



**Palestinian National Authority**  
**Ministry of**  
**Public Works and Housing**

**Strategic Plan for Developing the**  
**Housing Sector in Palestine**

**January 2010**

## Acknowledgement

This National Strategy for the Housing Sector in Palestine was prepared  
by a working team comprising:

### The National Housing Sector Strategy Team

No.	Organization	Name
First	<b>Government Sector</b>	
1	<b>Ministry of Public Works and Housing (MPWH)</b>	1. Eng. Afif Es'ayyed (Team Leader) 2. Dr.Ibrahim Abu Hmaid 3. Eng. Bassam Al-Sha'lan 4. Jawad Sa'adeh 5. Mustafa Al-Safarini 6. Fat'hi Jannem 7. Nadia Omar
2	<b>Ministry of Planning and Administrative Development</b>	1. Taghreed Hathnawi 2. Faisal Sabbah
3	<b>Ministry of Local Government</b>	1. Eng. Mahher Jabber
4	<b>Ministry of National Economy</b>	1. Hattem Sarhan 2. Azmi Abdel-Rahman
5	<b>Ministry of Finance</b>	1. Hussein Jaloodi
6	<b>Water Authority</b>	1. Ouse Thabbet
7	<b>Land Authority</b>	1. Dr. Adnan Qabajah 2. Eng. Sa'ed d'ais
Second	<b>Semi-Official Organizations</b>	
8	<b>Palestinian Housing Council (PHC)</b>	1. Omar Hannon 2. Eng. Nash'at Tahboob
9	<b>Palestinian Contractors Union (PCU)</b>	1. Eng. Addel Oheh
10	<b>Palestinian Engineering Association (PEA)</b>	Eng. Mohammad Shennar

Third	<b>Universities</b>	
11	<b>An-Najah National University</b>	1. Dr. Ali Abdel-hameed
12	<b>Birzeit University</b>	1. Dr. Shaddi Al-Ghadban
Fourth	<b>Private Sector Organizations</b>	
13	<b>Palestine Mortgage and Housing Corp. (PMHC)</b>	1. Jawad Staitiyyeh
14	<b>Palestine Investment Fun(PIF)</b>	
	<b>Local and International Organizations</b>	
15	<b>UN-HABITAT</b>	1. Dr. Na'el Salman
16	<b>Portland Trust</b>	1. Tharwat Al-Shammi 2. Nesreen Shaneen
17	<b>Palestine Economic Policy Research Institute (MAS)</b>	1. Ibrahim Abu Hantash

# Contents

## Chapter One

### Executive Summary

- 1.1 Introduction and Methodology
2. Vision
3. Analysis of the State of Housing
4. Strategic Objectives
5. Allocation of Resources and Responsibilities
6. Monitoring and Evaluation

### 7. Section One: Strategy Framework

1. Vision
2. Analysis of the State of Housing
3. Main Challenges
4. Strategic Objectives
5. Policies
6. Allocation of Resources and Responsibilities
7. Monitoring and Evaluation

## Chapter Two

### Housing Sector Strategy

#### Introduction

#### Methodology

### Section One: Strategy Framework

1. Vision
8. Analysis of the State of Housing
9. Environmental Analysis (External and Internal)
10. Overall National Objective
11. Secondary Strategic Objectives
12. Policies
13. Allocation of Resources and Responsibilities
14. Monitoring and Evaluation

# **Chapter One**

## **Executive Summary**

### **1. Introduction and Methodology**

#### **1.1 Introduction**

Housing is a primary human need just like water and air. It is on top of the economic development priorities due to its importance to the economic and social development. The housing sector as a major employer, contributes to decreasing the rate of unemployment and creating job opportunities. Hence, there is a need to formulate a comprehensive Palestinian housing policy for the development of the housing sector. Having a housing policy and strategy is important as such for other economical and social sectors; as the housing industry contributes to reestablishing Palestinians in their homeland.

The Strategic Plan for the Housing Sector (2011-2013) was developed pursuant to the resolution of the Council of Ministers issued in its session on August 17, 2009; providing for a sectoral and cross-sectoral strategic plan, and in accordance with the "Sectoral and Cross-Sectoral Strategies Preparation Guidelines" issued by the Ministry of Planning and Administrative Development on August 24, 2009.

The Palestinian housing sector today faces many obstacles; mainly the Israeli occupation which confiscates Palestinian land every day to build Israeli settlements, and creates checkpoints to humiliate the Palestinian people and force them out of their home land in order to establish a Jewish state.

This requires to combine the efforts of all those involved in the housing sector to face up the unjust occupation of the Palestinian homeland, fight its schemes, work persistently towards realizing the Palestinian dream of an independent state along the June 1967 borders; including Jerusalem, and fight the endless attempts to Judaize Palestine and expel its people through continuous Israeli oppressive policies since 1967.

This paper presents a comprehensive Palestinian housing strategy along with relevant implementing policies to address the serious housing crisis and the problem of populations living in the Palestinian territories. This housing strategy will also serve as an important tool that contributes to political independence and realization of a Palestinian state on the land occupied in 1967; with East Jerusalem as its capital. It also provides a framework to solve the problems presented by overcrowded residential areas and high population density. It also regulates the use of land, land ownership rights, rent, housing loans and mortgage; in addition to providing an essential tool to mobilize national and international funding, increase financing, attract investment in the housing sector and improve access to basic services; including waste water and solid waste disposal services and the like.

The Ministry of Public Works and Housing (MPWH) has defined the interim objectives for the next three years through the following secondary strategic objectives under the headline *Increasing Citizens' Ownership of Houses*:

- Developing policies and programs for low-income households.
- Developing long-term housing loans programs.
- Delivering of basic infrastructure services to various private and public housing projects as well as those undertaken by cooperative housing societies.
- To help citizens of Jerusalem and areas near the apartheid wall obtain appropriate housing and the necessary building licenses.
- Reconstructing the Gaza Strip; including rehabilitation of terminals and rebuilding the infrastructure, houses, public and private facilities destructed by the Israeli occupation forces.

## **2.1 Methodology**

This strategic plan was developed using a participatory approach involving all active parties in the housing sector ; including the public and private sectors, universities and local and international NGOs. All the parties involved have agreed to draft and discuss the strategy in scheduled meetings to issue decisions and recommendations followed by exchanging documents for comments and views to be presented in following meetings to discuss views and developments. This entails

keeping sessions open until the strategy paper is completed. Successive plenary meetings of the team were held in the spirit of partnership, national responsibility and full interaction of all parties throughout the process. Seven consecutive meetings were held in this respect and included several consultations and bilateral meetings between team members. The strategic plan preparation process went through the following stages:

**First- Preliminary Stage:**

1. At this stage, discussions were held both in and outside the MPWH on developing the relevant approach and steps to be followed by the National Housing Sector Strategy Team. Consultations and meetings lead to an executive plan for preparing the housing sector strategy.
2. On October 6, 2009, the MPWH approved the call for all relevant parties with genuine interest in the housing sector strategy with all its legal, regulatory, research, study and other aspects.

**Second- First Stage (Strategic Thinking)**

This stage was characterized by meetings on planning methodology and composition of the technical team which undertook the following:

1. Reviewing studies and documents, as well as experiences of neighboring countries in developing strategic plans:
  - Reviewing a number of studies, research papers and theses on housing concept, strategies and policies at national; Arab and international levels.
  - Reviewing national and institutional objectives of relevant ministries and institutions.
  - Reviewing the experiences of certain Arab countries (such as Jordan, Saudi Arabia and Egypt) in developing strategic plans and policies for the housing sector.
2. Developing a paper on the housing sector's obstacles and needs.
3. Developing a paper on the internal and external environments of the housing sector.

### **Third- Second Stage (Strategic Planning)**

Based on the findings of the first stage, several plenary brainstorming sessions were held for the team; during which the following was undertaken:

- Discussing the outcomes of the first stage.
- Analyzing the internal and external environments of the housing sector.
- Drafting a vision for the housing sector, roles of relevant parties and future prospects.
- Developing the national objective and relevant goals.
- Strategies and tactics.
- Policies and values.

### **Fourth- Third Stage (Developing sector's vision, objectives and goals)**

Based on the outcomes of the first and second stages, the sector's vision; secondary strategic objectives (goals), sector strategies and interventions required to achieve each goal were developed.

### **Fifth- Fourth stage (Strategic Action Plan)**

In this stage, the following was achieved:

- A draft sector strategy was developed.
- Policies and necessary policy interventions were developed.
- A semi-final draft was submitted to the Minister of Public Works and Housing for approval.
- Said draft was presented to team members to review certain wording.
- The final sector strategy was developed.

## **2. Vision**

### **Vision Statement: Proper Housing for Palestinians**

Based on the government's vision of an independent Palestinian state on the Palestinian lands occupied by Israel in 1967 including East Jerusalem as its capital, the members of the housing sector strategy team unanimously stressed the following:

Housing is a basic human right that entitles Palestinians to live safely in proper healthy houses that ensure their livelihood and human dignity, as well as personal privacy and family life. Depriving Palestinians of this right undermines their right to decent living, human dignity, patriotism, steadfastness on their land and fighting the occupation and its schemes to seize their homeland.

The Palestinian people need proper healthy houses that meet their family needs in order to stay steadfast on their land and establish their independent Palestinian state.

### **3. Analysis of the State of Housing in Palestine**

#### **3.a Background**

Housing is one of the most vital issues to man; being a basic right that is enshrined by divine religions and international laws. Without housing, particularly for low-income segments through low-cost housing, life cannot sustain.

Housing is a means to preserve life, property and offspring; which is essential for life. Paragraph (1) of article (25) of the Universal Declaration of Human Rights states that "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services" and paragraph (1) of article (11) of the International Covenant on Economic, Social and Cultural Rights states that "The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent". The Committee on Economic, Social and Cultural Rights has paid significant attention to this article; particularly from the view of its relation to the human right to adequate housing; so much that it was the only right in said Covenant to have a full comment; that is General Comment No. (4) of 1991, paragraph (7) of which states that "the right to housing should not be interpreted in a narrow or restrictive sense which equates it with, for example, the shelter provided by merely having a roof

over one's head or views shelter exclusively as a commodity. Rather it should be seen as the right to live somewhere in security, peace and dignity."

The Global Strategy for shelter adopted in 1988, stresses the need to improve shelter provision, review national housing policies and adopt an empowering strategy to provide adequate shelter for all. In the same context, UNHABITAT 2001 sees that providing shelter does not necessarily mean only providing refuge and cover for humans, but has a comprehensive meaning that includes:

- Providing safe housing with privacy, ownership and various spaces that meet basic daily human needs.
- Safe construction system and proper natural lighting, ventilation and heating.
- Basic utilities such as (water, sanitary and power).
- Environmental sustainability.
- Appropriate distance from work and other urban services.

All the above should be provided at reasonable cost so as to achieve true and complete housing adequacy which must meet the needs and expectations of consumers within the overall view of progressive and sustainable development of society as a whole.

### **3.b Housing Needs in Palestinian Territories**

Housing needs in West Bank and Gaza until 2010 are estimated at (132,759) residential units according to estimates prepared by MPWH based on statistics collected by the Palestinian Central Bureau of Statistics in 2007. These estimates produced the following indicators:

#### **Population Growth:**

The number of Palestinian throughout the world is estimated at (10 million) people. The population of Palestinians in West Bank and Gaza is (3,761,646) people, (2,345,107) of which are in West Bank (62%) and (1,416,539) in Gaza (37.6%). Population in Palestinian territories has increased by nearly (30%) since 1997; marking one of the highest rates in the region and the world. Annual population growth rate during the period between the censuses (1997 and 2007)

was (2.7%), which means that the Palestinian population will double during the next decade; assuming a steady growth rate.

### **Population Density:**

Population density rates exceed (10) people per square kilometer in cities and refugee camps of Gaza, (5000) in West Bank cities and (1300) in populations in zone (b).

### **Family Size:**

There are (646,755) Palestinian families, of which (427,533) are in West Bank (with an average of [6.5] members per family) and (219,222) families in Gaza (with an average of [5.8] members per family). According to the 1997 census, there were (452,153) Palestinian families (in West Bank and Gaza); hence, there is an increase of (194,164) families (with an average of [6.4] members per family). This shows that the number of Palestinian family members has decreased since 1997; indicating a trend to form nuclear, rather than extended or compound, families. Nevertheless, the number of members per family is still high. It was also noted that the decrease in family size indicates a decrease in fertility, on one hand, and the trend to form nuclear; rather than extended; families on the other. In 2007, nuclear families accounted for (78.8%) of all families; compared to (73.2%) in 1997, whereas the percentage of extended families dropped from (23%) in 1997 to (16.4%) in 2007; which confirms the Palestinian trend to form nuclear; rather than extended; families.

### **Population Age Structure:**

Children in the age group (0-14) account for (44%) of population, people in the age group (15-64) account for (52.9%) and the rest of population (over 65 years of age) account for (3.1%); which indicates that the Palestinian society is a young one compared to other societies.

### **Area:**

The total area of West Bank and Gaza is (6,187) square kilometers (including Dead Sea level); of which (5,822) square kilometers are in west Bank and (365) square kilometers are in Gaza. (60%) of total Palestinian land is still under the control of Israeli occupation.

### **Number of Houses:**

The number of residential, work, closed, vacant and abandoned houses in Palestinian territories is (701,937) houses; of which (456,314) are in West Bank (excluding [j1] zone of Jerusalem governorate) and (414,493) in Gaza. There are (214,692) inhabited residential units in West Bank and (214,692) in Gaza. The survey also shows that Hebron is the largest Palestinian governorate in terms of inhabited residential units with (87,645) houses representing (13.9) of total inhabited houses in Palestinian territories, followed by Gaza governorate with (75,004) houses ([11.9%] of total houses in Palestinian territories). The governorate of Jericho and the Jordan Valley, on the other hand, ranks last in terms of inhabited residential units with (7,262) houses ([1.2%] of total inhabited houses in Palestinian territories).

### **Population density (Occupancy Rate):**

Average occupancy rate (number of persons per room) in Palestinian territories in 2008 was (1.7) persons per room; with (1.6) person/room in West Bank and (1.9) person/room in Gaza. Data also shows that (12.7%) of Palestinian households live in residential units with an occupancy rate of (30 or more persons per room. Average number of rooms per house in Palestinian territories is (3.6). Data indicates that (15.9%) of households in Palestinian territories live in houses containing (1-2) rooms; with (16.9%) in West Bank and (13.9%) in Gaza.

### **Type of Ownership:**

2008 data indicates that (51%) of households in Palestinian territories live in separate houses and (47.2%) in apartments. The percentage of households living in separate houses in West Bank is higher than that

in Gaza with (51.8%) and (49.2%) respectively; compared to (45.8%) of households in West Bank and (50%) in Gaza living in apartments.

(81.12%) of households in Palestinian territories live in houses owned by a family member, and (18.88%) of families do not own their houses; although house ownership is important in Arab communities which usually tend to own houses regardless of economic or social situation. We would also like to note that houses in Palestinian refugee camps are the property of the UNRWA; and are mostly built with bricks and have roofs made of asbestos or tin; particularly in Gaza.

### **Palestinian Refugees in Camps in West Bank and Gaza**

Based on the statistical report submitted by URWA on January 22, 2010, there are (1,551,145) registered Palestinians in PNA areas; of which (951,709) are in Gaza and (559,436) in West Bank; that is (42.6%) of total population of West Bank and Gaza; with (27.3%) of total population of West Bank at an estimated annual growth rate of (2.5%); whereas refugees account for (67.9%) of the population of Gaza with an estimated annual growth rate of (4.5%).

**The following table illustrates housing needs in Palestinian territories until 2010**

<b>Indicator</b>	<b>Number (units)</b>
<b>Total needed residential units in Palestinian territories until 2010</b>	132,759
Deficit in residential units until 2010 in Palestinian territories	57,303
Deficit in residential units until 2010 in West Bank	24,048
Deficit in residential units until 2010 in Gaza	33,255
Residential units needed for replacement and reserve in Palestinian territories	75,456
Residential units needed for replacement and reserve in West Bank	50,437
Residential units needed for replacement and reserve in Gaza	25,019
<b>Total deficit until 2019</b>	<b>293,995</b>

Number of produced residential units with building permits	5,700
Annual deficit in residential units in the next ten years	29,400

### **3.c Overview of the Housing Sector**

The housing and residential production sector has played an exceptional role since the creation of PNA; having a positive impact on Palestinian economy as the largest economic sector employing some (11-14%) of labor force. Ever since it assumed control of liberated Palestinian territories, the PNA has given significant attention to the housing sector in an attempt to repair the infrastructure destructed by occupation forces and provide housing and buildings for ministries. Attention in this sector focused on Gaza and West Bank which have been witnessing unprecedented horizontal and vertical urban expansion,

Moreover, the Ministry of Public Works and Housing was established and was concerned with providing housing to target groups through housing projects and programs targeting low-income groups by allocating government land at token prices benefiting over (5,800) households, in addition to several infrastructure projects for societies using MPWH's machines and equipment. (a6) housing projects were completed in Gaza benefiting more than (4,000) households, as well as two projects in West Bank funded by a Spanish grant. MPWH also helps draft laws, regulations and legislations leading to the development of the housing sector and service of citizens. PNA agencies also encourage the private and banking sectors to build houses, as with the Palestinian Housing Council and various banks which offered housing facilities and loans to employees.

The PNA has also been striving to provide housing to Palestinians in Jerusalem by providing them with loans and building support; in an attempt to stabilize them in the holy city from which Israel is trying to evacuate them. On the other hand, and in order to maintain the Arabic

character of the old city of Jerusalem, the PNA started repairing city buildings and encouraging landlords to either move in or lease out their properties.

The housing policy is certainly not limited to providing buildings; but also includes providing utilities and services, such as water; electricity, sanitary, telephone lines, civil defense, health centers, schools, roads and transportation. All these have been subject to special attention from PNA ministries and institutions.

During the few last years, many initiatives were launched to address housing problems, and several housing investment and lending institutions, encouraged by PNA, started working on reducing the deficit and raising housing levels. The private sector has also played a significant, active and ambitious role and has a valuable experience in residential production that should be referred to when drafting housing policies. There are also many local investors and cooperative organizations involved in housing which managed to achieve important successes, not only in residential production, but also in mobilizing financial resources and their planning capabilities for saving and housing loans.

MPWH has, by virtue of a resolution of the Council of Ministers based on the previous government's plan (The Reform and Development Plan), set up the National Housing Team which started developing standards for partnership between the public and private sectors; particularly in the area of supporting the private sector in building the infrastructure that connects the intended project site to its surrounding.

Therefore, the housing strategy should direct existing initiatives and form a basis for future ones by means of a coherent general policy that guides and regulates the housing sector while coordinating and setting priorities or various interventions in this sector. Hence, the need to build the capacities and improve the efficiency of MPWH so that it can play an active standard leading role in the housing sector.

It has become clear that having a comprehensive national housing strategy is an urgent need that must be addressed to improve living standards of the Palestinian people. Therefore, previous and current

experiences should be referred to and a study should be conducted for what is practical and what is not for the situation in Palestine and to determine the obstacles that may hinder the development or implementation of detailed housing policies.

### **3.d Challenges facing the housing sector**

The economic situation of Palestinian citizens reflects the deteriorating condition of the Palestinian housing sector and is a major cause of economic and social pressure. Housing problems today are more persistent than ever and the biggest threat to the housing sector is Israeli occupation and its continuous attempts to control Palestinian territories in order to evacuate Palestinians and build Zionist settlements, in addition to other challenges and obstacles.

#### **3.d.1 Israeli occupation's policy and demolition of Palestinian houses**

Problems encountered by the Palestinian housing sector are unique; with ever growing housing deficit due to poor political and economic conditions caused by Israeli occupation, in addition to restrictions imposed by Israel on expansion of Palestinian cities; which is a key factor that adversely affects the development of appropriate strategy for use and management of Palestinian lands and natural resources. The housing issue is one of the main issues significantly affected by Israeli occupation which deprives then Palestinian people from their natural right to grow and expand its urban populations. Moreover, the housing sector faces obstacles represented by external threats, mainly:

1. Since 1967, Israeli occupation have been seeking to seize land in West Bank by building Zionist settlements, constructing by-pass roads, isolating Palestinian territories and preventing communication. Moreover, Israeli occupation authorities have demolished some (23,100) residential units in Palestinian territories during the period between 1967 and the end of May 2009 on grounds of resisting occupation or building without permit. The Israeli army also completely destructed (13,400)

residential units in West Bank and Gaza since the beginning of Al-Aqsa Intifada in 2000 till the end of May 2009.

This house demolition policy has rendered more than (170,000)Palestinians homeless; while damaging more than (90,000) houses in Palestinian territories until the year 2008.

2. The policy of denial of building permits in (c) zones and demolition of houses, confiscation of lands and prevention of building, for various reasons, in areas such as green areas, near by-pass roads and areas overlooking settlements or close to the Green Line, in addition to difficulties relating to damaged infrastructure in these areas which occupation authorities refuses to repair or let PNA do so.
3. The policy of Israeli occupation which confiscates lands on several military, security and other grounds; in order to build the inclusion and expansion wall and expand settlements so as to control Palestinian populations and prevent expansion of their structural and urban plans and make life difficult for them in an attempt to force citizens leave their lands and move from their villages to cities abandoning agriculture. All this to seize more Palestinian land.

### **3.d.2 Internal Challenges**

1. In the field of housing, the PNA Housing lacks a clear program to follow, and all current housing projects lack regulations specific to each area, as some cities suffer from horizontal expansion at the expense of agricultural lands and green areas. Meanwhile, other cities suffer from vertical construction of multiple floors, which lacks legal status and necessary services specific to this kind of construction.

2. Weakness of effective monitoring authority over projects particular to the field of construction, in regards to adherence to requirements necessary for safety and security. This has encouraged contractors to build in violation of laws and licenses.

3. There is a disparity in laws and acts implemented in the field of housing and construction from one city to the next, and from one village to the next. Further, these are also different in the Gaza Strip than from the West Bank. There is a set of laws that have been issued

but not implemented, such as the Condominium Law and the act relating to high-rise buildings. Additionally, the construction acts and laws currently followed are inappropriate with the current situation, especially in relation to the scarcity of lands available for construction and their high prices due to the limitation on construction in the (A) and (B) zones and the impossibility of urban expansion in the (C) zone because of obstacles imposed by Israeli occupation.

4. The official budget does not include funds for investment in the housing sector, which has led to minimal production of projects and houses. Additionally, there are no semi-public housing institutions, which is something that has been limited to the profit and non-profit private sector that is funded by donor countries.

5. Housing finance is undeveloped due to the inadequacy of financial institutions and housing loan funds, along with other financial institutions specializing in the provision of housing loans.

6. The housing sector is affected by the weakness of the judicial authority in dealing with housing and real-estate disputes.

7. The non-existence of a complete housing database or bank of information.

8. Non-linkage of the housing sector growth with a comprehensive regional planning process and non-existence of a comprehensive housing plan.

9. Non-linkage of the housing sector growth with the process of economic and social development.

10. Non-existence of clear mechanisms for detailed planning of lands, their distribution and preparation for construction in a suitable manner, which leads to the continuity of a disorganized urban construction process, in addition to the non-existence of clear plans for land uses at the local level.

11. Non-correspondence of supply and demand in the housing market.

12. Lack and limitations of financing mechanisms, the increase in interest rates and non-existence of clear oriented frameworks for provision of facilitations to the private sector to ensure its active participation in the housing sector.

13. Random and disorganized housing expansion which has led to the distortion of the cultural, architectural and heritage-related identity, in addition to housing violations because of the absence of detailed plans for cities or residential areas due to the technical/financial inability of most municipalities and village councils to provide these.

14. Speculation relating to existing real estate by the private sector and instability of residential units prices, which has led to an increase in the cost of obtaining housing for the wider segment of citizens with limited or low income.

15. Weakness in currently used construction technologies, non-advancement of construction technology and extensive reliance of the Palestinian market on imported building materials which has led to a divergence between the price of building materials and the income of a Palestinian household and the ability thereof to provide adequate shelter.

#### **4. Assessment of Existing Gaps in the Housing Sector**

The existence of a strategy and comprehensive Palestinian housing policies accompanied by compatible implementation policies has become a pressing need for addressing the serious housing crisis and the problem of populations in Palestinian territories.

The national housing strategy aims to improve the living conditions of the Palestinian people, provide suitable housing and ensure the most ideal use of land and natural sources in the Palestinian territories. In order to attain this goal, the Ministry of Public Works and Housing must play an active enabling role and undertake the necessary studies that are specific to developing laws, legislations and procedures related to housing. It can do this through availing an appropriate atmosphere and the basic foundations necessary for creating a sound environment suitable for housing and construction.

In order to fulfill this strategic objective, the following issues have been taken into consideration:

1. *Housing standards*: Establishing a clear definition for the concept of “appropriate housing” to use upon assessment of the housing status or housing needs
2. *Setting a policy for social housing*: The current deficit in the number of houses and the many existing ones that are below the required level – particularly within the poor class of Palestinian society which cannot afford financial loans – requires setting a policy specific to local housing. This policy needs to be applied to the vulnerable segments of the population and the locations of their residence, in order to prioritize work and the prospects for immediate and future intervention
3. *The process of lands registration*: Determining the possible steps that assist in expediting the process of registering lands in addition to the process of registering residential apartments owned on common lands
4. *Determination of common standards to develop local and regional structural plans*: This is to achieve balance between the needs for land for private housing, developing housing projects, providing infrastructure and other considerations such as natural and environmental resources
5. *Review of laws and instructions that govern the processes of credit and financial loans specific to housing*: This is to ensure the availability of an active and efficient mechanism through which housing institutions and relevant investment agencies can work in implementing popular or private residential programs and projects in the future
6. *Improvement of institutional capacities*: This is done via an assessment of capacities and the institutional structure in order to improve the process of information exchange, coordination and cooperation between the local, regional and national levels or with ministries and other organizations

7. *Human resources*: Determination of the strong and weak points for institutions working in the field of housing with the aim of capacity-building and improving performance at all levels through training programs

## **5. The Role of Housing in Consolidation of the Palestinian State Structures**

Housing plays an active role in the consolidation of the Palestinian state structures through various aspects the most prominent of which is expanding the base of Palestinian populations facing the Israeli settlement process at the expense of Palestinian land and natural resources and obstructing the developmental prospects from the Palestinian people along with prospects for benefiting from the land.

These Palestinian settlements acquire a particular significance in Jerusalem, the Jordan Valley and the border areas in increasing the Palestinian population density on Palestinian land. In light of the Palestinian stance that is insistent on linking Palestinian governorates on the basis of roads and emphasizing the importance and necessity of geographical contiguity, direct and intensive support of housing in rural areas and suburbs along with infrastructure and necessary services will lead to factors assisting in steadfastness and resisting the Israeli cantonization policy.

The role of housing is important in supporting the concept of development for steadfastness upon Palestinian land, through housing projects and providing the necessary infrastructure and services for these, and through long-term funding. Further, the sector of construction and contracting is one of the most significant productive sectors, as there is 11-14% of the Palestinian workforce in this field, without even counting the workers in professions that support the housing sector indirectly. Accordingly, this sector plays a primary role in protecting the national economy in difficult circumstances, and is linked to a number of other economic sectors directly and indirectly. The growth of the construction sector means a growth in a number of local industries that produce materials which are gradually replacing imported materials. Among the most important industries:

manufacture of stone and marble, plants for bricks and floor tiles, along with plants for paint, aluminum, electrical materials, tools, sanitation networks and others.

The housing sector occupies an important economic dimension that contributes to the establishment of real-estate shareholding companies, expansion of commercial banks in the field of housing credit, increasing the number of real-estate types of investment and establishment of new real-estate patterns such as towers, shopping malls and hotels. It also contributes to traditional building such as private housing, apartments, offices, stores and shared (i.e. cooperative) housing.

## **6. Secondary Strategic Objectives of the Housing Sector**

Based on the national target, the sub-strategy for the housing sector was derived on which the parties involved in the housing sector will act to achieve, namely:

- a. Effective and efficient legal framework to regulate the housing sector.
- b. A healthy and suitable housing for all citizens.
- c. To achieve comprehensive urban environment and infrastructure
- d. Proper funding system.
- e. Effective and efficient constructional industries sector.
- f. Development of qualified human capacities.

### **Housing sector policies**

In order to achieve the above objectives and to promote the national goals set by the thirteenth Government, members agreed to develop the

following policies:

### **The Strategic Objective**

*a. Effective and efficient legal framework that regulates the  
Housing sector*

#### **Policy title**

*Updating and improving the relevant housing laws, legislations and regulations.*

#### **Policy context**

This policy objective is in line with the Government aspirations towards the achievement of the national targets to achieve the economic independence and national prosperity by encouraging investment, in addition to achieving equality and social justice among citizens. It also ensures the growth and development of institutions by consolidating the legal framework and updating it to include both parts of the country in West Bank and Gaza Strip.

#### **Sectoral policies**

Updating and improving laws, legislations and regulations relating to housing is a critical and vital gateway towards the unification of housing-related legislations, through:

1. Reviewing and reforming housing policies.
2. Developing national and regional construction plans.
3. Developing housing structural plans and monitoring demand for urban land.

#### **Policy interventions**

1. Reviewing housing-related laws and regulations.
2. Establishment of a housing supreme body to manage, control and develop housing policies and strategies.
3. Coordinating between governmental and non-governmental institutions that have policies and procedures affecting the performance of the sector

### **The Strategic Objective**

*b. Healthy and adequate housing for all citizens.*

### **Policy Title**

*Increasing economic prosperity and improving the quality of life.*

### **Policy context**

This strategic objective is in line with the aspirations of the Government towards the realization of the national targets to achieve the economic independence and national prosperity by encouraging investment, through partnerships between public and private sectors and the expansion of housing programs to cover low-income segments, as well as to address the Israeli occupation through the building in areas to the adjacent of the colonies and remote areas and the protection of Jerusalem being the eternal capital of Palestine.

### **Sectoral policies**

In order to achieve the sectoral objectives of the housing, the following Policies should be developed:

1. Strengthening the partnership between the public and private sectors to develop residential projects through:
  - Developing necessary standards for the development of partnerships between the public and private sectors.

- developing a framework for policy and institutions so as to ensure balanced distribution of roles between the public and private sectors.

2. Extending the scope of housing programs to cover low, middle and limited-income groups and public sector employees through:

- Development and implementation of housing policies for the needy low-income groups, which significantly depends on the selection of beneficiaries and on careful development of programs to provide resources for the production of adequate housing.

- Implementation of MPWH's plan for the construction of residential units for public sector employees.

- Developing scenarios and plans for the establishment of new expansions zones.

3. Expanding the scope of programs to include remote areas, The Jordan Valley and border areas through:

- Making every effort to eliminate obstacles imposed by occupation and / or mitigate their impact on the lives of Palestinian citizens.

- Implementation of programs and projects in areas threatened by occupation (the wall, Jerusalem, Jordan Valley ...) and lands under the threat of confiscation and settlement.

- Organization of land use and reduction of urban expansion to agricultural land.

- Strengthening the construction of houses and urban development in areas adjacent to Jerusalem.

#### 4. Reconstruction of Gaza and the promotion of housing in Jerusalem

- Implementation of the government and Ministry's plan for reconstruction of Gaza after last aggression for.
- Promoting construction of houses and urban development in Jerusalem and the areas adjacent to Jerusalem.
- Completion of programs developed by international and local institutions (Housing Counsel, Collaboration Corporation, UN-HABITAT, and others) to repair and build residential units, particularly in Jerusalem and areas threatened by Israeli occupation.

### **Policy Interventions**

1. Coordination between governmental and non-governmental institutions that have policies and procedures affecting the performance of the sector.
2. Promoting the role of municipalities in zoning processes and provision of supporting services to the Sector.
3. Establishment of the National Housing Observatory or housing and real estate databank.

### **The Strategic Objective**

- c. Achieving a comprehensive urban environment and infrastructure.*

### **Policy Title**

*Infrastructure development and maintaining environmental and demographic balance.*

### **Policy context**

This strategic objective is in line with government aspirations towards the achievement of national objectives of economic independence and national prosperity by promoting investment and bases and principles for dealing with private sector infrastructure projects outside the development site, linking Palestinian cities and villages by a network of appropriate infrastructure and making the infrastructure of Israeli settlements a part of the Palestinian network, in addition to the formulation of appropriate urban environmental standards and identifying priority areas for improvement.

### **Sectoral policies**

In order to achieve the objectives of the housing sector, the following policies should be developed:

1. Providing diversity in housing models and develop an urban design and planning that takes into account the requirements of the environment through:
  - Maintaining national balance in development opportunities in all governorates and cities.
  - Creating human settlements with independent economic components.
  - Improving the standard of urban design and providing the appropriate environment.

- Maintaining environmental balance of cities and new residential areas.
2. Improving road, water and electricity networks to serve the housing sector through:
    - Providing new cities and residential areas with facilities that help people exercise their activities easily.
    - Implementation of infrastructure projects for cooperative housing projects.
    - Improving the infrastructure in a way that maintains demographic, housing and environmental balance.
  3. Activating investment in infrastructure construction through joint programs with the private sector, by:
    - Encouraging the private sector and activating its investment role through participation in constructing the infrastructure for housing projects and addressing the obstacles that hinder its success.
    - Concluding agreements with the private sector to develop infrastructure for housing projects, through active participation.
    - The program for assisting cooperative housing associations for the establishment and development of infrastructure for the housing projects undertaken by them.
  4. Creating serviced areas to encourage the private sector and cooperative housing associations through:
    - Allocation of suitable land at appropriate prices for low-income groups.

- Combating settle expansion by encouraging citizens to build in non-served areas.

### **Policy intervention**

1. Developing legislation and regulations for participatory relationships with the private sector.
2. Issuing environmental legislations for the constructional development areas.
3. Coordinating between governmental and non-governmental institutions that have policies and procedures affecting the performance of the sector.
4. Preparation of spatial drawings for urban development in Palestinian governorates, cities and towns.
5. Issuing constructional standards for new houses and alternative standards (like space available per capita and number of persons per room).
6. Conducting the necessary studies of low-cost housing projects that serve the functional purpose and achieve comfort and stability.

### **Strategic Objective**

*d. Appropriate financing system.*

### **Policy Title**

*Supporting the financing of the housing sector and improving investment climate.*

### **Policy context**

This strategic objective is in line with government aspirations towards the achievement of national objectives of economic independence and national prosperity by encouraging investment, developing an appropriate policy for financing, undertaking the necessary reforms required for

investment laws, developing programs to support housing of low-income groups, developing an intermediary finance institutions network, establishing new institutions in the housing finance market and bridging the gap between supply and demand.

### **Sectoral policies**

In order to achieve the objectives of the housing sector, the following policies should be developed:

1. Setting a credit policy for financing and encouraging the banking sector to support housing
2. Supporting funding directed to low-income and poor groups through a flexible installment program, mortgage or finance lease.
3. Launching cooperation programs between the government and banks to cover a portion of interest and profit of target groups
4. Transparency in government effective support to be directed to low-income households regardless of labor sector.

### **Policy intervention**

1. Setting up a housing fund with government support, capable of providing its own resources to finance low-income housing.
2. Developing an intermediary finance institutions network (mortgage companies) through technical and administrative support.
3. Carrying out the required reforms in policies and laws and improving investment climate.
4. Encouraging new institutions to enter the finance market.
5. Promoting the role of cooperative societies and NGOs in the field of lending for housing.

### **Strategic Objective**

*E – Effective and efficient constructional industries sector.*

## **Policy Title**

*Protecting national products and encouraging the use of modern technology and environment friendly building specifications.*

## **Policy context**

Restrictions imposed by the Israeli side on building materials for security reasons, preventing the entry of strategic constructions material and controlling terminals, require the development of a policy that leads in its entirety to removal of obstacles imposed by occupation, protection of the Palestinian product and development of necessary standards for constructional materials and a special building code.

## **Sectoral policies**

In order to achieve the objectives of the housing sector, the following policies should be developed:

1. Developing building accessories and environment- friendly non-traditional materials.
2. Developing regulations for specifications of building materials and their suitability for the environment and conformity to the Palestinian specifications.
3. Developing a Palestinian building Code or compliance with the Arab code observing Palestinian particularity.

## **Policy intervention**

1. Establishment of the National Research Center for the study and development of local-made construction materials to be used in construction.
2. Issuing the necessary regulations for the protection of the Palestinian product against imported building materials, with emphasis on quality.
3. Facilitating the entry of equipment and materials for investment companies through an integrated plan between PNA and the other party.

## **Strategic Objective**

*F - Developing qualified human capacities.*

## **Policy Title**

*Enhancing the role of actors in the housing sector.*

## **Policy context**

This strategic objective is in line with government aspirations towards the achievement of national objectives of enhancing the capabilities of the housing sector , improving delivered services, alleviating the clutches of Israeli occupation which burdens our people, building national institutions that are capable of creating an environment-friendly atmosphere and providing adequate housing for Palestinian citizens.

## **Sectoral policies**

In order to achieve the objectives of the housing sector, the following policies should be developed:

1. Develop joint plans with the educational sector and training centers to train the labor force in the building material production sector through:
  - Seeking to allocate adequate resources to update the quality of education and training in higher and intermediate educational institutions.
  
2. Supporting and encouraging official and non-official institutions in training through:
  - Providing the public and private sectors and civil society organizations with the expertise necessary to implement the

national strategy for housing and strengthening the role of actors in the housing sector.

- Developing technical and administrative capacities among various segments of labor force.
3. Enhancing the role of MPWH to support housing and ensure implementation of housing policies.

### **Policy intervention**

- Developing technical and administrative capacities of MPWH and other institutions operating in the housing sector through technology transfer.
- Creating training programs and workshops for all levels, and joint action plans with vocational education centers.

### **Impact of the Strategy on resources**

Despite the importance of housing being a necessity of life and the means to stabilize citizens in their homeland and despite the fact that housing is a long-term investment that benefits both the government and citizens alike, the financing of the housing sector is still inadequate as PNA has poor resources. This requires creative thinking and initiatives that are based on partnership between public and private sectors to implement the housing strategy through the restructuring of the sector so that it becomes a productive market capable of carrying out the tasks assigned to it through the development and creation of financing systems such as contractual savings, housing fund, mortgage companies and reduction of interest on housing and real estate loans.

Housing costs are very high as the government is primarily interested in the development of this sector. It is also noteworthy that the PNA's budget does not include provisions for housing (save staff salaries),

which leads to weaknesses and underdevelopment of this sector. Donors also refrain from financing housing as an economic issue of which the government should not be party notwithstanding the need of Palestinian citizens for shelter and compensation for what the occupation destroys.

Therefore, the government should, despite the severe financial constraints and the dependence of the budget on external support, give priority to the housing issue and enable this sector to become independent. The government can finance housing projects for low and limited-income groups and create projects for adequate housing.

### **Monitoring and evaluation:**

Monitoring and evaluation are two central components of the strategy and action plan of the housing sector; thus, supporting national capacity to pave the way for continuous improvement. The MPWH is the main umbrella for this sector and is responsible for ensuring the implementation of the Housing Sector Strategy. The objectives of monitoring and evaluation are as follows:

1. Providing useful information in collection of information and indicators relating to progress in the implementation of the sectoral strategy and the capacity-building projects and their continuous success.
2. Applying a sound monitoring and evaluation system through a body established for this purpose within the Ministry, which will play its role successfully once the best system is identified.
3. Preparing the supportive basic regulatory structure required to manage and operate the system in collaboration with all stakeholders in this sector.
4. Follow-up and implementation of the housing strategy in collaboration with local and international experts to monitor the progress of work and provide advice on any details relating to housing or housing policies.

Strategy implementation shall be documented by means of periodic evaluation and monitoring reports on progress, achievements and

outcomes, together with explanation of challenges and obstacles facing the implementation process through the indicators to be developed for this purpose and analysis of participation of contributors and participants in this sector at all levels.

Finally, a periodic review should be conducted for every period of strategy implementation (6 months) to ensure implementation and make necessary amendments to the strategy and action plan. The review may also include internal or external reviews to assess the progress made in meeting strategic commitments by all parties.