



INTEGRATED SDG INSIGHTS STATE OF PALESTINE

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

SDG MOMENT: STATE OF PALESTINE

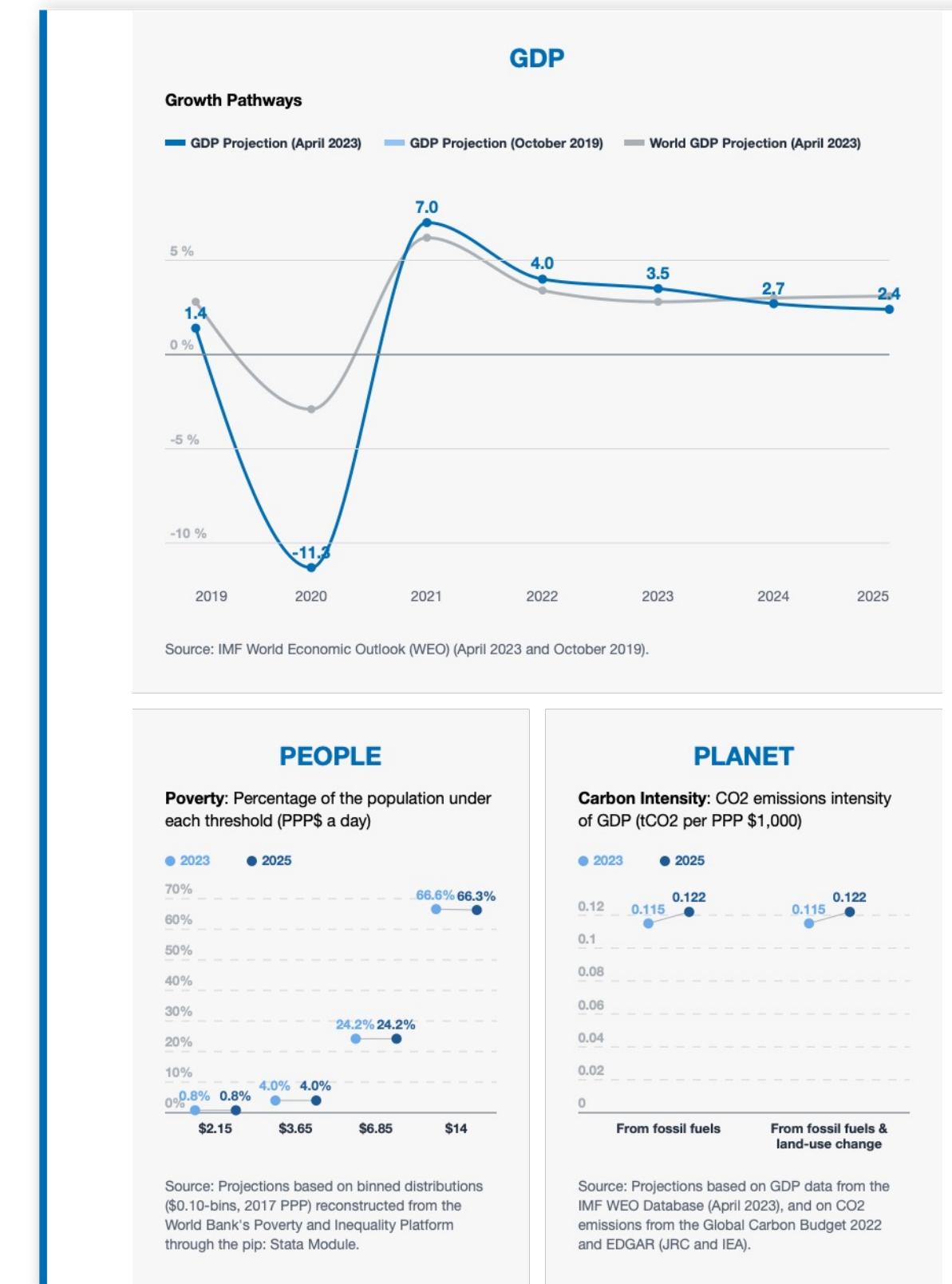
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Fifty-six years of Israeli occupation, recurrent and intensifying hostilities, continuing blockade of the Gaza Strip, as well as the intra-Palestinian divide have been major factors restricting the SDG policy space for the State of Palestine.

Palestine's pace of growth during the 2023-2025 cycle is in coping mode, characterized by being 2% lower, on average, than the global rate.¹ This moderate economic expansion is not expected to exert any noticeable impact on poverty reduction. This brings to the fore the urgency to address key distributional challenges to accelerate poverty reduction at \$3.65 and \$6.85 a day. On the other hand, this economic growth cycle comes at the expense of the environment as the country's carbon emissions intensity of GDP is expected to increase at an annual rate of 3% due to fossil fuel usage.²

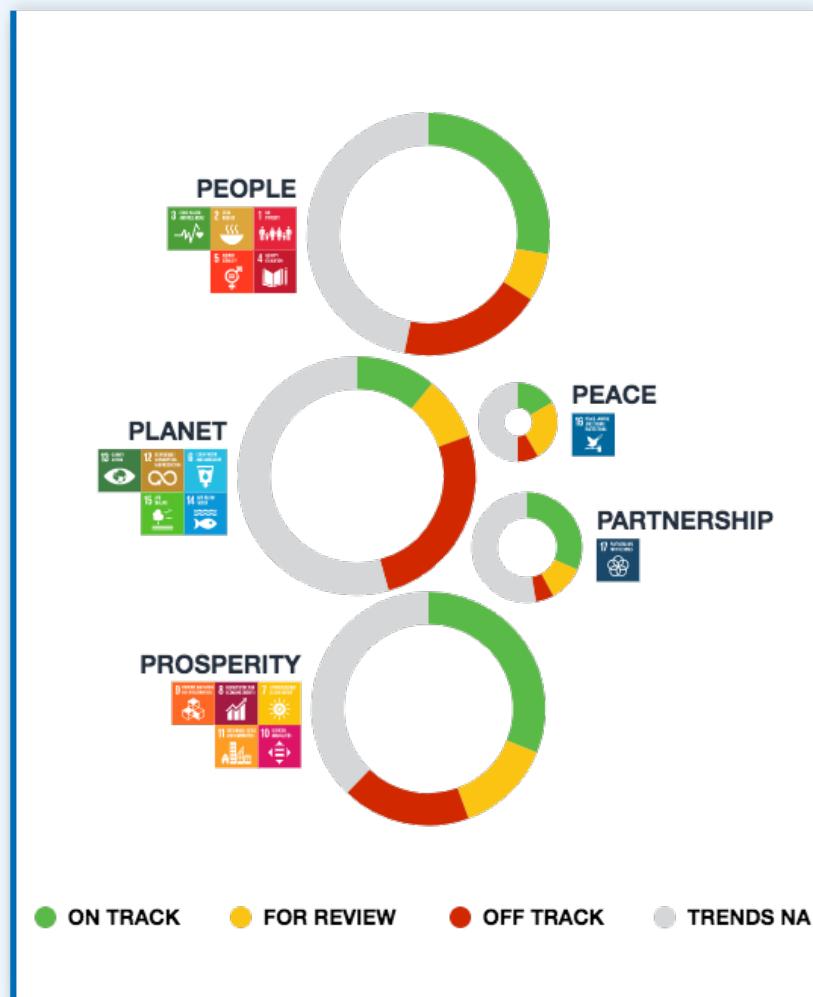
¹ The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

² CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



SDG TRENDS

Understanding how the State of Palestine performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



Trends in detail:

<https://data.undp.org/sdg-push-diagnostic/PSE/sdg-trends>

SDG PRIORITIES

The State of Palestine's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



Key documents for analysis:

1. National Development Plan 2021–2023*
2. Reform Agenda
3. SDGs Progress Report 2020
4. United Nations Sustainable Development Common Framework UNSDCF 2023 – 2025 for Palestine

Documents provided by the PMO / National SDG coordinator

Priorities in detail:

<https://data.undp.org/sdg-push-diagnostic/PSE/current-priorities>

* This report was prepared, based on the current National Development Plan that ends at the close of this year. The State of Palestine is developing its new National Development Plan for 2024-2029. The features of the new plan will form the basis for defining Palestine's national commitments to accelerate the SDGs' achievement, to be presented at the SDG Summit.

SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help the State of Palestine to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, the State of Palestine's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for the State of Palestine:

- Target 1.5: Build resilience to environmental, economic and social disasters
- Target 3.8: Achieve universal health coverage
- Target 8.2: Diversify, innovate and upgrade for economic productivity
- Target 16.1: Reduce violence everywhere
- Target 16.6: Develop effective, accountable and transparent institutions at all levels



ACCELERATION PATHWAYS



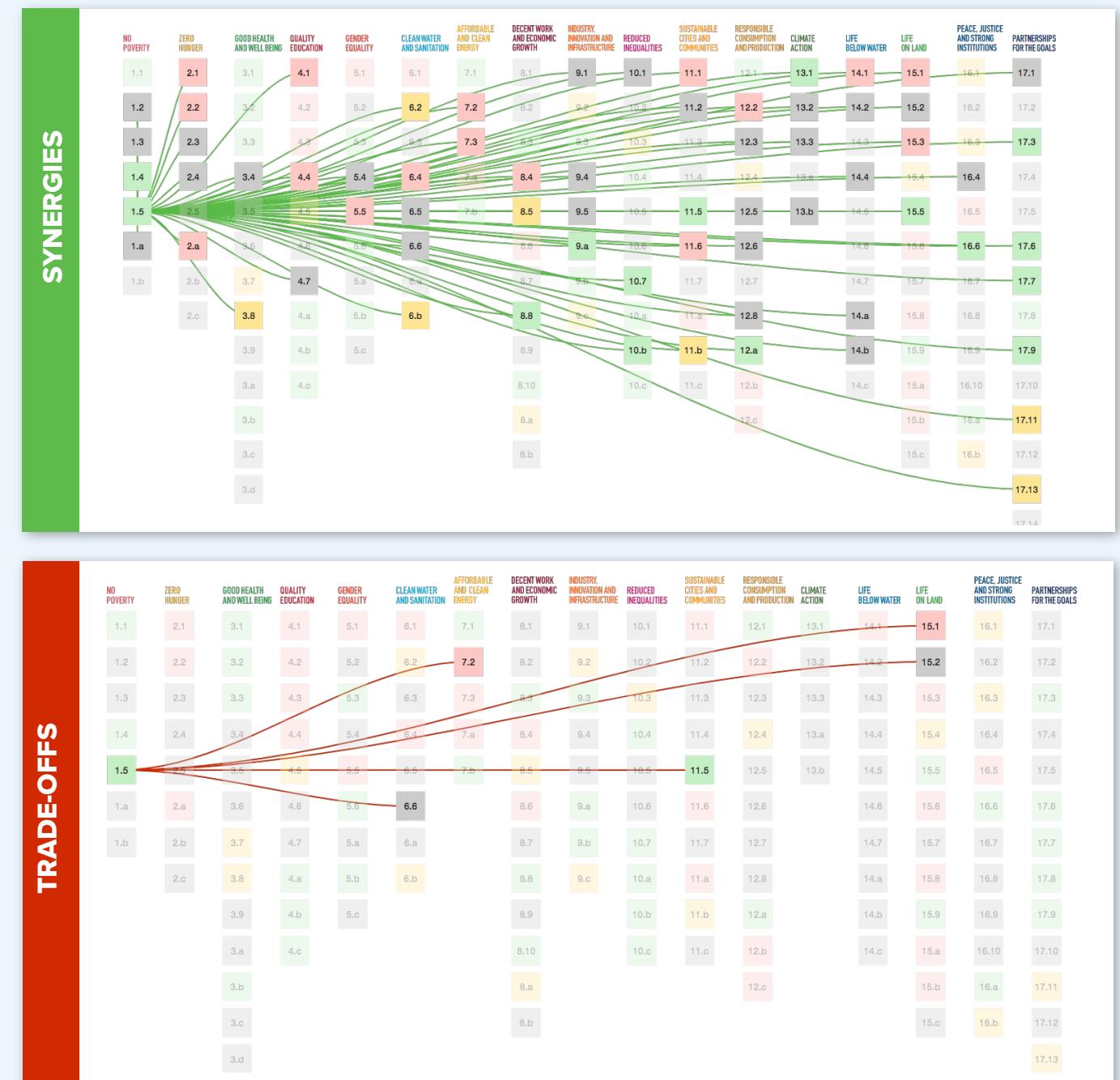
SDG INTERLINKAGES

1.5: by 2030 build the resilience of the poor and those in vulnerable situations, and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

The Israeli occupation has a major negative impact on the social, economic and environmental resilience of the Palestinian people. In Palestine, access to natural resources is restricted and policy planning and budgeting instruments are limited. Israel maintains control over most of the underlying determinants of human rights that are prerequisites for achieving adequate standards of living. It controls internal boundaries, air space, sea and, in most areas, restricts infrastructure development and access to resources, including energy, land, water and other natural and cultural assets. Israel also restricts movement of people and goods across and within the Occupied Palestinian Territory (OPT). There is a pressing need to build resilience and foster spatial equality among communities and individuals and to reduce their vulnerability to climate-related events, environmental disasters and socio-economic shocks.

Palestine has the opportunity to leverage available resources to develop a climate resilient, resource-efficient and diversified economy, including by fostering a more productive and sustainable agricultural sector. It can draw on relatively high levels of tertiary education and potential for digital solutions that require less physical resources. Investing in inclusive and quality health care, education and social protection is key to strengthen the resilience of the most vulnerable. Leaving no one behind requires strengthening systems to ensure inclusive, responsive and quality delivery of public goods and services that address geographic disparities and location-specific needs. Advancing gender equality, prioritizing youth employment, and addressing the needs of people with disabilities will contribute to greater resilience of all Palestinians.

● ON TRACK ● FOR REVIEW ● OFF TRACK ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/PSE/synergies-and-tradeoffs>

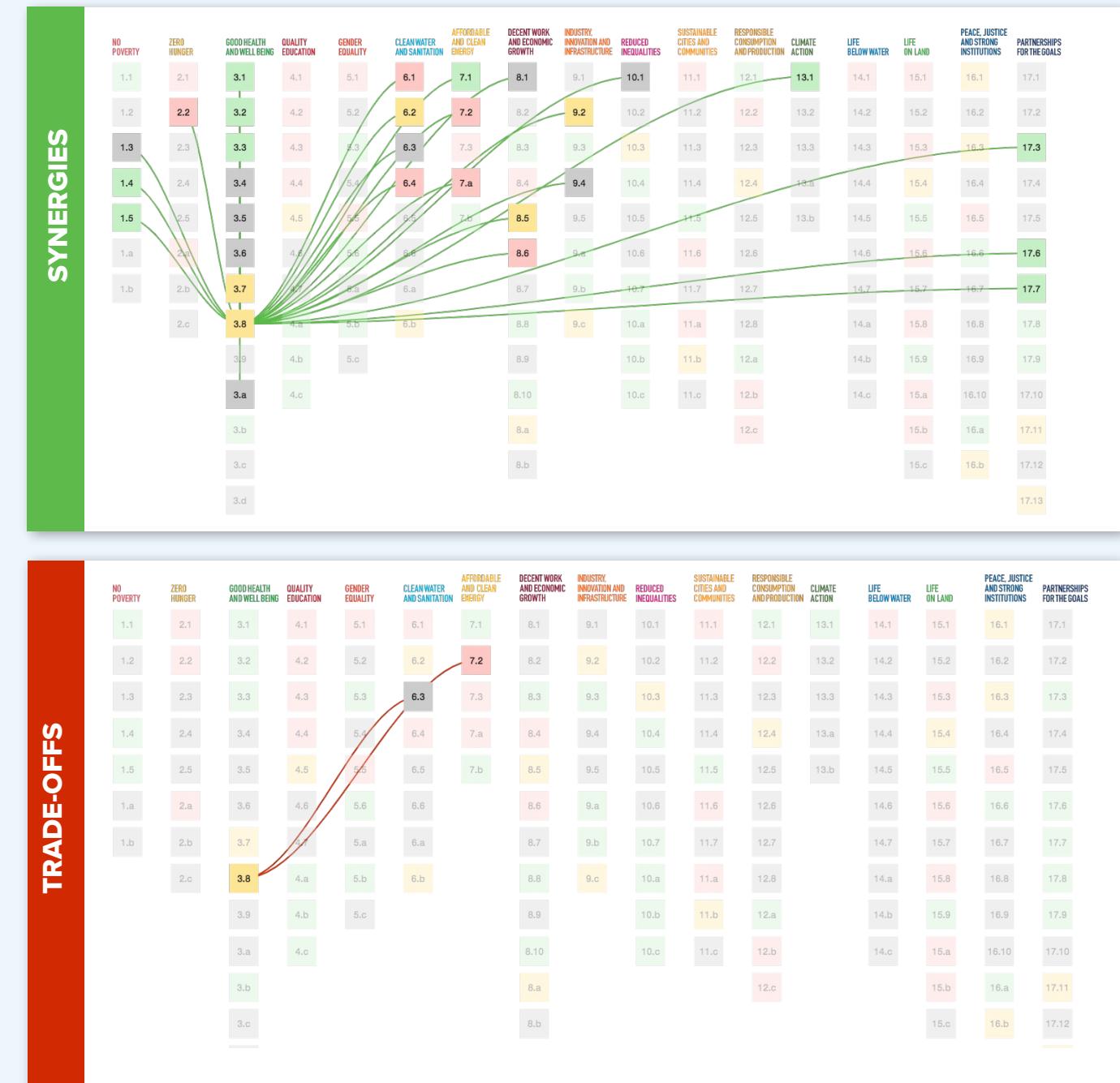
SDG INTERLINKAGES

3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health care services, and access to safe, effective, quality and affordable essential medicines and vaccines for all

The health care system in Palestine struggles to provide adequate services for the population. Geographical barriers imposed by the occupation (e.g. checkpoints in the West Bank, blockade on the Gaza Strip), as well as violations of the right to health during outbreaks of violence (e.g. targeting first responders and/or health care facilities) have significant impacts on the provision of and access to health services. Gaps in the supply chain management of medical equipment and supplies, particularly in the Gaza Strip, on account of the blockade, also hinder the responsiveness of the Palestinian health care system. The fiscal crisis is also preventing the Ministry of Health (MoH) from ensuring adequate capacities to provide continuous and quality health care services. The range of specialized health services in Gaza and the West Bank is limited, with large gaps in capacities to deliver proper services and to cover their cost. This leaves most of the population who need specialized health services unable to access adequate and timely treatment, particularly in Gaza.

A good network of Primary Health Care services and providers (MoH, United Nations Relief and Works Agency for Palestine Refugees in the Middle East (UNRWA), NGOs) provide a base for the expansion and investment of health care to the most vulnerable. Focusing efforts on increasing the local health workforce, while advancing comprehensive health sector reform (including the health insurance system, financial protection, referrals, and social protection), can contribute to filling gaps in the Palestinian health care system. Adolescents' health care needs should continue to be addressed, as should the gender, age and disability-specific health care needs of women, the elderly and persons with disabilities, including within the broader social protection system.

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Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/PSE/synergies-and-tradeoffs>

SDG INTERLINKAGES

8.2: Achieve higher levels of productivity of economies through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors

The Palestinian business environment is mainly characterized by micro- and small-sized formal and informal enterprises, concentrated in low productivity subsectors and operating in fragmented production systems. The occupation-related restrictions on the movement of people and goods both in Gaza and the West Bank, coupled with the limited access to and control over natural resources, contribute to productivity disparities. Dependence on imports and limited access to and competitiveness in local and international markets further hamper growth and engagement in business development activities, particularly for small and informal firms lacking financial support. Progress towards a more productive and inclusive Palestinian economy is hindered by limited focus on market-relevant innovation and technological skills in the education system, a brain-drain of skilled workers to Israel, limited youth participation in technical and vocational education and training and women's involvement in the economy being largely confined to the informal sector.

Enabling private sector growth for employment, livelihoods, and poverty reduction requires diversification of the economy and innovation, particularly in high value-added sectors. Promoting import substitution, as well as advancing private sector transition to renewable energy and fostering a resource-efficient agricultural sector, are promising pathways for strengthening the Palestinian economy. Cultural tourism and investing in value-based products (Palestinian narrative) can provide opportunities for economic development unique to the Palestinian context. Moreover, investing in market-driven skilling within the education system and promoting youth engagement in technical and vocational education and training, while creating more opportunities for women's economic participation (including through investments in care services and an inclusive work environment), can further drive progress towards an inclusive economy.



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/PSE/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.1: Significantly reduce all forms of violence and related death rates everywhere

The ongoing Israeli occupation and continued violations of human rights from duty bearers, limited protection from increasingly intensifying violent activities, particularly by settlers, have shaped the current state of increased tension and violence in Palestine. The civic space has been eroding in recent years, and pressure on Palestinian human rights organizations and activists has also been mounting from both the Israeli and Palestinian authorities. Gender-based violence, as well as hate speech against women and women's rights organizations, continues to be a critical issue needing to be addressed. Inadequate institutional capacities and the intra-Palestinian divide further compound the barriers already posed by the Israeli occupation, limiting the extent to which the State of Palestine can fulfil its obligations, including service delivery, access to justice, promotion of the rights of women and the protection of vulnerable groups at risk of being left behind.

Achieving peace and effective control of the territory is crucial for Palestine to accelerate sustainable development, to reduce humanitarian needs and to build strong institutions. Meanwhile, the Palestinian Authority can take specific measures to protect vulnerable groups and uphold human rights for all, including legal reforms and harmonization efforts, as well as ensuring equitable access to inclusive and responsive legal and social services. Enhancing mechanisms for accountability for conflict-related violence will also enable Palestine to seize these opportunities and progress towards a secure and prosperous future for all.

ON TRACK

FOR REVIEW

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TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/PSE/synergies-and-tradeoffs>

SDG INTERLINKAGES

16.6: Develop effective, accountable and transparent institutions at all levels

The Palestinian government faces a significant lack of transparency and accountability at both national and local levels, leading to eroded citizens' trust. There is a persisting perception that corruption has increased in the past year, and there is high dissatisfaction with levels of democracy, and a belief that waste or nepotism in access to public services prevails. In addition, the World Bank's World Governance Indicators also show that perceptions of government effectiveness were already low and further declined in 2021. The effectiveness of Palestinian institutions – including their capacity to provide quality and responsive services – is negatively impacted by multiple factors related to the occupation and the internal Palestinian divide, including geographic, political and legal fragmentation and financial and fiscal constraints.

Investing in better responsiveness and quality of service delivery, as well as improving public access to information and services (including by leveraging technology and digital innovation), can contribute to increased institutional effectiveness and foster greater public trust. Advancing legal and policy reforms, including towards transparent and efficient management of public resources, as well as enhancing the inclusion of youth, women and other groups in policy and decision-making processes, is also key to strengthen the effectiveness, transparency and accountability of Palestinian institutions. Additionally, bolstering staff capacities by adopting relevant good practices, and by promoting information-sharing and coordination mechanisms among institutions, will be crucial steps towards achieving these objectives.

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TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/PSE/synergies-and-tradeoffs>

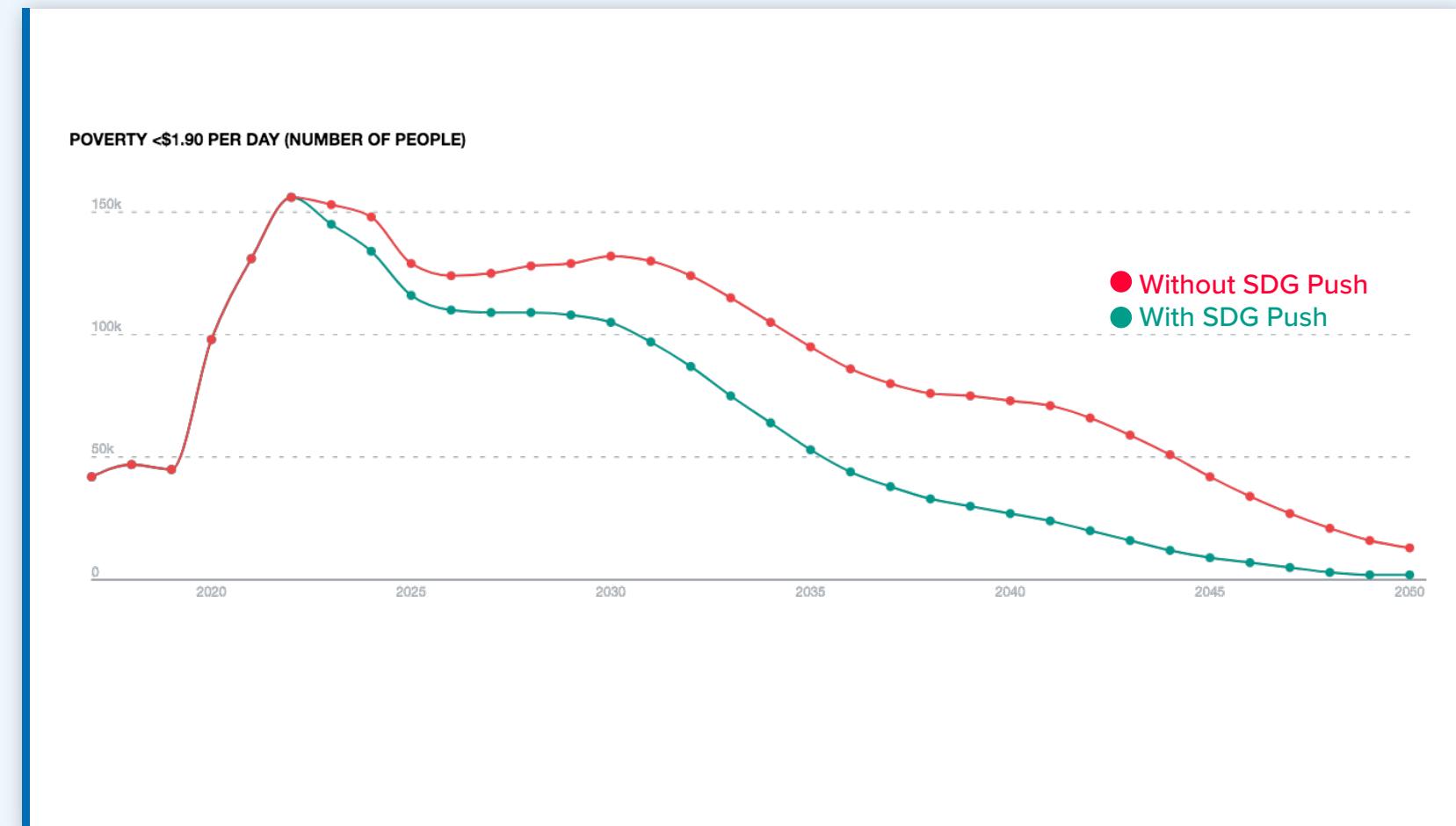
FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on a globally identified set of 48 integrated accelerators in the areas of Governance, Social Protection, the Green Economy and Digital Disruption. It uses national data to explore the impact on human development across key SDG indicators by 2030 and by 2050.

Incorporating ‘SDG Push’ accelerators into development interventions in the State of Palestine can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	130,000	13,000
With the SDG Push	110,000	2,000



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/PSE/future-scenarios>

FINANCE & STIMULUS

Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue, debt and natural resources rents as a proportion of GDP. No data are available for Palestine for the selected financial indicators.

Palestine is facing a fiscal crisis due to its significant budget deficit and reduced international budget support. A limited domestic tax base and the Palestinian Authority's reliance/dependency on clearance revenues (import taxes collected by Israel on PA's behalf, which are often withheld and subject to deduction by Israel) has been a major contributing factor.

Palestine's gross government debt is projected at 58.5% of GDP in 2023, which is more than 10 percentage points (pp) below the emerging market and middle-income economies (EMMIE) group of 68.8%. With the projected revenue at 27.3% of GDP this year, Palestine collects 1.3 pp more than the EMMIE group, with an average revenue of 26% of GDP.



SDG STIMULUS

The [UN Secretary General's SDG Stimulus Plan](#) lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the unique fiscal and financial constraints faced by the State of Palestine as a result of the Israeli occupation and the continuous implementation of the Paris Protocol, and short of revisiting the Protocol, possible funding options for the investments derived from the identified interlinkages are as follows:

- Blended and public-private finance: The private sector plays an important role in financing sustainable development and filling financing gaps. Public funds can be used to crowd in private finance and unlock investment for SDGs where the private sector would not have invested on its own, often due to high perceived risks.
- SDG-aligned business environment and investment: Supporting the alignment of private sector's business operations for the SDGs can play a key role in fostering the mobilization and effective use of private sector' resources to further economic, social and environmental sustainability.

United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



SDG MOMENT

Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO₂ emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



TRENDS & PRIORITIES

Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



INTERLINKAGES

Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



FINANCE & STIMULUS

Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).