

PERSPECTIVES OF ECONOMIC GROWTH
IN
POST OCCUPATION PALESTINIAN TERRITORIES

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This paper has been drafted mostly as an open guideline for further discussion. It is hoped that some of its content, which has purposely been intended to be global in a micro-economic approach, will generate reactions as well as constructive discussion, so that a subsequent team work effort of competent experts, working closely with the concerned target local and international decision makers, can help define, refine and implement more tangible and applicable economic development strategies. Its varied sector-based approach and relatively simple content imply progressive actions to be simultaneously undertaken on various fronts, thus defying the development challenge of what appears to be a war devastated and poverty stricken land.

The State of Palestine is bound to become a tangible reality. No matter how gloomy might the perspectives presently appear, spoiled rights are ineluctably due to be recovered. And as the Tunisian Abou Al kacem Achabbi once said in some of the historic verses of his independence poem:

“Wa Laboudda Lillayli Ane Yanjali !
“Wa Laboudda Lilkaidi Ane Yankasir !”

(“Darkness of the night will necessarily fade out at dawn”
(“And fastened chains are necessarily bound to break”)

There is therefore an urgent need to look optimistically at the future and to start making plans for a more challenging “dijhad” of development which will prove to be fiercer than the most demanding struggle for independence.

Most of the Middle East countries already have, to various degrees, a well functioning economic system. They almost all have known one form or an other of a war oriented economic organization. Some of them have overcome it through advanced

technology, electronic and computer related know how; the others have called massively upon their rich oil and gas ores; while the rest have mostly capitalized on their human capital or on various sources of income generating service activities. No matter how unequally successful they have all been in fostering development of their respective communities, they can still be all considered better off if compared with the ailing Palestinian economy. That is why the present analysis will mostly be focused on Palestine as a needing entity for support and for progressive integration in regional and world economy. Palestinian scholars and economists have probably everything already well thought of. They probably have a very clear vision of the patterns to follow to update their institutional and legal economic framework. But, complementary inputs are also probably most welcome.

Economic development implies resolute commitment:

- Commitment of public servants, first, to the noble interest of community development. If those who are trusted with the destiny of a nation are not up to the expectations, not only will the economy be ripped off, but the whole system within which it operates will collapse.
- Commitment of the business community, too. Immediate gain searchers are to look for other arenas to deploy their large benefit quests. There will be a need to encourage the development of an entrepreneurial mentality as a necessary support for the desired growth process. Not that such a mentality doesn't exist already, but its mention just aims at stressing that its availability needs to be strengthened.

But this will still necessitate the matching of many ingredients. It will also necessitate the optimal search for an interactive and reciprocal impact of the ingredients as an un-doubtedly preliminary prerequisite for the building of a sound economy. These will prove to be determinant for any performance enhancement. Yet, they still remain to be identified in the Middle East arena. And this paper doesn't have any pretentiousness of thoroughness. Furthermore, and even if properly identified, the necessary ingredients may prove to be non available locally: foreign input and external implication, through bilateral and multilateral cooperation, can certainly help alleviate the burden. All promising paths need therefore to be explored.

For presentation purposes, it appears that four main paths of analysis are practically suitable for an exploratory approach; they may be articulated around the basic concerns of "Economic Institution reinforcement", "Legal Economic Framework Definition", "Economically Bearing Actions Identification" and "Fund Generation Development".

I. Reinforcing Economic Institutions :

- The mission of economic development will be one of the most demanding responsibilities that the Palestinian officials will have to face. The challenge may be so much amplified that the means to meet it are scarce and that the expectations are inestimable. Wise choices, methodic approaches and committed servants can prove to be extremely valuable during the launching phases of the Palestinian economy. Public and private partnerships for planning and implementation pay prove to be crucial.

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1. Economic Policy Planning :

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Development projections will need to be carefully planned, given the scarcity of means. Objectives will need to be defined along with the means of implementation and the actions to be carried out. Various national and local structures, both within the executive branch of government and within the legislative body, including ad hoc or elected superior planning institutions, will need to interact and join effort in order to carefully pave the way to well thought development.

a. Instituting a Superior Elected Corps for Economic Planning :

- This national level institution can also have regional counterparts. Their mission will be to globally oversee the whole planning process. It will have a miscellaneous composition of elected officials along with appointed representatives of the central and local governments. The elected members can be issued from the local and regional councils, the professional chambers and the various trade unions and business community representatives. Members of the economic commission of the legislative body along with members of other parliamentary productive sectors commissions may also be entitled to full active membership. Representatives of public administration, public technical agencies and public enterprises may also play an important role within this “**Superior Planning Council**”, for which the ministerial department of planning will act as the permanent secretariat. The draft plan that it carefully elaborates will then have to be submitted to the legislative body as the only competent organ for law enactment.

b. Activating the Executive Mission of the Ministry of Planning :

Along with the long range as well as with the shorter run planning missions, lay a multitude of activities that need to be permanently handled. The ministerial authority in charge of planning is best suited to be in charge of these economically vital missions. For such a purpose, structures of planning can be ventilated around a sector based approach such as, for example, “planning for productive sectors”, “planning for infrastructure”, “planning for economy and finance”, “planning for human resource development” and “regional planning”. One of their basic administrative support sources need to come from a survey and statistics oriented administration incorporated within the same ministry. These structures will need to work closely with other public administrations both at the national and at the local levels.

c. Organizing Planning implications of all Other Ministries :

Planning will need to be incorporated to the activity and to the organizational structure of all other public administrations, particularly at the ministerial

level. These will basically be the major operational counterparts in all economic and social planning activities.

2. Economic Policy Implementation :

- This will rely heavily on what can be called the “Change Inductive Administrations”. Their mission will not be solely limited at routine management and preservation of an eternally irremovable status quo. This is not the mission to be imparted to challenge seeking structures. They will have to be actively implied in inducing changes, generating progress and bringing about better conditions of living to their citizens. Their mission is more of a long range action of infrastructure realization than that of an immediately visible result generating punctual activity.

a. The Key Role of the Administration of Public Works :

- It is one of the most basic infrastructure implementers. It oversees all road network achievements and permanent maintenance. It also is in charge of harbor and airport construction, follow up and management. These missions are evidently entrusted to autonomous authorities under its jurisdiction. The realization of dams, bridges and other infrastructure works also falls within its sphere of activity. Territorial deployment, including housing and urban development and planning also constitute some of its most population related occupations.

b. The Structuring Mission of Industry and Commerce Admin. :

- It is also a top level government related activity. Within the leading executive structures, there is an imperative need for a commerce and industry policy making authority. And also within the national applicable laws and regulations, and with due respect to the legislative competencies constitutionally assigned to the legislative body, the above mentioned authority will define the basic context within which all industrial and commercial activities can be carried out, issue applicable authorizations and follow up the process of development of all intervening operators in its sphere of competence. Local offices will relay its impact at the territorial level.

c. The Supportive Effort of Agriculture and Handicrafts :

- A similar organizational structure will also have to be set forth for the sectors of agriculture and handicrafts. Specialty oriented departments will need to take care of as many various fields action as local reality may impart. Sector administrators will need to duly follow up national and regional realities and produce the appropriate solutions to the satisfaction of their needs.

3. Targeting Civil Society as an Active Economic Partner :

- Time is gone when massive responsibilities were allotted to the State as a main bearer of the burden of development. Almost everywhere in the world, direct State involvement in the production process has proven its deficiencies. Numerous failing experiences have cost a lot to the still fragile and vulnerable third world economies. A

stressed trend has ever since been put towards a resolute private sector initiative and full implication in economic development.

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a. Enhancing Private Sector Participation :

- Multiple forms of private sector implication can be thought of. They may start with a clear constitutional definition of the liberal nature of the system. They may further be strengthened by enacting legislation regulating the procedural rules for private firm creation and business development. Other enforcement actions may also cover such cultural and socially impacting programs as those related to the encouragement of private initiatives, the development of an entrepreneurial mentality, the breeding of a business community and the strengthening of profit stimulating institutions. Continuous and long term repetitive efforts will have to be deployed in order to keep the trend and ensure the success of the private initiative policy choice.

b. Reorganizing the Various Sector-based Chambers :

- Along with the institutional support stemming from public entities, an other major role may be played by professional chambers. These may cover such varied sectors as those of industry, commerce, agriculture, handicrafts and services. Their activities may be legally defined as diversely supportive of their sectors. Their management may be imparted to legally elected officials stemming from the business community. Local and regional chambers may unite in national federations of chambers. They may also be called upon to play a major role in counterpart representation for the incoming foreign investors.

c. Promoting Associative Implication in the Economy :

- With the development of various economic activities, the need will appear to organize these activities in interest groups aiming at a better organization of their sectors of activity, at the promotion and the defense of the profession as well as in the assistance of newcomers to their respective fields. They may offer such help and assistance in the form of information programs, vocational training support projects, technological development facilitation and commercial promotion. These assistance supplying associations will themselves need the State assistance in launching their activities, assuming that they progressively develop their own autonomy.

II. Defining the Legal Framework for Economic Development :

Along with all other accompanying measures, special care has to be taken of all applicable legal aspects. They cover a wide range of areas, among which just a few will be selected here for presentation purposes.

1. Regulating the Bureaucratic Machinery :

- One of the most common sources of discontent and failure of development initiatives has often been linked with the hustling bureaucratic practices encountered by new investors in third world countries. Unacceptable human practices such as bribery

and corruption as well as heavy procedural formalities have often negatively impacted on development policies. That is why all possible efforts have to be deployed to avoid such unpleasant failures of initially legitimate aspirations to progress. Various means may be deployed.

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a. Simplifying the Administrative Procedures :

Within the respect due to the compulsory obligations set forth by the national "Code of Commerce", some formality facilitations may be offered. Legal counseling to newcomers can also be supplied through clearly indicated public offices. Unnecessarily requested documents for application must be avoided. Administrative examination of investment project applications also ought to be done within reasonably short deadlines. Meticulous control has to always prevail so that all optimal chances of success of development initiatives can be kept. All possible means have to be deployed to avoid unnecessary disappointments and frustrations of both national and foreign investors.

b. Offering State Support and Protection :

Successful experiences in Europe and Latin America have proven that State involvement as a development partner of potential investors is very conclusive. State participation may be supplied in the form of a contribution to site equipment and to out of site sewage, energy and water connecting facilities. Other forms of State contribution may also include partial participation to the cost of construction, assuming that certain conditions are met by the investors and that mutual commitments are made on a contractual basis. Within the limits of a reasonably acceptable support, various forms of State protection and guaranties may also prove to be very welcome to the venturing investor in potentially unknown and probably uncertain environments to his fund mobilization.

c. Using the Formula of "The Unique Counter":

Some countries have been trying to legislate and implement a practical solution which allows the investor to avoid the complicated path of multiple administrative decision makers. Within this system, the investor deals with one office that takes care of all the rest of the procedure within reasonable deadlines. He submits one single application that the processing service reproduces, communicates to all other concerned administrations and issues the requested authorization. These offices are sometimes called "Centers for Enterprise Formalities". But, despite its attractiveness, this procedure has suffered from multiple sources of resistance stemming from various levels of the bureaucratic apparatus, evidently very reluctant to give up parts of their privileges. Its chances of success may be more probable within a newly emerging system apparently not yet exposed to many bad common administrative behavioral patterns.

2. Offering Attractive Investment Incentives :

- State implication in investment encouragement may take various forms. And as various may the investments be as well. Investment is generally considered as covering new firm setting up, participation in the capital formation of a newly being set up firm, the contribution to the capital increase of an already existing firm, the acquisition of stocks and shares and other forms of income generating activities. Attracting such job creating investments is sought through various approaches.

a. Adhering to Investment Protection Agreements :

Among the ongoing international practices tending to encourage foreign investment is the conclusion of agreements with the countries of origin of potential investors. These bilateral agreements aim generally at according convincing guarantees against all hypothesis of nationalization or expropriation. They also tend to protect against double taxation and allow the investment partners to avoid situations of useless discontent. International financial agencies also seek to conclude such kinds of investment protection agreements with the host governments.

b. Applying Various Fiscal Incentives :

These will depend on the applicable taxes to the various activities. Their burden may sometimes reach such limits as to discourage any investment initiatives, while some other countries are offering multiple tax incentives, including tax heavens. Without doing much harm to the public finances of the new State, mostly needed for massive equipment as well as for the normal functioning of the institutions, it is possible to seek international competitiveness through the offering of some tax incentives to the investors. In this respect, it is established that in most cases, the incentive consists in total or partial tax relief possibilities: a tax exemption is generally accorded during the first five years of activity of new enterprises. Payments of taxes are even furthermore reduced to 50% during the five following years. Larger incentives can also be accorded to companies which produce export products, thus generating foreign currency revenues to the country. Special fiscal care can also be taken of businesses engaged in innovative research and production : among the original applicable incentives, there is the research tax credit which allows for a certain amount of tax relief proportional to the quality research work undertaken by the firm.

c. Establishing Off-shore Zones :

Further studies can be carried out to examine the regional appropriateness and the economic and social feasibility of establishing one or a few off shore zones, implying massive privileges and total tax exemptions along with extended offering of specific advantages to banks, holdings and other assimilated institutions.

3. Setting up an Encouraging Customs Regime :

The definition of a customs economic regime is a very sensitive and crucial issue. Its efficiency determines much of the success of trade relations, market development, production increase and economic progress. Long delays and complex procedures may, however, prove to be very harmful to even the most dynamic entrepreneurial economies. That is why maximal care and attention have to be deployed towards the day to day relationship between the customs administration and the various economic promoters.

a. Enacting Special Measures for “Temporary Admission of Goods”:

Customs regimes such as those of temporary admission, temporary import and temporary export of goods need to be clearly set. The particular regime of stocking warehouses, of industrial franchise warehouses and of transit situations also need to be well defined. The enactment of texts organizing drawback systems may also induce a tax and duty reimbursement possibility for the economic operator. All these particular situations have become very common in international economic and trade relations; they must appropriately be considered and met by the legislation drafters of the newly emerging State if they want to supply their country with performing chances.

b. Setting forth a Flexible Currency Exchange Policy :

In order to attract and interest foreign investors, some of the most commonly adopted measures by successful investment destination countries have consisted in the enactment of laws allowing the investors to freely transfer back their initially invested funds along with their generated profits. These operations are generally freely carried out by the banks with limited procedural formalities. Along with this substantial concession, other minor privileges can also be accorded as supplementary incentives.

c. Encouraging the Development of Special Agreements :

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State interests may also create special situations where it may be deemed important to concede special privileges to some important investors. These advantages may be accorded on the basis of the importance of the project to be implemented. If it is implying massive capital transfer and generating substantial job creations, extensible privileges can then be allotted to its promoters through negotiated agreements. An other developing tendency of negotiated privileges deals with the conclusion of free trade agreements. They define specific privileges to be accorded to citizens of the contracting States or supra national entities. .

III. Targeting Economically Bearing Actions :

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There is a multiplicity of sectors that appear to be very promising for action initiatives. Within the present document just a few will be arbitrarily selected for presentation.

1. Setting up Industrial Parks :

State support to private initiative will be very welcome during the launching phases of these investment promotion operations. General rules of category determination will have to be primarily set forth. Clear distinction will have to be made between classical types of industrial zones, including new projects as well as rehabilitation areas of already existing industrial activities, private industrial parks, economic activity zones and enterprise breeding-grounds.

a. New Industrial Zones :

Comparative experience has demonstrated that publicly promoted **industrial zones** have often relied heavily on government funds wherever they were installed. Bureaucratic management has often then occasioned non evident efficiency outcomes. But, public interest being at stake, these expenditures have, to a certain extent, been accepted and supported. New tendencies have ever since been encouraging the development of private **industrial parks**. These tend to offer more reliable infrastructure, better quality service and a more adequate working environment. Other trends have encouraged the development of new areas called “**economic activity zones**”, widely promoted by elected local councils, under State support and assistance, and offering space for lighter type activities necessitating limited financial means and generating larger potentials of proximity job opportunities. By setting these industrial zones, the crucial issue of land acquisition will have been partly solved, since real estate reserves will have been carefully made for the purpose of investment facilitation and as promotion incentives through parcel distribution at reasonably acceptable prices.

b. Enterprise Incubators :

An other creative formula of investment encouragement through land or real estate acquisition has also been sought through the enterprise breeding grounds, also called “**enterprise incubators**”. These tend to cover a wide range of productive activities, rather than simple industry. They offer to the young promoters of small or medium size projects such advantages as office facilities during the crucial primary phases of the project, technical assistance, reliable information, feasibility studies and wide range administrative support.

c. Rehabilitation Projects :

- They concern already functioning industries in archaic areas; in this context, State support takes various forms aiming at modernizing the environment in which these projects are operating. Given the fact that the already existing activities are located in areas where they shouldn't have initially been, rehabilitation efforts will consist in road construction in order to facilitate the access to the existing factories, water and energy supply, sewage treatment, telecommunications connections as well as in the construction of complementary facilities offering catering and rendering such necessary services as health and security.

Yet, all these opportunities will still have to owe their chances of success to the enactment of appropriate legislation which precisely defines the nature of the authorized activities per zone, the nuisance tolerance threshold, soil occupation ratios, allowed types of construction, and so forth... A lot of safety measures will also need to be considered beforehand. There will also be a need to make provisions for long term maintenance and facility management of the zones to be implemented or to be rehabilitated. Experience has demonstrated that things tend to work generally better when there is a precise document of specification list to which all parties accept to adhere and abide by.

2. Developing Options for Tourism Animation :

- The proposed strategy for this field of major economic activity consists not only in developing resorts, building hotels and promoting accommodation facilities, but it also extends to program development and animation encouragement within a well thought tourism policy.

a. Event Related Tourism :

- It has proven to be one of the best income generating tourism activities worldwide. It varies from conference organization to thematic events based on artistic, musical or intellectual topics. Public affiliated convention and conference organizations as well as specific project oriented institutions may work on the logistics aspects, planning and/or implementation of these events. Their action may contribute to make the sites they serve among the most privileged destinations.

b. Historic Tourism :

- Needless to underline here the important value of the historic sites and monuments that make the originality of the Holy Land of Palestine. Pilgrims from all monotheist religions, along with many other devout individuals and groups are impatiently waiting for the time when a durable peace settlement will allow them to quietly practice their pious rituals in the Al Aksa Mosque or the Church of the Nativity. Visitors from other origins may also make of Ramallah, Beit Lahm and Al Qods Acharif their new spare time venues.

c. Leisure and Sportive Tourism :

- The Palestinian proximity to Europe is an other important factor for the development of these kinds of tourist ventures. Its neighborhood with other important destinations of traditional American tourism, such as Greece, Italy, Turkey, Israel and Egypt, might un-doubtfully make of it an unavoidable stage in Mediterranean and Middle East packages. Palestinian policy makers will have to work hard, however, in order to achieve this challenging objective. Along with leisure holidays, sportive practice can also offer a wide range income generating activities for specially targeted tourism : sailing, trekking, fencing, diving, archery, clay pigeon shooting, horseback riding and golfing are just a few sportive week end and short stay activities for stressed businessmen in search for proximity space to unwind. Among all other service investment choices, this is probably one of the most rewarding and shortest run output generating.

3. Following Success Inductive Paths :

- Various strategies have proven to be more successful than others. A multiplicity of choices is therefore available for the new decision makers; yet a few paths can, however, be considered as more bearing in terms of more immediate output generation.

a. The Strategy of “Delocalisation” :

It has been very common during recent decades. It simply consists in transferring already existing activities from one country to another. The usual reason behind it is the search for more attractive social laws and wages. Pollution risks may also be linked to some transfer concerns. Public negotiations as well as private contacts with already operating firms in developed countries can allow the determination of a considerable number of enterprises interested in transferring their ongoing activities to new hospitable lands. Precautions will however need to be taken in order to avoid any annoying situation of garbage dumping or pollution yielding.

b. Water Supply Activities :

- All mastered techniques of water prospection (G.I.S. or others) as well as sea water treatment and adduction development may be vitally rewarding activities for both agriculture and industry. Their exploration and exploitation needs a knowledgeable attention.

c. The Contributing Effect of Joint Ventures :

- Promoting local partnerships with foreign investors may prove to be mutually beneficial to all interested partners of Palestinian development as it has elsewhere. Technical assistance and know how communication are world wide available for inspiring the success of such an endeavor.

IV. Improving the Overall climate for Fund Generation :

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- Fund mobilization and distribution is one of the most crucial issues, proven to be genuinely vital to real development. All forms of exercises are deployed to attract funds by modern States. Bank related incentives and credit facilities have also proven to be relevant indicators of investment encouragement and facilitation.

1. Mobilizing the Banking System :

- One of the basic priorities of high Palestinian financial authorities will be to re-organize the banking system on new national bases. One main instrument of banking development will need to be a “Central Bank” invested with the mission of preserving the soundness of the system, safeguarding the stability of the currency and, potentially, issuing banknotes and coins. Along with this national financial authority, the

State will also need to promote the creation of a multitude of special financial institutions due to meet the various needs of the economy and the financial market : savings funds, development banks, foreign trade banks, consumer credit companies, real estate loan firms, as well as leasing and factoring companies. Banking activities will also have to be legally defined, précised and adapted to international standards. The licensing process of credit institutions will also need to be set out. Prudential requirements (such as solvency ratios, risk concentration ratios, liquidation ratios, etc...) and accounting regulations will also have to be fixed, normalized and equally adapted to international practices.

a. Defining an attractive credit policy :

- The attractiveness of credit is tributary to the applicable interests regulating its utilization. Credit operations, lease operations, repurchases and factoring are all variably depending on the applicable credit policy. The more attractive the incentives are, the leaner are the investors to venture their funds in a given economic environment. Thus, a carefully studied lowering cost of funds appears to be a major factor in investment promotion. And so are the factors of simplicity, flexibility and solvency. Financial support mechanisms to credit institutions are also important back up system components.

b. Introducing a Performing Monetary Policy :

- Inter-institutional monetary operations articulated around the central bank and the treasury administration will follow patterns and obey regulations that finance authorities will be closely observing and monitoring.

c. According Special Attention to Young Promoters :

The various forms of credit related encouragement may also directly involve the State in supplying credit support to young promoters. Certain loans to this category of business developers have, in certain countries, reached an implication of the State to up to 50% of the total loan at a symbolic interest rate and at a differed reimbursement deadline. In other situations, the State has signed agreements with some basic bank operators, aiming at the development of programs of self employment, allowing for a State supported credit implication of up to 90% of the total cost of the project.

2. Appealing to Creative Fund Raising Techniques :

- These may mostly be called upon for the benefice of very small business promoters. The traditional banking system is generally so demanding in terms of guarantees that these young promoters with limited means can hardly comply, in most cases, with these demands. Comparative international experience, mostly in countries like Bangladesh, Indonesia and Bolivia, later followed by many other countries, supplies a few success stories about creative fund mobilization techniques.

a. The Proven Effectiveness of “Trickle up” Programs :

These are more social oriented occupational projects for little income generating. They generally imply very small amounts of money, but have proven to be very efficient in creating auto-employment activities. Numerous private and public aid and relief agencies in the U.S., Europe, Canada and elsewhere are very active supplying the necessary funds and helping with the setting up of the projects.

b. Encouraging Cooperative Efforts :

This is where the micro-credit experience has proven to be most efficient. In February 1997, more than 2000 micro-credit practitioners from more than 100 countries convened on the subject in Washington (D.C.); they have held other periodical meetings since. They analyze and exchange a wealth of experiences related to cooperative activities, micro-enterprise development policies as well as to micro-banking approaches. It is established that, in general, cooperative activities tend to encourage joining forces, knowledge and means in order to reach commonly defined and sought economic or social objectives. Special legislation is thus preliminarily enacted; public assistance and follow up are offered; and technical and financial support supplied. Most recent tendencies have also been oriented towards using the same associative approaches for fundraising purposes. Enacted law may even entitle these young associations to a few limited banking practices, which will allow them to gain some autonomy from the constraints of the traditional banking system. U.S.-AID and U.N.D.P. have been very active in supporting these creative associative initiatives.

c. Calling Upon Small Domestic Capital Mobilization :

Other successful experiences have also tended to make up for the inadequacies of the non generalized banking system in a newly independent State. It is evident that any institution, in its stammering stages, cannot be expected to cover all urging needs. The gap has sometimes been filled by more common objective and already functioning nationwide institutions: Because of its overall presence, the post office administration has, at times, been asked to play a banking role by collecting the economies of small savers. Furthermore, some agricultural savings institutions have also proven to be efficient in fund collecting. Their close proximity to rural population helps massively with their undertaking of this mission. Through these original means, and others, important funds can be collected for all appropriate and efficient national interest use.

3. Accessing to foreign Aid Programs :

As a new member of the concert of nations, the new entity will have to adhere to the numerous existing multilateral agreements governing international cooperation and technical assistance. It may also decide to be part of regional agreements or conclude bilateral treaties. In all cases, it will be entitled to benefit from the privileges that they offer.

a. Exploring the Possibilities of Bilateral Cooperation :

Almost all developed nations have well proven programs of aid and assistance. They cover all forms of cooperation. Bilateral negotiations will certainly help generate some fruitful ones.

b. Benefiting from the aid of Multilateral Cooperation Agencies

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Whether they are U.N. affiliated, World Bank related, Arab League linked or Gulf States funded, they will all offer a wide range of cooperation and partnership opportunities. It remains up to the concerned decision makers to prospect them and benefit from their input.

c. Supplying Well Defined Development Projects :

Here stems the crucial role of a "**Regional Development Agency**" in helping the Palestinian Authority define a formal economic program, undertake feasibility studies and assist in implementation and follow up. United States technical aid and expertise can best be channeled through such an "**Agency**" which can also call upon internationally and locally available expertise.

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