



# West Bank and Gaza Strip



## Comprehensive Food Security and Vulnerability Analysis (CFSVA) Executive Summary

With the support of:



## **Comprehensive Food Security and Vulnerability Analysis (CFSVA) West Bank and Gaza Strip**

“Food security here is a special case.... We can be starving one day because there is no supply of food, and we can have more food than we ever need on another because we can freely fish and cultivate our lands and go to work.... Food security to us is mostly related to the political situation.... We are food secure if the Israelis leave us alone and stop trying to make our lives into a nightmare. If they do that then we can be food secure because we can earn a living, cultivate our lands, raise our animals, eat fish and import food as we desire.”

A participant in a Focus Group discussion - Gaza Strip

*January 2007*

## Acknowledgements

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**The full report is available on-line; please go to**  
<http://vam.wfp.org/>

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## Executive Summary

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#### Background

Since the onset of the Israeli occupation in 1967, the economy of the West Bank and Gaza Strip (WBGS) has been an “income economy” rather than a “production economy”—making the WBGS extremely vulnerable to the Israeli labour and goods market. With the beginning of the current *Intifada* in late September 2000, economic conditions have deteriorated in the WBGS as reported by FAO/WFP in the Food Security Assessment, West Bank and Gaza Strip, 2003. High population growth rates outpaced real GDP growth, leading to a steady decline in per capita GDP. This deterioration has worsened since the beginning of 2006, following the election of the Hamas government and the subsequent severing of assistance to the Palestinian Authority by the international community. The impact of such deterioration on the socio-economic situation is more acute in the Gaza Strip than the West Bank.

Stringent closure policies on the movement of goods and people in the WBGS into Israel since the outbreak of the second *Intifada* in 2000 have negatively impacted the lives of the Palestinian population. The isolation of markets, widespread unemployment, and an economic crisis are continuing to cause a serious decline in living standards. The impact of this on food security levels is less clear as people adapt their livelihood strategies in order to maintain their food intake and resort to very dynamic response mechanisms. The fundamental question of how long these viable options will remain available to people has not been answered, and the local authorities and international aid community continue to shift their intervention policies to mitigate the effects of the crisis.

Unemployment rates steadily increased, reaching an unprecedented level of 31% in mid-2002. These rates have since levelled off, but remain on the high side of 24% in the WBGS. Again, the Gaza Strip seems to be more adversely affected than the West Bank. Loss of jobs, earnings, assets and incomes sharply reduced economic access to food with real per capita income decreasing by half since 1999 and resulting in six out of ten people falling below the 2.10 USD per day poverty line in mid-2006. Various aid modalities and channels have mitigated the consumption gap for many food insecure and vulnerable households over the years. Despite growing humanitarian assistance in 2006, the underlying livelihood crisis is expected to impact long-term food security in the WBGS.

Overall, the deterioration in economic conditions, livelihoods and decline in standards of living have also led to a reduction in household expenditure, particularly in the Gaza Strip, where four out of every five families had to reduce expenditures, including food.

## **Rationale for CFSVA 2006**

The crisis in early 2006 triggered a revived interest by humanitarian agencies and donors in food security analysis and programming. This assessment is intended to update and expand the previous analyses and to inform and facilitate a comprehensive approach to food security—including peoples' own perceptions; socio-economic statistics; income, expenditure, and consumption statistics; food traders' study; and a nutrition review. This food security and vulnerability assessment follows up on the Food Security Assessment conducted by FAO with WFP in 2003.

CFSVA 2006 draws on various sources of existing data being collected in the WBGS—and on some primary data collected for this assessment—so as to provide an updated overview of the current situation. The following sources and analytical approaches were selected and contributed to the results:

- Review of food security literature
- Desk review of food availability
- Desk review of nutritional data (food utilisation)
- Analysis of the Impact of Israeli Measures Survey
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2006
- Analysis of the Palestinian Expenditure and Consumption Survey (PECS) 2005
- Trader Survey and Market Price Analysis
- Qualitative Study to Verify Causes of Food Insecurity

Time limitations and recent political-institutional developments have constrained the studies included in the present CFSVA, which was conducted by the WFP/FAO Team to respond to the immediate demand for updated food security information, while piloting processes are expected to become sustainable in an institutionalised system.

Complementary forthcoming studies include (i) Strengthening Resilience: Food Insecurity and Local Responses to Fragmentation in the West Bank (funded under EC/FAO Food Security Information for Action Programme), to be issued in March 2007; (ii) a food consumption assessment supervised by FAO-ESSA using 2005 data, the draft of which is expected to be issued in January 2007; and, (iii) a study on social safety nets operated by/through charities and NGOs to be conducted jointly with MAS in early 2007.

## **Snapshot of Needs and Aid in 2006**

Against the background of growing needs, international donors' aid policy has significantly changed since March 2006, as documented by the World Bank and the International Monetary Fund among others, as follows:

- overall decline in budgetary support and the PA's own fiscal resources, partially offset by ad-hoc mechanisms, including TIM, Muslim charities, and Arab funds –with increased tracking problems;

- one-off and unplanned short-term aid assistance that jeopardizes the established longer-term assistance projects by generating unwanted duplications/overlap of aid channels;
- expansion of relief aid. Emergency job creation, cash assistance and food aid programmes are well funded (through CAP), while little support is extended to sustainable livelihood protection (e.g., agriculture, income generating activities) and social welfare. Also, most donors have disengaged from policy dialogue with the PA on medium-term planning;
- targeting imbalance: while this is being addressed by the revision of refugee targeting criteria (needs/poverty based), assistance to non-refugees and the urban poor requires enhanced inter-agency coordination and possibly joint programming to adequately address growing needs; and,
- the wide international restrictions and PA isolation, triggered by the recent political developments, has led to poor harmonization between actual needs and aid policies/programmes, which should be fine-tuned to generate the intended assistance outcomes.

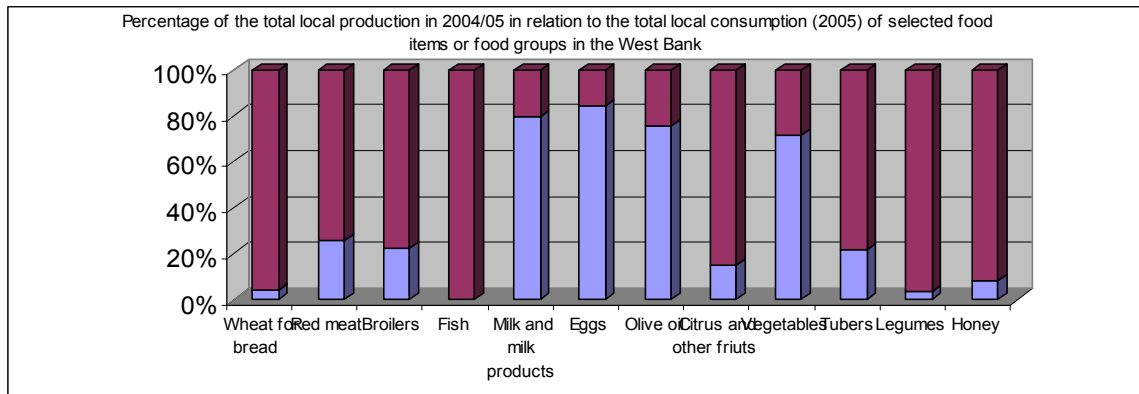
### **CFSVA Key Findings**

In brief, the overall food security situation in WBGS can be depicted as follows:

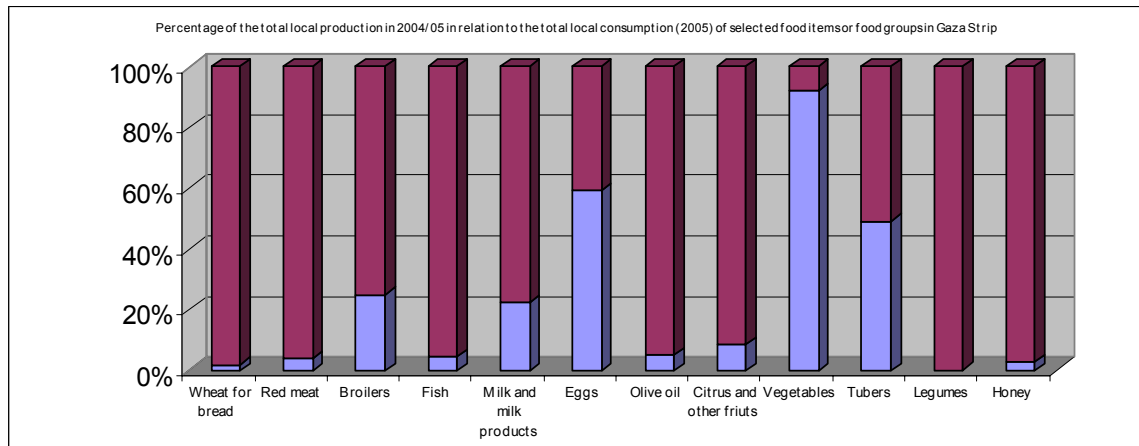
- Local production does not and will not provide sufficient staple food commodities (e.g., cereals and pulses), and the food supply will always rely on imports and commercial channels. However, areas that do have agricultural potential are affected by closures (e.g., Qalqilya, Tulkarm, Jordan Valley) and isolation from urban markets (e.g., Nablus). Recently, food aid has become even more prominent as a source of food.

**Percentage of the Total Local Production in 2004/05 (blue) in Relation to the Total Local Consumption in 2005 (purple) of Selected Food Items/ Groups in WBGs**

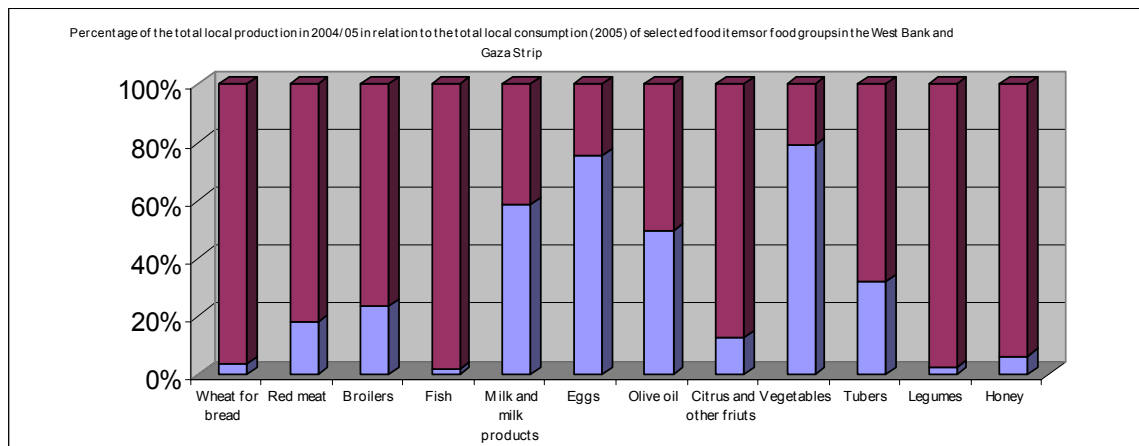
**West Bank**



**Gaza Strip**

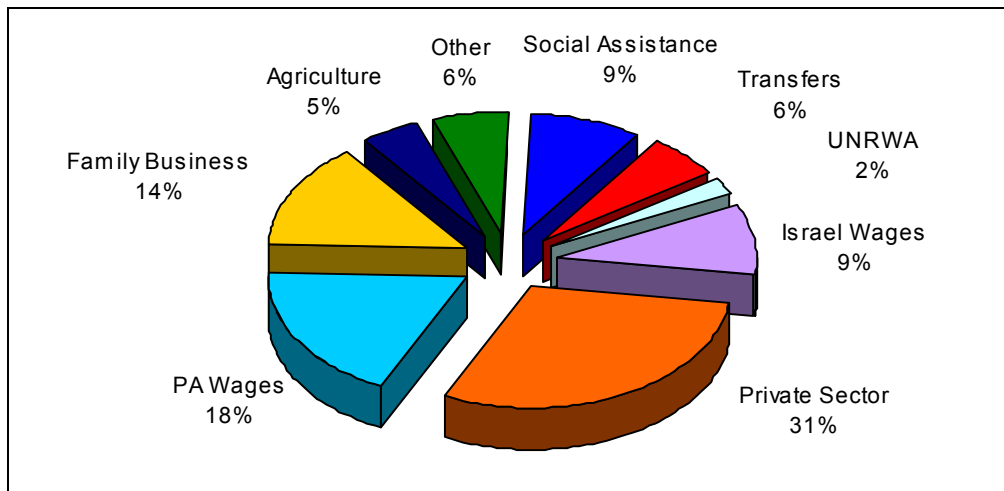


**West Bank and Gaza Strip**



- Economic access to food continues to be the most significant food security concern with food price increases amidst the drastic reduction of livelihoods. Reduced cash income and low consumer purchasing power should be considered as form of "market-induced shock" to vulnerable households.

**The chart hereunder indicates the main source of income for the households in WBGS.**



- There are increasingly distinct, and isolated “economic islands” that are the basis for the determination of market catchment areas. It would be useful to monitor these over time to gage the potential for acute crises, given the serious structural shifts (e.g., contraction of labour market, livelihood opportunities and trade) occurring in WBGS due to the current financial and economic crisis.
- From January 2006 onwards, food prices trends in the Gaza Strip and West Bank regions seem to have diverged from one another. Food prices in the Gaza Strip increased sharply, exceeding the food CPI in the West Bank since May for the first time in the ten-year period under consideration.
- Although the analysis indicates that movement restrictions, as proxied here by days of closure in the WBGS and the closure of the Karni crossing into the Gaza Strip, are not directly correlated with food CPI, they are highly correlated with transport CPI. Progress in the implementation of the 2005 Access and Movement Accords would significantly reduce transportation costs.
- Most traders surveyed indicated that they: (i) had to stretch their credit lines both with their suppliers and customers; (ii) do not deal with products originating from food aid programs; and, (iii) rely on commodities from within their own governorates or neighbouring governorates. However, a significant percentage relies on commodities from outside their governorates, especially from Israel.
- In general, traders said that fluctuations in international prices, high fuel prices, and the higher costs of transport, have all exerted an upward pressure on prices. On the other hand, inflow of Israeli products into the Palestinian markets, the restriction of traders from other markets, including those in Israel or the West Bank or Gaza Strip, as well as the withholding of PA salaries and economic recession since the beginning of 2006 had a dampening effect on prices. The outcome, however, has been a rise in prices, especially in the Gaza Strip, which implies that the factors increasing prices have outweighed those factors that decrease prices.

- Dietary diversity seems to be negatively affected by rising poverty levels, and changes to diet in terms of micronutrient content could have long-term consequences on the nutritional wellbeing of the population. Increased consumption of eggs/chicken meat, dairy products and red meat merits further attention. Based on the findings it seems that poultry products, milk products and possibly tubers and legumes have the greatest potential for production expansion support. In this regard the issue of import (and, allegedly dumping) of products by Israel should be treated with caution and in the right context.
- Total food consumption shrunk in 2006, whereby households resorted to reducing cash expenditures on food and increasing own production, although only to a limited extent.
- Acute food crises have not materialized in the WBGS as traditionally strong social ties tend to preclude the possibility of acute household hunger. However, food security in all areas of WBGS has declined since the 2000 *Intifada*, and most recently, due to the loss of PA income amidst growing concerns about the sustainability of Palestinians' resilience.
- The nutrition review indicated that (i) albeit slowly, chronic malnutrition is on a steadily rising trend; and, (ii) micro-nutrient deficiencies are of concern, particularly iron, iodine and Vitamins A and D.

### Food Security Status

The 2006 CFSVA concluded that 34% (1,322,019) of the population of the WBGS is food secure, 20% (777,658) is marginally secure, 12% (466,595) is vulnerable to becoming food insecure and 34% (1,322,019) is food insecure. Although the 2003 FAO/WFP Food Security Assessment used a different methodology, the findings were quite similar. The 2003 study concluded that four out of ten Palestinians (40%) were food insecure and 30% more were at risk of becoming food insecure, given the conditions at that time.<sup>1</sup>

#### Food Security Groups: Frequencies and Descriptors

Food Secure	Marginally Secure	Vulnerable to Food Insecurity	Food Insecure
<b>34%</b>	<b>20%</b>	<b>12%</b>	<b>34%</b>
-Households with income and consumption above \$2.2/capita/day -Households with income or consumption between \$1.6 and \$2.2/capita/day but show no decrease in total, food and non-food expenditure	-Households showing either income OR consumption above \$2.2/capita/day (not both) -Households with both income and consumption between \$1.6 and \$2.2/capita/day but show no decrease in expenditure patterns	-Households showing both income and consumption below 2.2\$/cap/day EXCEPT households showing no decrease in expenditure patterns (categorized as marginally secure)	-Households with income and consumption below 1.6\$/cap/day -Households showing decrease in total, food and non-food expenditures, including households unable to further decrease their expenditure patterns

<sup>1</sup> These findings are also very similar to the levels found in the 2004 WFP update of the 2003 baseline estimates: 37% food insecure, 27% vulnerable to food insecurity and 35% food secure.

While the percentages of food insecure and vulnerable people remain generally at the same levels in the 2003 Food Security Assessment and the current CFSVA, the absolute number of people in need of assistance to meet their food requirements in a sustainable manner is growing as the population increases. The large-scale assistance received by Palestinians in different modalities and through different channels is supposed to have cushioned the humanitarian impact of the livelihood crisis. Since February 2006 new population groups have become food insecure (or more food insecure) in addition to the pre-existing food insecure groups. For example, families supported by PA employees are drastically affected by the transitory suspension of salary payments. This is partially offset by allowances received through the Office of the President that are sourced from TIM and Arab donors.

It should be noted that ongoing socio-economic decline and overall de-institutionalization processes are expected to further impact food security in the coming months, in particular as structural elements including household livelihoods, trades and industries, aid coordination and streamlining, remain unaddressed.

Analysis on the food security profiles by refugee status show that the depth of food insecurity is lower among the non-refugee population than among refugees:

- Out of the total 34% of the population residing in WBGS who are classified as food insecure, food insecurity among non-refugees is 30% while it is 40% for refugees thus demonstrating that the severity of food insecurity is higher for the latter group.
- 24% of food insecure non-refugees are located in West Bank and 58% are located in the Gaza Strip. Furthermore, 40% (237,088) of those described as food insecure are highly dependent on food aid.

**Food Security Classifications by Refugee Status**

	Non-Refugees	Refugees	Total
Food Insecure	30.20	39.72	34.29
Vulnerable	11.58	11.73	11.64
Marginally Secure	19.77	19.45	19.63
Food Secure	38.46	29.09	34.43
Total	100	100	100

Food security levels of refugees are likely elevated due to the fact that “refugee” is merely a status that does not necessarily dictate living standards. For example, only 34% of refugees live in camps (51% live in urban areas and 15% live in rural areas). Moreover, refugees living outside of camps have living conditions similar to non-refugees.

Analysis on the food insecurity profiles by locality type shows the following:

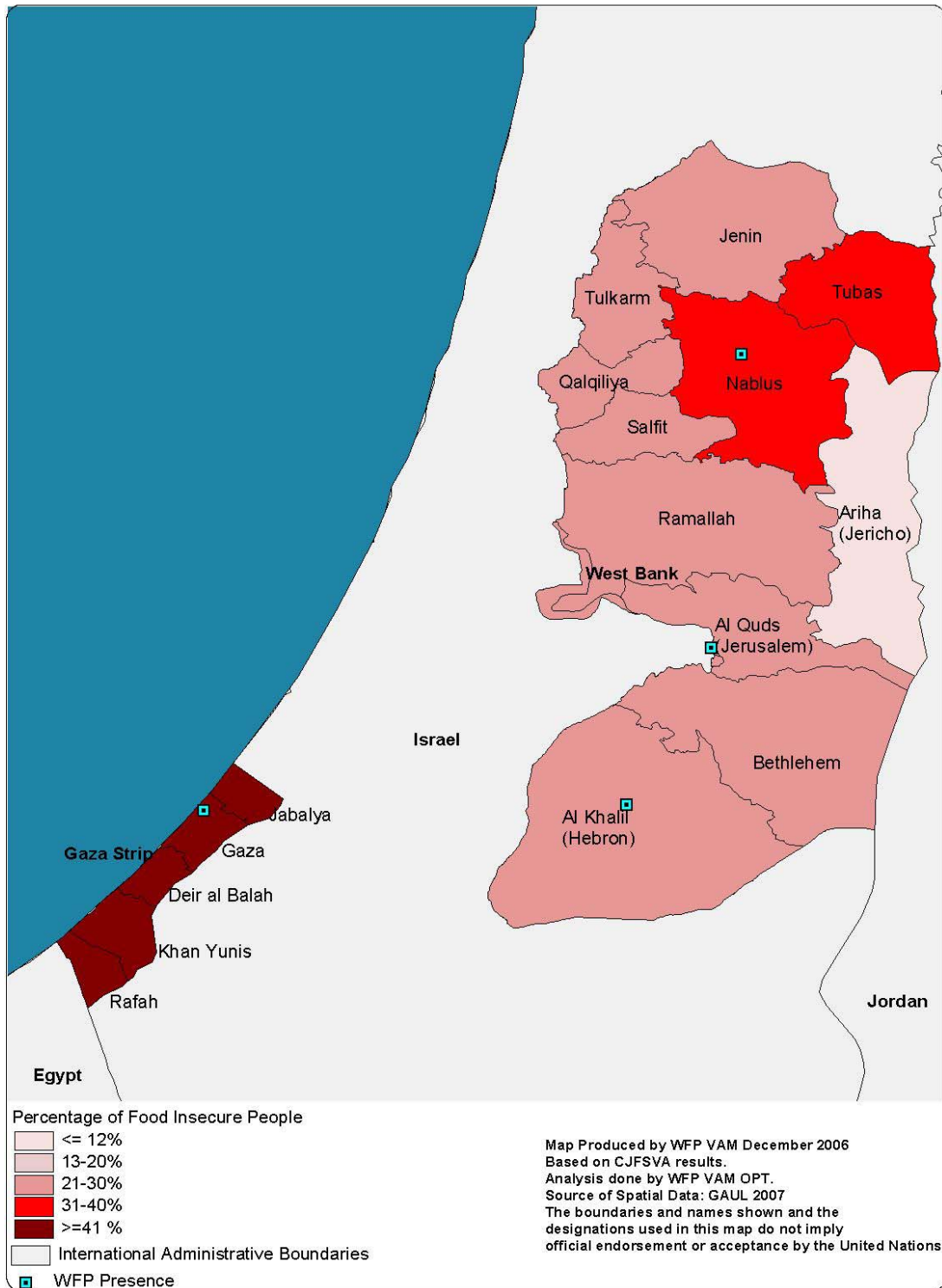
- Population living in camps are the most food insecure (45%);
- People most vulnerable to food insecurity are equally distributed between rural and urban areas (32% urban and 34% rural); and,
- More people than expected in urban areas have been classified as food insecure.

This indicates that urban households have similar food security profiles to rural households and cannot be deemed to be categorically more food secure. Households in refugee camps have the highest food insecurity and dependency profile.

**Map of Food Security Level by Governorate-Mid 2006**



**United Nations World Food Programme  
Food Insecurity Level in the West Bank and Gaza Strip 2006**



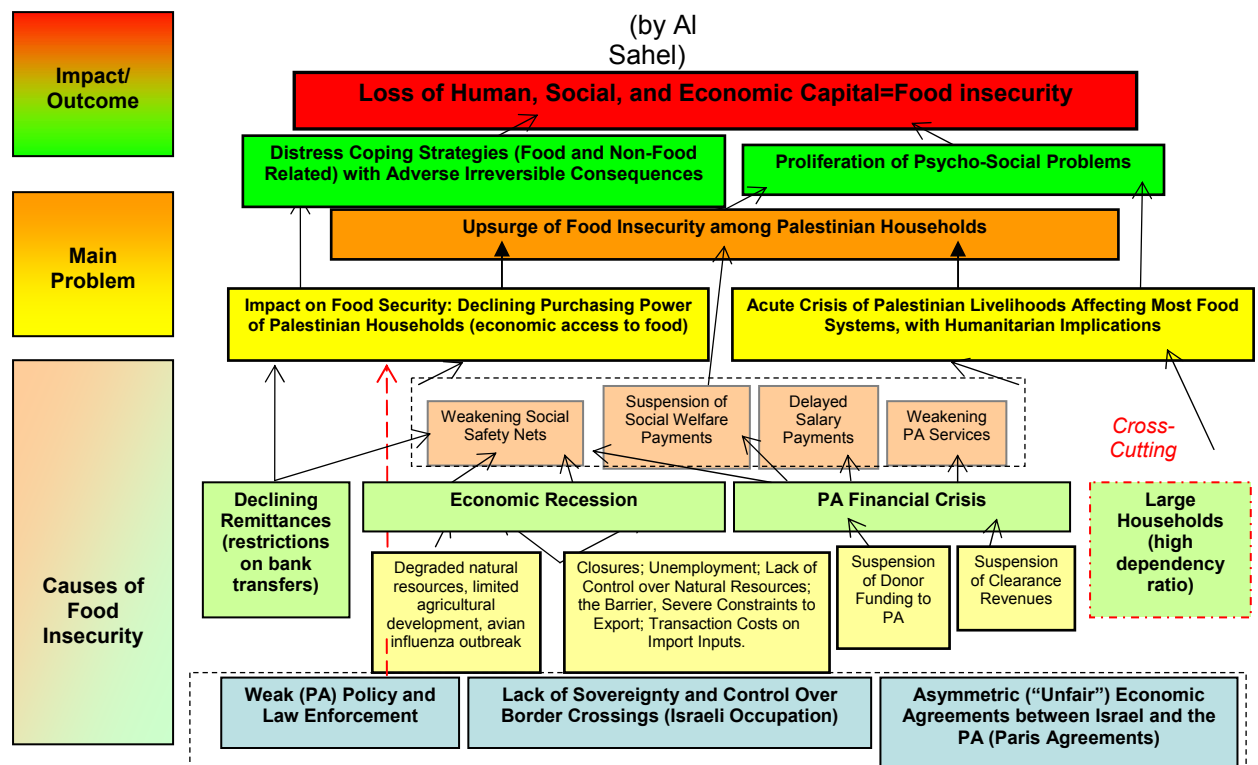
### Food Security Status According to Locality Type

	Urban	Rural	Camp	Total
Food Insecure	31.69	34.03	44.67	34.31
Vulnerable	10.93	13.18	11.47	11.65
Marginally Secure	17.98	22.4	20.52	19.62
Food Secure	39.4	30.39	23.33	34.42
Total	100	100	100	100

The table above shows that households in rural localities are more food insecure than the household in urban localities, however, food insecurity in rural localities may be overestimated as their higher potential for own food production may not be fully reflected in this analysis.

Finally, it is worth mentioning that 46% of the Palestinian population are children (0-14 years), who are typically more vulnerable to food insecurity nutritional outcomes.

### Factors Leading to Food Insecurity as Depicted in Qualitative Feedback Sessions



## Recommendations

One third of Palestinian households are food insecure and highly dependent on assistance which is unlikely to change until the root causes related to the political sphere of their food insecurity are tackled. It should be noted that it is necessary to embed food security concerns within a broader framework that creates space for advocacy (e.g., right to food) and long-term action. However, the aforementioned poses severe challenges due to the limitations presented by the current political situation.

Within the existing context, key features of food insecurity such as livelihood crisis and cash income decline need to be addressed with a focus on economic access to food in WBGS. The findings of the present analyses provide the foundation for adequate policy responses. Subsequently, specific objectives and strategies, need to be developed in close interaction and coordination among relevant actors, both locally and internationally.

Recommendations in this report are feasible, albeit under the current political situation they can focus solely on the short- and medium-term modalities,

1. Protection of livelihoods and mitigation of poverty can take place, for example, through sustainable employment generation schemes, promotion of productive and income-generating activities, micro-enterprises, and micro-finance. Support to industries and private sector requires close policy dialogue and commitment by different stakeholders to long-term processes.

Within this framework, agriculture/fisheries-based livelihoods should be protected to maintain some strategic food production capacity in most rural families. Supporting this coping mechanism would contain escalation of humanitarian needs and caseload and help to protect entitlements to land and water resources. In particular:

- strengthening of Palestinian produce, poultry, vegetables and olive oil should be promoted and support should be provided to poor farming households to maintain productive capacity in those vibrant sectors with a commercial perspective;
- investing in the diversification of food production patterns to enhance (i) local food security against fragmentation of food systems, and (ii) the source of locally procured food aid (e.g., from farmer to the poor, complementary high value food commodities for school feeding); and,
- improving technology to increase agricultural productivity within the natural limits of land and water resources with a main focus on expanding income opportunities from agriculture by increasing production and marketing of high value crops that also are suitable for local consumption. The production capacity of all high nutritional value products (e.g., poultry products, red meat, and milk products) should be protected and expanded. This will help replace some imports with local production and will also maximize income from exports, thus providing economic access to food that cannot be produced locally. Limiting factors are market access constraints and poor consumers' purchasing power.

2. Food aid: It is recommended that food aid continue to be distributed to food insecure and highly dependent households, and that serious consideration is attributed to the rations so as to ensure optimal nutritional outcomes for people that are food aid dependent. Food aid should be targeted to urban as well as rural areas and refugee camps, as there is increasing evidence that a sector of the urban population cannot meet their food requirements.

Food aid interventions should be geared towards including:

- Productive assets creation (Food for Work) and protection of livelihoods assets base (targeted to socially-impaired and poor households);
- Support for education (school feeding) and vocational/literacy training (Food for Training);
- Protection of food consumption/nutrition levels of very poor households; and,
- Response to acute food shortages (e.g., in situations of blockades and armed conflict) through contingency planning.

Targeting criteria should be based on geographical location and level of impact of the crisis rather than on categories that relate to the beginning of the *Intifada*. While it is recognised that some households have few assets and can be described as chronically poor and in need of assistance and welfare programmes, other households should be categorised by their livelihood sources (main sources of income) and portfolio of coping strategies. Joint school feeding initiatives to improve the energy intake and quality of food baskets among school age children while raising awareness of healthy eating habits should be promoted. Bringing fresh and dry produce to schools and institutions can enhance local food production mechanisms as well as contribute to a more diversified diet.

3. Social welfare/protection schemes operated by various governmental (e.g., MoSA) and non-governmental (religious and secular charities and NGOs) actors for the “socially marginal” and “poorest of the poor,” preventing those groups from falling into destitution and offering the young generations opportunities for education and jobs. These schemes may include:

- Direct income transfers (cash assistance, food aid);
- Vocational training; and,
- Promotion of income generating activities.

Assistance should be determined on the basis of the difference between the desired overall consumption (e.g., the relative poverty line of USD 2.10 per person per day adjusted by the household size and composition as per the MoSA Social Safety Nets Reform Programme) and the actual level of access to essential needs, which include food as a sub-component of basic needs. Furthermore, the diverse range of eligibility and targeting criteria utilised by humanitarian actors and other agencies should be reviewed in light of social equity.

4. Job creation to provide temporary employment (income support) to the unemployed and cash assistance, enhancing households' capacity to cope with shocks and stresses, with a spin-off effect on local economies—especially if aimed at creating productive assets, such as land reclamation.

Job creation schemes can address different non-mutually exclusive requirements:

- Maintenance of urban infrastructure including roads, water schemes and other civil infrastructure thus preventing degradation and maintaining towns/camps' appearance and standards of hygiene; and,
- Investment in the productive asset base, particularly land and water conservation and management to prevent degradation of the physical environment, which also accrues to Palestinians' entitlements and protection of their rights.

5. Food markets and trade should be supported to (i) address traders' vulnerabilities in the areas of credit and supply chain, and (ii) regulate food prices and affordability in order to protect the purchasing power of the poor. As there is little experience in the area of traders and market support, interventions should be carefully studied with close interaction with the private sector.

6. Inter-sectoral coordination: Strong complementarities exist among the following CAP sectors: "Job Creation and Cash Assistance", "Agriculture", and "Food Security." This requires close coordination among aid agencies to find a platform for needs assessment/re-assessment and programming (e.g., definition of assistance packages, eligibility criteria and beneficiary outreach).

Massive resources are invested in the emergency field programme addressing food insecurity. For instance, the CAP 2007 appeals for USD 363 million divided as follows:

- Food Aid: \$153 million;
- Job Creation (\$154 million) + Cash Assistance (\$44 million) = \$198 million; and,
- Agriculture: \$ 12 million.

Furthermore, there is a need to guarantee social equity by adopting standard criteria and methods to determine eligibility for social programmes (packages including food aid).

On the other hand, structural food insecurity determinants should also be addressed, particularly sustainable household livelihoods, employment, human and social capital, institutionalized social transfers/welfare, and resilient institutions. As food security encompasses many sectors, a comprehensive approach is necessary to optimize the impact of aid resources in terms of both immediate causes and structural factors.