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Advocacy Network

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## SUBMISSION: NEW INTERNATIONAL DEVELOPMENT POLICY

FEBRUARY 2020

APAN is a long-standing advocate for Australia's pragmatic and flexible support for Palestinians, Palestinian state-building and an end to the conflict in line with the rule of law. Since first established APAN has advised and assisted the Australian Government with the design and delivery of that support.

Our submission to the review of International Development Policy includes:

1. A rationale for Australian aid to Palestine in terms of Australia's foreign policy;
2. An examination of where Australia's approach to Palestine is inconsistent with foreign policy and the implications of this for Palestinian development;
3. A discussion of Australia's 'special relationship' with Israel and how this might be leveraged to further both Australia's foreign policy priorities and Palestinian development;
4. An examination of how external partisan political interests have interfered with the delivery of aid and a proposal to address this;
5. A brief re-iteration of APAN's 2019 address to the formulation of the Aid Investment Plan (2020-24) for the Palestinian Territories.

## AUSTRALIAN AID TO PALESTINE IS CONSISTENT WITH AUSTRALIA'S FOREIGN POLICY

The facilitation and extension of Australian aid to the Palestinians is consistent with the strategic priorities of Australia's foreign policy, the bedrock on which Australia's new international development policy will be built.

Australia's aid:

- promotes and protects international rules that support stability and prosperity and enable cooperation to tackle global challenges<sup>i</sup>;
- promotes openness and inclusivity particularly on gender equity and empowerment<sup>ii</sup>;
- earns Australia respect and cooperation from its closest and most important regional neighbours;
- creates opportunities for Australian business regionally and globally<sup>iii</sup>;
- contributes to global stability and peace and consequently to the safety, security and freedoms of all Australians.<sup>iv</sup>

## ALIGNING AUSTRALIA'S FOREIGN POLICY WITH ITS SUPPORT FOR PALESTINE

Explicit in Australia's foreign policy strategic priorities is respect for "the rights of all states". Yet Australia does not yet recognise the State of Palestine. This puts Australia at odds with the overwhelming majority of Indo-Pacific states and all three of its closest neighbours.

APAN suggests that recognising the State of Palestine is consistent with the priorities of Australia's foreign policy and will enhance the efficacy of its support to Palestine and Palestinians.

- For decades Australia has supported capacity building within the Palestinian Authority to the stated aim of supporting the State of Palestine and its people. In the AIP 2015-19, Australian aid was directed away from capacity-building in the PA and towards public financial management on the grounds that sufficient capacity had been built within the PA for it to take on administration of the State of Palestine.<sup>v</sup>
- Recognising the State of Palestine, as the overwhelming majority of other states have done and continue to do, is the logical consequence of the support Australia has provided over decades and the acknowledgement Australia has given of the PA's capacity for statehood.<sup>vi</sup>
- Recognising the State of Palestine will better align Australia's diplomacy with its foreign policy.
- It will "deliver more opportunities for our businesses globally", another policy priority, and open doors with many of our Indo-Pacific neighbours. The alternative demonstrably undermines the efficacy of other regional business initiatives.<sup>vii</sup>

## ISRAEL

The policies of Israeli Governments remain the major impediment to Palestinian social and economic development and to the efforts of Australia and the international community to that end.<sup>viii</sup>

Israel often undermines the efforts of the international community to resolve issues linked to the indigenous Palestinian population whose ancestral lands it occupies. Consequently Israel is often at odds with large sections of the international community.

As such, the 'special relationship' that Israel enjoys with Australia is far more important to it than the reciprocal. Israel has few friends as steadfast as Australia. Australia is well placed to leverage that 'special relationship' in support of its aid and foreign policy objectives.

For Australia to leverage that relationship to remove impediments to Palestinian social and economic development will have a multiplier effect on the aid it and others provide. At next to no cost to the aid budget.

The Australian government has sought from Israel recompense for damages to its aid program when that has been physical.<sup>ix</sup> APAN suggests the Australian government pursue relief from Israel for punitive administrative damages to its aid programs. To do so will further Australia's efforts to enable free markets and enterprise in Palestine.

Standing explicitly against protectionism in Palestine as it does elsewhere, Australia will create opportunities for our businesses globally, particularly with major Indo-Pacific trading partners, in the Middle East and in the Islamic world.

Encouraging Israel to comply with international rules that support stability and prosperity will better ensure Australians remain safe, secure and free in the face of threats such as terrorism. To do so will not inhibit nor interfere in the efforts of Israel and Palestine to resolve their differences.

## EXTERNAL PARTISAN POLITICAL INTERESTS

Partisan political interests have interfered with Australian aid to Palestine, both domestic and international.<sup>x</sup> There have been a number of unsubstantiated allegations about Australia's aid program to Palestine that have led to the suspension or cancellation of Australian aid in particular instances. Australia's interests are better served when aid delivery, globally not just to Palestine, is guided by policy and evidence over unsubstantiated allegation.

APAN recommends Australia minimise the impact of political interference in the aid program by relying on and standing by its own professional and competent assessment of allegations of terrorism or any other form of impropriety. APAN notes that such an approach was standard operating procedure prior to 2016.<sup>xi</sup>

## THE AID INVESTMENT PLAN (2020-24) FOR THE PALESTINIAN TERRITORIES

The new AIP is not yet a public document. APAN participated in the AIP review. APAN's written submission to that process is available online.<sup>xii</sup>

Australia's aid to Palestinians substantiates the livelihoods of a population which has suffered through generations of displacement, colonialism, conflict and deprivation of political, social and economic freedoms.

Australian aid contributes meaningfully to economic and social development and to stability and peace. Recent initiatives are promoting a vibrant private sector and enhancing opportunities for free market enterprise and trade.

The dollar value of Australian aid must increase over time, if only to meet rising costs. APAN would like to see it rise further to address the rapidly worsening economic and environmental conditions endured by many Palestinians, due to the economic impact of Israel's ongoing military occupation.

In addition Australia will be called on to supplement aid contributions to the Palestinians to meet the shortfall left by the US government's retreat from meaningful engagement in the theatre.

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<sup>i</sup> For example, Australia makes substantial contributions to the budget of UNRWA, the key agency supporting Palestinian refugees (<https://www.unrwa.org/>)

<sup>ii</sup> See 'Aid Investment Plan: Palestinian Territories 2015-2019' (<https://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-palestinian-territories-2015-2018.aspx>)

<sup>iii</sup> Australia's support for Palestinian businesses opens doors for Australian businesses with Australia's Islamic neighbours and Middle Eastern trading partners.

<sup>iv</sup> See 'Aid Investment Plan: Palestinian Territories 2015-2019' (<https://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-palestinian-territories-2015-2018.aspx>)

<sup>v</sup> "(S)tate building - in the sense of building the PA's capacity - has now largely been achieved. The World Bank has assessed that the capacity of PA institutions is good by the standards of comparable Arab countries and the PA has sufficient institutional capacity to govern a future state." (<https://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-palestinian-territories-2015-2018.aspx>;) )

<sup>vi</sup> See 'Australia's position on Palestine: Incongruence and internal division' (<http://www.internationalaffairs.org.au/resource/australias-position-on-palestine-incongruence-and-internal-division/>),

<sup>vii</sup> For example the fiasco surrounding the proposal to shift Australia's embassy to Israel (<https://www.smh.com.au/politics/federal/jerusalem-embassy-proposal-delays-australia-indonesia-trade-agreement-20181114-p50fxb.html>)

<sup>viii</sup> "The PTs face formidable constraints to economic development including the physical separation of territory, a lack of control over territorial borders and key natural resources such as land and water, restrictions on movement of goods and people, and the ever-present threat of violent conflict. The World Bank has determined that restrictions on access and economic activity in Area C (the two-thirds of the PTs which remain under full Israeli control) cost the Palestinian economy US\$3.4 billion per year or about 35 per cent of its Gross Domestic Product." 'Aid Investment Plan: Palestinian Territories 2015-2019'. The World Bank report referred to is 'Report No: ACS18454. West Bank and Gaza. Public Expenditure Review of the Palestinian Authority. Towards Enhanced Public Finance Management and Improved Fiscal Sustainability September 2016.' (<http://documents.worldbank.org/curated/en/320891473688227759/pdf/ACS18454-REVISED-FINAL-PER-SEPTEMBER-2016-FOR-PUBLIC-DISCLOSURE-PDF.pdf>)

<sup>ix</sup> On occasion, Australia has approached Israel for recompense for damage inflicted on civilian infrastructure paid for by Australia and damaged or destroyed by Israeli military action. Australia's approach to Israel in 2013 after attacks on greenhouses in Gaza a case in point. Great Britain was joined by Australia and other Commonwealth nations in pursuing and obtaining recompense for damage the IDF inflicted on Commonwealth property in Gaza in 2006 and 2009.

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(<https://www.telegraph.co.uk/news/worldnews/middleeast/israel/4299569/Israel-shelled-UK-war-graves-in-Gaza.html>)

<sup>x</sup> In 2016 Israeli allegations that Australian aid administered by World Vision was being diverted to Hamas saw that aid suspended. It remains suspended despite DFAT's internal report determining aid funding was not misused. (<https://dfat.gov.au/news/media/Pages/allegations-of-diversion-of-australian-aid-funds-to-hamas.aspx>).

In 2018 an article in the Daily Telegraph pre-empted the suspension of aid to Palestine through APHEDA. This aid was restored following a DFAT audit that found APHEDA had committed no transgression.

Also in 2018, Australian Senator Eric Abetz alleged Australian aid to the Palestinian Authority was being misused. Despite Foreign Minister Julie Bishop confirming that, to the contrary, all Australian aid had been used properly, nine million dollars of aid was transferred away from the PA and into the World Bank's Multi-donor Trust Fund for Palestine.

In these four and other cases, unsubstantiated allegations by international and domestic partisan interests have disrupted aid to Palestine. In all cases, DFAT has found no evidence of wrongdoing.

<sup>xi</sup> In 2012, the anti-Palestinian lobby group Shurat HaDin made similar allegations, which DFAT similarly determined to be baseless without withholding aid in the interim.

<sup>xii</sup> APAN's written submission to the Aid Investment Plan to Palestine is at [https://apanaustralia.files.wordpress.com/2020/02/apan-briefing\\_dfat\\_reveiw.pdf](https://apanaustralia.files.wordpress.com/2020/02/apan-briefing_dfat_reveiw.pdf)