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The Jordan Valley: Challenges and the Lost Potential

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1. Introduction

The Jordan Valley has the potential to play a vital role in the Palestinian economic recovery and development. It is a major component of a viable Palestinian State. The Jordan Valley is a unique area that offers opportunities in nearly all major economic sectors. The Jordan Valley has comparative advantages in the fields of agriculture, tourism, transportation and logistics, and potential for industrial and agribusiness development as well. Moreover, the Jordan Valley is the only large region of Palestine that is not densely populated. Therefore, only the Jordan Valley can support the substantial urban development, including new cities, necessary to sustain large-scale absorption of population growth.

At the same time, the Jordan Valley is one of the most restricted areas on earth. Since 1967 Israel has devised and implemented systematic measures aimed at ensuring absolute control over the region and isolating it from the rest of the West Bank. Israel has designated some 18 percent of the West Bank as a closed military zone the bulk of such areas are located in the Jordan Valley and southeast Hebron governorate placing it out of reach of Palestinian development efforts. Moreover, Israel seized vast swaths of fertile agricultural land in the Jordan Valley for use by Jewish settlements, thereby depriving Palestinian farmers of the right to make use of their own land.

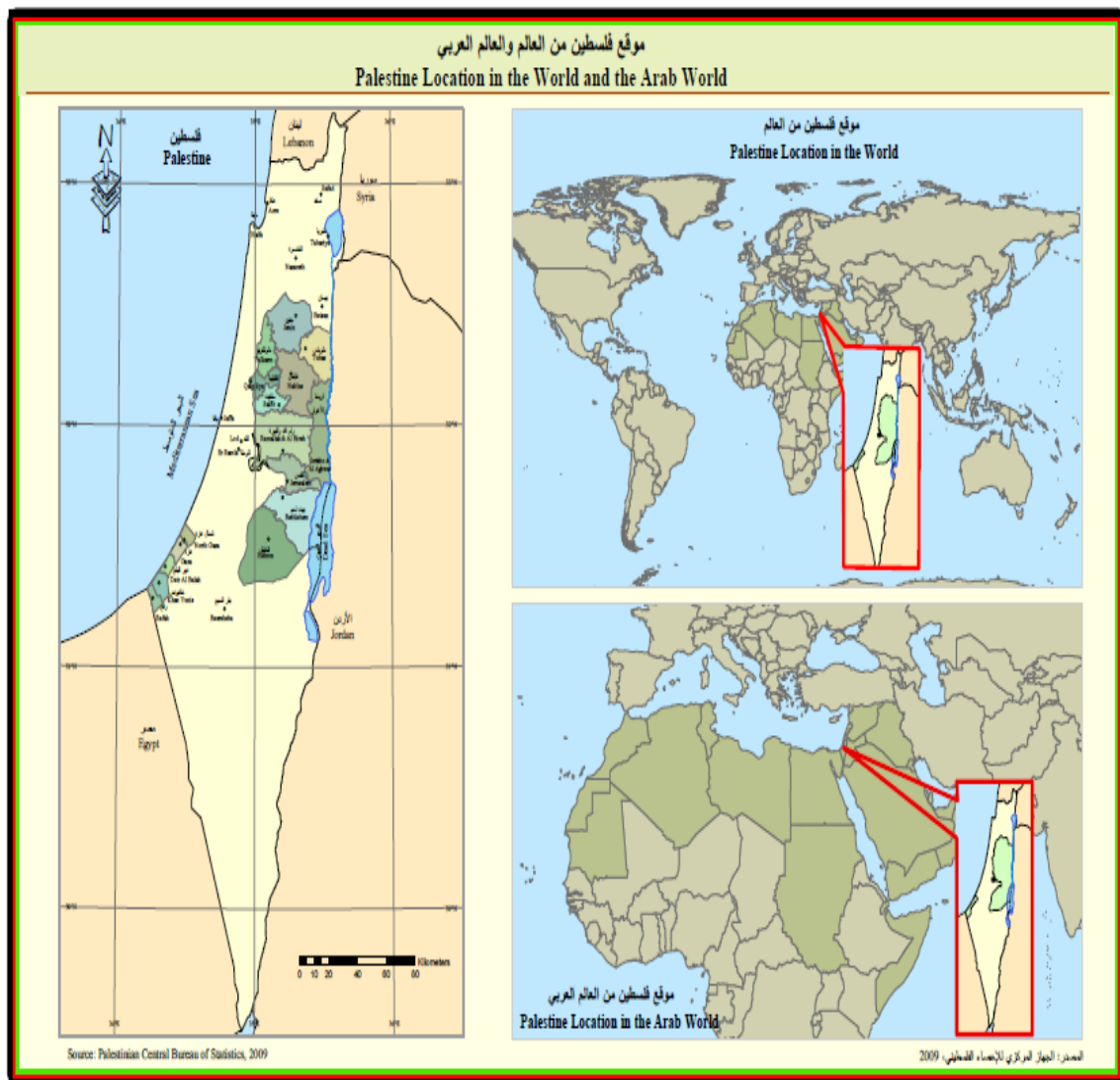
Israel uses a closure system that restricts movement in and out of the Jordan Valley. The closure measures have a significant impact on the livelihoods of farmers living in the Jordan Valley who own and cultivate land in this area. This is primarily due to the higher transportation costs incurred by farmers and traders to market their agricultural produce in the rest of the West Bank, due the long detours they are forced to make and the limited number of authorized transporters. In addition, the quality and price of fresh produce is often reduced, when marketed after long delays at the checkpoints.

In addition, while difficult to quantify, recently there are consistent indications and anecdotal evidence that the Israeli authorities have invested more efforts to enforce restrictions on Palestinian access to these areas. For instance, the recent demolitions in the Jordan Valley prove that Israel is intentionally following an evacuation policy to get rid of communities living in the Jordan Valley. 60% of the West Bank is designated as Area C which gives Israel full civil and military control. Even areas accessible to Palestinians are under the jurisdiction of the Israeli Civil Administration for planning and permit purposes. In 70% of Area C, Palestinian building is entirely forbidden and in the remaining 30% construction is theoretically possible but getting building permit is practically impossible. Palestinians can build freely only on 1% of Area C – most of which is already built over. Due to the severe Israeli restrictions, Palestinians have no choice but to build without permits.

In this paper, we present first the potential of Jordan Valley for agricultural development, industrial development, transportation and logistics, urban development and tourism. Secondly, the paper reviews the constraints that impede development in the Jordan Valley. The paper will finally highlight a business opportunity – Agro-Industrial Park in the Jordan Valley – that aims to promote economic development, and will point out parallel actions that should be taken by PNA, Government of Israel, and international community to create a viable Palestinian economy in the future.

2. The Large Potential

The Jordan Valley region is as old as the history itself. It represents a rich blend of stunning geologic formations, diverse plant and animal species, and ancient human history. With thousands of years of human presence, the Jordan Valley has historical, religious, economic and political importance. The Palestinian Jordan Valley is part of the great rift that extends from Syria to the Red Sea and continues to the Eastern parts of the African continent, it lies between Jordan and Palestine and forms the eastern border of the Palestinian state and is the total area of Jericho and Al Aghwar governorate and Tubas Governorate.



The Jordan Valley and the Dead Sea region comprise 30% of the total land area of the West Bank. The area is of immense geopolitical and economic importance to Palestine. In fact it is considered a cornerstone of Palestinian economic recovery and development.

In addition to its vast potential for agricultural development, the Valley has great potential for industrial development, and comparative advantages in the fields of tourism, agribusiness, transportation and logistics. Moreover, the Jordan Valley is the only region of Palestine that can support substantial population growth through large-scale urban development, including establishing new cities. As a result of all these factors, investment in the Jordan Valley and Dead Sea region remains a strategic priority.

2.1 Agriculture

The Jordan Valley land is highly fertile and rich in natural resources. The area as a whole benefits from a warm and all year round tropical climate, and is suitable for growing diverse agricultural products. Most importantly is the capacity of this region to provide regional and international market with off-season agricultural products and on a large scale. Making use of its membership in the Greater Arab Free Trade Area (GAFTA), and the Interim Association Agreement (IAA) with the EU, Palestine has the advantage of free access to the markets of the Gulf Cooperation Council States (GCC) and the EU markets. This advantage, combined with the quality-edge gained by the Palestinians experience in the advanced growing technologies, gives Palestinian growers an important overall comparative advantage in the lucrative Gulf markets, as well as in Western and Eastern European markets. In addition to the free access of industrial products and for specific quota of agricultural products, provided by the IAA since 1998, starting 2011, Palestinian agricultural products will enjoy a duty free quota free access to the EU countries.

It is interesting to note here that the percent of cultivated land area from Total Area of Jericho and Al-Aghwar Governorate¹ is only 4.7%².

The Jordan Valley is a main source of export-oriented and high value-added agricultural products. The Value of Plant Production per km², and the Value Added of Plant Production per km² in this region is the highest in the West Bank and it's nearly 4 - 10 times more than that of other governorates³.

¹ The total area of Jericho and Al-Aghwar Governorate is 593 km²

² PCBS Data 2008.

³ PCBS Data - Area of Cultivated Land, Total Value of Plant Production, Value of Plant Production per km², Total Value Added of Plant Production and Value Added of Plant Production Per km² by Governorate, 2007, 2008

2.2 Industry and Agribusiness

From a strategic point of view and taking into consideration the agricultural nature of the Jordan Valley, its industrial development should concentrate on food processing and other industries related to agriculture. A modern food industry based in the Jordan Valley can benefit from four promising markets: the local Palestinian market; the Israeli market; the US and European markets; and the GCC and other Arab markets.⁴

In addition to establishing a profitable food industry, large-scale urban development of the Jordan Valley would enrich the local work-force by attracting a young educated population that would enable the development of new, diversified, modern industries.

The Dead Sea would provide opportunities for many industries based on Dead Sea mineral extraction. Valuable minerals and saline elements such as phosphate, magnesium, sodium, calcium and bromide could be extracted from the Dead Sea⁵. Specialized packaging is an important area that could also attract significant investment to this region.

2.3 Transportation and Logistics

The Jordan Valley is a strategic location that functions as a west – east corridor from the Mediterranean Sea, Israel and Palestine to Jordan and the eastern Arab world. It has also been a North-South transport corridor. The Jordan Valley opens up many opportunities for regional continuity. This includes establishing land transport, energy and communications connections between the parties in the region, as well as logistic facilities to serve both regional and international activities which will enable more diverse and efficient routing options for the flow of goods and people, both intra-regionally and internationally. A major component of the economic development of the Palestinian Jordan Valley would be the upgrading of west – east transportation routes.

2.4 Tourism

The Jordan Valley is a unique region that has attracted visitors from around the world. It has unique geographical and environmental characteristics unparalleled anywhere else. These unrivaled features increase the growth potential of the region and its attractiveness to tourists and investors in the region.

Moreover, the Dead Sea is the lowest and most saline body of water in the world. The sea itself is abundant in minerals with therapeutic value. Many tourists seeking to heal various skin, artery, and joint ailments are attracted to the region. The region has 81 tourist sites, including those of significant archeological and natural value. It is also the oldest continually inhabited area in the world. The Jordan River is one of the most outstanding symbols of the "Holy Land" and is in the minds and hearts of hundreds of

⁴ Aix Group – Economic Dimensions of a Two State Solution Volume II – Economic Development of the Jordan Valley

⁵ A presentation by Jordan Establishment for Dead Sea Products.

millions of people all over the Christian world. It has great potential for internal and regional tourism as well. In 2007 – 2008, approximately 0.5 million foreign tourists visited the region. Annually, around one million Palestinian visitors also visit the region, in spite of Israeli-imposed restrictions.⁶

Developing the tourism sector in the region and developing an investment strategy for the region that is appropriate to its historical and cultural heritage, as well as its unique climate is considered a high priority and allows for large number of investment opportunities. Tourism development would include the Dead Sea, Jordan River, and Jordan Valley slopes and mountains, as they offer a unique combination of health, leisure, sport/adventure, ecological, and religious tourism destinations in a single area. In order to revive local economic activity, including the tourism & hospitality sector, investment in the field of new hotels and resorts both in Jericho and the Dead Sea area are essential.

2.5 Large Potential for Urban Development

The Jordan Valley area is very suitable for demographic expansion for the West Bank. It is the only remaining Palestinian area that can absorb large scale urban development. according to the Palestinian Central Bureau of Statistics (PCBS), the Population Density in Jericho and Al-Aghwar Governorate in 2008 was only 73 (Capita\ km²) compared to the population density of the Palestinian Territory which reached 645 (Capita\ km²) in 2008.

With appropriate spatial zoning that maintains an appropriate distance from areas specified for industrial and agricultural uses, and the old city of Jericho or the virgin land that is very suitable for agricultural uses, large scale urban development including new cities is possible. On the one hand, such urban development will serve to absorb the demographic expansion in the future. On the other hand, it will serve a residential area for the large number of worker resulting from the large scale economic development in the region.

⁶ Palestine Investment Fund, Developing the Jordan Valley and the Dead Sea.

3. Constraints to the Development in the Jordan Valley

The Israeli occupation authorities have long recognized the geo-political strategic importance of the Jordan Valley and the Dead Sea region. Consequently, they have devised and implemented systematic measures aimed at ensuring absolute control over the region and isolating it from the rest of the West Bank. They have designated it a closed military zone, placing it out of reach of Palestinian development efforts. Moreover, they have seized vast swaths of fertile agricultural land in the Jordan Valley for use by Jewish settlements, thereby depriving Palestinian farmers of the right to make use of their own land.

The present situation severely handicaps Palestinian economic activity in the Jordan Valley, through:

- ⇒ A system of access and movement constraints, including various closure measures such as checkpoints and movement permits as well as specific measures related to access to certain agricultural lands;
- ⇒ The designation of large areas of the Jordan Valley as "no-go areas" -- Israeli closed military areas/ fire zones or settlement areas -- as well as the declaration of vast areas of the Jordan Valley as nature reserves under Israeli civil and security control. Moreover, even areas accessible to Palestinians are under the jurisdiction of the Israeli Civil Administration for planning and permit purposes;
- ⇒ Scarcity of water for Palestinian use, and other basic infrastructure problems (for example electricity, waste and water-waste disposal);
- ⇒ An overall negative political and business environment, among other impediments.⁷

The combined result of this set of constraints and impediments is greatly discouraging, and must change dramatically in order to enable sustainable development and to lure investors into the Palestinian Jordan Valley.

The following is a brief description of the Israeli closure system which turned the area into one of the most restricted areas on earth.⁸

3.1 Access to and from the Jordan Valley

All movements to and from the section of the Jordan Valley north of Jericho remains tightly controlled by four permanently staffed IDF checkpoints, Tayasir, Hamra, Ma'ale Efraim and Yitav. With the exception of around 56,000 people who are registered in their IDs as residents of the Jordan Valley (including Jericho), the majority of Palestinians are prohibited from crossing these checkpoints with their private vehicles, unless they have obtained a special permit. Moreover, those who obtain these permits are required to have the vehicles licensed in their names before being able to drive them through the

⁷ Aix Group – Economic Dimensions of A Two State Solution Volume II – Economic Development of the Jordan Valley.

⁸ The following part is mainly based on “Special Focus June, 2010, UN OCHA oPt” with the recent updates on the recent demolitions in the Jordan Valley.

checkpoints, further constraining the ability to move. Only Israelis and foreign nationals are allowed to cross the Ma'ale Efrayim checkpoint. The single positive development regarding access to the Jordan Valley took place in June 2009, when the IDF extended the opening hours of Tayasir and Hamra checkpoints to 24 hours a day, compared to 15-17 hours prior to that.

Despite the above restrictions, Palestinians can access the Jordan Valley with their private vehicles via Road 1, south of Jericho City, and then Road 90, without having to cross any checkpoint. However, due to the long detour required to take this route, it is of little benefit for the bulk of the population. For example, while the distance between the town of Tubas and the Jordan Valley village of Bardala through the restricted Tayasir checkpoint is 24 km, the distance through the alternative route along Roads 1 and 90 is more than seven times longer - 176 km.

Similar to other geographical areas, the Israeli military has justified the restrictions on the checkpoints along the Jordan Valley by reference to the security needs of the Israeli population living in the settlements established in this area (approximately 9,000) or travelling on Road 90. As a result of these restrictions, Road 90 is used mostly by Israeli settlers commuting with Israel, as well as other Israelis travelling between the area of Jerusalem and northern Israel, as an alternative to Highway 6 inside Israel, which is a toll road.

The checkpoints and permit requirements have had a significant impact on the livelihoods of farmers living in the Jordan Valley, as well as in nearby towns in the Tubas, Nablus and Jericho governorates, who own and cultivate land in this area. This is primarily due to the higher transportation costs incurred by farmers and traders to market their agricultural produce in the rest of the West Bank, due the long detours they are forced to make and the limited number of authorized transporters. In addition, the quality and price of fresh produce is often reduced, when marketed after long delays at the checkpoints. Finally, farmers are also affected by restrictions imposed at checkpoints on the entry of agricultural inputs, primarily fertilizers and metal pipes.

Access restrictions are also affecting many residents of small rural communities across the Jordan Valley, primarily Bedouins, whose ID cards indicate an address elsewhere in the West Bank and who, therefore, are not allowed to drive their vehicles in and out of that area. For example, since November 2009, most members of Al Ka'abneh Bedouin clan living in various sites in Al 'Auja area (Jericho governorate), who are registered as Hebron and Ramallah residents, have been denied vehicular access northwards through the Yitav checkpoint. This checkpoint controls the direct route into Jericho City, on which they totally depend for their health, water, education and shopping needs. Prior to that, they were allowed to use the checkpoint following regular coordination between the Palestinian and Israeli District Coordination Liaison (DCLs).

3.2 “Firing Zones” and “Nature Reserves”

Since 1967, Israel has designated some 18 percent of the West Bank as a closed military zone for the purposes of military training. The bulk of such areas are located in the Jordan Valley and southeast Hebron governorate. While Palestinian access to these areas

is prohibited by military order, except for those recognized by the Israeli military as “permanent residents”, the exact boundaries of the closed areas are not clearly demarcated on the ground and the enforcement of this prohibition is irregular. In addition, approximately 13 percent of the West Bank is designated as “nature reserves”, in which any Palestinian land use, including for herding, is prohibited. These areas include land in the Bethlehem governorate that was intended to be handed over to the Palestinian National Authority (PNA), under the Wye River Memorandum of 1998. Accounting for overlaps between the categories, “closed military areas” and “nature reserves” cover some 26 percent of West Bank land.

While difficult to quantify, recently there are consistent indications that the Israeli authorities have invested more efforts to enforce restrictions on Palestinian access to these areas. In May 2009, for example, the Israeli military installed dozens of cement slabs across the Jordan Valley and southeast Hebron with a “Danger, Firing Zone, Entrance Forbidden” warning in Arabic, English and Hebrew. Moreover, approximately 80 percent of the Area C structures demolished in 2009 due to lack of building permits were located in such areas. This trend continued in January 2010, when the Israeli authorities demolished 16 structures in the community of Khirbet Tana, entirely located within a “firing zone”. In addition, inspectors from the Israeli Environmental Authority have informed the Palestinian DCL Office in Jericho that herders grazing their animals in areas designated as nature reserves will be subject to fines. According to Palestinian residents, however, most such areas lack clear demarcation making it extremely difficult to comply.

The increasing enforcement of the access restrictions to closed “firing” zones and nature reserves has exacerbated the hardship of small herding communities, already affected by ongoing water scarcity. In some cases, these restrictions have obstructed the implementation of emergency programs by humanitarian agencies, aimed at alleviating this hardship. For example, in August 2009, an international NGO was prevented from distributing water and fodder to three communities located in a “firing” zone in south Hebron (the “Massafer Yatta” area) due to a series of earth mounds blocking the access of water trucks to these communities.

3.3 Access to Private Land Next to Settlements

Access of Palestinian farmers to agricultural land within, or in the vicinity of, Israeli settlements remained restricted due to physical barriers and settler intimidation, and continues to undermine the livelihoods of many families. The outer limits of Israeli settlements are physically demarcated by electronic fences and/or patrol roads; some were erected by the Israeli authorities, while others were set up by the settlers, with or without the formal approval of the authorities. A large number of the settlements include within their outer limits “islands” of private Palestinian land, which have not been expropriated or seized for the construction of the settlement or its expansion. The area within the municipal boundaries of settlements, which in most cases does not coincide with the outer limits, was declared as a “closed military area” for Palestinians (the order does not apply to Israelis and foreign nationals).

Access of Palestinian farmers to their private land “locked in” within the settlements’ fences and patrol roads has been conditioned for the last few years on the performance of “prior coordination” with the Israeli DCL offices. Farmers included in the “coordination list” for a given settlements must usually show their ID cards to the security personnel staffing the settlement entrance or gate. This regime is also implemented by the Israeli authorities in cases where the Palestinian land was fenced in by Israeli settlers without authorization and lies outside the official boundaries of the settlements, despite the fact that the military order banning Palestinian access does not apply.

In a larger number of cases, Palestinian access to agricultural land in the vicinity of Israeli settlements is prevented or restricted not only by physical barriers but also by means of systematic intimidation by Israeli settlers. Following a landmark judgment issued by the Israeli High Court of Justice (HCJ) in 2006, the Israeli authorities began to gradually expand the “prior coordination” regime to agricultural areas where settler intimidation was recurrent. This type of coordination, which is designed to allow the deployment of Israeli forces in the relevant areas in advance of any violent incident, is implemented almost exclusively during the olive harvest season (October-November). Access to land during other times of the year has therefore remained limited due to the risk of settler violence.

While the precise scope of the phenomenon of restrictions on access to farming land within or in the vicinity of settlements is unknown. It is clear that these figures provide an only partial picture. As indicated in the petition to the HCJ filed by farmers shows that there are many other farmers who own land next to settlements where no access coordination system is in place, and therefore are totally prevented from accessing their land.



Roads

- Main road (used primarily by Israelis)
- Main road (used primarily by Palestinians)
- Secondary roads

Restrictions

- ✕ Checkpoint
- ✕ Partial Checkpoint
- Earthmound, Road gate, Road block
- Constructed West Bank Barrier
- - - Planned West Bank Barrier
- Israeli military base
- Israeli closed military area

Palestinian Areas

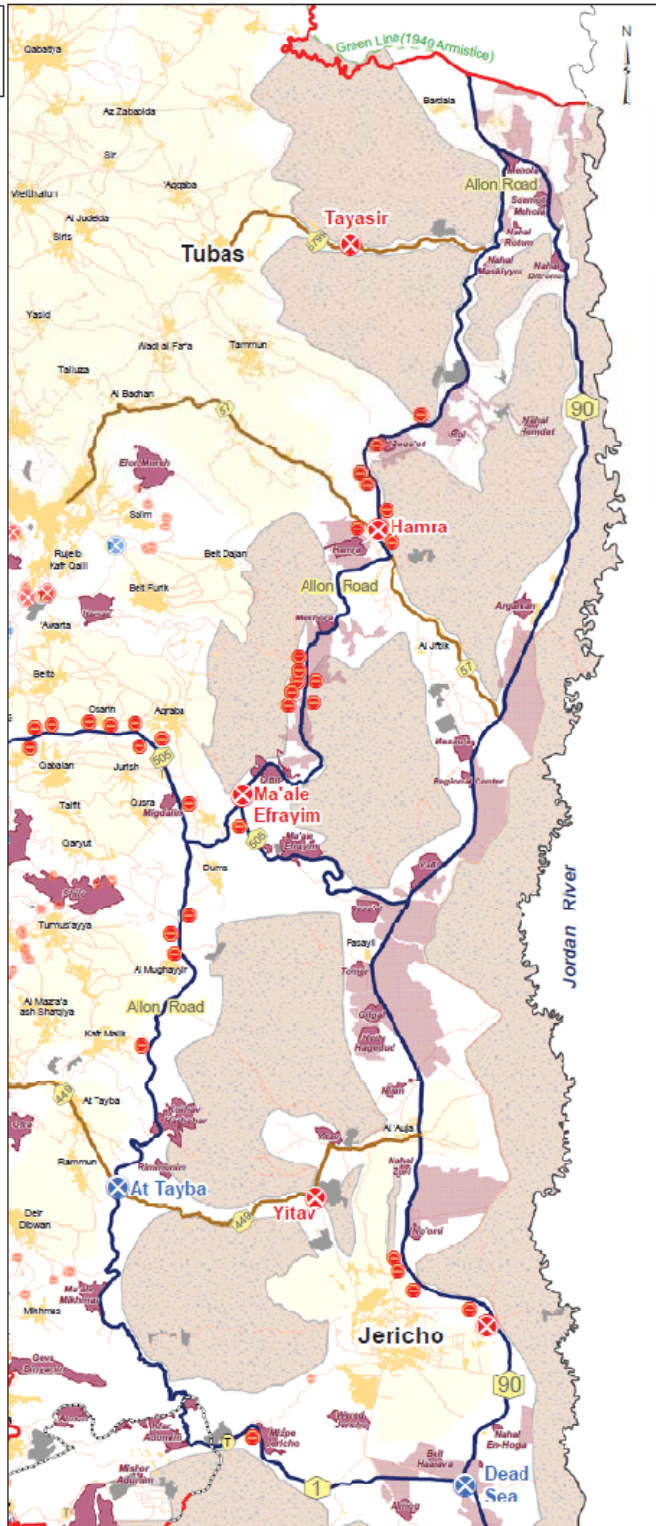
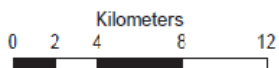
- Built-up

Israeli Settlements

- Settlement built-up and outer limit
- Land cultivated by settlers

Oslo Interim Agreement(1994-1999)

- AREA (A),(B)
- AREA (C)



3.4 Recent Demolitions in the Jordan Valley: An Israeli Policy to Evacuate the Jordan Valley from Its Residents

Israeli government is imposing a set of measures on the communities in the Jordan Valley region aiming to get rid of such communities. This set of measures ranges from restricting grazing areas, restricts their access and movement and most importantly their access to water resources needed for residential and agricultural needs.⁹ Obtaining a building license in almost impossible, and the demolishing which ranges from few houses to entire villages which increased tremendously in the last few weeks is on top of this Israeli evacuation policy. A parallel Israeli policy is targeting increasing the settlers in the region by providing incentives to attract more settlers in the Jordan Valley. "These recent demolitions intensify concerns that this is part of a government strategy to remove the Palestinian population from the parts of the West Bank known as Area C, over which Israel has complete control in terms of planning and construction," said Philip Luther, Amnesty International's Deputy Director for the Middle East and North Africa.¹⁰

On January 24, 2010, a Palestinian shepherd from the community of Khirbet Samra (Jordan Valley) was approached by an Israeli Environmental Authority inspector while he was grazing his flock in an area ostensibly declared a "nature reserve" and was requested to leave. The shepherd objected arguing that he has been using that area for years, and that there are no signs on the ground indicating an access restriction. Following a verbal confrontation, the shepherd was hand-cuffed and taken to an Israeli police station in a nearby settlement for questioning. Later on, the shepherd was forced to pay a 1,700 NIS fine and summoned to appear before a military court.

On August 5, 2010, the Israeli Civil Administration authorities in the Jordan valley demolished the village of Al Farisiya for the second time in two weeks. Israeli bulldozers destroyed 26 homes in one hour, making an estimated 170 people homeless. The villagers had just been able to rebuild the damage that was done on July 19, 2010, when 23 homes were demolished and over 91 persons became homeless. These demolitions followed, according to the Ma'an News Agency, the army confiscation of the village's tractors.¹¹

The Jordan Valley was designated as Area C by the 1993 Oslo Agreements, along with 60% of the West Bank, giving Israeli full civil and military control. Israel justifies demolitions by stating that the buildings were constructed illegally. However, the United Nations Office for the Coordination of Humanitarian Affairs has pointed out that it is nearly impossible for Palestinians to obtain building permits in Area C. Israel effectively allows Palestinians to build in only 1 percent of Area C, the 60 percent of the West Bank over which it retains full control¹².

So far this year, Israel has demolished 180 Palestinian structures in Area C. As a result, 319 Palestinians, including 167 children, have lost their homes. Due to the severe Israeli restrictions, Palestinians have no choice but to build without permits. In 70 percent of

⁹ Communities in the Jordan Valley usually suffers shortage in water for household uses, in addition, agriculture in the Jordan Valley depends totally on irrigation water which is totally controlled by Israel.

¹⁰Amnesty International - Israel intensifies West Bank Palestinian home demolitions, 21 July 2010.

¹¹ International Solidarity Movement, Israel demolishes rebuilt Jordan Valley houses, August 5, 2010.

¹² OCHA Special Focus, December 2009. The report is entitled "Restricting Space in the oPt: The Planning Regime Applied by Israel in Area C of the West Bank.

Area C (44 percent of the West Bank), Palestinian building is entirely forbidden, as this land is earmarked for the settlements, the army, nature reserves or a buffer zone around the separation wall. In the remaining 30 percent, construction is theoretically possible, but getting a permit is so difficult as to be practically impossible. Hence effectively, Palestinians can build freely on only 1 percent of Area C - most of which is already totally built over.

These restrictions make it impossible to connect many places to water and electricity or supply them with proper education and health services, thus contributing to the misery of life in the West Bank in general and in the Jordan Valley in particular. It also makes it impossible for the PNA to develop in accordance with the needs of its growing population, most of which is concentrated in either Area A (Palestinian administrative and policing control) or Area B (Palestinian administrative control but Israeli security control)¹³.

World Bank's findings indicate that Israeli planning and building restrictions have "become an increasingly severe constraint to Palestinian economic activity"¹⁴. Amnesty International has called on Israel to stop demolishing Palestinian homes, and voiced fears about an apparent policy of ethnically cleansing Area C. saying: "These recent demolitions intensify concerns that this is part of a government strategy to remove the Palestinian population from the parts of the West Bank known as Area C.". The demolitions carried out by the Israeli military in the villages of Hmayyir and 'Ein Ghazal in the area of al-Farisiya displacing 107 people, including 52 children. Unlike many other areas in the Jordan Valley, the communities of Hmayyir and 'Ein Ghazal had not experienced demolitions in the past. **Among other things, the army also damaged water tanks, wheat for human consumption and animal fodder.** Coordinator of the Save the Jordan Valley campaign, and village council member, Fathi Khdeiri described the demolitions as an "attack by occupation forces and an attempt to displace the residents of the Jordan Valley."

3.5 Access to Water

Water scarcity is the major constraint limiting large-scale development of the Palestinian Jordan Valley. Since Palestine's share of the Jordan River Basin water resources is the smallest among the three countries, the water shortage would constrain even smaller-scale urban or agricultural development programs. Even under the present low level of agricultural development and economic activity, the scarce water supply is far from satisfying the Palestinian demand for water. This imbalance is reflected, inter alia, in the extremely low average domestic water consumption per capita. One can expect that once economic recovery starts and the population of the Jordan Valley increases, there will be a substantial increase in the demand for water for domestic use, which will further divert

¹³ The division of the West Bank into Areas A, B and C was part of the 1995 Oslo 2 accord. It was supposed to expire in 1999.

The World Bank, Social and Economic Development Group, Finance and Private Sector Development, Middle East and North Africa Region, West Bank and Gaza, The Economic Effects of Restricted Access to Land in the West Bank.

water from agricultural uses. Settlements in the Jordan Valley are large consumers of water, and Israel control most of the water resources in the area and the supply of water barely meets Palestinian demand. Economic development in the Jordan Valley depends mainly on access to water, not to forget here that the agriculture in the Jordan Valley depends totally on irrigation water and not rain fed.

4. Case Study: The Japanese Corridor for Peace and Prosperity Initiative – a Concrete Example of the Meaning of Development in Jordan Valley.

On the occasion of then-Prime Minister Junichiro Koizumi's visit to the Middle East in July 2006, Japan proposed the concept of the "Corridor for Peace and Prosperity". This project aims at contributing to creating a viable Palestinian Economy in the future by promoting the economic development in the Jordan Valley. It focuses on the agro-industry sector which will be achieved through regional cooperation and it was agreed by the leaders of Israel, the PNA and Jordan. This initiative represents an even stronger commitment by Japan and reflects a deeper engagement in the peace-building efforts for the region.

In line with this concept, the Government of Japan dispatched a research team from the Japan International Cooperation Agency (JICA) to the Jordan Valley in November 2006 with the aim of formulating projects to support the local agro-industry sector. The main projects Japan was committed to finance include:

1. Establishing an Agro-Industrial Park in the Jordan Valley;
2. A distribution center to be built on the Jordanian side, where products are to be shipped out to markets abroad; and
3. Facilitating the transportation of goods where Japan is to finance a project to facilitate the transportation, mainly, products produced from the above-mentioned agro-industrial park to the above-mentioned distribution center of goods. And to work on establishing a border control methodology giving due consideration to both security concerns as well as the impact on the regional economic development.

Nearly five years passed on the declaration of this initiative, and nearly two years after the feasibility study for this project was prepared by the Japanese. Taking into consideration the continuous commitment by Japan to support and finance this initiative in general and the Agro Industrial Park in the Jordan Valley in Particular, still nothing of this initiative has been implemented on the ground.

As one of the basic principles, the private sector is encouraged to participate in this project. During the preparation of the feasibility study, this agro industrial was promoted widely in Palestine, Israel and Jordan. The private sector showed large interest in investing in this region, however, not under the current conditions.

The startup meeting was held on March 15, 2007. The representatives of the Israeli, the Palestinian, and the Jordanian sides expressed appreciation for Japan's initiative on this concept and its assistance to the Palestinians. They also expressed their expectation for early implementation of the concept and for Japan's greater role in the Middle East Peace Process. The fifth technical-level meeting of the Four-Party Consultative was held on March 17, 2010 in Tel Aviv with the participation of the officials and the experts

from Israel, Japan, Jordan and the PNA. The four parties reaffirmed their strong commitments to this initiative aiming at the establishment of Jericho Agro-Industrial Park by the end of 2012, and the four parties confirmed that they would continue to make their utmost efforts to materialize this initiative and to resolve outstanding issues. Despite Israeli commitment to move things forward, facts on the ground show that Israel is putting more restrictions that hinder economic development and is working towards removing Palestinian presence in the Jordan Valley.

5. Conclusions and Recommendations

1. A viable Palestinian state is not possible without utilizing the Jordan Valley as a driving force towards Palestinian economic recovery and development.
2. There will be no serious development, whatever the level of effort or support, if the political and physical impediments on the ground are not lifted. The outcomes of the investment survey for the Agro-business industrial park proposed in the Jordan Valley within the Corridor for Peace and Prosperity initiative clearly shows that whatever the incentives provided to attract investments, the vast majority of investors are not willing to be engaged unless serious and positive changes in the business environment and the impediments on the ground are lifted.
3. The Palestinian National Authority should initiate a comprehensive master plan for the development of the Jordan Valley. Such master plan should focus on creating an integrated process that deals with all economic sectors in parallel and in a complementary manner.
4. Until the preparation of the master plan, there are immediate actions that should be taken to benefit from the current potential for the different sectors:
 - a. Agriculture:
 - i. PNA should address all the requirements including the necessary infrastructure needed for value added produce that could be produced in the valley which have export potential to the EU and Gulf markets;
 - ii. Technical assistance programs for farmers are required;
 - iii. The international community should support the above both programs and give them a high priority; and
 - iv. Israel must lift all barriers for marketing the fresh produce and access to water in the region. In specific, Tayasir, Hamra, Ma'ale Efraim and Yitav checkpoints should be lifted immediately as well as facilitation of agricultural exports through the borders.
 - b. Tourism:
 - i. Rehabilitation of the touristic centers and the old city of Jericho should start immediately;
 - ii. PNA should launch a campaign to promote this area to attract tourists and investors; and
 - iii. Israel should lift all impediments and restrictions against access for tourists to the region including visa complications.
5. The international community should put more pressure and influence Israel to lift all unjustified security and administrative Israeli restrictions on Palestinians. Israel is responsible under international humanitarian and human rights law to insure that the humanitarian needs of people under its occupation are met, and that they are able to exercise their human rights, including the right to freedom of movement, work, housing, health, education, nondiscrimination etc. Initial steps must include the

removal of obstacles blocking key routes into urban centers; the opening up of closed military zones and nature reserves for Palestinian use; the lifting of the access restrictions to the Jordan Valley. The Palestinian Jordan Valley must be gradually transformed from its present state as a half-empty, military-controlled border-zone into a thriving, economically-active and densely populated "peace-border" area of fast-growing economic and civilian importance.

6. The international community should influence Israel to stop its evacuation policy in the Jordan Valley. As well as to fulfill its commitment to facilitate the implementation of the Japanese Corridor for Peace and Prosperity initiative and to resolve all outstanding issues.
7. In light of the core value of partnership evident in the Euro-Mediterranean partnership, the EU could play a major role in fostering joint regional development projects in the Jordan Valley area, and could ensure appropriate planning and implementation of the Palestinian Jordan Valley master plan.
8. The donor community should build on the lessons learned from the outcome of the pre-feasibility study on the Japanese-promoted agro-industrial park near Jericho. The donor community should support agricultural, agro-industrial and tourist projects that have been prioritized by representatives of the Palestinian and Israeli business-sectors. Such projects include advanced vegetable-growing projects, fish-growing projects, an organic farm in the northern part of the Palestinian Jordan Valley, a large-scale export-oriented dairy in the area of Jericho, rehabilitation of touristic site, and to develop religious and health tourism.

The donor community should support a water desalination project in the region and to support developing solutions for the urban and agricultural needs of the Palestinian Jordan Valley. The water situation in Palestine is equivalent to that in the Gulf countries, which rely on desalinated water as the primary source of drinking water and increasingly also for agriculture.