**Remarks by Mr. Basel Jaber**

I would like to describe, very briefly, what has actually happened with regard to the attempts to implement reform plans and projects here in Palestine. In the first part of May 2002, President Arafat addressed the PLC and declared that his government intended to introduce a reform program that would help us in developing our institutions in a way that would be in keeping with the requirements of our future independent state. A short while later, on 16 May 2002 to be exact, the PLC responded to the President’s address by announcing clear reform-related landmarks, especially in regard to legislation, law, and fighting corruption. Immediately afterwards, the President formed a new ministerial committee, the ten members of which were required to draft a reform plan for the government. The plan was declared ready on 24 June, by which time international pressure had increased because there was no action being taken on the political front, the reason being, of course, that our hands were tied because of the numerous Israeli incursions, which, amongst other things, had prevented us from being able to govern ourselves in an effective manner. In short, it seemed to us that everyone was as eager as we were to witness a concerted effort on the part of all the parties concerned to reform our various institutions.

With the help of our friends from the international community, we were able to specify major benchmarks for our reform effort, the idea being, according to the ‘100-Day Reform Plan’ developed by the aforementioned ministerial committee, that they would monitor our achievements and performance. The international community formed two levels of support mechanisms for the reform process, namely, a local level task force on Palestinian reform – involving representatives of the international community here in Palestine - and a capital level task force on Palestinian reform – involving representatives on the capitals level of these countries. A decision was also made to establish a coordination mechanism so that the Palestinian Authority and the international community would be in constant contact, thereby facilitating the reform process, and indeed, we found ourselves in contact with the Americans and the rest of the international community on a daily basis.

The ‘100-Day Reform Plan’ focused on different domains, including the economy, finances, judiciary, public administration, elections, and others. The donor countries created a local task force for every domain, while regular meetings were scheduled on both the local and capital levels. During the first local level task force meeting, we couldn’t help but notice that the Americans were very harsh and that they obviously did not believe that the Palestinians were capable of development and reform, though it was clear, during the process itself and the subsequent meetings, that their view had changed in a positive manner, so much so, in fact, that in November, the Americans really went out of their way to pressure the Israelis in order to get them to release the money they owed us for VAT and to facilitate the actual transferal process.

It is important to note, at this point, that during the period of June 2002-February 2003, the US did not want to do deal with us politically, unless we would change our political system (reference is made to the speech of US President George W. Bush on 24 June 2003). However, due to President Arafat’s decision to introduce the post of Prime Minister and the major achievements that were witnessed with regard to reform, the political process was revived, following the conference in London on 18 February 2003. I believe it important to add here that President Arafat is one of only a very few leaders of his caliber – perhaps the only one, in fact - to have relinquished a huge part of his authority to another person during his lifetime and without any real public pressure to do so being put on him. It is my belief, therefore, that he should be given the due credit by all concerned and that this particular action on the part of President Arafat, by itself, represents a significant reform accomplishment. In my opinion, the Ministerial Reform Committee also deserves a pat on the back because we made it very clear, with the full support of the President, that we would not go to London unless 80 percent, if not 100 percent, of the obligations to which we had committed ourselves in the ‘100-Day Reform Plan’ had been fulfilled.

Following the conference in London, the focus turned to political reform, and we, meaning the Reform Coordination and Technical Support Unit, used the time to develop a long-term public administration reform strategy as well as a long-term reform action plan for the various reform domains. We also developed internal roles and procedures to be adopted by the new cabinet in order to facilitate its work. In addition, we developed a concept paper relating to the way in which the Cabinet should function, its tasks, job needs, progress of work, and a detailed description of the working mechanisms.

Once the position of Prime Minister had been approved and Mahmoud Abbas (Abu Mazen) had been nominated for the post, he immediately made it clear that he was eager to help make the reform process a smooth and effective one. He confirmed this eagerness in his speech to the Palestinian Legislative Council (PLC) on 28 April 2003, during which he referred to reform in general terms but whilst stipulating that in the initial stages, it should be mainly in the areas of administration, finance, security, and the judiciary.

With regard to the four-man ministerial reform committee formed by the government and given the mandate of coordinating with other ministers the implementation of the reform process in general, the Prime Minister nominated Yasser Abed Rabbo as the committee’s head, Dr. Nabil Kassis as its secretary-general, and Finance Minister Dr. Salam Fayyad and Justice Minister Abdul Karim Abu Salah as members.

At this point I would like to stress the fact that we consider reform in the areas of public administration and civil service our top priority. As a result of conducting a study of the situation of public administration in Palestine, we have already succeeded in preparing a set of recommendations concerning what needs to be done. We have recommended, for example, that the 78 non-ministerial institutions that are on the payroll of the government should be brought under the umbrella of an existing ministry in order to limit duplication and make the ministries more accountable to the PLC. A number of these non-ministerial institutions were cancelled and became departments within the ministries. A board of trustees or a governing council will govern some of the others. Once the new cabinet had approved the recommendations, the necessary changes were made, so that today, the situation is as follows:

**• Institutions placed under the direct supervision of the Cabinet:**

- The General Personnel Council
- The National Archive
- The Land Authority
- The Palestinian Economic Council for Development and    Reconstruction (PECDAR)
- The Palestinian Central Bureau of Statistics (PCBS)
- The Monitoring Commission

• Institutions fully integrated into the ministry most closely related to the institution:

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| --- | --- | --- |
|       | - The Palestinian Investment Association | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Finance |
|   | - The Tobacco Association | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Finance |
|   | - The Petroleum Association | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Finance |
|   | - The Civil Aviation Authority | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Transportation |
|   | - The Sea Port Authority | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Transportation |
|   | - The Council of Higher Education | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Education |
|   | - The Security Institutions | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Interior |
|   | - The Energy Authority | http://146.185.164.77/passia.org/images/new/arrow-l.jpgMinistry of Energy and Natural     Resources |

• **Institutions with a board of trustees headed by the minister of the ministry whose functions are closest to those of the institution/most closely related to the institution:**

|  |  |  |
| --- | --- | --- |
|       | - Palestinian Standards Institution | http://146.185.164.77/passia.org/images/new/arrow-l.jpg Ministry of National Economy      (MoNE) |
|   | - Palestinian Industrial Zones Commission   (PFZC) | http://146.185.164.77/passia.org/images/new/arrow-l.jpg MoNE |

Worthy of mention here is the fact that mutual understanding in terms of joint procedures and coordination has been created between the Ministry of Information (MOI) and the Palestine Broadcasting Corporation (PBC), with the MOI being given the authority to sign the budget of the TV and radio.

Some institutions that provide a wide range of services, are of a more general nature, and can be of use by all ministries should be brought under the direct leadership of the Cabinet. One of the important suggestions we made was that there should be some kind of pension scheme for all governmental employees, which would help us to reduce the number of employees and by slim-lining the civil service, make it more efficient. For this purpose, we are currently working with the World Bank on creating the Pension Fund for which we require approximately $100 million as a starting base to cover 10-15,000 employees. I should mention here that we currently have a total of 65,000 civil service government employees with possibly a similar number of employees working in the security sector and that 70 percent of our budget goes on paying salaries, whereas in other countries, the percentage is only in the region of 20 percent.

Other important steps taken thus far include the Cabinet’s approval of a unified ‘Model Organizational Structure’ for all ministries, according to which there will be a political level and an administrative level within every ministry and which is being implemented in the ministries now. The political level can be changed due to changing political circumstances, while the administrative level is the continuation of the life and work of the ministry. The head of the administrative level will be the permanent secretary of the ministry who will serve as the link with the minister.

Another ongoing project is a pilot project, the aim of which is to study five ministries and see how we can develop their organization charts, mission statements, goals and objectives, programs, priorities, rules and regulations, and legal framework, etc., the idea being that we will present our report to the Ministerial Reform Committee on 30 August. The ministries involved are the Ministry of Social Affairs, the Ministry of Planning, the Ministry of Local Government, the Ministry of Culture, and the Ministry of Labor, which, incidentally, were the first ministries to respond to our request for reform. At the present time, we are unable to include a greater number of ministries in this project because of our limited resources, though we hope to be able to cover all the ministries by October. A major problem in this regard, however, is the fact that we are facing a lot of reservations on the part of those who might be affected by the potential changes and those are important players in the country – especially at the higher levels. We have also discovered that we do not have enough qualified personnel to help us carry out these tasks.

Other recent successes on the part of the government include the development of a new draft of the Election Law, which was based on the previous law but contains modifications regarding the procedural part. We also managed to develop bylaws for the NGOs, to be approved by the Cabinet and implemented by the Ministry of Interior. The government is also in the process of developing a draft constitution. A permanent Supreme Judicial Council has already been nominated and internal roles and procedures relating to the Cabinet were approved. With regard to financial matters, a single treasury account with the Ministry of Finance has been established, which also developed a unified payroll system for Gaza and the West Bank.

I should add here that in June of this year, the government approved a new short-term reform action plan, the so-called ’60-Day Plan’, most of which we have already managed to accomplish. At the present time, a new short-term action plan is being developed to cover the coming 90 days.

I would like to finish by saying that if we are to achieve our joint objectives in terms of building proper institutions and an effective judiciary, then the support of the civil society and the various intellectual circles in this country is of vital importance.