will be on the most vulnerable populations, with targeted efforts in health, economic development, employment, and nutrition.

The urgent humanitarian needs in the Gaza Strip call for a comprehensive approach addressing demining, nutrition, and health. In the West Bank, our priorities will be improving access to essential services like healthcare and education, while also safeguarding the population.

Our approach is grounded in the triple nexus of development, emergency response, and peacebuilding, aiming to create a solid foundation for long-term progress and peace, especially crucial in light of recent events.

Protecting cultural heritage is also a key priority for 2024. By preserving and enhancing cultural assets, we not only celebrate historical and cultural significance but also reinforce Italy's role as a global leader in cultural heritage protection, strengthening the sense of identity and social cohesion among Palestinians.

In summary, Italian Cooperation's strategy in Palestine integrates development and emergency efforts to ensure health and job opportunities for the most vulnerable. This approach is designed to make a meaningful, lasting impact on the lives of Palestinians, contributing to a more just and prosperous society.



## **Agenzia Italiana per la Cooperazione allo Sviluppo**

Sede di Gerusalemme, Mujir Ad-Din St.2, Sheikh Jarrah

Tel. +972 2 5789600 Fax +972 2 5322904

E-mail: [gerusalemme@aics.gov.it](mailto:gerusalemme@aics.gov.it)

**AICS Gerusalemme**

