

Thousands of Palestinians face food insecurity amid escalating conflict

June 2021



vam
food security analysis

Food Security Status

- Due to the fallout of COVID-19, the number of food insecure has increased from 1.7 million in 2018 reaching 2 million people in early 2021. The recent escalation of conflict deteriorated the already dire situation of Palestinians, raising poverty and unemployment – key drivers of food insecurity. Hostilities led to additional displacement of Palestinians: most of the 113,700 initially displaced persons returned home after the ceasefire, however, 9,000 Palestinians didn't and sought shelter either with host families or at UNRWA schools.
- The number of food insecure in Gaza is likely to increase as loss of income sources, breadwinners, and shelter are expected to exacerbate an already dire pre-conflict situation. Before May 2021, WFP planned to assist 435,000 food insecure Palestinians, out of which approximately 260,000 in Gaza. In response to rising humanitarian needs, WFP is increasing its caseload by covering additional 160,000 individuals will be reached in Gaza and 60,000 in the West Bank².
- The Humanitarian Coordinator launched an emergency response plan, requesting USD 95 million to address the needs of 1.1 million Palestinians over the coming three months. In addition to USD 24 million that WFP requires to continue the regular food assistance, another USD 14 million is needed to provide emergency assistance over the coming three months for the households affected by the conflict.
- WFP and other partners in the Food Security Sector (FSS) are currently working on a food security outlook to identify the most affected people, understand their needs, and design optimal humanitarian and early recovery interventions accordingly. The outlook will be based on secondary and qualitative primary data. The study is expected to be completed within 10 days.

WFP FUNDING REQUIREMENTS
24 USD M
 for regular operations
 (Jun-Nov 2021)
+14 USD M
 for emergency plan
 (Jun-Aug 2021)



2018

more than **1 in 5**

 were food insecure
 0.4 M in the West Bank
 1.3 M in Gaza

2021

almost **2 in 5**

 were food insecure
 0.6 M in the West Bank
 1.4 M in Gaza

Gaza Emergency Response – May 2021³

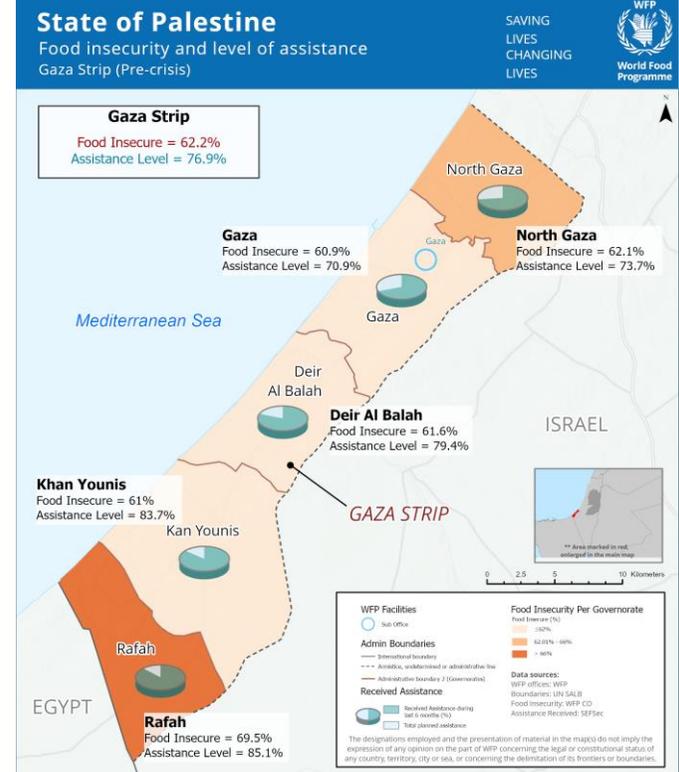
42,623
 Voucher Beneficiaries in **Gaza North**
 Received extra **USD 5**

8,923
 In-Kind Beneficiaries in **Gaza North**
 Received a voucher of **USD 10.3** per capita

42,285
 New Beneficiaries received a voucher of **USD 10.3** per capita.

27,426
 Beneficiaries Received bread through the shops.

318 IDPs at shelters receiving ready to eat food



Faltering Economic Outlook already hit by COVID-19⁴

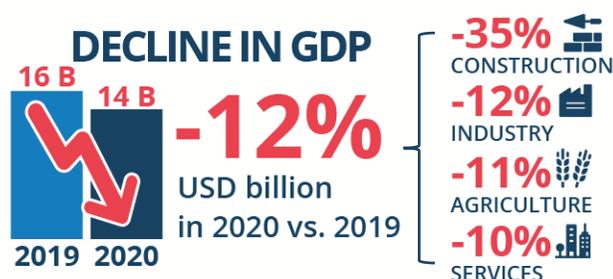
The economy contracted by **12 percent** in 2020 compared to 2019 due to containment measures implemented to curb the contagion (such as full and partial lockdown), affecting most economic sectors. The **service sector** recorded a drop of **10 percent**, **construction** witnessed a decline of **35 percent**, followed by **industry** and **agriculture**, which recorded a decline of **12** and **11 percent**, respectively. Conflict and reconstruction clouded the outlook for 2021, which was pointing to a rebound of the economy before May 2021 following the availability of vaccines and transfer of tax clearance revenues from the Israeli government to Palestine.

More than 4 in 10 Palestinian households saw a decline of their income by half or more during the **lockdown** period compared to February 2020. The proportion of households reporting this decline was higher in **West Bank (46 percent)** than in **Gaza (38 percent)**.

Before the lockdown, **58 percent** of the **Palestinian households** reported **borrowing money** or resorting to **credit** for their expenses, including food. Not surprisingly, this percentage has

risen during the lockdown, with **63 percent** of households resorting to these coping mechanisms. The prevalence was higher in **Gaza** compared to the **West Bank (79 percent vs. 52 percent)**. According to

local authorities, over **2,000 housing units** in **Gaza** were **destroyed** and nearly **15,000 units** suffered some degree of damage. Water and electricity supply networks have also been damaged, limiting households' access to public services. According to the Ministry of Economy, more than **1100 industrial, commercial and service facilities** in **Gaza** have been affected. The initial **economic losses** amount to **USD 40 million** and **1,500 Palestinians lost their jobs**.



The Effects of Conflict on Agriculture

Conflict affected the **agriculture sector**, which contributes to approximately **7 percent** of **GDP** and informally employs **20 percent** of the **Palestinians workforce** in **Gaza**. The **Ministry of Agriculture (MoA)** estimates **direct losses** affecting the agricultural sector at **USD 32 million** as Israeli airstrikes targeted several agriculture facilities, hundreds dunums of arable land and warehouses for grains and agricultural inputs. Losses in the agriculture and livestock sectors are increasing on daily basis as farmers are unable to reach their farms. In addition, the ongoing suspension of fodder imports poses an additional threat to the poultry and livestock sectors.

Further damage to irrigation canals, water pumping systems and greenhouses will likely also set back food production, while unexploded ordnance poses direct risks and prevents the use of the land.



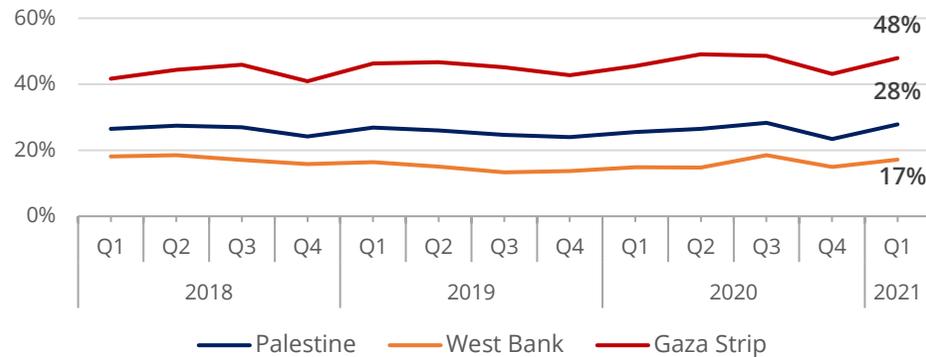
Unemployment and Labour⁵

The effects of the pandemic further compound with the economic impact of the Israeli occupation resulted in an eroded productive capacity of the Palestinian economy. The recent escalation of conflict is expected to worsen the already weak labour market. **More than 66 thousand employees lost their jobs** during 2020. The latest labour statistics produced by the Palestinian Central (PCBS) show that the **unemployment rate** stood at **27.8 percent** in the first quarter of 2021, but reached almost **50 percent** in **Gaza**, the highest unemployment level in the world. Nearly one in three people (**30 percent**) is living

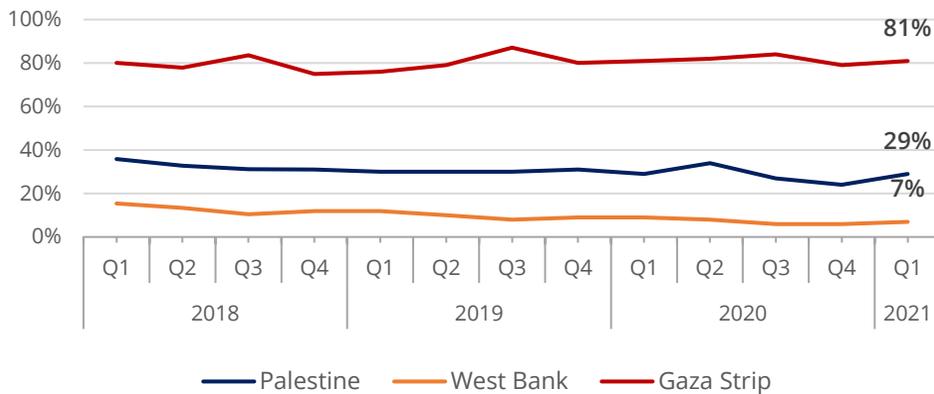
below the poverty line of 2,470 NIS per family per month. The poverty rate stood at 53 percent in the Gaza Strip and at 14 percent in the West Bank (2017, latest available). According to pre-conflict estimates, the World Bank foresees an increase in the poverty rate to 30 percent in West Bank and 64 percent in Gaza.

In the first quarter of 2021, around 29 percent of wage employees in the private sector received less than the minimum wage (1,450 NIS/437USD). In the West Bank about 7 percent of wage employees in the private sector received less than the minimum monthly wage, while in Gaza the percentage was more than 80 percent.

Unemployment rate by quarter 2018-2021



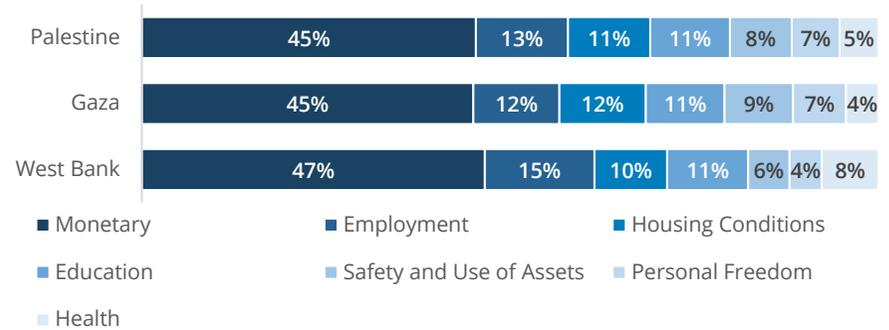
Percentage of wage employees that received less than the minimum wage (1450 NIS), 2018-2021



Multidimensional Poverty⁶

Poverty can be measured also in terms of deprivations people experience in different dimensions. According to a study conducted by PCBS in 2017 (latest) **monetary** poverty is the largest contributor to multidimensional poverty (accounting for 45 percent of all deprivations), followed by **employment deprivation (13 percent)**, **housing and education (11 percent each)**, **safety and use of assets (8 percent)** and **personal freedom (7 percent)**.

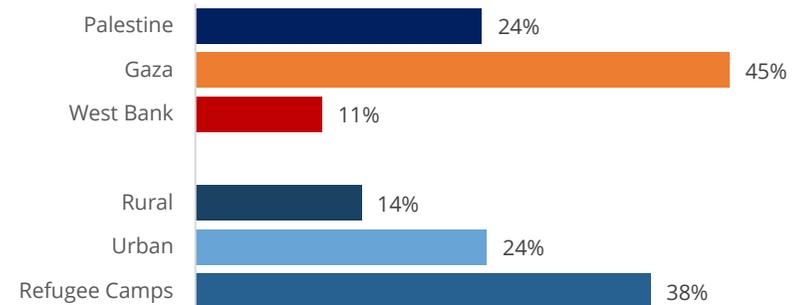
Contribution of each dimension to Palestine-MPI by Region, 2017



In terms of incidence⁷, 24 percent of Palestinians were found multidimensionally poor, with large disparities between West Bank and Gaza (11 vs. 45 percent).

Poverty is more severe in refugee camps (39 percent) than urban and rural areas (24 and 14 percent, respectively), reflecting the high poverty incidence observed in Gaza, as the Strip is mainly urban and hosts most refugee camps.

Incidence of multidimensional poverty by region and locality type, 2017



Sources and Footnotes

¹FSS, PCSB *Socio-Economic & Food Security Survey*, 2018

²Preliminary estimated increase in beneficiaries: Palestine CO - Emergency Messages. These are planned figures and they are likely to increase.

³WFP Gaza Emergency Response Plan, May 2021

⁴PCSB *The Performance of the Palestinian economy during 2020, as well as the economic forecasts for the year 2021*

Al Monitor *Israel transfers over \$1 billion in tax revenues to Palestinians*, December 2020

NBC News *Humanitarian aid arrives in Gaza as rebuilding efforts get underway*, May 22 2020

⁵PCSB *Unemployment* and *Labour* statistics. World Bank: *Palestinian Economy Struggles as Coronavirus Inflicts Losses*, June 2020

⁶PCSB *Multi-Dimensional Poverty Profile in Palestine*, 2017

⁷Poverty incidence represents the proportion of people (within a given population) who experience multiple deprivations. This is known formally as the “multidimensional headcount ratio.”



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