PASSIA

BUILDING STRATEGIES AND SCENARIOS TOWARDS SOCIOECONOMIC DEVELOPMENT IN EAST JERUSALEM

2016

FINAL TECHNICAL REPORT

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PASSIA, the Palestinian Academic Society for the Study of International Affairs, is an Arab, non-profit Palestinian institution with a financially and legally independent status. It is not affiliated with any government, political party or organization. PASSIA seeks to present the Question of Palestine in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavors that research undertaken under its auspices be specialized, scientific and objective and that its symposia and workshops, whether international or intra-Palestinian, be open, self-critical and conducted in a spirit of harmony and cooperation.

This paper describes the process of a project PASSIA implemented during 2015-2016 in partnership with the Open Regional Fund for the MENA region (ORF-MENA) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which included a software-assisted development of various scenarios, strategies and advocacy measures for Jerusalem's future along four sectors (1. Representation, 2. Economy and Services, 3. Urban Planning, 4. Institutions and Civil Society). The goal was to identify ways and means that help Palestinian Jerusalemites remain steadfast inside the city, preserve their identity, strengthen their presence and resilience, and develop mechanisms as well as advocacy tools to improve their socioeconomic situation.

The outcome was a strategy (selected from a set of developed strategies) called MUSTAQBALNA/OUR FUTURE!, which aims to take action for the benefits of the Palestinian community in Jerusalem and to improve, if not reverse, the negative effects of almost half a century of occupation, neglect, and discrimination. The Strategy is described in a separate publication.

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INTRODUCTION _____

At present, Jerusalem faces a situation where "negotiations" have stalled and Israel continues unabatedly its policy of suppression and creation of irreversible facts on the ground. This does not only pre-empt the two-state solution but also deprives Palestinians of any meaningful socioeconomic development, which can be seen in the major discrepancies between the living standards in the east and west of the city.

While all Jerusalemites pay taxes, no more than 10% of the municipal budget is allocated to the Palestinian residents of the city who account for at least 37% of the overall population of 815,000. In the east, for instance, there are only five benefit offices compared to the west's 22; seven health centres for mothers and babies compared to the west's 26; 33 sports facilities compared to 531, and 45 public parks compared to 1,000. There are 30,000 residents per playground in the east, compared to 1,000 residents in the west. Since 1967, over 14,400 Palestinians had their Jerusalem residency revoked by the Israeli authorities. There are also deep gaps in the education sector, most evident in the lack of suitable facilities and shortage of classrooms, currently forcing over 40,000 Palestinian students, who are entitled to free public education, to pay for private tuition at non-public schools. Some 35% of land in East Jerusalem has been confiscated for Israeli settlement use; only 13% of East Jerusalem is zoned for Palestinian construction, of which much is already built-up. East Jerusalem suffers from a shortage of an estimated 40,000 housing units for Palestinians. Housing density in Palestinian neighborhoods is more than twice that of Jewish neighborhoods and it is extremely difficult for Palestinians to obtain building permits, forced many to build without obtaining a license. Currently over 90,000 Palestinians in Jerusalem are at risk of displacement as their homes were built "illegally". According to Israeli statistics, poverty rates in East Jerusalem have reached 76% of the Palestinian residents (and 85% of Palestinian children).

With any political agreement remote, especially the youth are dangerously disillusioned and feel they have no options amid Israeli discriminatory policies[1], which have inhibited Palestinian development in both the socioeconomic sphere as well as with regard to their civic institutions. Since the closure of the Orient House in 2001[2], there has been no official Palestinian institution serving as the contact point to represent and support the citizens of East Jerusalem and their concerns. The absence of Palestinian or international political pressure to end this situation adds to their growing frustration.

The above factors have hindered the existing development potentials in East Jerusalem to unfold and are accompanied by a lack of a shared vision on the part of the Palestinians. As a result, apathy and disillusionment that change is possible through one's own actions has grown and created a tense and hopeless atmosphere which increasingly leads to violence and escalations.

Against this background, and based on the notion that the discouraging situation on the ground should not stop anyone from doing what must and can be done here and now to improve conditions of daily life and to elevate hope for all for a better future, PASSIA, in cooperation with the Open Regional Fund for the MENA region (ORF-MENA) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, initiated a project in 2015 that intended to identify ways and means that help Palestinian Jerusalemites remain steadfast in their city and develop strategies and advocacy tools to improve their socioeconomic situation.

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[1] The major challenges and constraints imposed on East Jerusalemites by the Israeli occupation include discriminatory housing, planning and zoning policies; restrictive residency rights; severe inequalities and neglect (or even denial) regarding services and economic development; continued closure and harassment of institutions.

[2] Orient House, a large is property of the Husseini family that was built in 1897, served as the main political address of Palestinians in East Jerusalem and as the PLO's unofficial representation in the city until its closure on 10 August 2001 by Israel. It is subject to an Israeli law of December 1994 which bans any political PLO activity in the city not approved by Israel. Prior to its closure, Orient House, like other Palestinian key institutions in the city, was regularly threatened with full or partial closure.

The material presented in the following describes the entire technical and partially software-based process of the project, which resulted in the selection of a particular strategy for Jerusalem, which is portrayed and published in detail in a separate report entitled *__Mustaqbalna – Our Future! A Strategy to Improve and Strengthen the Palestinians Presence in Jerusalem__*.

This publication intends to make the strategizing process comprehensible for anyone not immediately involved and to thus serve stakeholders as well as other relevant civil society actors, researchers, professionals, international development agencies, and political representatives working on development in East Jerusalem.

The following pages first explain and illustrate the methodologies and results of **the situation analysis (SWOT and actors analysis – chapter 1)** and the subsequent **strategy and scenario development workshops (chapter 2)** which led to the selection of an overall umbrella strategy. In the **Annex**, details of the developed strategy and the scenario profiles are provided.

1. SITUATION ANALYSIS: SWOT AND ACTORS ANALYSIS _____

In a first step, an extensive review of existing research and literature complemented by consultations with stakeholders helped determine the broad themes for the subsequent strategy- and scenario building workshops of the broader project. This was followed by an intensive series of roundtable discussions and focus group meetings[3] on the current political and socioeconomic development status of Jerusalem which was held in a confidential atmosphere with relevant experts, providing valuable inputs from within their own experience. The following four thematic fields were identified as the main issues of concern for Palestinians in contemporary Jerusalem:

- **Representation** (issues pertaining to the current lack of an "address" and leadership for Palestinians to administer and represent their concerns in Jerusalem)

- **Economy & Services** (issues pertaining to the situation of the Palestinian economic and services sector in Jerusalem)

- **Urban Planning** (issues pertaining to the current situation of land, urban planning, zoning, and housing in Jerusalem)

- **Institutions & Civil Society** (issues pertaining to economic needs and requirements as well as service provision)

In addition to the roundtable discussions, individual representatives of government institutions, civil society organizations and the private sector were also consulted to help refine the analysis. The following is a summary of the outcome of the preparatory research and meetings phase.

Area	Background	Issues & Questions
Representation	The absence of a Palestinian political representation (leadership/"national address") to administer Palestinian concerns in Jerusalem is one of the biggest problems facing Palestinians in the city. Previously, Orient House had served as such address, but it was closed by Israel in 2001[4] on the grounds that it was affiliated with the PLO/PA and therefore violated the Oslo Accords by operating in Jerusalem.[5] The resulting representation and leadership vacuum in East Jerusalem not only adversely affects virtually every aspect of Palestinian life, but also increases the sense of fear and insecurity. The international community, particularly the EU, has also urged for such creating of a single address in the city, not least to reduce fragmentation and duplication of efforts.	• How to bring decision-making back to East Jerusalem? • What kind of independent representation (address/body/unit/civil society initiative) to create by and for East Jerusalemites? • Models for a Palestinian representative body in Jerusalemites - initiatives and proposals to date, ideas to work on. • Are there lessons to be learned from others (e.g., Arab municipalities in Israel)? • What are the priorities for municipal-level policies?

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[3] Some of these were more brainstorming rounds while other featured a speaker (and sometimes a discussant) on a certain topic. Among the debates were Palestinian-only sessions, while others involved internationals and - where they provided unique access to specific technical knowledge, which could not be provided otherwise, or where their feedback or assessment was deemed essential - Israeli professionals.

[4] Along with several other crucial institution in Jerusalem such as, *inter alia,* the Chamber of Commerce, the Palestinian Center for Micro- Project Development, the Land Research Center, and the Higher Council of Tourism

[5] A law titled "Implementation of the Agreement on Gaza and Jericho (Restrictions of Activity)" passed by the Knesset in 1994 forbade Palestinian activity "unless with the agreement of the Israeli government, to prevent the Palestinian Authority or PLO diplomatic or governmental activity or anything similar within the borders of the state of Israel that was not consistent with respect for the sovereignty of the State of Israel."

Economy & Services	Since 1993, East Jerusalem has gradually become a closed city, access to which is denied to the majority of Palestinians, regardless of the purpose (e.g., visit, worship, work or use educational and health services). The separation barrier, checkpoints and the permit regime restrict the movement of people and goods, severely disrupt economic activities and form a significant constraint on the city's development potential. Paired with a neglected physical and economic infrastructure, high living and housing costs and bureaucratic headaches, this has driven many Palestinian organizations and businesses into outlying areas and the West Bank, resulting in further disintegration of the city's economic, cultural and social life. While under Israeli law, Palestinians from East Jerusalem are "permanent residents" and thus entitled to equal services, infrastructure, maintenance, and development , they have been discriminated against and their part of the city has intentionally been neglected: while Palestinian Jerusalemites constitute almost 38% of the population, Arab East Jerusalem receives less than 10% of the municipal budget – negatively affecting all sub-sectors (water, sewage, education, health, transport, etc.). Dependence on the Israeli systems is high and increasing, as are poverty (75%) and unemployment (19%) rates among Palestinians.	• Status and problems of economy in general (GDP has declined by more than half since 1987; Israeli master plan does not consider Palestinian economy; Jerusalem is not part of the PA's national development plan for 2014-2016; there is no Palestinian industrial zoning, little commercial abilities; most establishments are small scale and whole sale/retail); • status and problems of tourism (tourism: natural driver - 40% of Jerusalem GDP) but suffers from Israeli dominance and absence of coherent strategy • status and problems of educational sector (classroom shortage, substandard, low budget); • status and problems of health sector (mobility & financial problems, lack of specializations); • financial problems (there is no Palestinian banking, very little PA budget[6]); • status and problems of other sectors: electricity, water, sanitation, local contracting & ICT; • role and potential of the Arab Chamber of Commerce; • major development needs; • How to revive economic, infrastructural, cultural & social activities (past and present initiatives, training and investment needs); • How to advocate for the improvement of services; • Role of the international community in terms of funding, protection, and "internationalization".

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[6] In 2014, only 0.4% of the PA budget was allocated for Jerusalem (~$115 million).

Urban Planning	East Jerusalem is regarded as occupied territory and Israel's activities in this part of the city are considered not only illegal but also null and void. However, since the occupation in 1967, consecutive Israeli governments have zealously pursued a policy aimed at changing the city's Arab character and 'Judaizing' East Jerusalem to create a new geopolitical reality that guarantees Israel's territorial, demographic, and religious control over the entire city. Over many years and in violation of international law (especially regarding the annexation of territory by force and the transfer of civilians to occupied territory), Israel has expropriated huge areas of land in occupied East Jerusalem and built a series of settlements. At the same time, they have deprived Palestinians in the city of their rights to build housing and infrastructure and the provision of proper services. Palestinians have maintained and increased their presence in the city against all odds (huge "informal" development since the mid-1990s).	• Israel's discriminatory practices regarding residency, housing etc.; • Israeli planning and zoning in the city; • Palestinian alternative planning & zoning in the city; • urban planning imperatives; • adequate allocation of resources; • different approaches municipal, metropolitan etc.; • imparting the importance of planning • East Jerusalem needs at least 1,000 new housing units annually - reality: no more than 200 permits; • Available housing is often not affordable. The average price for licensing a 110-120 m^2 house is $55,000, while the average price for building a ready 110-120 m^2 house (incl. licensing) stands at $220,000; • The average duration for a Palestinian plan to be approved by Israeli authorities = 12 years.
Institutions & Civil Society	The closure of vital Palestinian institutions forms part of the broader goal to increase the Jewish presence in East Jerusalem while weakening the Palestinian community and impeding both their development in the city and their connection with the rest of the West Bank. Despite assurances not to hamper them[7], Israel has targeted numerous institutions which perform an essential task for the Palestinian population in the city. The international community, including the EU and UN[8], has repeatedly called for the Palestinian institutions to be reopened to stop the undermining of Palestinian efforts to provide vital services and a political presence to Palestinians in the city.	• Historical evolution of Palestinian institutions in Jerusalem; • present status, activities, funding and social-economic significance of these institutions; • their problems facing and depending on the Israeli system and its regulations; • the impact of the Israeli-imposed closure on their functioning; • their initiatives/contributions towards a solution of the Jerusalem question; • their position within Palestinian society and relations/cooperation/coordination with the PA and with other institutions inside and outside Palestine; • their requirements to remain in or return to the city; • the need to pressure international donors to provide core funding.

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[7] Issued by then Israeli Foreign Minister Shimon Peres on 11 October 1993 to his Norwegian counterpart, Johan Jorgen Holst in the framework of the Oslo Accords.
[8] E.g., UN Security Council Resolution 1515, which endorsed the Road Map and thus, implicitly, made the opening of these institutions an Israeli obligation.

Afterwards, detailed SWOT analyses[9] were conducted to pinpoint and analyze the main development challenges in each of the following four priority areas.[10]

	Positive	Negative
Internal (within control)	**STRENGTHS**	**WEAKNESSES**
External (beyond control)	**OPPORTUNITIES**	**THREATS**

Figure 1: SWOT Analysis Matrix

The following is a summary/break down of the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats that resulted from the SWOT analyses, whereby strengths and weaknesses refer to the internal factors that are within one's control, while opportunities and threats are rather external conditions that are beyond one's influence.

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[9] SWOT analysis is a structured planning method that evaluates the **s**trengths, **w**eaknesses, **o**pportunities, and **t**hreats (acronym = SWOT) of a project, organization, etc.
[10] The SWOT analysis workshops were supported and facilitated by Iyad Joudeh, a business development expert and Managing Director of the Ramallah-based *Solutions for Development*.

Representation[11]

Strengths	Weaknesses
• Strong individual and group sense of identity among the Palestinian community in East Jerusalem. • Strong desire and willingness among certain groups to engage in public affairs and public service. • International recognition of East Jerusalem as part of the Palestinian occupied territory supported by international law and UN resolutions. • Strong institutional base (with over 170 civil society organizations) that holds up and sustains the city.	• No single reference point which creates a sense of loss/vacuum among people and institutions as to whom they are accountable to, who leads, protects, and represents them politically, socially, or economically. • Absence of a shared vision and common set of goals that should unify Palestinians with regard to the political and socioeconomic future of Jerusalem. • Weak coordination between the various departments and organizations mandated to represent Jerusalem within the PA and parties. • Weak relations and coordination between national and Jerusalem community-based religious and political leadership. • Often obsolete and irrelevant (decades-old) leadership in institutions, unwilling to accept change and make room for younger generations.
Opportunities[12] • Somewhat sustained and growing interest from international community/organizations (e.g., UN, EU) to engage in and fund development activities. • International positions hold almost sacred historic agreements made in 1967, and 1993, etc. and favor that East Jerusalem remains Palestinian.[13] • Existence of local initiatives (by residents and foreign bodies) to revive East Jerusalem and boost its economic, educational and cultural sectors as well as volunteerism.[14] • Trends among Palestinian workforce to look for local (East Jerusalem) jobs, which – even if only due to the Israeli-imposed movement restrictions - increases available labor force in the city.	**Threats** • Israeli occupation policies and practices (national, municipal, police/military) pursuing Israel's strategic direction toward a "unified Jerusalem" which projects the dissolve of east Jerusalem.[15] • Drastic demographic change due to Israeli policies targeting the residency status. Fewer Palestinians in Jerusalem is a threat to any official representation hoped for in Jerusalem. • Calls for integration into Israeli municipality and other public offices to effect change "from within". This is a threat to independent Palestinian leadership in Jerusalem as it attempts to create local community leaderships attached to the Israeli municipality and its agenda.

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[11] It should be emphasized here that the issue of national governance and political representation was actually raised during all SWOT workshops, not only in the session on representation. Actually, it was found to be the number one issue which influences all facets of life in East Jerusalem.

[12] With regard to "opportunities", many issues were raised which were not directly related to political representation and leadership, but were seen as factors that could enable and empower a "new" rising community-based leadership.

[13] For example, recent Swedish support is an opportunity for Palestinian action and reciprocated expression of solidarity, as well as alignment of economic activity, marketing and promotion of products and services, potential for trade and investment with East Jerusalem.

[14] Some of these initiatives have already transformed into youth organizations and given way to a new generation of community organization.

[15] E.g., the recently announced Israeli Labor party's plan which seeks to redefine the Old City (currently within East Jerusalem) as a neighborhood within "greater Jerusalem" while cutting off the surrounding Palestinian/Jerusalemite neighborhoods, potentially transforming into ghettos/slums.

Economy and Services

Strengths	Weaknesses
• Rich tourism sector with sites (attractions) of high historic and religious significance (making tourist activity is somewhat reliable). • High quality services in healthcare and education. • Demographic diversity in terms of religion, culture, language, socioeconomic status, age, etc. • Young population – high labor force potential. • Seasonal activities (festivals and other events, such as shopping festivals, the "Nablus Road Open Days", film and music festivals). • Relative freedom of movement as Jerusalem residency status allows free access to Israel proper as well as to the West Bank (via checkpoints though). • Strong brand associated with Jerusalem's historical, religious, architectural, and political significance. • Strong base of civil society organizations with over 170 civil society organizations. • Relatively strong infrastructure regarding water, wastewater, waste collection, electricity, transport and telecommunication. • Relatively high income rates (compared to West Bank and Gaza residents, not Israelis compared to whom they have a much lower consumer power) and thus purchasing power. • Strong international presence (diplomatic corps, international agencies and individuals). • Access to international and Israeli knowledge ensures high sector specific knowledge and expertise.	• No market regulation, turning the Palestinian market into a dumping site of Israeli low-quality products. • Weak business management[16]. • Lack of economic leadership or strategy. • Poor understanding of Israeli economic policies. • Limited access to finance. • Weak service sector (many education and healthcare institutions operate at low standards, with little coordination, monitoring and accountability). • Social problems (high rates of school dropouts, drug use, collaboration with occupation forces, etc.). • High poverty rates (Israeli statistics suggests that 75% of Palestinian residents live below the poverty line). • Little legal protection of Palestinian businesses and individuals; not utilized/enforced legal frameworks. • Weak investment (due to insecure political climate). • Financial burdens (Israeli taxation, municipal policies). • Weak private sector as economy largely relies on tourism at expense of other productive industries. • Poor information on services and businesses. • Insufficient and sub-standard tourism facilities. • No manufacturing or agricultural activity (but aid). • Unfair competition with Israel (which invests in and controls/has access to national & international markets. • No unified strong voice to represent and market EJ. • Little opportunities to access and develop land. • Skewed labor market: rising labor costs, limited skilled labor, thus low capacities.[17] • Weak public transportation system[18].
Opportunities	**Threats**
• Chamber of Commerce has a clear mandated role and task, can assemble & mobilize economic actors. • Local & international initiatives to boost economy. • Opportunity to tap onto market opportunities (via Diaspora and diplomatic relations)[19]. • Seasonality may trigger new initiatives (cultural events, festivals, etc.) to "beat" the weak months. • Technological advancements. • Security situation/political conflict can be a business opportunity as residents' tend to shop locally. • Outsourcing opportunities due to high skilled labor in design and digital sectors as well as call centers. • Renovating and converting main streets (e.g. Al-Zahra St., Old City Khans) into tourist destinations. • Networking and coordinating opportunities among complimentary sectors to provide more comprehensive and affordable products/services.[20] • Supportive international positions on East Jerusalem as Palestinian and on validity of agreements. • Possibility to use Israeli support or incentives particularly for tourism ventures.	• Perception of safety and security in East Jerusalem effects tourism and thus other economic activity. • Seasonality of economic activity depending on religious feasts, weather, festivals, etc. • Poverty, high costs of living (due to globalization, inflation, and taxation), few employment opportunities, etc. - threatens residents' sustainability and may encourage emigration, emptying Jerusalem of its Palestinians, particularly young families.

[16] Many businesses in east Jerusalem are family-owned and family-run, managed in an informal and unprofessional way.
[17] Skilled workers tend to go for higher paid and more secure employment provided by Israeli and international employers.
[18] A single private company controls public transport in/around East Jerusalem, holding a monopoly and serving limited areas.
[19] E.g., to BRICs countries (Brazil, Russia, India, and China).
[20] There is also networking opportunity between businesses in and around the Old City and potential investors, as well as between unutilized property owners (owned by Islamic Awqaf or the Church) and potential business ventures.

Urban Planning

Strengths	Weaknesses
• Solid base of Palestinian residents (over 300,000). • High population density solidifies Palestinian presence and property ownership. • Young population with 64% under 30 years. • Deep sense of pride, identity & affinity to Jerusalem. • Highly skilled in fields of urban planning, engineering and architecture. • Internationally significant historical & religious sites (Dome of the Rock, Church of Holy Sepulcher, etc.) • International attention due to the historic/religious significance and the ongoing political conflict protects from further annexation and ensures direct support and aid from the international community. • Significant amounts of land/property owned by the Islamic Awqaf, governed by Jordanian law, and by Churches, governed by their Patriarchates, reduce threat of repossession by Israel. High percentage of individual ownership. • Recognition (international law) as disputed territory reduces threat of mass land repossession by Israel. • International possession of several properties (e.g., by France, Russia, UK, etc.) protects part of the land. • Urban planning (licensing, permits, and other coordination and regulation schemes) is required by law.	• No strategic (national) plans since Israel's annexation in 1980; no sector-specific urban planning strategies. • Lack of political reference/representation leaves planning activity disorganized and directionless. • No political vision, while rhetoric maintains decade-old positions considered obsolete and irrelevant. • Largely unorganized and unregulated construction in areas beyond the separation wall. • Weak coordination between/among Palestinians operating in the field of urban planning. • Several actors as official references (e.g., PA, Israel, etc). • Weak ownership documentation: lacking or fraudulent title deeds (*tabo)* make property vulnerable to Israel. • Incomplete, unorganized registration leaves land unrelated to a larger urban plan. • No clear borders and redrawing of borders in favor of an Israeli (majority Jewish) Jerusalem. • Unaffordable (thus unsold/unrented) real estate and limited access to finance.[21] • High cost of construction, licensing, and taxation.[22] • Limited - in quality and quantity - infrastructure and services in Palestinian neighborhoods. • High risk of house demolition due to building without permits (which are hardly to obtain). • No medium-/long-term vision due to instability. • Limited popular awareness of (Israeli) legal proceedings with regard to urban planning.
Opportunities	**Threats**
• Utilization of existing urban planning schemes developed over the course of recent decades. • Availability of an estimated 10,000 dunums of undeveloped, unplanned land. Lack of planning schemes can be an opportunity for developmental planning. • Access to finance via the PA (from Palestinian banks, particularly for licensing costs). • Huge market demand for residential housing (young and growing population!). • Marketing of existing unsold and unrented housing. • High interest by institutions in urban planning sector. • Utilization of Israeli laws.[23] • Modernized lifestyles facilitate modern urban planning trends, including in education, health etc. • Development of Awqaf property in Jerusalem. • Opportunities to invest due to high housing demand. • Raising awareness among Palestinians about Israeli law and legal proceedings with regard to land issues.	• Israeli policies (on residency, land, housing, wall etc.) try to force people out of the city and to isolate Jerusalem from its natural hinterland. • Ghettoization of neighborhoods due to socioeconomic conditions and separation barrier. • Limited land use due to Israel's designating it to serve its own purpose. • PA neglect/inability/unwillingness to treat Jerusalem as a national issue and residents' needs as its responsibility threatens residents' sustainability and the city's legal status as disputed territory. • International attention and interest[24] may result in the division of land between parties of interest, furthering the loss of land from Palestinian residents. • Civil land disputes threaten Palestinian ownership as Israel often repossesses disputed land. • "Competition" - as investments are diverted to the West Bank for political reasons. • Idle Islamic Awqaf with regard to protecting/developing its property.

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[21] Palestinian financiers consider Jerusalem residents and organizations high risk beneficiaries given limited jurisdiction of Palestinian law over them, while Israeli bank conditions are unrealistic to Palestinian residents' economic means.

[22] The cost of construction including licensing for an average 100-120 m^2 apartment is estimated at US$250,000-300,000. Taxation - in accordance with Israeli law - is high relative to Palestinian residents' average income. Jerusalem property owners and renters are liable to pay the following types of taxes: *Purchase Tax* when property is acquired, *Capital Gains Tax* when it is sold, *Municipality Property Tax* (*Arnona*) when it is held, and *Income Tax* when it generates rental income.

[23] Which a) allow for relevant actors to propose urban planning projects, incentivize the planning/ development of multi-purpose structures and the development/improvement of homes built pre-1980 (protection against earthquakes etc.).

[24] International attention and interest is considered as a strength, but may also have reverse effects.

Institutions and Civil Society

Strengths	Weaknesses
• Most institutions have strong and specific strategies with public interest and service at their core. • Almost each service sector (e.g. in health and education) has identified goals clear to all parties. • Successful, effective cooperation between Jerusalem institutions, coordinating and sharing resources[25]. • Organizations as employers: There are more than 170 civil society organizations in Jerusalem and they provide employment to a significant number of the population.	• Duplication of efforts due to weak coordination, negatively effecting on service quality and access to funds. • Weak capacities due to poor management, lack of vision, and weak programming (design and implementation). • Very little communication/relations between East Jerusalem organizations and the PA, leading to a lack of (national) direction, accountability and monitoring/evaluation. • Negative competition among organizations due to their large number and limited funding. • Lack of connection to and trust in local community, especially among youth. Organizations are often unable to respond to the real needs and desires. • Political and financial pressure from Israel. • Dual financial and regulatory systems (Israeli and Palestinian law), creating legitimacy and financial problems. • Limited monitoring besides that donor of agencies resulting in donor-driven actions, poor management and service quality. • Absence of a national body and unified strategy/agenda for development in East Jerusalem. This results in duplicated efforts, lost resources, and limited popularity.
Opportunities	**Threats**
• Awareness of internal weaknesses (e.g., lacking coordination, duplication, etc. and need for coordinated efforts. • Supportive international political positions: The international community generally holds a positive stance on East Jerusalem, the need to remain Palestinian and almost holds sacred historic agreements made in 1967, and 1993, etc. For example, recent Swedish support vocalized by the foreign minister is an opportunity for Palestinian action and reciprocated expression of solidarity, as well as alignment of programs and interventions in East Jerusalem. • Viable funding sources as international agencies remain committed to East Jerusalem. • Opportunity for cooperative and co-efficient networks (including educational sector, youth clubs, etc.).	• Community resistance: After years of operation in East Jerusalem, with mixed records of success cases and failures, Palestinian civil society organizations may accrue a negative reputation among the local communities who may then resist and oppose the presence and service of the organizations, rendering them irrelevant. • Pressure from occupation policies and practices (e.g., changing legal terms, increasing taxes, limiting organizations' access and jurisdiction) threatens the sustainability of civil society organizations.[26]

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[25] E.g., East Jerusalem Hospitals, Tourism Cluster, Women's Empowerment, Cultural Network.
[26] Threats might be particularly valid in the case of unifying organizations within umbrella networks that are sourced and supplied from single sources which are then much more easily obstructed.

2. STRATEGY AND SCENARIO DEVELOPMENT_____

Based on the above situation analysis, the project team then embarked on a scenario-based strate-gizing process[27] to better understand the driving forces and challenges that impact the four priority areas as well as the overall situation in East Jerusalem today and will do so in the upcoming years.

2.1   Background on Scenario Development

The primary purpose of scenario development exercises is to integrate scenarios into a qualitative decision-making framework. In the context of the PASSIA-GIZ project the primary intention was to support decision-making by embarking on an adaptive strategizing process that studied options against a range of scenarios to determine and, if possible, incrementally improve the degree of fit.

Generally speaking one decides from a set of *options* to achieve his/her *objectives* (derived from a vision and the related mission) under a set of *frame conditions* representing the organizational environment. In a temporal perspective one is deciding today what is going to be implemented in a future environment. Whilst both options and frame conditions refer to the future, there is a fun-damental difference with respect to the control of these variables: options refer to the part of va-riables that are under the control of a decision-making body, while frame conditions represent the part of a system that one is not in control of. The future is uncertain. We have a significant degree of influence over the options at hand but almost no influence over the future contextual environment. Enhancing decision-making under uncertainty or uncertain contextual environments is the primary motivation of constructing scenarios: apprehending the possible future environment(s) within which our actions will need to produce impact.

There are other motivations to construct scenarios. The expansion of stakeholders' imaginations to see a wider range of possible futures allows for a much better positioning and thus to take advantage of the unexpected opportunities that will come along. The development of normative scenarios for general orientation or worst case scenarios to direct public attention are very important ways of applying scenario technique. The concept of "transition scenarios" describes a hybrid form of scena-rio use, combining process and product functions while having both an explorative and a normative orientation. In the case of the PASSIA-GIZ scenario development process there is a secondary use beyond the support of decision-making, namely the use of the developed scenarios as an advocacy tool vis-à-vis the international community as well as the East Jerusalem civil society.

2.2   Parmenides Eidos Visual Reasoning Methodology

Substantial parts of the project have been carried out in a participatory manner in form of workshops allowing for an open discussion of the different elements of the strategizing process. Both the structuring of the overall process as well as the facilitation of the workshops was supported by the Parmenides EIDOS visual reasoning methodology, an innovative, software-based approach to manag-ing the entire decision-making process. This is done with the help of customizable pre-defined process templates, which allow for visualizing complex situations, building alignments among deci-sion-makers, and supporting the identification of possible courses of action.[28]

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[27] The scenario development process was supported and guided by a soft-ware based approach and moderated by a scenario development expert.
[28] Over the past 15 years Parmenides EIDOS has been applied in over 200 consulting processes in the public sector – a significant part of which have been commissioned directly or indirectly (by means of technical or developmental cooperation agreements) by national governments. For more details see https://www.parmenides-eidos.com.

Figure 1: The Eidos Management Suite

The set of highly visual and interactive tools provided by Parmenides EIDOS assist and structure strategic thinking and reasoning processes by breaking down problem-solving, decision-making or policy development concerns into their components, thereby increasing the efficiency and the quality of decisions.

2.3 Strategizing Workshops and Results

The scenario-based strategizing workshop series constituted the second phase of the overall project on "Building Scenarios towards Socioeconomic Development in East Jerusalem". The strategies were developed with a set of defined and measurable objectives (see Workshop I under 2.3.2 below) in mind and were tested for their robustness in different environments as nobody knows how the future will develop (see 2.4 below).

2.3.1 Initially Planned and Revised Process

The overall process defined during the project negotiation phase consisted of the following steps:

1) **Goal Assessment**: Based on the vision and mission defined by the project team, **objectives** were identified which will serve as evaluation criteria for the strategies developed during the project.

2) **Situation Analysis**: The driving forces from the four thematic fields identified during the SWOT analyses were subject to a systemic analysis in order to identify external and internal **key drivers** as axis for the subsequent strategic option and scenario development phases.

3) **Option Development**: Each *internal* key driver identified in the prior exercise constituted a dimension for developing (strategic) options. For each key driver mutually exclusive options capable of changing the driver in a desired direction were developed. With the help of a so-called consistency matrix, synergies and consistencies between the developed options were evaluated and consistent combinations of options were saved as basic strategic approaches.

4) **Scenario development**: Each of the identified *external* key drivers constituted a dimension in the scenario development process. For each of the dimensions possible projections representing a possible future (in this case by 2020) state of the dimension was developed and again combined to consistent scenarios.

5) **Option Evaluation:** The options developed under 3) were then evaluated with respect to their capacity of supporting the objectives defined under 1) and their robustness in the scenarios developed in 4). This is visualized in a matrix displaying the approaches in a four-quadrant-portfolio with the dimensions (axis) "goal-based efficiency" and "scenario robustness", which allows the assessment of the overall usefulness of a particular strategic approach.

A description of the different Parmenides EIDOS modules used during the workshops can be found in Annex C.

**Building Scenarios towards Socioeconomic Development
in East Jerusalem – Process Overview**
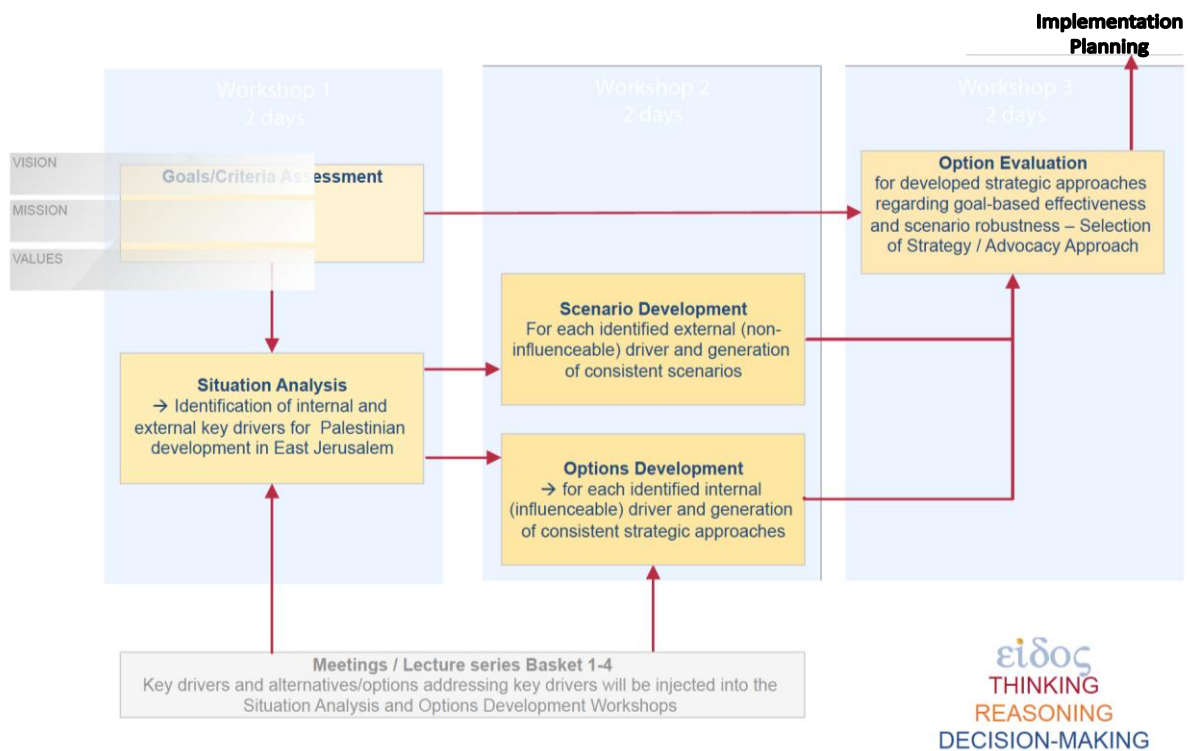
Figure 3: Initially planned process

In order to cease the opportunity to build on the already developed SWOT analysis (and the in-depth roundtable discussions in the project's initial phase) as well as to live up to the complexity of the subject matter, the PASSIA project team then decided to modify the original process: instead of consolidating both the internal and the external factors into one "umbrella" strategy/scenario development effort right away, the strategy development process was "split" into four separate processes – one for each thematic fields – which were at a later stage consolidated into "umbrella strategies" through an additional option development process, which had the thematic fields as dimensions and their developed strategies as options. This approach allowed the team to produce more detailed/rich, analytical and elaborated overall strategic approaches, which could be revised, refined and consolidated at any time during and between the workshops.

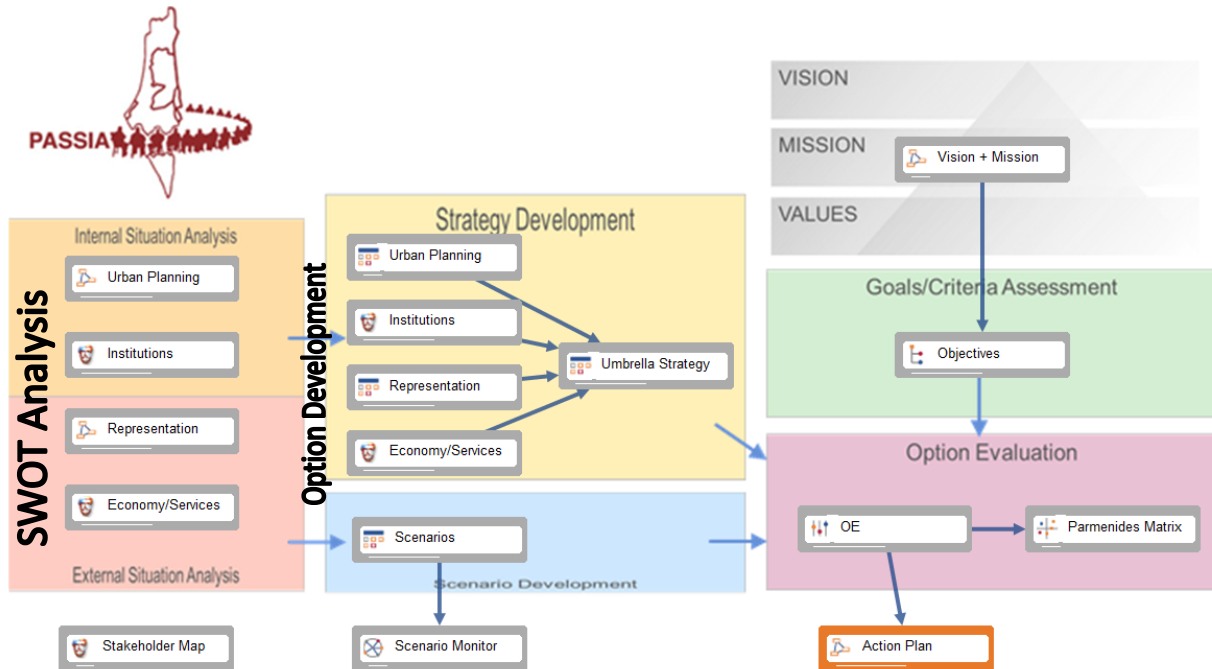**PASSIA Scenario and Strategy Development – Overall Process**

Figure 4: Revised process

2.3.2   The Workshops

The actual strategy and scenario development process took place over the course of four two-day workshops, which are described in the following.

■ **Workshop I: Introduction and Goal-Setting (March 21-22, 2016):**

Participants adopted the revised process (see above) and began refining and reassessing the work undertaken during the SWOT workshops. They were then introduced to the Parmenides **EIDOS Visual Reasoning software** and trained in its basic functionality (e.g., opening and saving files, creating and linking elements, introduction into the core modules Goal Assessment, Situation Analysis, Option Development, and Option Evaluation) as well as the basic rationale of its methodology and the planned approach.

The definition of objectives entailed an in-depth discussion on the **vision** and **mission** guiding the overall exercise. The definition of a mission as well as the upcoming separation of internal and external factors required the definition of an actor's perspective. Without such perspective neither a mission statement can be defined nor a decision taken whether a key driver is within the area of control or constitutes a framework/scenario factor. The actor was preliminarily defined as "PASSIA Jerusalem Platform" (later PASSIA Core Group), standing for the *East Jerusalem* civil society, including, but not limited to civil society organizations, professionals, academics, business people, representatives of the public sector and of religious and other communities.

First, the vision and mission statement for the "PASSIA Jerusalem Platform" were defined as follows:

Vision:	**A steadfast Palestinian Society in East Jerusalem (capital of Palestine) working effectively towards justice, freedom and dignity within the larger Palestinian historical struggle against the Israeli occupation.**
Actor:	**PASSIA Jerusalem Platform**
Mission:	**Provide a forum to jointly strategize and coordinate efforts towards strengthening Palestinian presence and livelihood.**

Figure 5: Vision and Mission statements

Based on the above vision and mission statement a set of four main **objectives** (or areas of aspiration) with related sub-goals were developed by the core group:

Figure 5: Objectives defined by participants

Once the objectives (and sub-goals) were reviewed the team discuss their importance or relevance in the set time horizons[29] on a scale from 1-10 with 1 being rather unimportant and 10 being of highest importance (Matrix View).[30] From these ratings, the Goal Assessment tool generates pie charts for interpretation (Chart View), whereby it applies that the wider the angle of a segment, the higher its relevance compared to the other goals, and the closer the segment of the pie is to the outer circumference, the higher the fulfillment of the goal.

During the first workshop, the team also identified initial **factors from the SWOT analyses** in the different thematic fields and discussed the question, which factors in each field influence the ability of the "PASSIA Jerusalem Platform" to reach its objectives.

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[29] These were end of 2016, end of 2018 and 2020.
[30] Another tool, , displays pie charts generated from the relevance and fulfillment ratings assigned in Matrix View.

Prior to the second workshop the team also reviewed the factors (Are they overlapping? Is grouping possible? Are they in scope of the question?), and marked them as *internal* (=blue), i.e., within PASSIA Jerusalem Platform's control, or *external* (=red), i.e., out of our control.

■ **Workshop II: Situation analysis and Strategic Option Development** (April 18-19, 2016):

The first activity in the second workshop was revision of the systemic SWOT analyses and the translation of the various identified factors into situation anayses with the help of the Eidos tool (see sample in Figure 6a). The Situation Analysis tool helps to reveal the nature of a problem. By understanding the relationships between the factors that make up the problem, the tool allows one to distinguish between important and less important factors. The discussion of the relationships of each factor with all others helped detecting *direct* "common sense" influences between these factors - illustrated with arrows in the Diagram View (see sample in Figure 6b) – which in turn helped to select the most important *internal key factors* (strength, weaknesses) of a problem.[31]

In the next step, the results of the above were visualize in the graphic Active/Passive Map (see sample map in Figure 7) and the team discussed whether the "right" key drivers had been identified (i.e., was there anything surprising, e.g., a key driver that one would not have thought of, or *vice versa*?). The graphic Active/Passive Map thus helped to find the key factors that drive a situation: factors on the left hand side of the Active/Passive Map are active, which means that they drive other factors. Accordingly, any modifications of such an active factor will have an impact on other factors. In contrast, factors on the right hand side of the Active/Passive Map are passive, which means they are driven by other factors. Therefore, it is very likely that one has no immediate or direct control over such factors.

A factor's position on the map depends on/results from the number and direction of influences detected between the factors in the previous step.
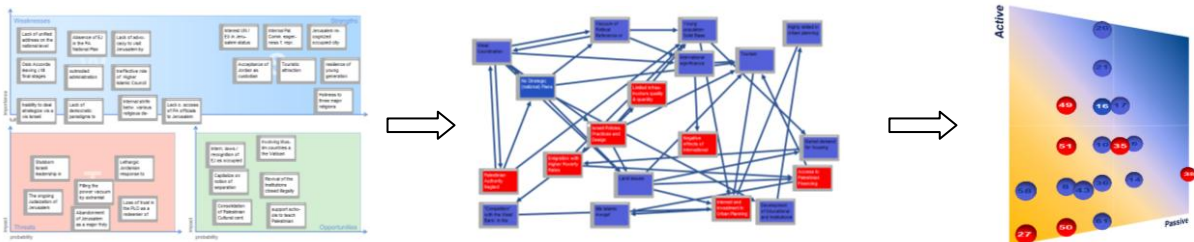

Figure 6a: Sample factors from SWOT analysis   Figure 6b: Sample factor influences   Figure 7: Sample Active/Passive Map

The Active/Passive Map thus helps to identify two different types of key factors:

- Internal key drivers or strategy development factors, which can be controlled and manipulated while developing a strategy.
- External drivers, or risk assessment factors, which are (almost) beyond control, but need to be taken into account during the scenario development.

Based on the application of such an Active/Passive Map, the team identified the following preliminary **key drivers** (framed in orange) in the four thematic fields:

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[31] For further analysis, the tool allows for a Feedback Analysis to identify feedback loops within the situation described in the situation analysis, and provides a Link Matrix to check and, if necessary, adjust the arrow ratings.
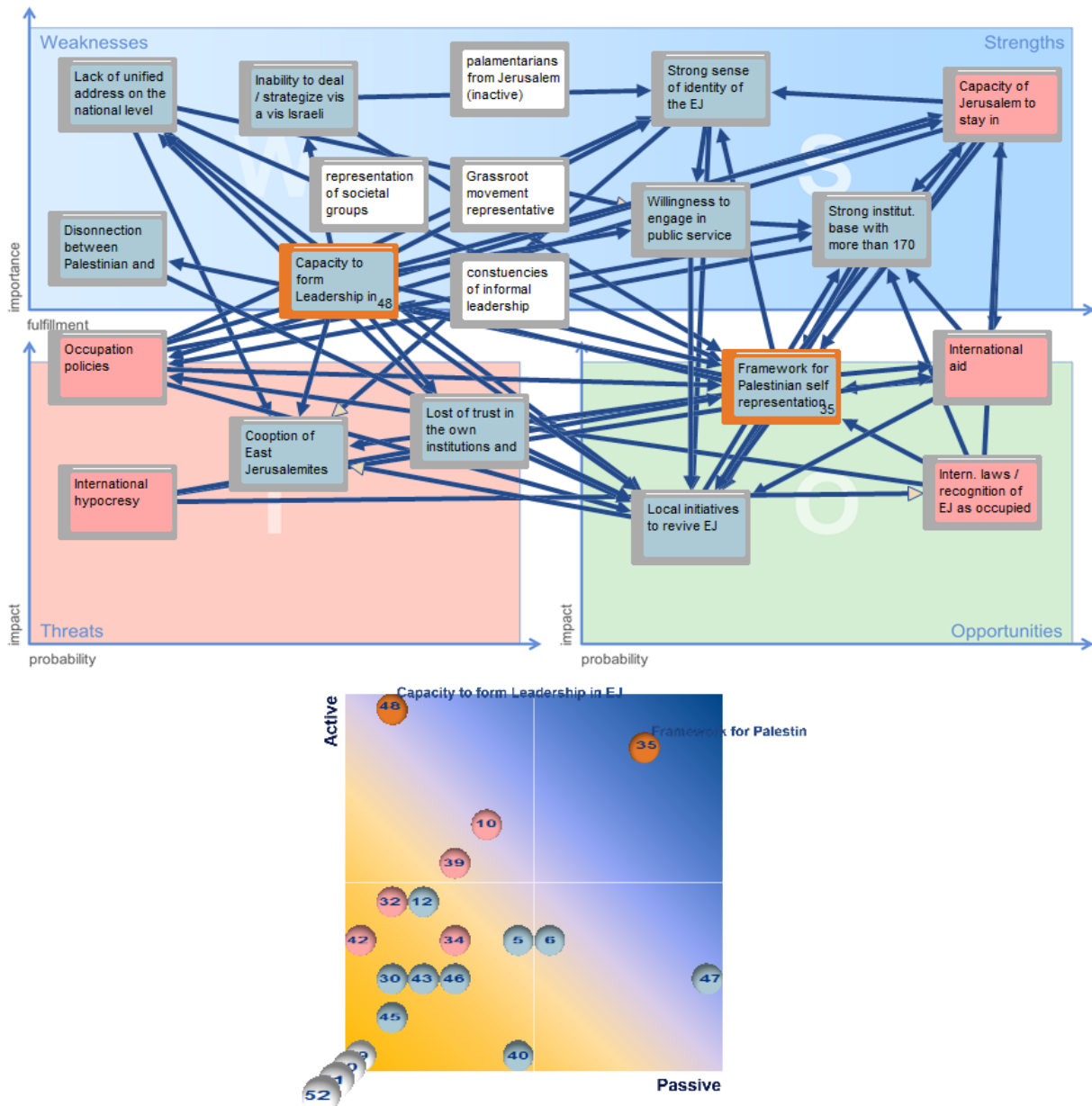
A. Key Drivers - Representation

Figure 9: Situation Analysis and resulting Active/Passive Map for "Representation"

- Capacity to form Leadership: There is an urgent need to identify and support a new generation of leaders ("new faces, new blood") that stands for inclusive, open-minded, non-sectarian governance. Currently Palestinians in Jerusalem have neither a shared vision nor a common set of goals. What remains of the Palestinian institutions in the city is often characterized by an outmoded administration. The ineffective role of the Higher Islamic Council and the internal strife between various religious denominations over who should govern speak volumes. However, on the other side, the internal Palestinian community's eagerness to find representation for their political aspirations and engage in public services, and the strong sense of identity and resilience of the young generation are clear assets to capitalize on.

- Framework for Palestinian Self-Representation: In the absence of East Jerusalem from the PA National Plans, and due to the lack of access of PA officials to Jerusalem and the disconnection between the Palestinian leadership and the Jerusalem community, as well as a loss of trust in the PLO as a redeemer of Jerusalem, a solution for the Palestinian Jerusalemites' representation is

needed. Revival of the institutions closed illegally by the Israelis in Jerusalem (e.g., Orient House, Chamber of Commerce, Arab Studies Society, etc.) is imperative. Given a strong institutional base with more than 170 civil society organizations in the city, consolidation of Palestinian organizations and cultural centers is essential.
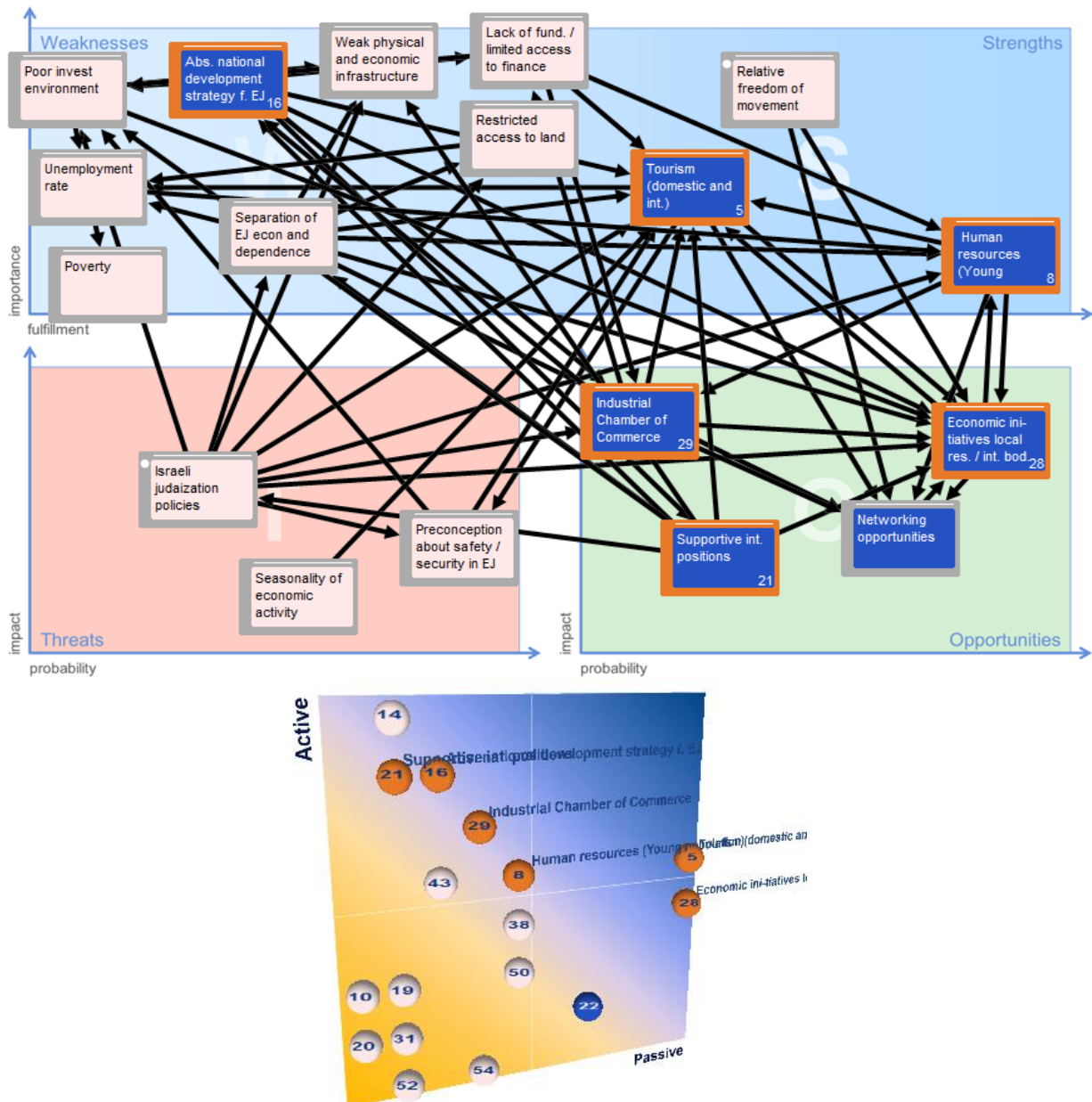
B. <u>Key Drivers - Economy and Services</u>

Figure 11: Situation Analysis and Active/Passive Map for "Economy and Services"

- <u>Absence of a national economic development strategy for East Jerusalem</u>: East Jerusalem is also absent in the PA's national development plan for 2014-2016: the plan only refers back to the Strategic Multi-Sector Development Plan for East Jerusalem (SMDP) 2011-2013 issued in 2010, which requires updating.

- <u>Tourism (domestic and international)</u>: The economy in Palestine is largely reliant on tourism and tourist activity. Given the city's historic and religious significance, it is a rich source of such tourist attractions (e.g., Muslim and Christian holy sites, ancient suqs, and archaeology). There

are currently several seasonal activities (e.g., festivals such as "Nablus Road Open Days", Yabous music festivals, film festivals, etc.) that take place in Jerusalem. The city of Jerusalem/"Al-Quds" is a strong brand associated with its historical, religious, architectural, and political significance.

- Jerusalem Chamber of Commerce: The Chamber of Commerce has currently been shut down by Israeli forces but has a clear mandated role and responsibility, and is capable of assembling and mobilizing major economic actors in East Jerusalem.

- Supportive international positions: The international community is principally supportive of East Jerusalem as a separate Palestinian entity. One example is the Swedish recognition of the Palestinian state in October 2014, which is an opportunity for Palestinian action and reciprocated expression of solidarity, as well as alignment of economic activity, marketing and promotion of products and services, potential for trade and investment with East Jerusalem. Furthermore, there is opportunity for East Jerusalem businesses to tap onto market opportunities presented by recent Palestinian out-reach to BRICs countries (Brazil, Russia, India, and China) which can be facilitated by the Diaspora there and through diplomatic relations.

- Human resources: The population of East Jerusalem is young, with the majority (64%) being under 30 years of age. This young population can be a great advantage for economic development.

- Economic initiatives: There are a number of initiatives taken by both local residents and international bodies to contribute to the revival of East Jerusalem and especially to boost its economic activity.
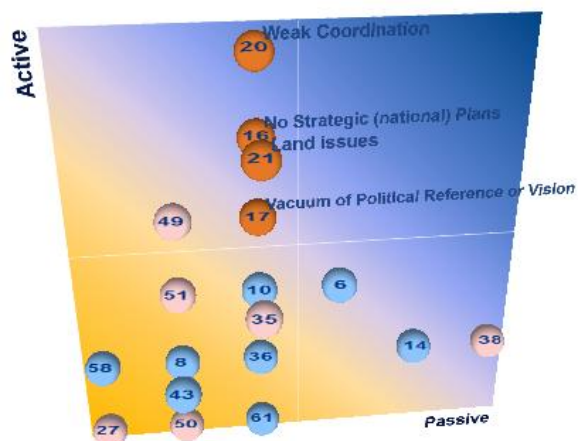
C. **Key Drivers - Urban Planning:**
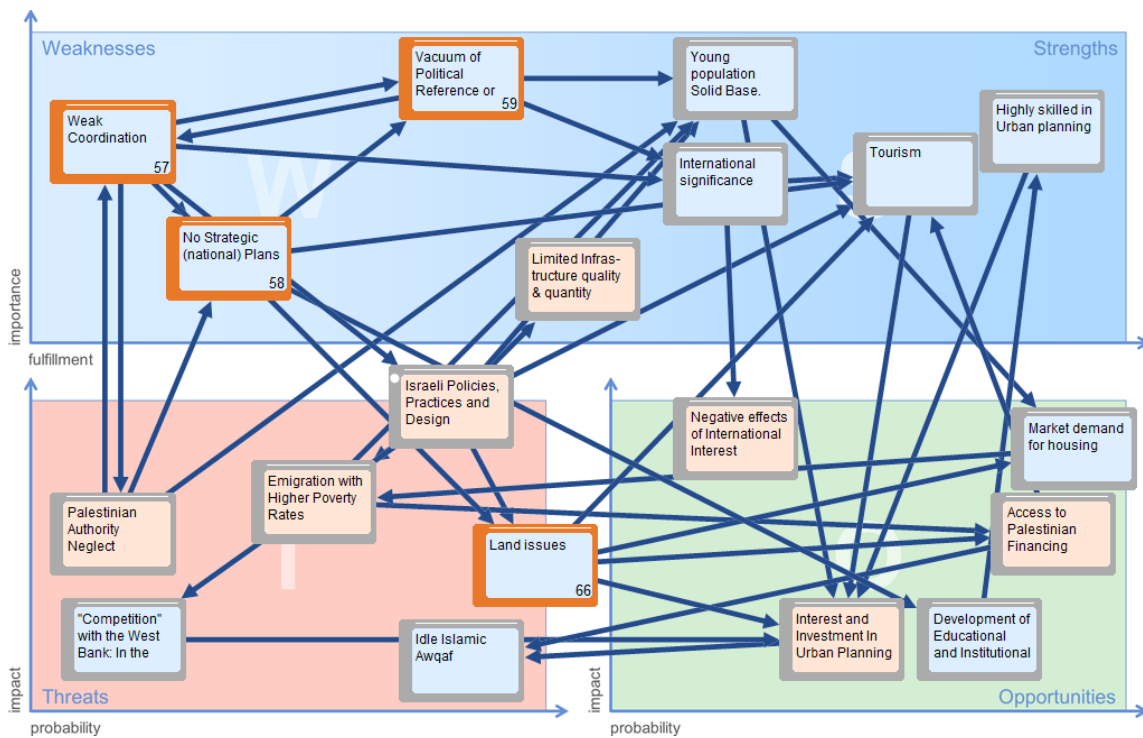
Figure 8: Situation Analysis and resulting Active/Passive Map for "Urban Planning"

- Palestinian Plan / countering Israel's Master Plan 2020: Since the expansion of Jerusalem's borders by Israel in 1980, there have been no further planning efforts by a Palestinian (national) actor defining Palestinian urban planning development or direction. Whilst there is no Palestinian national plan for Jerusalem, there is Israel's Master Plan 2020 (MP 2020), which, however, ignores Palestinian housing and other development needs. Related problems include:

  - *No sector-specific strategies for urban planning*: In addition to the lack of a national strategy, there are also no sector-specific strategies that could repurpose land use and contribute to urban planning in the city.

  - *No planning or regulation beyond the separation barrier*: Because of the disputed and unclear status of Palestinian neighborhoods beyond Israel's separation barrier, there is no clear governance, and construction is largely unorganized and unregulated.

  - *No clear Jerusalem borders*: The borders of Jerusalem, including East Jerusalem, are regularly drawn and redrawn by Israel, thus changing Palestinians' residency statuses for the purpose of skewing the demography of Jerusalem in favor of an Israeli (majority Jewish) Jerusalem.

- Palestinian Planning Reference to overcome the coordination vacuum*: The absence of a Palestinian political and official reference or representation in Jerusalem (both in terms of national and local non-Israeli governance) has resulted in the disorganized and directionless planning activity witnessed today. In addition, it has led to the lack of a common political vision; as of yet, the political situation in Jerusalem is unknown, political rhetoric maintains decade-old positions that many consider to have become obsolete and irrelevant.

- Land issues: The problems related to land and housing faced by Palestinians in Jerusalem are manifold: shortage of residential housing, challenges of ownership and property disputes, unaffordable and thus unsold and unrented housing, undeveloped and unplanned land, lacking title deeds and fraudulent deeds (relying on unofficial proof of ownership, lacking ownership documentation and record keeping among Palestinian residents), leading to civil disputes and potential land repossession by Israel[32], and registration without organization (while land is officially registered to its proper owner, this information is missing or unorganized, and thus unrelated to a larger urban plan). This situation is rendering property much more vulnerable to Israeli occupation policies and practices of land repossession.

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[32] Many of these cases have occurred in southern neighborhoods of Jerusalem where there are fewer title deeds (*Tabo*).

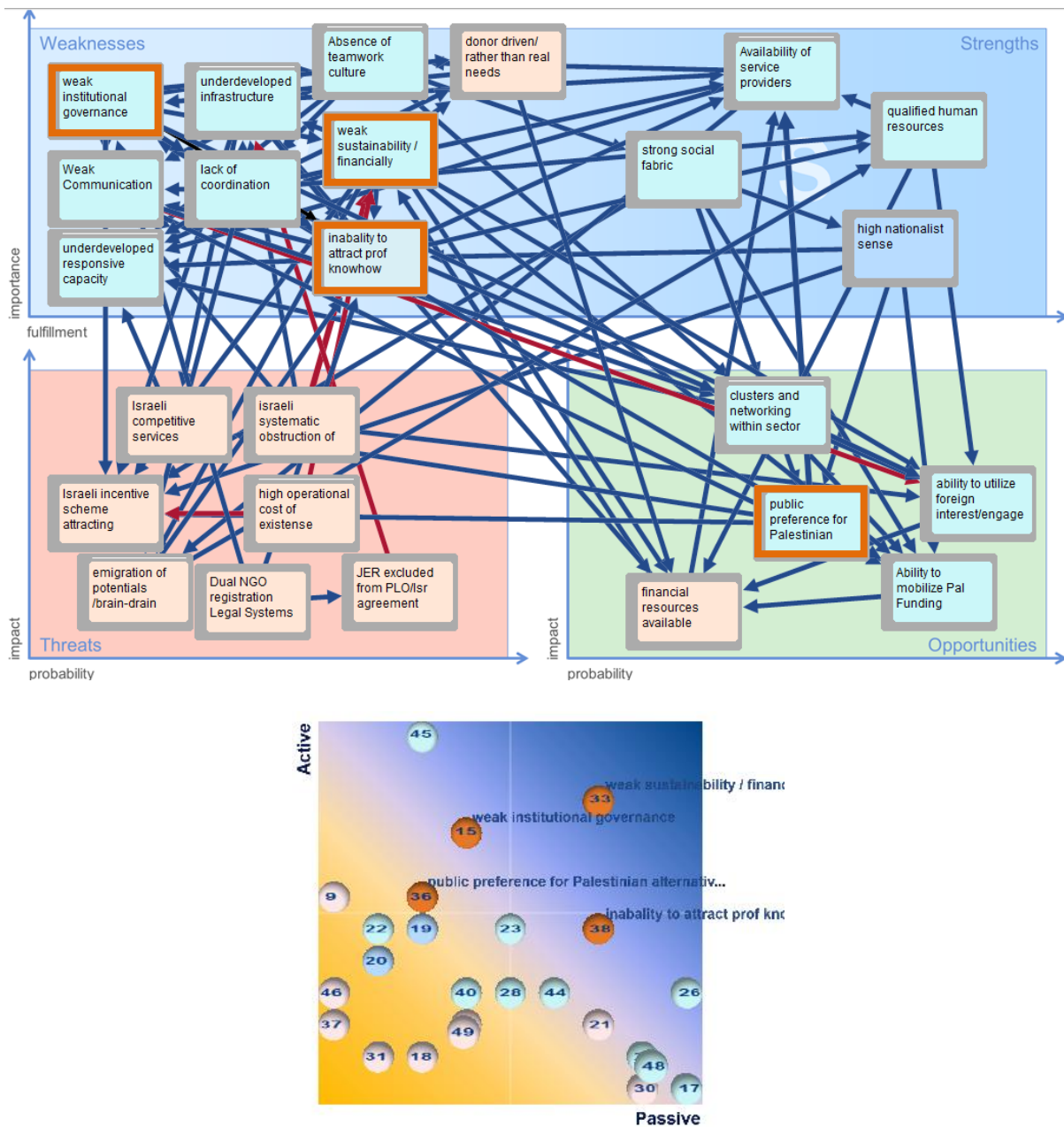## D. Key Drivers - Institutions & Civil Society

Figure 10: Situation Analysis and resulting Active/Passive Map for "Institutions and Civil Society"

NB: The most active factor/key driver was "lack of coordination"; however, it was not selected, as there was a strong overlap with "representation" and eventually all four thematic fields will merge into the umbrella strategy.

- Weak institutional governance: The absence of internal democracy (elections) of Board members/institutions is at present counterproductive. Transparency and accountability are needed to improve performances and images. Good governance is also the key to better representation and will have crucial internal (dedicated employees) and external (confidence of donors) implications, which in turn may lead to more productivity and commitment.

- Financial sustainability/infrastructure: The high reliance on external aid prevents the institutions' ability to be representative and leads to competition over resources rather than an emphasis on quality. There is no adequate support for infrastructural development. Instead of attempting to

reduce dependency there is a focus on survival due to Israeli and local competition. This increasingly induces institutions to move to the West Bank (with its significantly lower operational costs) and harms Palestinian steadfastness. Improvement of financial accountability is imperative.

- <u>Ability to attract qualified Human Resources:</u> Due to the inability to attract professional, technical and managerial knowhow (e.g., expertise, personnel capable of good project and strategic management, etc.) many institutions work beyond their potential. In order to attract the desired cadre, improvement of management, internal accountability, and working conditions is crucial. Pooling of resources is a helpful but yet unused tool.

- <u>Public preference for Palestinian alternatives</u>: The public's desire for quality services coupled with the generally high national sense of belonging is a great incentive for producing and offering services that transport the message "Palestinian means quality" ("branding" Palestine).

Once the *final* key drivers were reviewed, agreed upon, and translated into dimensions for the **option development** process in the next step. Option Development supports the process of developing strategies or scenarios; it explores the scope of available options to identify strategies that are internally consistent and robust enough to withstand in different future (=various scenarios).

A first set of mutually exclusive[33] options (alternative actions on how to address the drivers) was then collected for each of the key drivers (strategy dimensions – visualized in the Column View below), and the consistencies between them were subsequently discussed and assessed with the help of the Consistency Matrix. This consistency rating is both necessary and valuable for the development of a shared understanding of the nature of the respective options and the relationships between the alternatives as well as a critical assessment of them.

As a result of the discussions, the following options were considered in the respective thematic fields' key drivers:

A.   Option Development - Representation:

Figure 11: Options (yellow) for each of the identified "representation" key drivers

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[33] "Mutually exclusive" meaning that EITHER this OR that can be done.

B. Option Development - Economy and Services:

NB: The discussion of options in this thematic field led to a definition of factors that were not fully representing the results of the A/P map. In addition, there was some overlapping with issues discussed in the "Institutions" file. In order to achieve more tangible outcomes with regard to the situation of the East Jerusalem Palestinians it was therefore decided to look in more depth into the different economic/service-related areas ("construction", "social services", "ICT", "tourism").
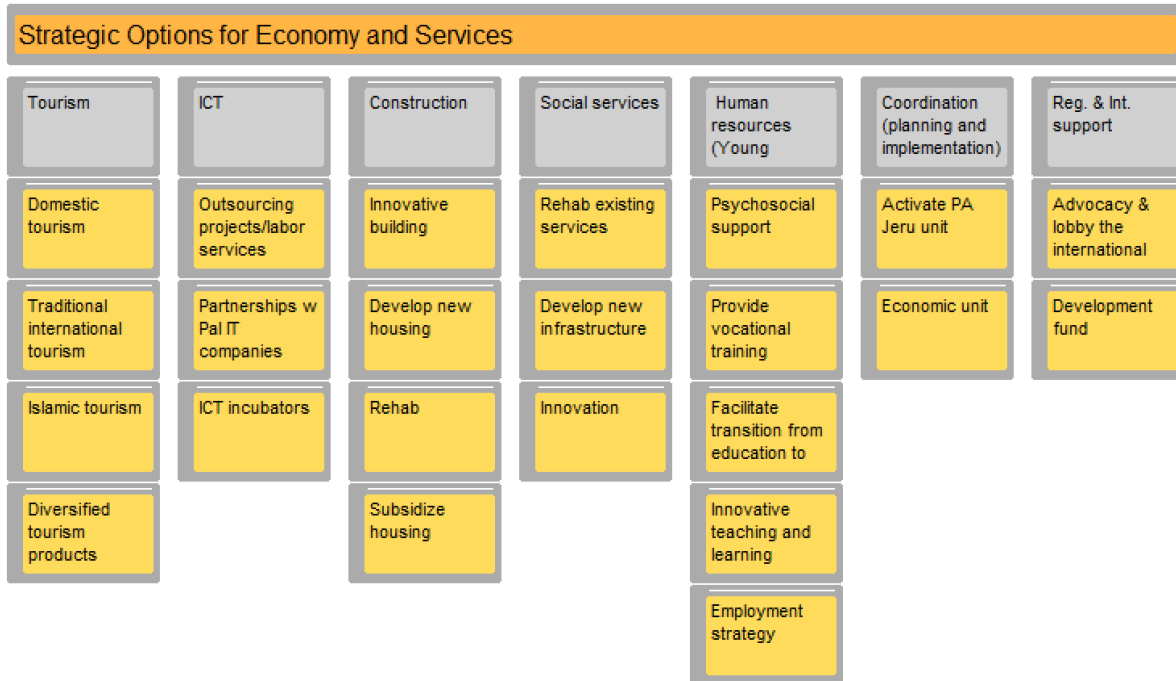

Figure 12: Options (yellow) for each of the identified "economy & services" key drivers

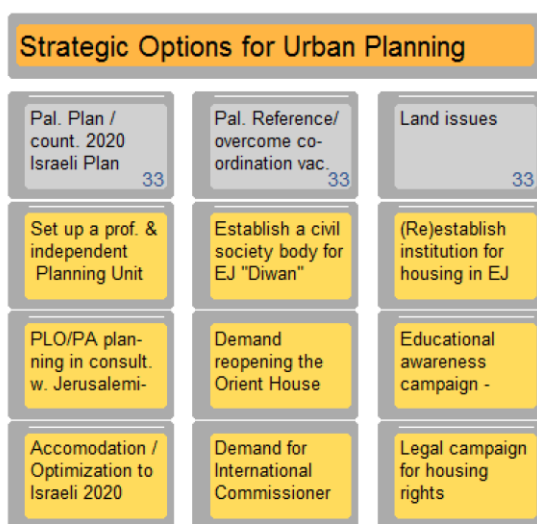### C. Option Development - Urban Planning

Figure 13: Options (yellow) for each of the identified "urban planning" key drivers

D. Option Development - Institutions& Civil Society
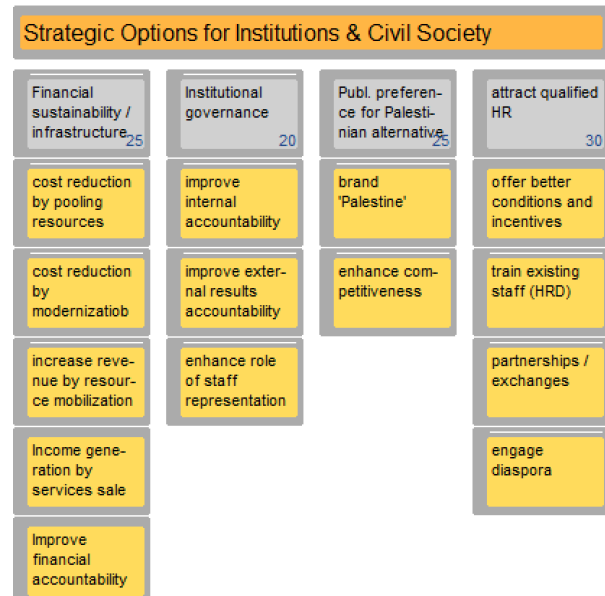

Figure 14: Options (yellow) for each of the identified "institutions & civil society" key drivers

In order to arrive at a strategy, an option (yellow boxes) from each dimension/key driver (grey boxes) was selected and combined with one option from each of the other key drivers, based on consistencies/synergies detected between them. A detailed description of this process is provided under Workshop IV below.

■ **Workshop III: Development of Scenarios (May 5-7, 2016):**

As a preparatory step, the *external* factors from the SWOT analyses in the four thematic fields[34] had been consolidated and systemically analyzed prior to the workshop.
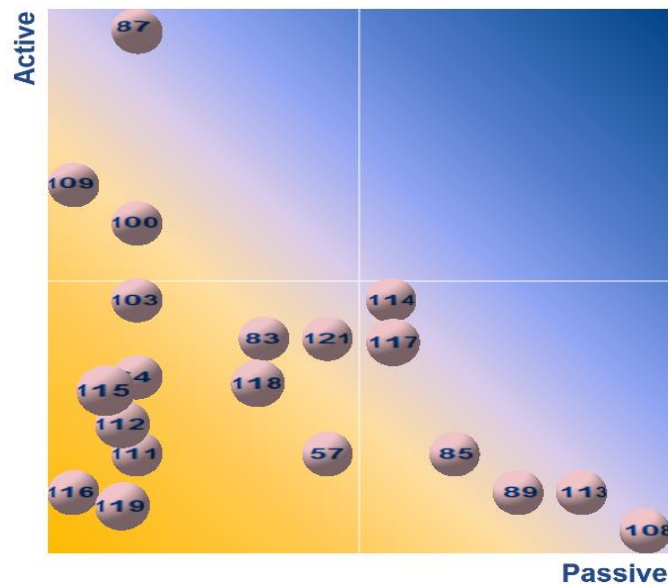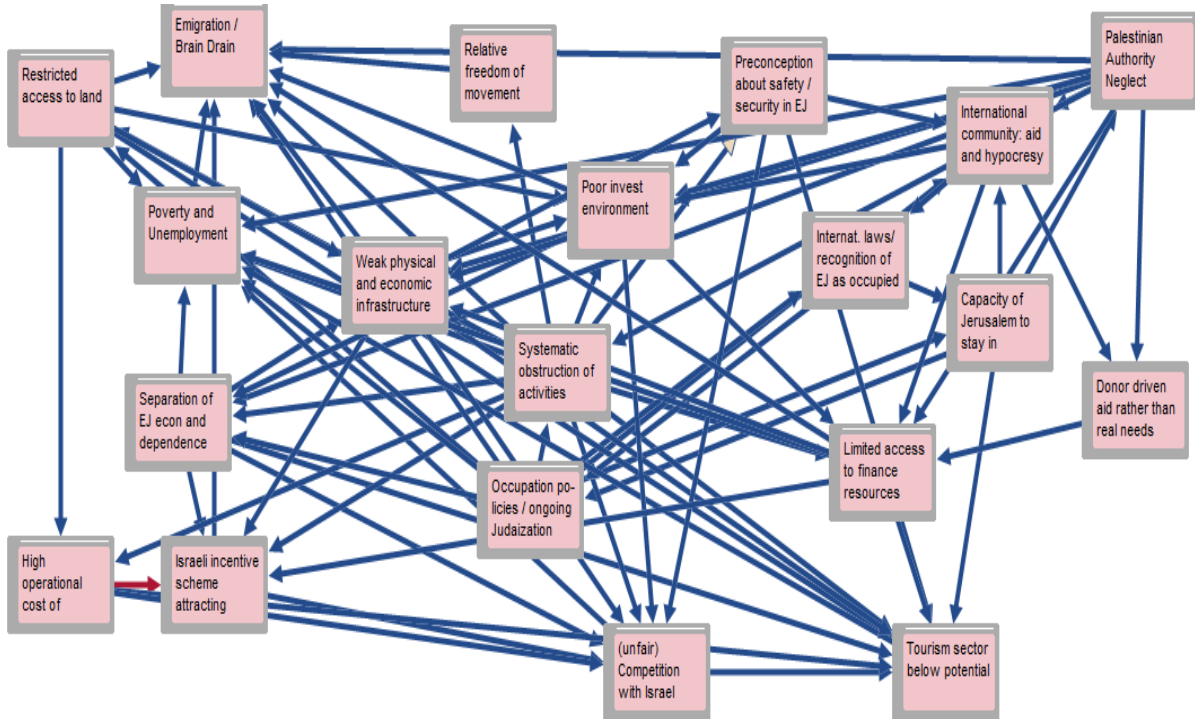

Figure 15: Aggregated external factors (from the SWOT analyses) and resulting Active/Passive Map

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[34] See pages 9-12.

Based on this, the following (external) **key drivers** were selected as dimensions for the scenarios:

Scenario dimension	Underlying consideration and thoughts
Occupation Policies	→ *I.e., stubborn Israeli leadership in heeding the needs of the Palestinian community; ongoing Judaization of Jerusalem; demographic changes due to Israeli residency status regulations; systematic obstruction of Palestinians activities; obstructing dual legal system and NGO registration practice; little legal protection for Palestinian businesses and individuals).*
Palestinian Authority Attention	→ *If the Palestinian Authority is unable or unwilling to consider Jerusalem's civil issues as national, and residents' needs as its responsibility, this will not only threaten the legal status of Jerusalem as disputed territory but also residents' sustainability.*
International Pressure on Israel	→ *Readiness to resort to International laws, to recognize Jerusalem as occupied territory, and to accept Jordan as custodian of the Holy Muslim and Christian religious sites impacts the* degree of implementation *of international law.*
External (Financial) Support	→ *There is on the one hand sustained and growing interest from international organizations to engage in development activities; possibility to involve Muslim countries and the Vatican in addressing the religious and administrative status of the city.* <u>*BUT*</u>*: Lethargic Jordanian response to Israeli actions at Haram Al-Sharif and the Arab/Muslim worlds' abandonment of Jerusalem as a major Holy Place and issue are detrimental. Consequences of Oslo Agreements about leaving Jerusalem till the final stages of resolving the Palestinian - donor driven/ rather than real needs - ignorance of international laws*
Representation of East Jerusalem	→*Absence of any kind of East Jerusalem representation (no unified address, obsolete leadership, closed key institutions) makes the situation on the ground, as well as aid management, worse.*
Religious Extremism	→ *Domestic and regional religious extremism*

For each of the above key drivers/scenario dimensions the team then imagined and elaborated projections of possible developments (yellow boxes below) with the time perspective of the year 2020.
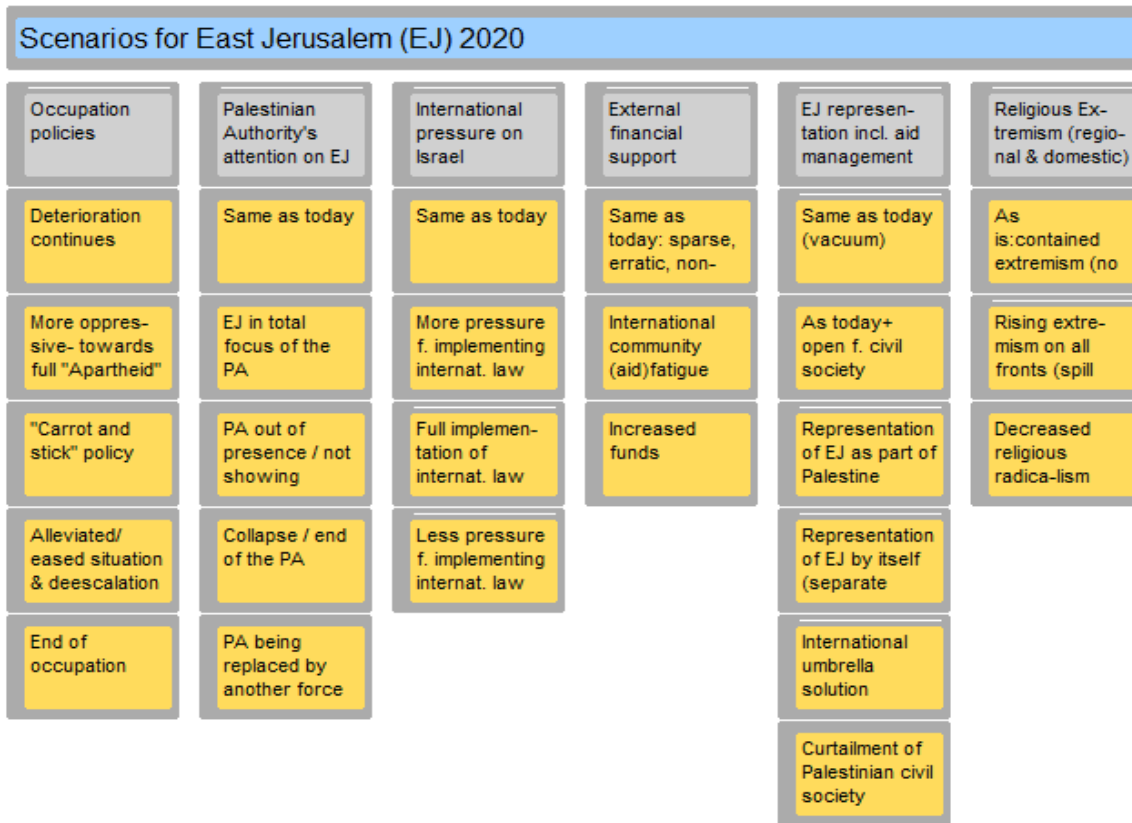
Figure 16: Scenario dimensions (grey) and projections (yellow)

Based on the above developed projections, five combinations were then selected as raw scenarios (highlighted in light blue below) and related scenario profiles were formulated subsequently (for their full description see Annex B). In brief, the following five **scenarios** were developed:

Scenario	"Portrayal"
Deterioration of the Current Situation 	• *Occupation policies:* continue unabated, following the recent negative trends (further deteriorating the situation) • *Palestinian Authority Neglect:* no change in the PA's neglect of Jerusalem • *International Pressure on Israel:* no change with regard to international pressure on Israel • *External financial support / aid management:* growing international community aid fatigue • *East Jerusalem representation, including aid management:* no change, i.e., the vacuum continues with the optional representation through the Israeli system (municipal elections, which are, however, boycotted by the majority) • *Religious Fundamentalism:* rising, domestically and regionally – nurtured by frustration with the hopeless situation on the ground and the toothless international attitude.

Towards Apartheid

Scenarios for East Jerusalem (EJ) 2020

Occupation policies	Palestinian Authority's attention on EJ	International pressure on Israel	External financial support	EJ representation incl. aid management	Religious Extremism (regional & domestic)
Deterioration continues	Same as today	Same as today	Same as today: sparse, erratic, non-	Same as today (vacuum)	As is:contained extremism (no
More oppressive- towards full "Apartheid"	EJ in total focus of the PA	More pressure f. implementing internat. law	**International community (aid)fatigue**	As today+ open f. civil society	**Rising extremism on all fronts (spill**
"Carrot and stick" policy	PA out of presence / not showing	Full implementation of internat. law	Increased funds	Representation of EJ as part of Palestine	Decreased religious radicalism
Alleviated/ eased situation & deescalation	**Collapse / end of the PA**	**Less pressure f. implementing internat. law**		Representation of EJ by itself (separate	
End of occupation	PA being replaced by another force			International umbrella solution	
				Curtailment of Palestinian civil society	

- *Occupation policies:* will become more restrictive /oppressive and head towards "full Apartheid".
- *Palestinian Authority Neglect:* Jerusalem will remain neglected as the PA will collapse or otherwise cease to exist.
- *International Pressure on Israel:* will further weaken/decrease (with the possibility that 'occupation' will be accepted as a fact).
- *External financial support / aid management:* characterized by a growing international community aid fatigue.
- *East Jerusalem representation, incl. aid management:* Curtailment of Palestinian civil society.
- *Religious Fundamentalism:* Rising religious extremism, domestically and regionally – nurtured by frustration with the hopeless situation on the ground and the toothless international attitude.
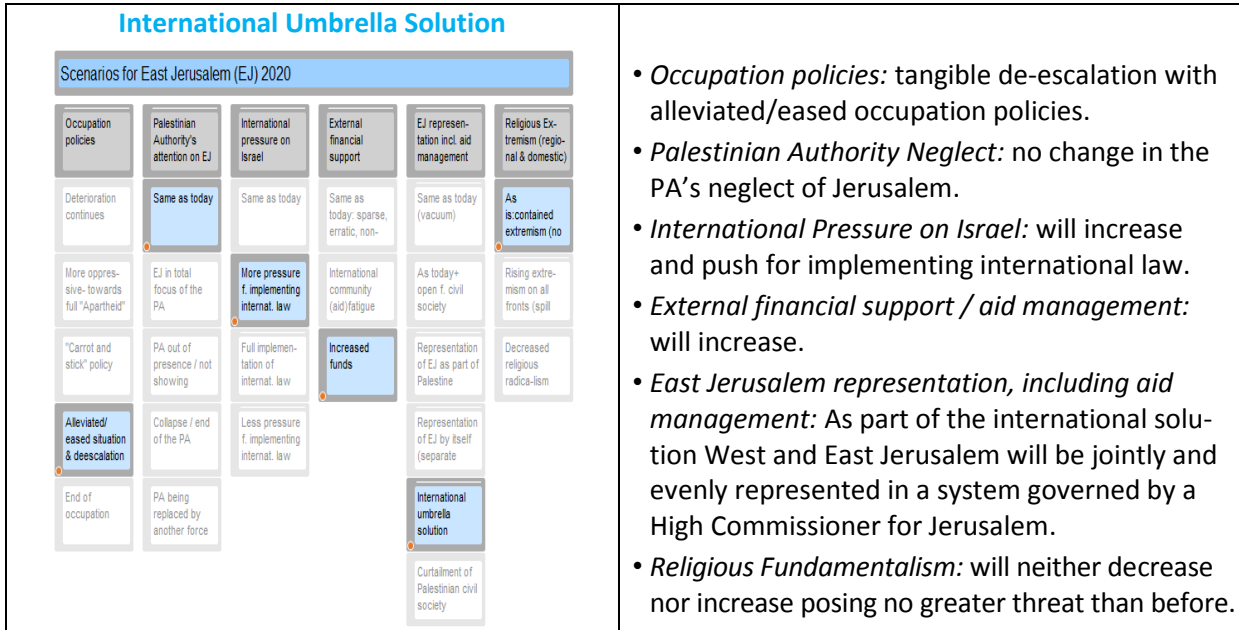
Window of Hope

Scenarios for East Jerusalem (EJ) 2020

Occupation policies	Palestinian Authority's attention on EJ	International pressure on Israel	External financial support	EJ representation incl. aid management	Religious Extremism (regional & domestic)
Deterioration continues	Same as today	Same as today	Same as today: sparse, erratic, non-	Same as today (vacuum)	As is:contained extremism (no
More oppressive- towards full "Apartheid"	**EJ in total focus of the PA**	**More pressure f. implementing internat. law**	International community (aid)fatigue	As today+ open f. civil society	**Rising extremism on all fronts (spill**
"Carrot and stick" policy	PA out of presence / not showing	Full implementation of internat. law	**Increased funds**	Representation of EJ as part of Palestine	Decreased religious radicalism
Alleviated/ eased situation & deescalation	Collapse / end of the PA	Less pressure f. implementing internat. law		**Representation of EJ by itself (separate**	
End of occupation	PA being replaced by another force			International umbrella solution	
				Curtailment of Palestinian civil society	

- *Occupation policies:* will be alleviated / eased leading to an overall de-escalation of the conflict.
- *Palestinian Authority Neglect:* will stop; instead *East Jerusalem* will be a focus.
- *International Pressure on Israel:* will increase and push for implementing international law.
- *External financial support / aid management:* will increase.
- *East Jerusalem representation, including aid management:* there will be separate representation (similar to the former "Orient House").
- *Religious Fundamentalism:* rising on all fronts, due to "spoilers", who try to torpedo/ jeopardize the rapprochement process.

End of Occupation

Scenarios for East Jerusalem (EJ) 2020

Occupation policies	Palestinian Authority's attention on EJ	International pressure on Israel	External financial support	EJ representation incl. aid management	Religious Extremism (regional & domestic)
Deterioration continues	Same as today	Same as today	Same as today: sparse, erratic, non-	Same as today (vacuum)	As is:contained extremism (no
More oppressive- towards full "Apartheid"	EJ in total focus of the PA	More pressure f. implementing internat. law	International community (aid)fatigue	As today+ open f. civil society	**Rising extremism on all fronts (spill**
"Carrot and stick" policy	PA out of presence / not showing	**Full implementation of internat. law**	**Increased funds**	**Representation of EJ as part of Palestine**	Decreased religious radicalism
Alleviated/ eased situation & deescalation	Collapse / end of the PA	Less pressure f. implementing internat. law		Representation of EJ by itself (separate	
End of occupation	**PA being replaced by another force**			International umbrella solution	
				Curtailment of Palestinian civil society	

- *Occupation policies:* will come to an end
- *Palestinian Authority Neglect:* PA is replaced by another force, which will refocus on Jerusalem
- *International Pressure on Israel:* will increase and demand implementation of international law (supported by BDS, UN, ICC mechanisms; lobbying; holding Israel accountable for war related damages; depending on political will of external players).
- *External financial support / aid management:* will increase.
- *East Jerusalem representation, incl. aid management:* East Jerusalem will be represented as part of Palestine/the Palestinian government (which will be able to act in Jerusalem).
- *Religious Fundamentalism:* rising on all fronts, due to "spoilers", who try to torpedo/jeopardize the rapprochement process.

International Umbrella Solution

Scenarios for East Jerusalem (EJ) 2020

Occupation policies	Palestinian Authority's attention on EJ	International pressure on Israel	External financial support	EJ represen-tation incl. aid management	Religious Ex-tremism (regio-nal & domestic)
Deterioration continues	Same as today	Same as today	Same as today: sparse, erratic, non-	Same as today (vacuum)	As is:contained extremism (no
More oppres-sive- towards full "Apartheid"	EJ in total focus of the PA	More pressure f. implementing internat. law	International community (aid)fatigue	As today+ open f. civil society	Rising extre-mism on all fronts (spill
"Carrot and stick" policy	PA out of presence / not showing	Full implemen-tation of internat. law	Increased funds	Representation of EJ as part of Palestine	Decreased religious radica-lism
Alleviated/ eased situation & deescalation	Collapse / end of the PA	Less pressure f. implementing internat. law		Representation of EJ by itself (separate	
End of occupation	PA being replaced by another force			International umbrella solution	
				Curtailment of Palestinian civil society	

- *Occupation policies:* tangible de-escalation with alleviated/eased occupation policies.
- *Palestinian Authority Neglect:* no change in the PA's neglect of Jerusalem.
- *International Pressure on Israel:* will increase and push for implementing international law.
- *External financial support / aid management:* will increase.
- *East Jerusalem representation, including aid management:* As part of the international solution West and East Jerusalem will be jointly and evenly represented in a system governed by a High Commissioner for Jerusalem.
- *Religious Fundamentalism:* will neither decrease nor increase posing no greater threat than before.

■ **Workshop IV: Strategic Approaches, Selection of an Umbrella Strategy, and Evaluation against Objectives and Scenarios (May 23-24, 2016):**

Final Definition of Strategic Approaches

The last workshop began with a review of the overall process to date, followed by a final assessment and definition of the approaches taken in each of the four thematic fields. The development and selection of these approaches was done with the help of the module "Option Development", whereby the different (previously developed) possible courses of action were discussed and evaluated with respect to their (pair wise) consistency. In doing so, the question for every pair of possible action was: "If I select option X in dimension A, how consistent is this with selecting option Y in dimension B on a scale between -3 (very contradictory) to +3 (highly synergic). The result of this process is a half matrix:
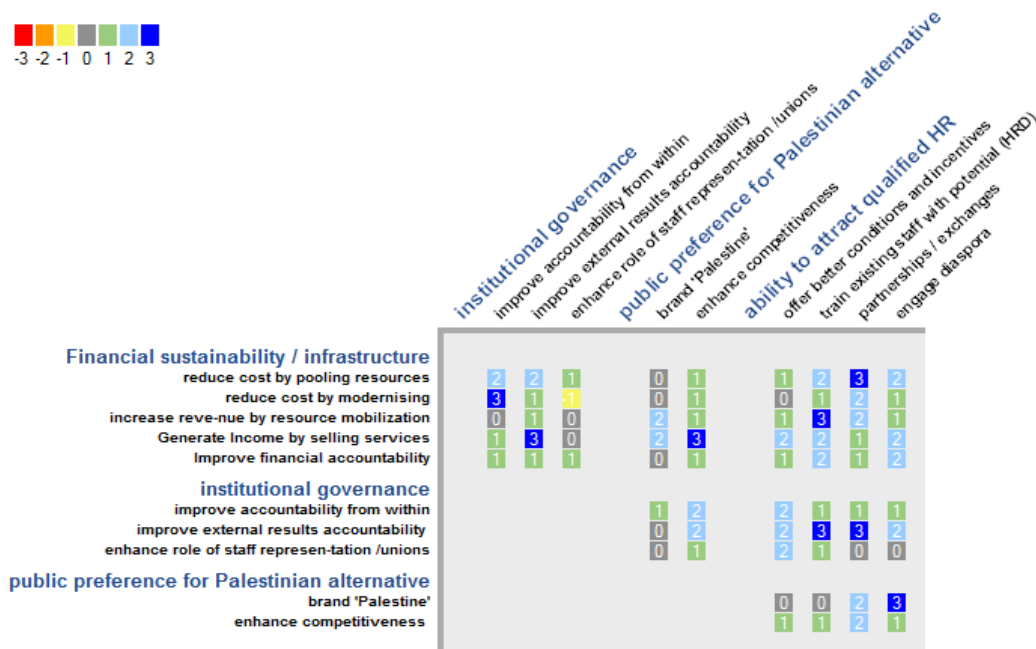
-3 -2 -1 0 1 2 3

Figure 16: Illustration of half matrix as result of consistency evaluation

Based on this resulting half-matrix, the Parmenides Eidos software calculated all possible combinations of options and sorted these combinations (=strategies) according to their consistency level.
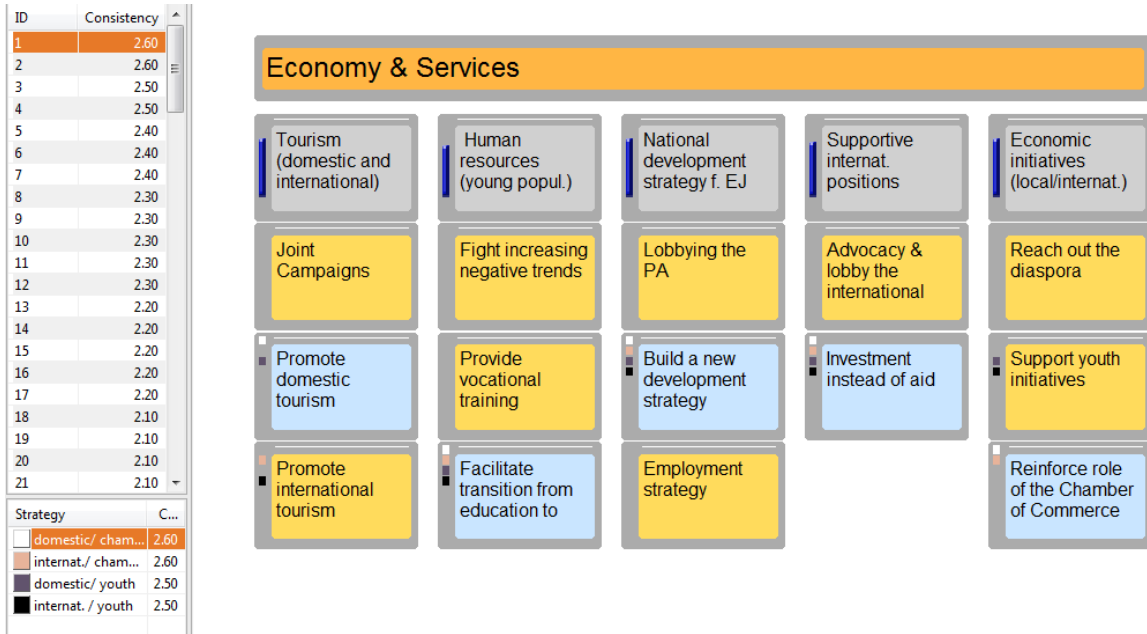

Figure 17: Sample of strategic approaches (Economy & Services file) sorted according to consistency

In order to facilitate the selection of possible strategies and to avoid selection of too similar strategies, the different strategic approaches were visualized in a **cluster map**. With the help of such a cluster map the strategies generated in the previous process can be assessed based on their similarity and overall consistency. In exploring the option space, one looks for strategies (or scenarios) that represent *distinctly different* directions. In the case of strategies, a number of distinct, yet consistent strategies must be selected to get an idea of the scope of options available. For a scenario space, a spread of scenarios is to be chosen which are consistent, plausible, relevant to the organization, and that represent qualitatively different worlds in which strategies or policy will have to survive.

As the sample cluster map below shows, the following applies thereby: similar strategies cluster, and the more consistent a strategy is (which is desirable) the larger is the circle. The best approach is then to pick the most consistent strategy (= largest circles) from each of the different clusters.
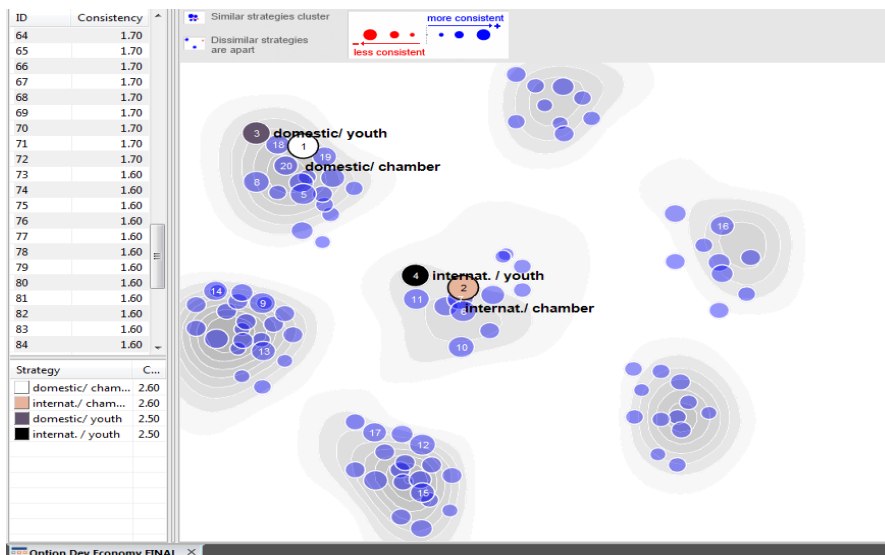
Figure 18: Sample illustration of a Cluster Map (Economy & Services file)

In the different thematic fields, the following **strategy options** have been subsequently developed (for a detailed description of the approaches see the strategy profiles in Annex A):
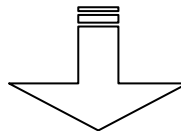
- **Representation**

PASSIA Core Group	Assembly -Coordination	Assembly Decision-making	Steering Committee

- **Economy and Services**

Local Development	Rehabilitation	Innovation	PLO/PA Input

- **Urban Planning**

Institutionalization	PLO/PA re-opening of institutions	Challenging the 2020 Master Plan	Legal campaign & planning unit

- **Institutions & Civil Society**

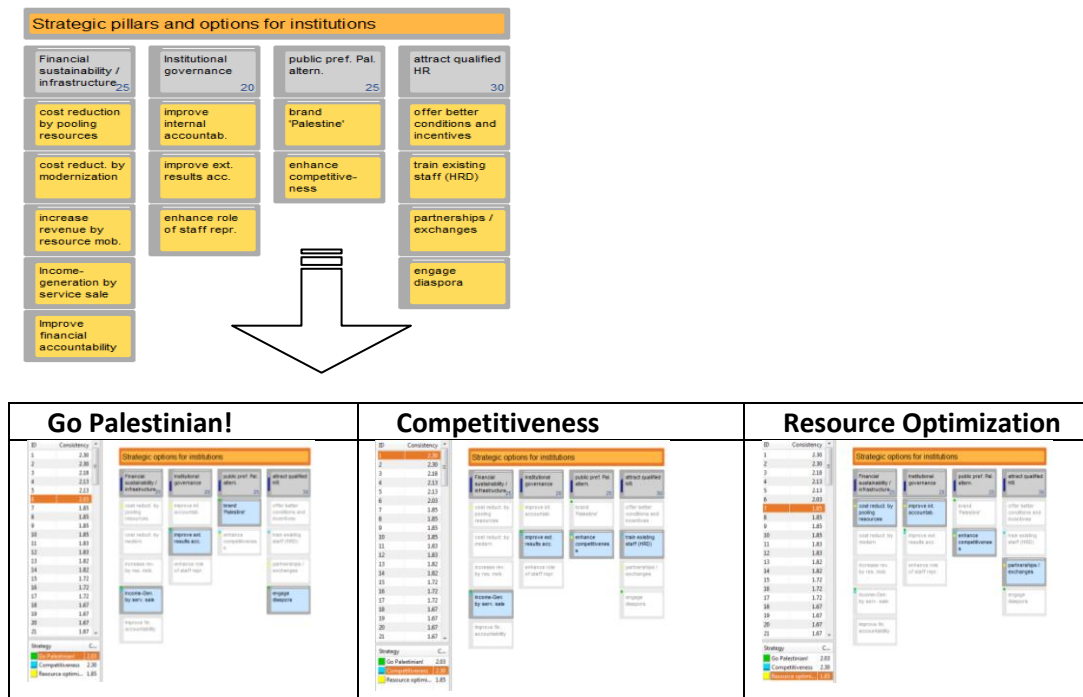| Go Palestinian!	Competitiveness	Resource Optimization
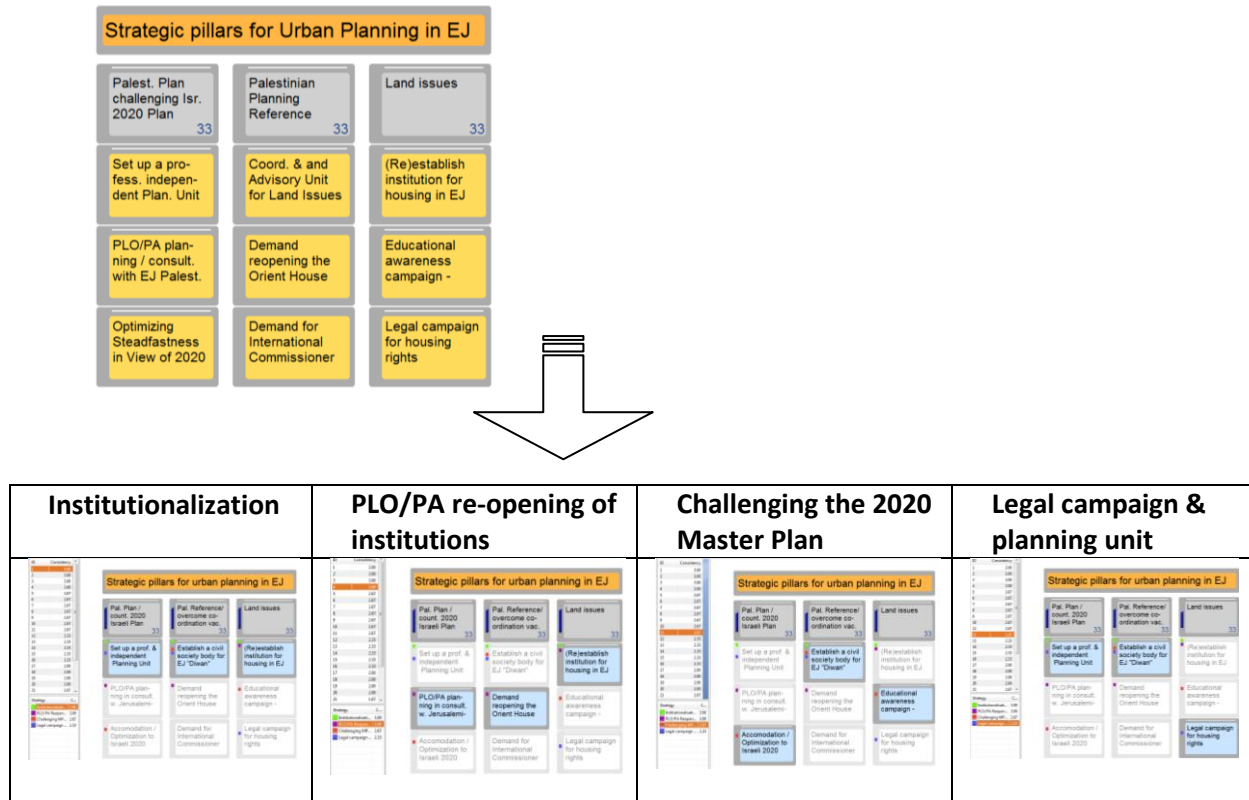
Figure 19: Strategy option for the four thematic fields

Development of umbrella strategies

In the next step, the aforementioned strategic approaches were set as options in the "umbrella strategy" development process. Then umbrella strategies were selected by combining one strategy per thematic field with one from each of the other fields. In other words: each of the resulting umbrella strategies contained one strategy from each thematic field:
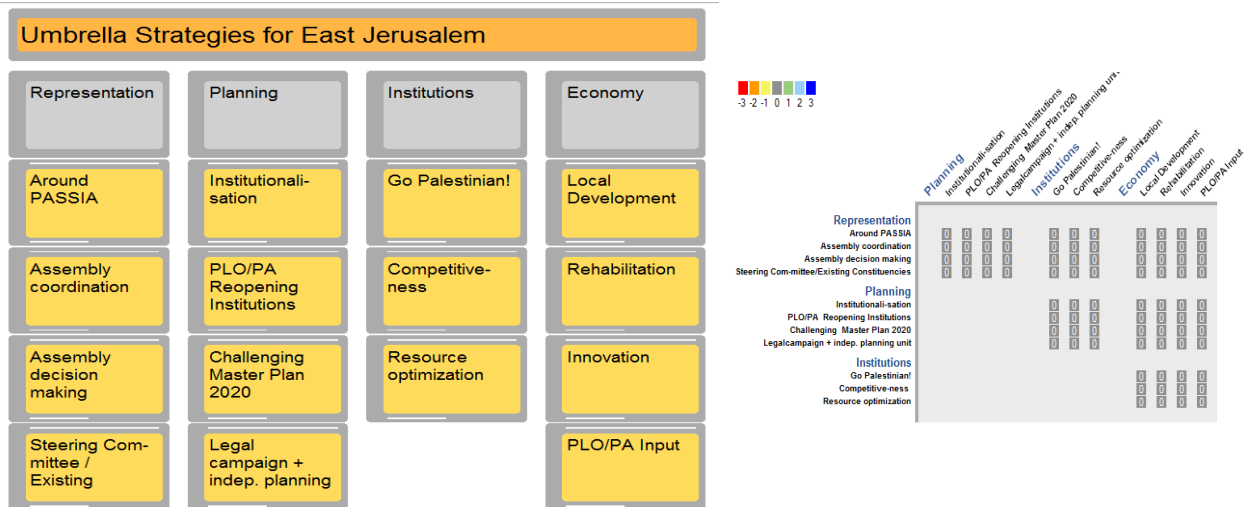

Figure 20: Options space for development of umbrella strategies (left) and consistency matrix (right)

Based on the result of the mutual consistency check of the various strategic approaches per thematic field, the team subsequently selected the following **umbrella strategies**[35]:
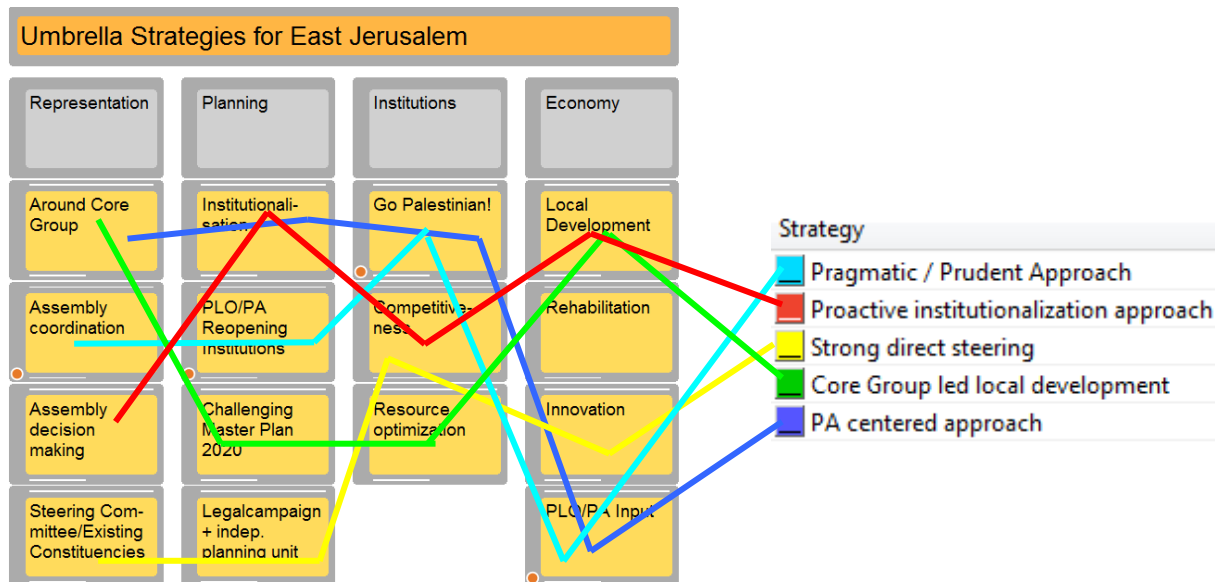

Figure 21: Selection of umbrella strategies

Pragmatic/prudent approach:
+ Assembly (coordination)
+ Legal campaign/independent planning unit
+ Resource Optimization
+ Rehabilitation

Proactive institutionalization:
+ Assembly (decision-making)
+ Institutionalization
+ Competitiveness
+ Local Development

Core group-led local development:
+ Around Core Group
+ Challenging Master Plan 2020
+ Resource Optimization
+ Local Development

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[35] The names/titles for these strategies were preliminary.

Strong Direct Steering approach:	**PLO/PA centered approach:**
+ Steering committee/rallying existing constituencies	+ Around Core Group
+ Legal campaign/independent planning unit	+ Institutionalization
+ Competitiveness	+ Go Palestinian!
+ Innovation	+ PLO/PA Input

2.4 Evaluation of Strategies against Objectives and Scenarios

As a final exercise the umbrella strategies were then evaluated with regard to both their goal-based efficiency as well as their robustness in different future scenarios. To do so, the **Option Evaluation** tool uses weighted criteria to evaluate options in multiple views. The tool generates rankings and represents them visually, leading to a more thorough comparison and improved decision-making.

While in *Matrix View*, options, criteria and perspectives are added, and criteria weightings and option ratings are assigned, *Chart View* displays the results of the evaluation through four types of analysis charts. These help interpreting the results of the evaluation as they allow to compare the rankings of the options, as well as to see the impact of changes in the ratings on the overall results.

In a first step, the **goal-based efficiency** of the umbrella strategies with respect to objectives over time was evaluated:
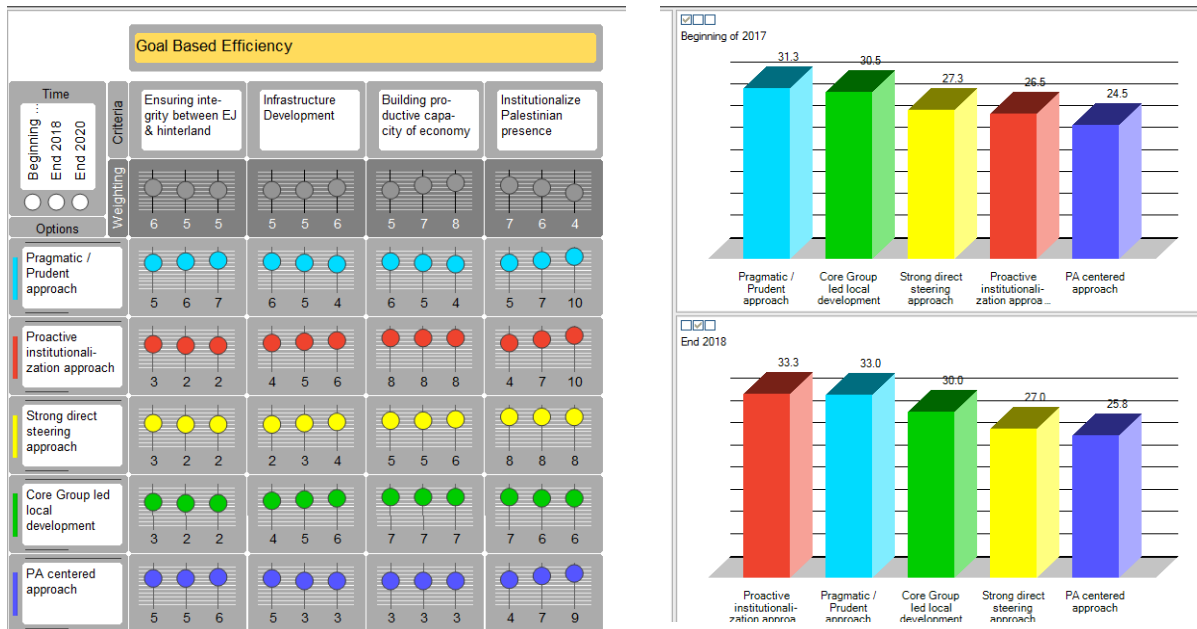

Figure 22: Evaluation of umbrella strategies against objectives: Matrix View (left) and Chart View (right)

Based on this evaluation, the "pragmatic/prudent approach" (light blue) showed to be the most efficient in the short term whilst the "proactive institutionalization approach" (red) was dominant in the longer term.

In the next evaluation phase, the umbrella strategies were tested for their **robustness,** or prospects of success, under the different developed scenarios. This test will indicate whether a strategy can be implemented in a broad range of future conditions or whether it will likely fail in certain environments, e.g., because it depends on very particular, inflexible circumstances.

Evaluating the robustness of strategies thus helps to identify critical areas that may require change as well as to set up an early warning system by identifying a set of indicators that can be monitored over time.

The evaluation of the umbrella strategies for robustness in different future settings resulted in the following graphic display:
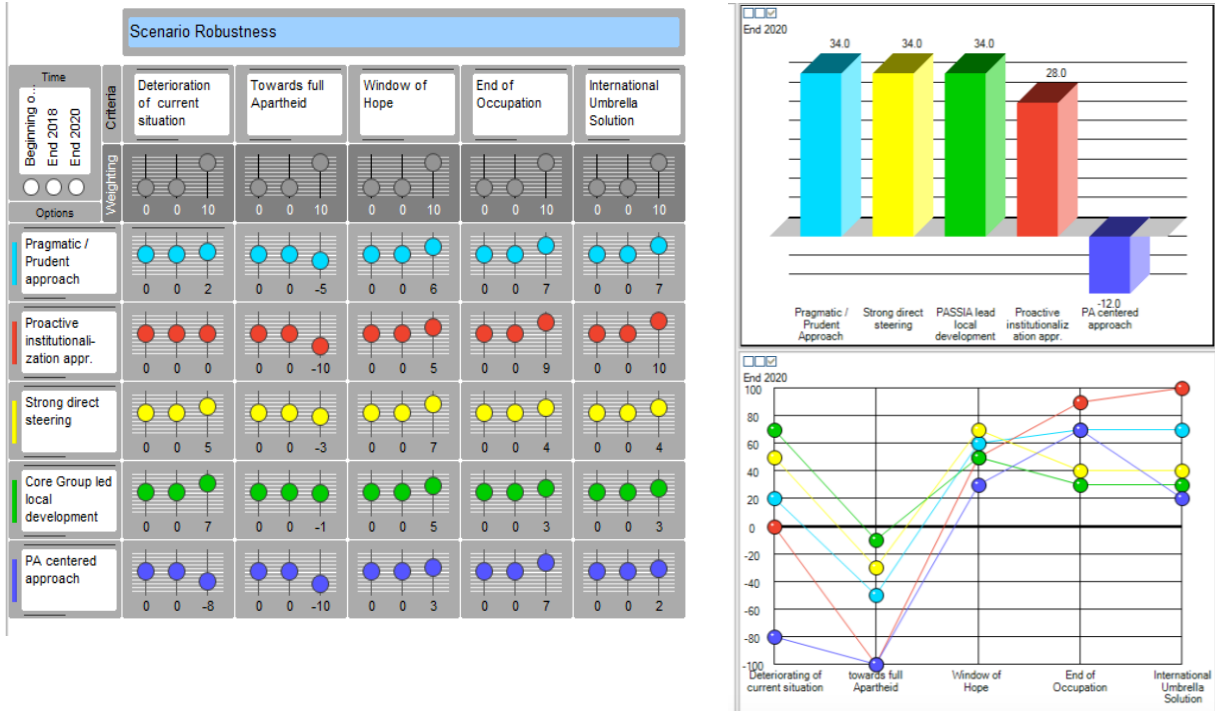

Figure 23: Evaluation of umbrella strategies' robustness against scenarios:
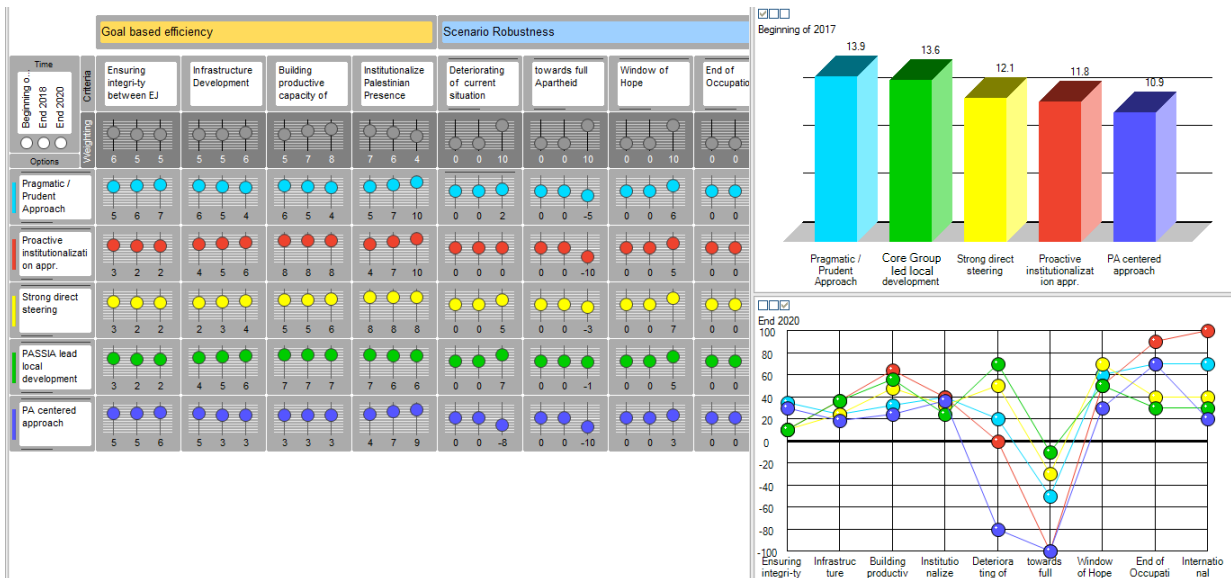Matrix View (left) and Chart View (right)

Figure 24: Evaluation of umbrella strategies against objectives and against scenarios

Besides the "PLO/PA centered approach", all strategies have relatively comparable scenario robustness if one only takes into account the arithmetic mean. Looking at the profile of the strategies in the lower right corner, however, it becomes evident that some of the strategies have more variance "around" their arithmetic mean than others: The "Core Group-led" and – to a lower degree – the "Strong overall steering" approach have less variance than the other strategies which means they work more reliably/robust under all of the given scenarios or – in different words – they are less dependent on the incidence of a specific scenario to produce the desired outcome, hence the low variance can be interpreted as a lower risk with respect to possible future scenarios.

The "pragmatic/prudent" as well as the "proactive institutionalization" approach depend on one of the more positive scenarios (window of hope/end of occupation/international umbrella) to happen and bear a certain risk with respect to negative scenarios (deterioration/full apartheid). The Core Group-led approach is the least dependent with respect to future scenarios (equal arithmetic mean but least variance).

Looking at long-term goal effectiveness and (arithmetic mean based) scenario robustness at the same time in a matrix format the following picture emerges:
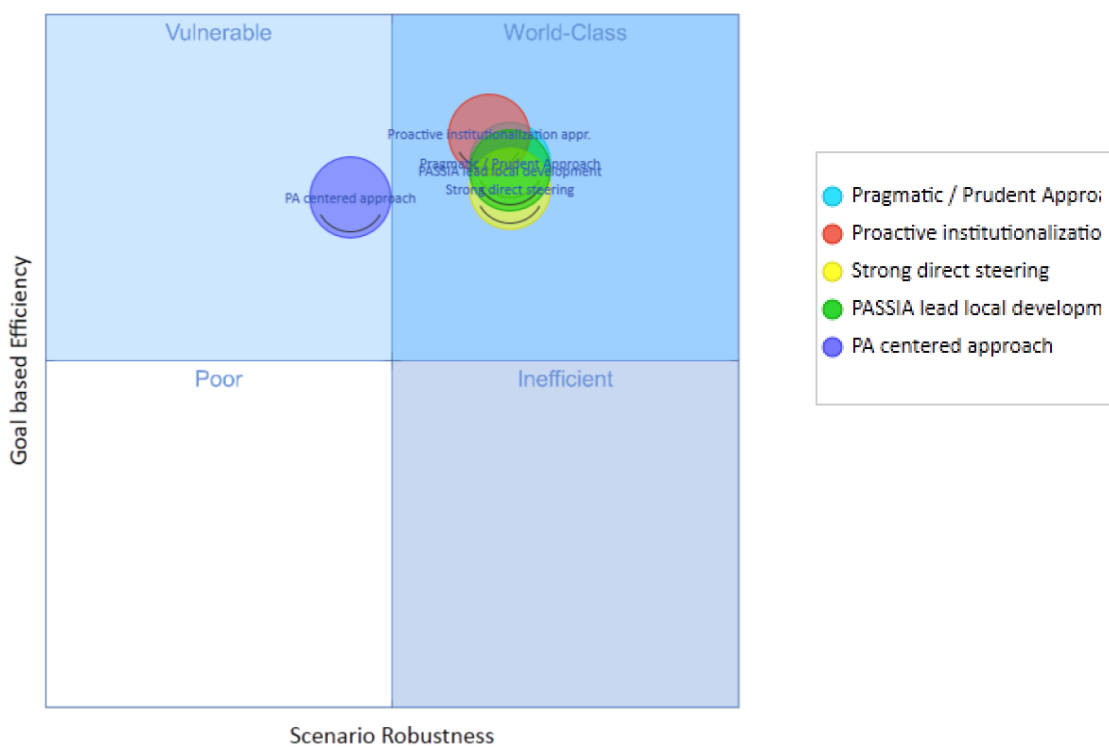

Figure 25: Parmenides Matrix for umbrella strategies: goal-based efficiency against scenario robustness

Interpretation of the Evaluation Results[36]

The more risk-sensitive approach is the "Core Group-led development" approach: it shows less performance in both the short and the long run but is the most robust with respect to different future scenarios. The approach is a kind of "safest bet".

Less risk-sensitive/more courageous approaches are those that show higher performance: the "pragmatic/prudent" approach that performs best in short term and the "proactive approach" that is dominant in the long-term view. Taking this perspective, one would consider implementing the "pragmatic/prudent approach" and then "switch" to the "proactive approach" in a longer-term perspective.

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[36] It has to be pointed out that the evaluations made represent qualitative assessments between the different approaches and do not relate to any kind of quantitative scale.

However, as the scenario closest to the current (short-term) environment is the "deterioration" scenario, there is a certain risk that the "pragmatic/prudent approach" will not perform as planned. This is mainly due to the "Civil Society Assembly" element of this strategy, which in the "deterioration" scenario could be withheld by Israeli occupation policies. A mitigation strategy for this risk could be high-level support of the "Assembly" as an institution by both the international community and the PLO/PA. If set up in a way that a) PLO/PA do not look at such an Assembly as a competitor and b) the international community engages with it in a way that makes it difficult for Israel to shut it down, the Assembly could be successfully and sustainably established. The set up of the Assembly component thus becomes a key success factor for this approach.

After in-depth discussions and careful deliberation of the above, the core group decided to place robustness over goal attainment and go for the "Core Group-led approach", principally because it is less dependent on the incidence of a specific scenario to produce the desired outcome, which was considered crucial given the current environment (Israeli occupation). As "safest bet", this approach thus provides a good base for a first implementation development.[37]

In addition, with regard to goal-based efficiency the Core Group-led strategy still performs second best in the short term. Since it then drops to a third position in the mid-/long-term, the core group considered this strategy as the most suitable one to start with, leaving open the possibility to switch to a less risk-sensitive strategy – i.e., the "pragmatic/prudent" or the "proactive approach" - in the longer term, pending on developments of the situation on the ground. The following graph illustrates this:
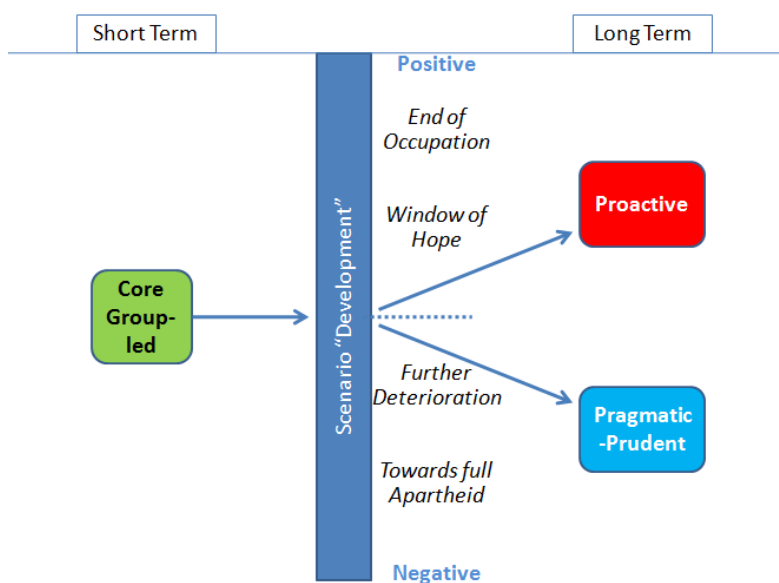

Figure 26: Scenarios as decision support for long-term strategic direction

Looking at the implementation of the "proactive approach" in a longer-term perspective, the scenarios become critical. The approach depends on a positive scenario (window of hope, end of occupation, international umbrella solution) to realize in the long run. A close monitoring of the scenarios based on a to-be-developed indicator system becomes critical for this approach: if the indicator system points towards the more negative scenarios, an orientation towards the more robust "pragmatic/prudent approach" is in order. If one of the more positive scenarios seems to move in the focus, the "proactive approach" becomes the most goal-efficient and justified.[38]

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[37] For a detailed description of this strategy please see the separate PASSIA report "Mustaqbalna - Our Future! A Strategy to Improve and Strengthen the Palestinian Presence in Jerusalem."

[38] The use of the scenarios for advocacy purposes will depend on the strategy choice made. Whilst in the risk-sensitive approach their use should focus on rallying *East Jerusalem* Palestinians behind the economic local development plan, the

It should be conclusively noted that the decision between a more risk-sensitive "Core Group-led" approach and a less risk-sensitive "pragmatic/prudent" (short-term) + "proactive" (long-term) approach needs to take into consideration that the Core Group-led approach puts a certain "responsibility burden" on the PASSIA core group in terms of both organizational challenges (beyond providing the "space" and developing the plan) and also "exposure".

Following the selection of the Core Group-led strategy, it was named ***Mustaqbalna – Our Future!*** and the core group developed action plans for each of the thematic fields, details of which are described in a separate PASSIA publication.[39]

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scenarios use in the "pragmatic/prudent" (short-term) + "proactive" (long-term) approach could be more oriented to underline the importance/backing-up of the envisioned Assembly both to *East Jerusalem* Palestinians and the international community.
[39] *Ibid*.

3.   ADVOCACY & ACTION _____

The strategic approach (with its various sub-strategies) selected in the second phase of the project was subsequently subject to an advocacy and action plan development.

Thus, following the selection of the MUSTAQBALNA - OUR FUTURE! umbrella strategy, first conceptual ideas for the next stage – implementation of (parts of) the strategy – were gathered and served as action-oriented inputs for "proposed interventions" in each of the thematic fields. The goal was two-fold:

(1) to identify concrete steps that help achieve the strategic objectives set at the beginning of the entire project and translate the strategy into concrete projects; and

(2) to gather as much national and international (political) support as possible and secure funding for at least the initial period of the strategy's implementation phase.
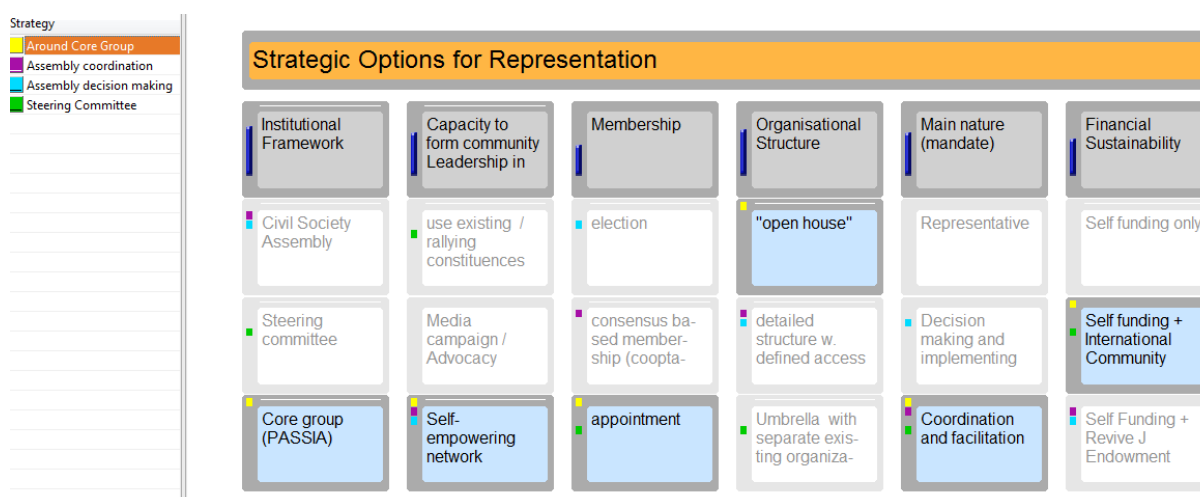
_____ **ANNEX** _____

A. Strategy Profiles:

A1 REPRESENTATION – STRATEGIC OPTIONS . . . .

1. "Around Core Group" Strategy
2. "Coordination Assembly" Strategy
3. "Decision Making Assembly" Strategy
4. "Steering Committee / Existing Constituencies" Strategy
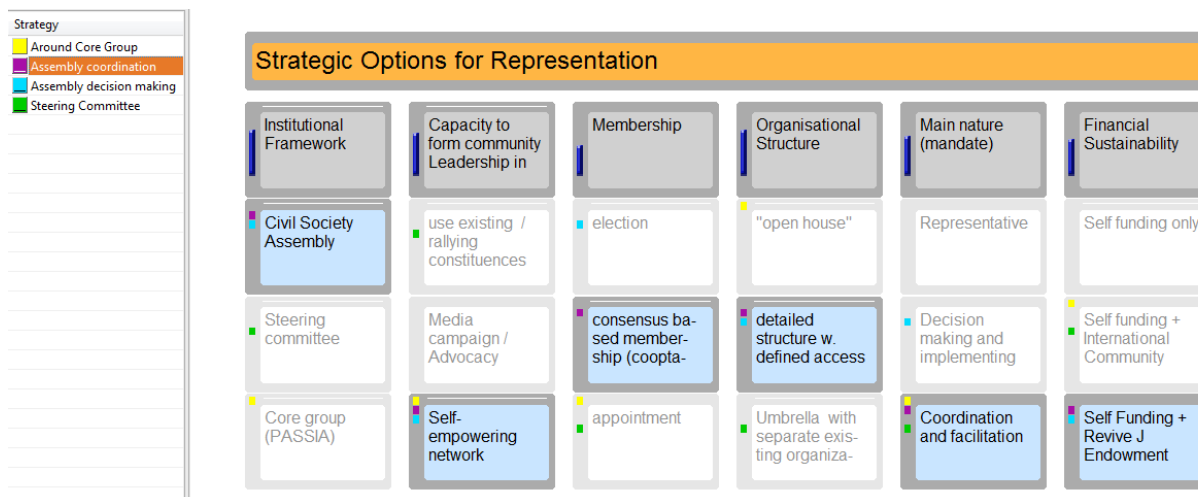
1. "Around Core Group" Strategy

Implementation of the strategy is led by the PASSIA core group with gradually growing membership.

- *Implementing Agency (Marketing, PR):* Core group (PASSIA)/PASSIA Jerusalem Platform

- *Capacity to form community Leadership in East Jerusalem (need to identify and support a new generation of leaders new faces, new blood inclusive, open-minded, non-sectarian membership):* through creating a self-empowering network by:
  - sharing activities and projects with different segments of society (focus on youth)
  - acknowledging and empowering potential stakeholders during the work in projects; growing responsibilities within projects systematically transfers skills (leadership, public diplomacy, project management, negotiation, management, etc.)
  - measuring leadership based on qualification, engagement and talent, accountability.

- *Membership:* by appointment.

- *Organizational Structure:* "open house"-style, with work in progress.

- *Mandate:* coordination and facilitation.

- *Financial Sustainability:* through self-funding (membership fees, crowd-funding, donations, etc.) and aid (international community).
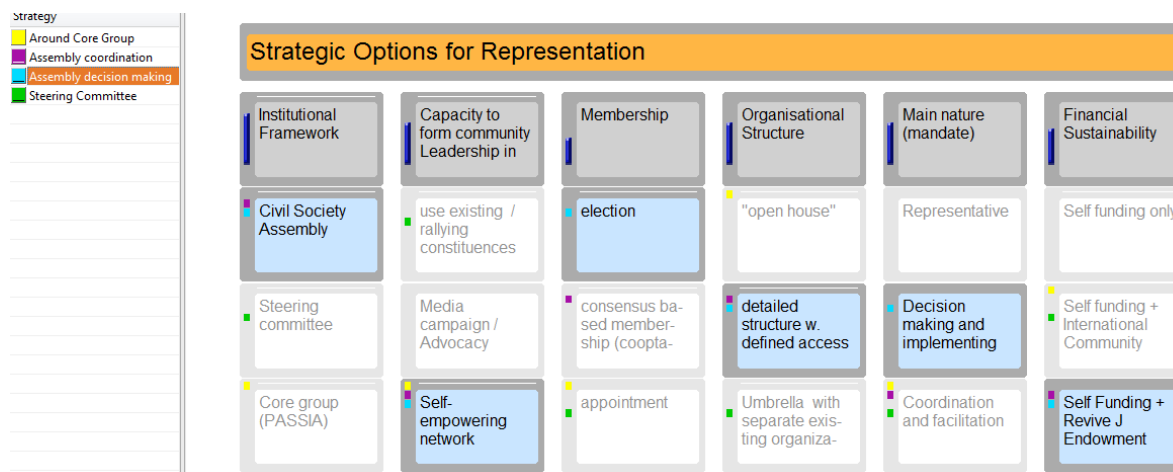
2 . "Coordination Assembly" Strategy

Implementation is led by a yet to-be-established assembly focusing on coordinating and facilitation.

- *Implementing Agency (Marketing, PR):* Palestinian Jerusalem Civil Society Assembly ("Diwan") in cooperation with PLO.

- *Capacity to form community Leadership in East Jerusalem (need to identify and support a new generation of leaders new faces, new blood inclusive, open-minded, non-sectarian membership)* through creating a self-empowering network by:

    - sharing activities and projects with different segments of society (focus on youth)
    - acknowledging and empowering potential stakeholders during the work in projects. Growing responsibilities within projects systematically transfers skills (leadership, public diplomacy, project management, negotiation, management, etc.).
    - measuring leadership based on qualification, engagement and talent, accountability.

- *Membership:* through cooptation (i.e., automatic consensus-based membership according to criteria such as age, gender, profession, etc.)

- *Organizational Structure:* detailed structure with defined access to be defined and decided by the implementing agency and stated in its bylaws.

- *Mandate:* coordination and facilitation.

- *Financial Sustainability:* through self-funding (membership fees, crowd-funding, donations, etc.) and revival of the Jerusalem Endowment Fund.

3. "Decision Making Assembly" Strategy

Implementation is led by a yet to-be-established assembly focusing on decision-making.

- *Implementing Agency (Marketing, PR):* Palestinian Jerusalem Civil Society Assembly ("Diwan") in cooperation with PLO.

- *Capacity to form community Leadership in East Jerusalem (need to identify and support a new generation of leaders new faces, new blood inclusive, open-minded, non-sectarian membership)* through creating a self-empowering network by:

  - sharing activities and projects with different segments of society (focus on youth)
  - acknowledging and empowering potential stakeholders during the work in projects. Growing responsibilities within projects systematically transfers skills (leadership, public diplomacy, project management, negotiation, management, etc.)
  - measuring leadership based on qualification, engagement and talent, accountability.

- *Membership:* through election (representatives are elected to be members of the implementing agency and be responsible for international community, media, Israel, internal affairs, etc.).

- *Organizational Structure:* detailed structure with defined access to be defined and decided by the implementing agency and stated in its bylaws.

- *Mandate:* decision-making and implementing.

- *Financial Sustainability:* through self-funding (membership fees, crowd-funding, donations, etc.) and revival of the Jerusalem Endowment Fund.

4. "Steering Committee / Existing Constituencies" Strategy

Implementation is led by a yet to-be-established assembly focusing on coordinating and facilitation.
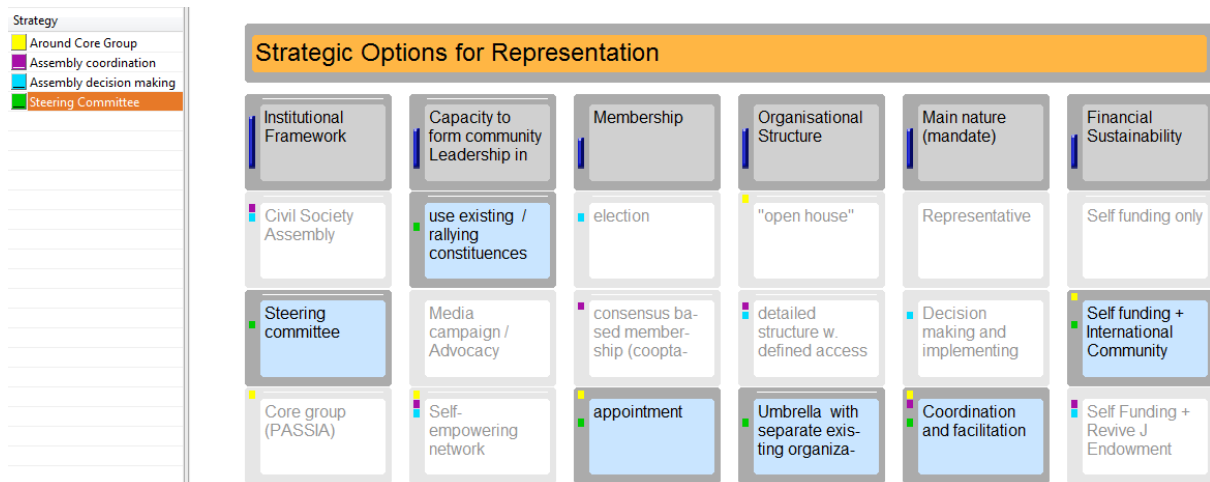
- _Implementing Agency (Marketing, PR):_ Steering committee of professionals (providing sector expertise from church, WAQF, economy, planning, etc.)

- _Capacity to form community Leadership in East Jerusalem (need to identify and support a new generation of leaders new faces, new blood inclusive, open-minded, non-sectarian Membership):_ drawing on existing/rallying constituencies, building on existing local/neighborhood leaderships ("embrace them" by giving them specific leadership tools allowing them to widen their horizons)

- _Membership:_ by appointment

- _Organizational Structure:_ separate existing organizations and selected autonomous institutions organized in an umbrella coordination structure

- _Mandate:_ coordination and facilitation

- _Financial Sustainability:_ through self-funding (membership fees, crowd-funding, donations, etc.) and aid (international community)

A 2 ECONOMY - STRATEGIC APPROACHES . . . .

1. "Local Development" Strategy
2. "Rehabilitation" Strategy
3. "Innovation" Strategy
4. "PA Input" Strategy

1. "Local Development" Strategy

Focus on local capacities and assets.
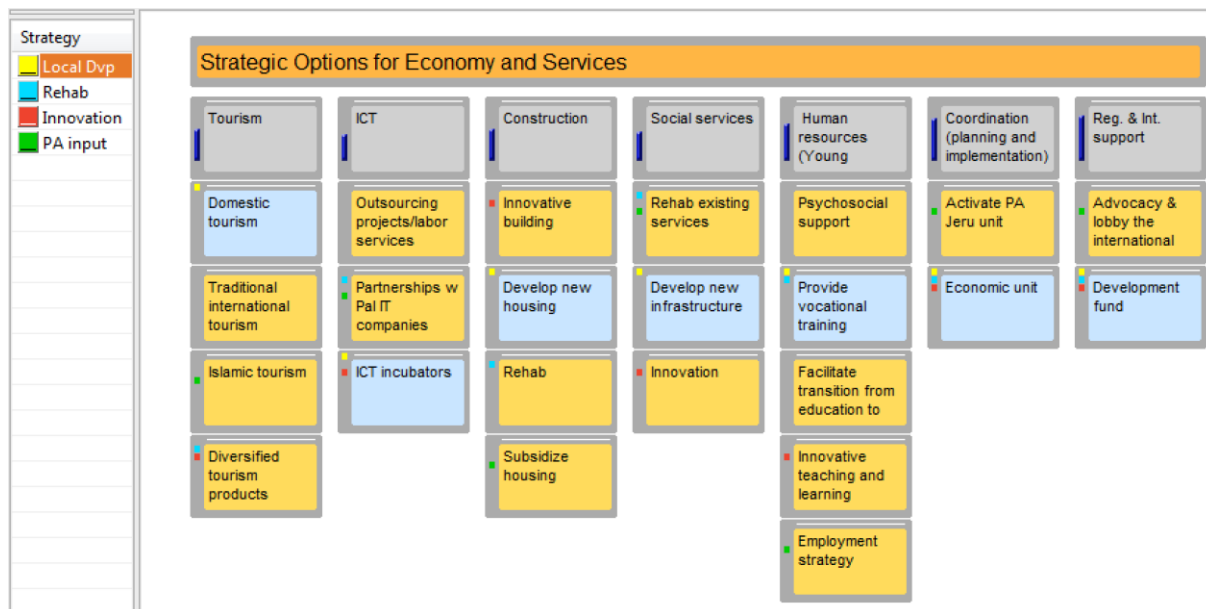
- *Tourism:* Promote domestic tourism by networking with different Palestinian touristic organizations (West Bank, including Jerusalem, and 1948 territories).
  - Organizing joint campaigns to revive the cultural life in and strengthen bonds with Jerusalem (e.g., joint action towards "50 years of occupation", using the "strong brand of Jerusalem"; organize school/university visits to Jerusalem's tourist sites; educational "Jerusalem Day").

- *ICT (Information and Communication Technology):* ICT incubators.

- *Construction:* Developing new housing and securing subsidy for the land developing cost.

- *Social Services:* Developing new infrastructure.

- *Human Resources / young population:* Providing vocational training, expanding courses and programs offered as well as available places for students.

- *Coordination (planning & implementation):* Creation of an economic unit to:
  - Strategically plan, ensure implementation, and coordinate funding and financial resources by pushing the Palestinian private sector and Palestinian banks to embrace their social responsibility and do more investment in East Jerusalem).
  - Reinforce the role of the Chamber of Commerce (to assemble and mobilize major economic actors in East Jerusalem)
  - Support Palestinian traders in East Jerusalem.

- *Regional and International Support:*
  - Create a funding body (Development Fund) to provide credit facilities, incentives for investments);
  - Utilize role of OIC and international community
 - Promote investment instead of aid.

2. "Rehabilitation" Strategy

Focus on rehabilitation (rather than developing *new* projects).
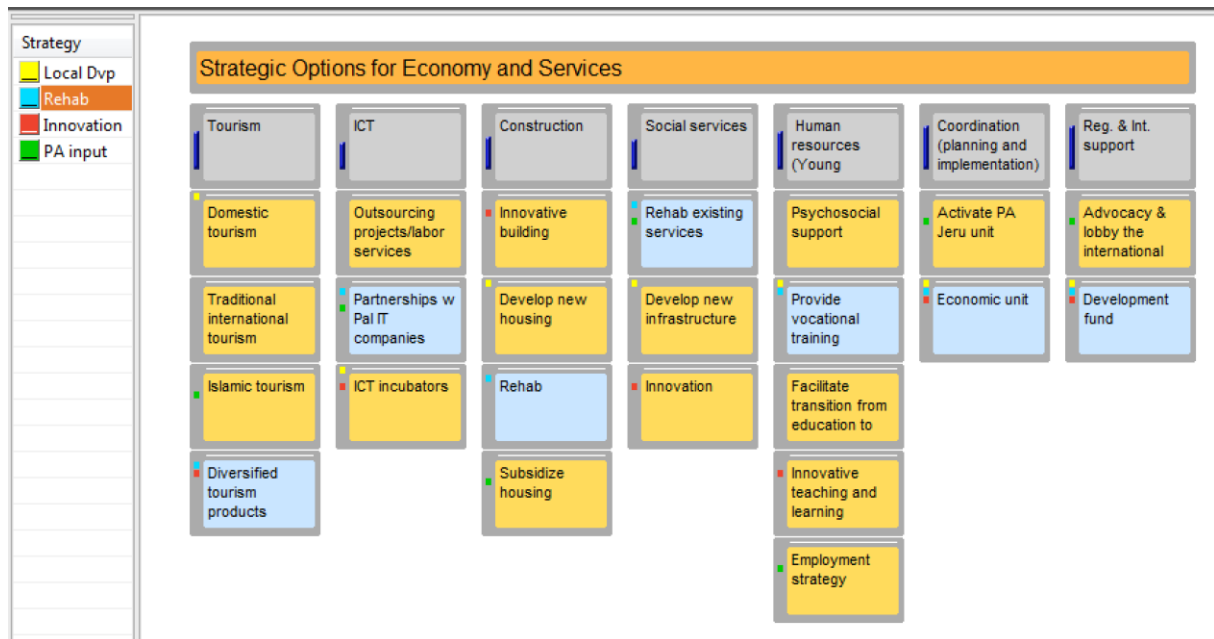
- *Tourism:* Diversified tourism products:
  - Offer different touristic packages beyond pilgrimage such as political/solidarity, cultural, hiking, recreational, and ecological to overcome seasonality.
  - Market *East Jerusalem* within Palestinian (Hebron, Bethlehem, Jenin, etc.) and regional packages (Jordan).
  - Organize cultural and artistic festivals to enhance visitors' experience of Palestinian culture.
  - Develop a promotional strategy and engage in tourism fairs, conferences, etc.

- *ICT (Information and Communication Technology):* Partnerships with Palestinian IT companies (in West Bank, Gaza, Israel, Jordan, region, and Diaspora)

- *Construction:* Focus on rehabilitation of existing structures (e.g., add floors, renovate, etc.)

- *Social Services:* Rehabilitate existing services:
  - - Adding to existing education and health infrastructure and equipment
  - - Staff training, human capacities enhancement

- *Human Resources / young population:* Providing vocational training, expanding courses and programs offered as well as available places for students.

- *Coordination (planning & implementation):* Creation of an economic unit to:
  - Strategically plan, ensure implementation, and coordinate funding and financial resources by pushing the Palestinian private sector and Palestinian banks to embrace their social responsibility and do more investment in East Jerusalem).
  - Reinforce the role of the Chamber of Commerce (to assemble and mobilize major economic actors in East Jerusalem)
  - Support Palestinian traders in East Jerusalem.

- *Regional and International Support:*
  - Create a funding body (Development Fund) to provide credit facilities, incentives for investments);
  - Utilize role of OIC and international community
 - Promote investment instead of aid

3. "Innovation" Strategy

Focus on developing *new* projects (rather than rehabilitation).
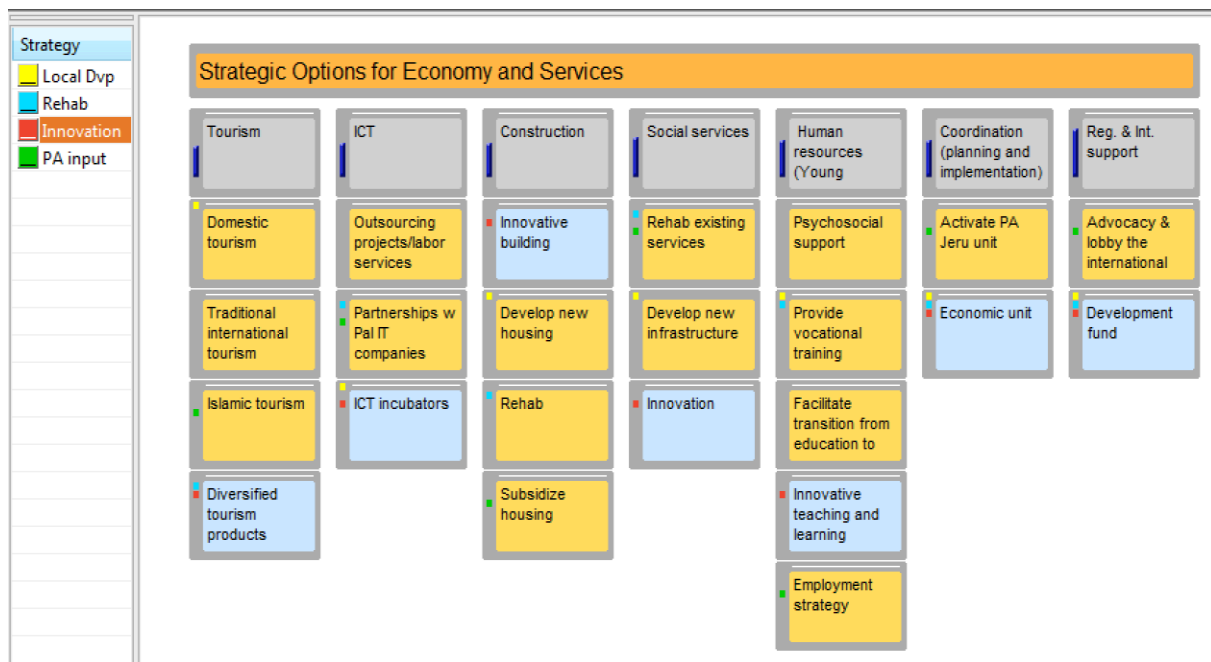
- *Tourism:* Diversified tourism products:
  - Offer different touristic packages beyond pilgrimage such as political/solidarity, cultural, hiking, recreational, and ecological to overcome seasonality.
  - Market *East Jerusalem* within Palestinian (Hebron, Bethlehem, Jenin, etc.) and regional packages (Jordan).
  - Organize cultural and artistic festivals to enhance visitors' experience of Palestinian culture.
  - Develop a promotional strategy and engage in tourism fairs, conferences, etc.

- *ICT (Information and Communication Technology):* ICT incubators.

- *Construction:* Development of new housing:
  - - Innovative building / energy efficient building (also in public buildings)
  - - attract international investment

- *Social Services:* Innovation (building "Model School/Hospital")

- *Human Resources/young population:* Innovative teaching and learning, focus on
  - critical and analytical thinking, problem solving, etc.

- *Coordination (planning & implementation):* Creation of an economic unit to:
  - strategically plan, ensure implementation, and coordinate funding and financial resources by pushing the Palestinian private sector and Palestinian banks to embrace their social responsibility and do more investment in East Jerusalem).
  - reinforce the role of the Chamber of Commerce (to assemble and mobilize major economic actors in East Jerusalem)
  - support Palestinian traders in East Jerusalem.

- *Regional and International Support:* Create a funding body (Development Fund) to:
  - provide credit facilities, incentives for investments);
  - utilize role of OIC and international community;
  - promote investment instead of aid.

4. "PA Input" Strategy
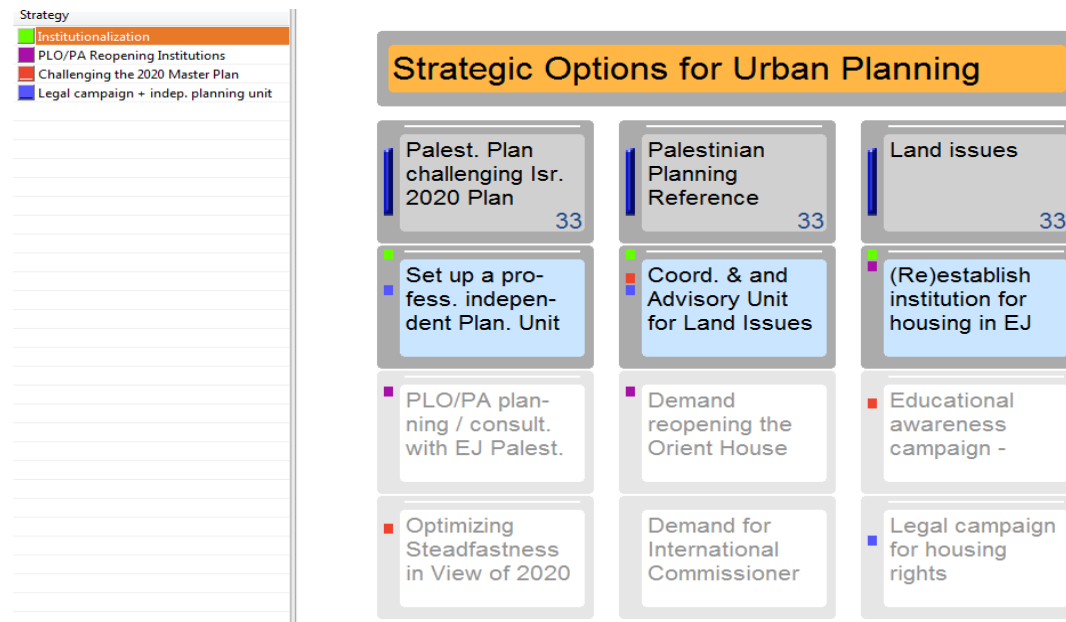
Focus on PA involvement, leadership and action.
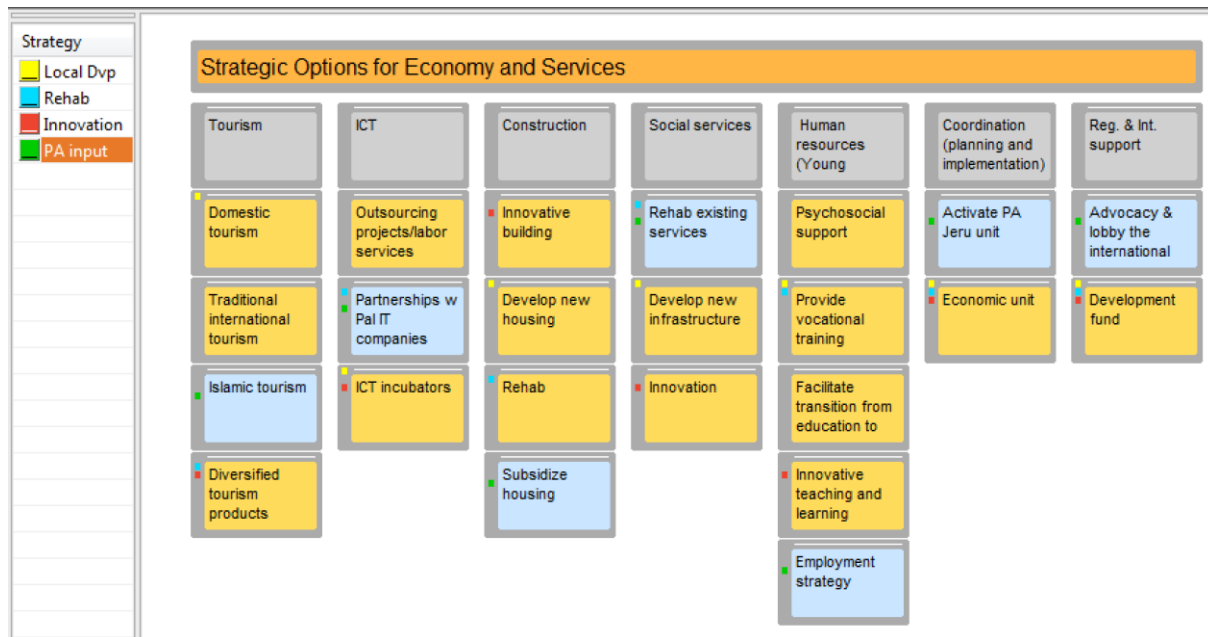
- *Tourism:* Emphasize Islamic tourism:
  - Develop a promotional strategy and engage in tourism fairs, conferences
  - Engage Ministry of Tourism Affairs to coordinate with Palestinian tourism companies as well as at the international level.

- *ICT (Information and Communication Technology):* Partnerships with Palestinian IT companies (in West Bank, Gaza, Israel, Jordan, region, and Diaspora).

- *Construction:* Subsidize housing (cover betterment tax and licenses, etc.)

- *Social Services:* Rehabilitate existing services:
  - - Adding to existing education and health infrastructure and equipment
  - - Staff training, human capacities enhancement

- *Human Resources/young population:* Develop an employment strategy, including:
  - A youth employment strategy for East Jerusalem to counter the high unemployment rates among youth, especially fresh graduates .
  - Addressing the very low female labor force participation rate.

- *Coordination (planning & implementation):* Activate the PA's Jerusalem unit and lobby the PA to:
  - translate its rhetoric (Jerusalem is a development priority) and plans into action;
  - increase its budget allocation to the development of East Jerusalem (for instance tourism infrastructure.

- *Regional and International Support:* Advocacy & lobbying the international community
  - to hold Israel accountable for its violations of international law and human rights (build a registry)
  - to ban Israeli settlement products;
  - to end discrimination against Palestinian workers and violation of their rights.

A3   URBAN PLANNING - STRATEGIC OPTIONS . . . .

1. "Institutionalization" Strategy
2. "PA/Re-opening Institutions" Strategy
3. "Challenging Master Plan 2020" Strategy
4. "Legal Campaign + Independent Planning Unit" Strategy

1. "Institutionalization" Strategy

Focus on new institutional set up.

- _Working towards Palestinian Plan / countering the Israeli 2020 Master Plan:_ Set up a professional and independent Urban Planning Unit (bottom-up approach)

- _Palestinian Planning Reference:_ Establish a central civil society planning body to overcome the coordination vacuum in East Jerusalem. Such a Coordination and Advisory Unit for Land Issues and Planning (CAULIP) aims to overcome lack of coordination between the relevant organizations, official actors, and other parties/stakeholders in the urban planning/development sector.

- _Land issues:_ (Re-)establish an institution for housing in East Jerusalem (like the former Housing Council) to:

  - solve land issues for Palestinians;
  - prepare community / neighborhood housing plans;
  - deal with TABO - individual cases.

2. "PA/Re-opening Institutions" Strategy

Focus on re-institution and –activation of bodies & departments.
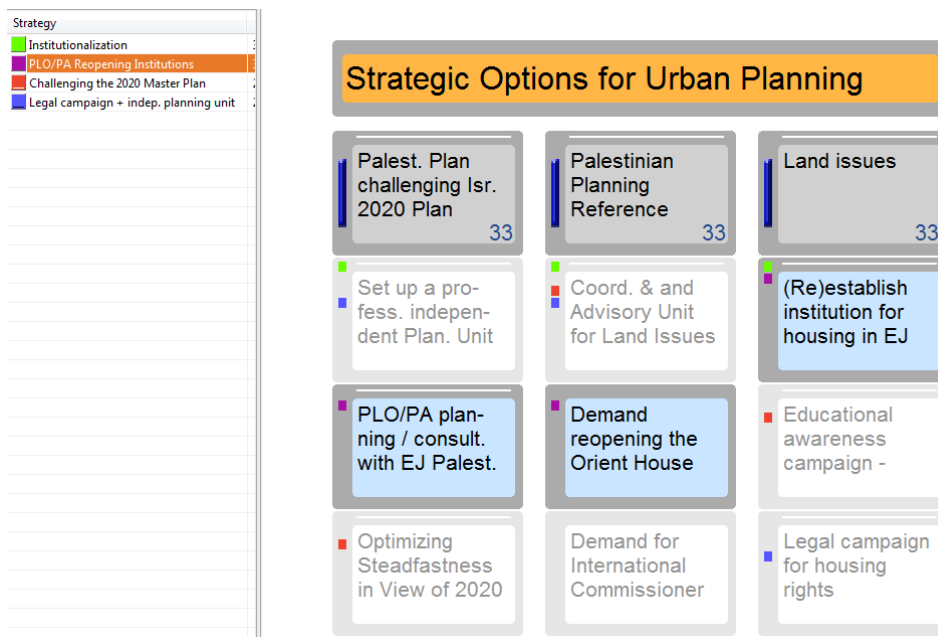
- _Working towards Palestinian Plan / countering the Israeli 2020 Master Plan:_ PA/Government planning and working in consultation and together with Jerusalemites (top-down), including reactivation of existing but inactive bodies/departments.

- _Palestinian Planning Reference_ (to overcome the coordination vacuum): Demanding the reopening of the Orient House through national and international pressure.

- _Land issues:_ (Re-)establish an institution for housing in East Jerusalem (like the former Housing Council) to:
  - solve land issues for Palestinians;
  - prepare community / neighborhood housing plans;
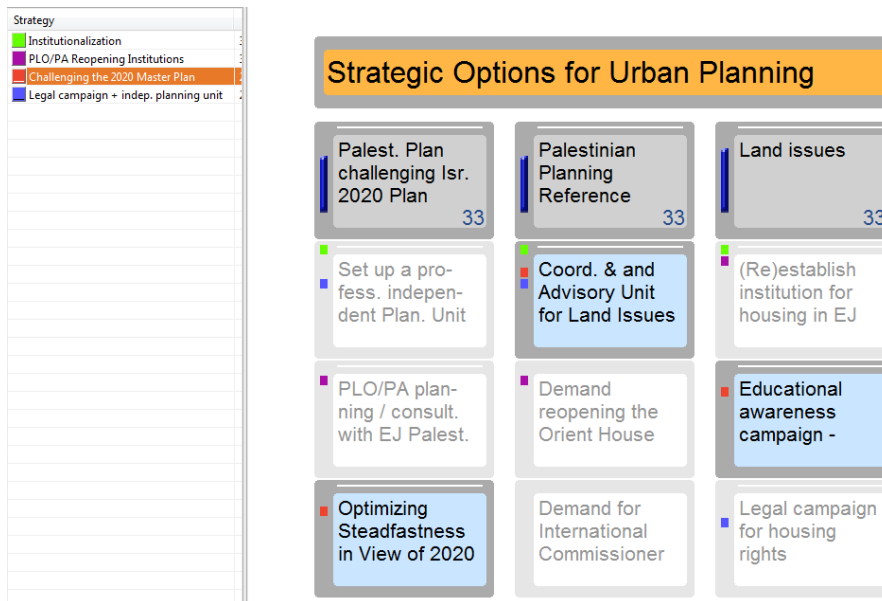 - deal with TABO - individual cases.

### 3. *"Challenging the Master Plan 2020" Strategy*

Challenging the 2020 Master Plan to respect Palestinian housing and other development needs.

- *Working towards Palestinian Plan challenging the Israeli 2020 Master Plan:* Countering and/or optimization of the 2020 Master Plan to accommodate Palestinian needs. Driven by private sector contractors, NGOs planning, and existing (international) community plans (taking 2020 Master Plan as reference).

- *Palestinian Planning Reference:* Establish a central civil society planning body to overcome the coordination vacuum in East Jerusalem. Such a Coordination and Advisory Unit for Land Issues and Planning (CAULIP) aims to overcome lack of coordination between the relevant organizations, official actors, and other parties/stakeholders in the urban planning/development sector.

- *Land issues:* Prepare and run educational awareness campaign targeting the Palestinian community in the city as there is limited popular awareness of Israeli and international legal proceedings with regard to urban planning.

4. *"Legal Campaign + Independent Planning Unit" Strategy*

Capitalize on existing rights and laws.
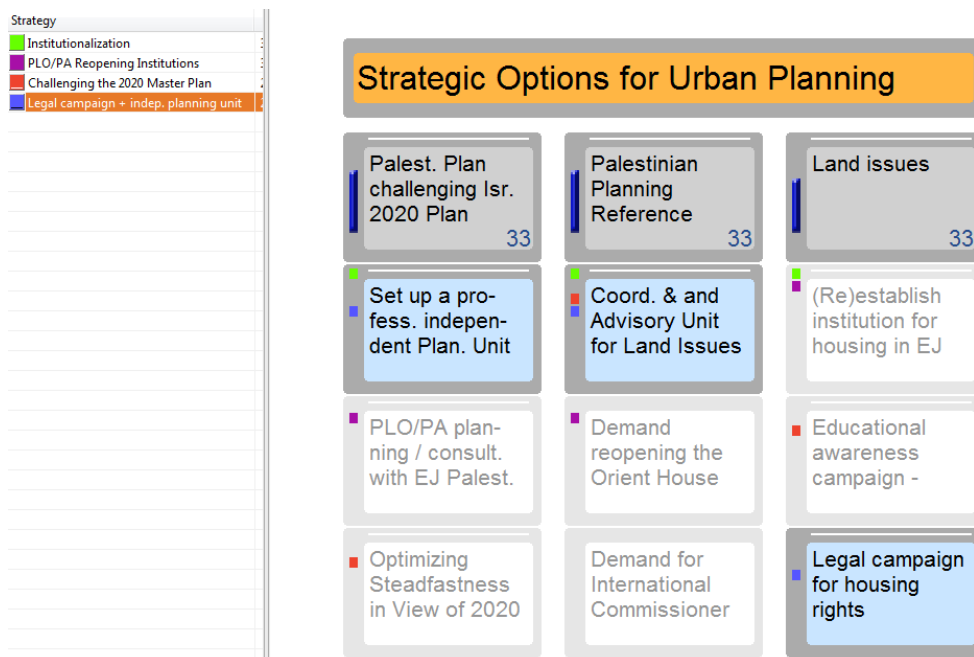
- *Working towards Palestinian Plan / countering the Israeli 2020 Master Plan:* Set up a professional and independent Urban Planning Unit (bottom-up approach).

- *Palestinian Planning Reference:* Establish a central civil society planning body to overcome the coordination vacuum in East Jerusalem. Such a Coordination and Advisory Unit for Land Issues and Planning (CAULIP) aims to overcome lack of coordination between the relevant organizations, official actors, and other parties/stakeholders in the urban planning/development sector.

- *Land issues:* Prepare and run a legal campaign for housing rights:
  - getting a high court decision on housing rights/citizenship/residency rights (comparable to the classroom case[40]).

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[40] In 2011, the High Court of Justice ordered the government and the Jerusalem municipality to build enough classrooms needed to cover the shortage in East Jerusalem schools within five years so as to allow - as stipulated by Israeli law - every student to attend a state school.

A4. INSTITUTIONS AND CIVIL SOCIETY STRATEGIES . . . .

1. "Go Palestinian" Strategy
2. "Competitiveness" Strategy
3. "Resource optimization" Strategy

### 1. *"Go Palestinian" Strategy*

Focus on internal-national efforts to improve performance (emphasizing "Palestinianess").

- *Financial sustainability / infrastructure (reducing dependency / improve financial accountability):* increase income-generation by selling services.

- *Institutional governance (absence of internal democracy (elections) of board members/institutions):* improve external results accountability towards target groups:
  - Introduce/establish transparency mechanisms;
  - Introduce/establish external financial control (to reduce misuse of funds);
  - Establish M&E systems;
  - Establish a commonly valid code of conduct.

- *Public preference for the Palestinian alternative:* brand 'Palestine' through:
  - public campaigns;
  - Strengthening the use of 'slogans of Palestine/Palestinians';
  - promote the concept of 'quality' (Palestinian=quality);
  - enhance reliance on services of Palestinian CSOs instead of foreign bodies (e.g., OCHA).

- *Attract qualified Human Resources:* engage Diaspora (e.g., utilize returnee programs, engage pro bono contributors, deploy national sense).

2. *"Competitiveness" Strategy*

Focus on strengthening competiveness of local institutions and their services.
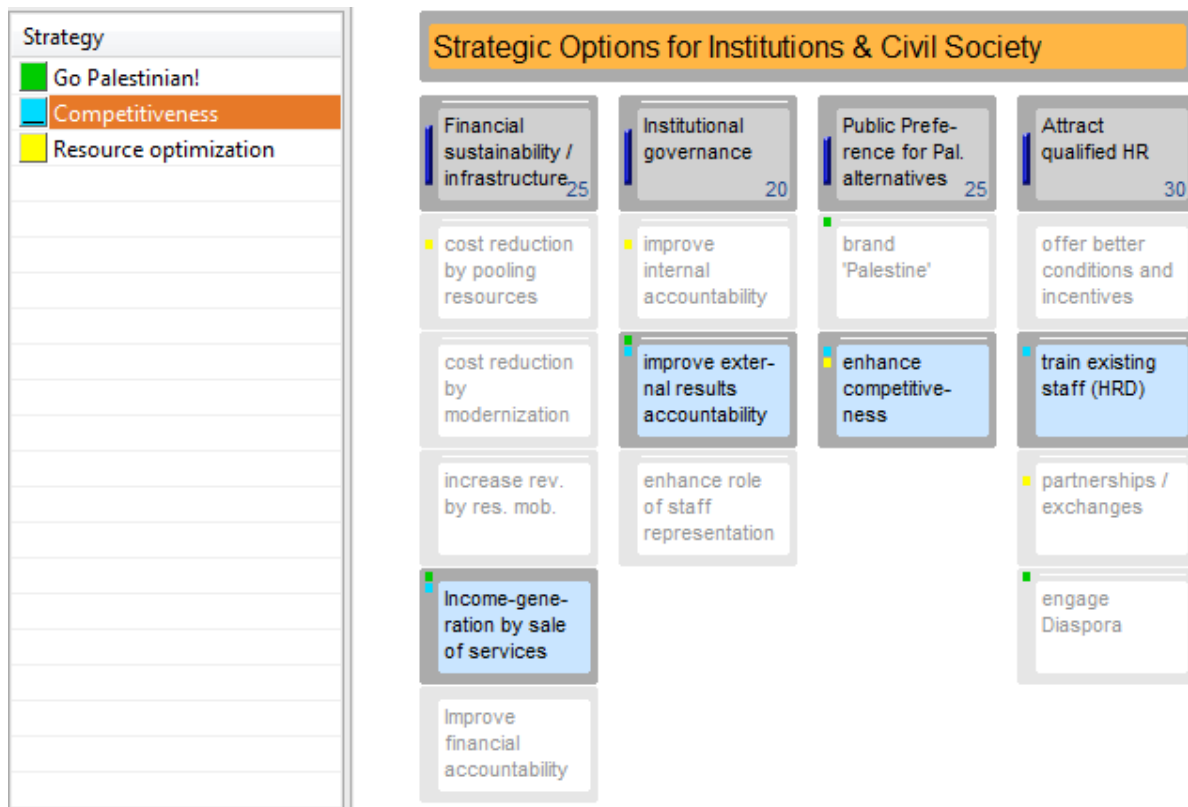
- *Financial sustainability / infrastructure (reducing dependency / improve financial accountability):* increase Income generation by selling services.

- *Institutional governance (absence of internal democracy (elections) of board members/institutions):* improve external results accountability towards target groups:
  - Introduce/establish transparency mechanisms;
  - Introduce/establish external financial control (to reduce misuse of funds);
  - Establish M&E systems;
  - Establish a commonly valid code of conduct.

- *Public preference for the Palestinian alternative:* enhance competitiveness through offering diversity and quality.

- *Attract qualified Human Resources:* train existing staff (HRD):
  - provide training programs (e.g., on civil society empowerment, management, M&E, etc.);
  - develop HR programs showing career paths and perspectives within the *Palestinian* CSOs.

3. "Resource optimization" Strategy

Focus on available resources which to optimize is vital.
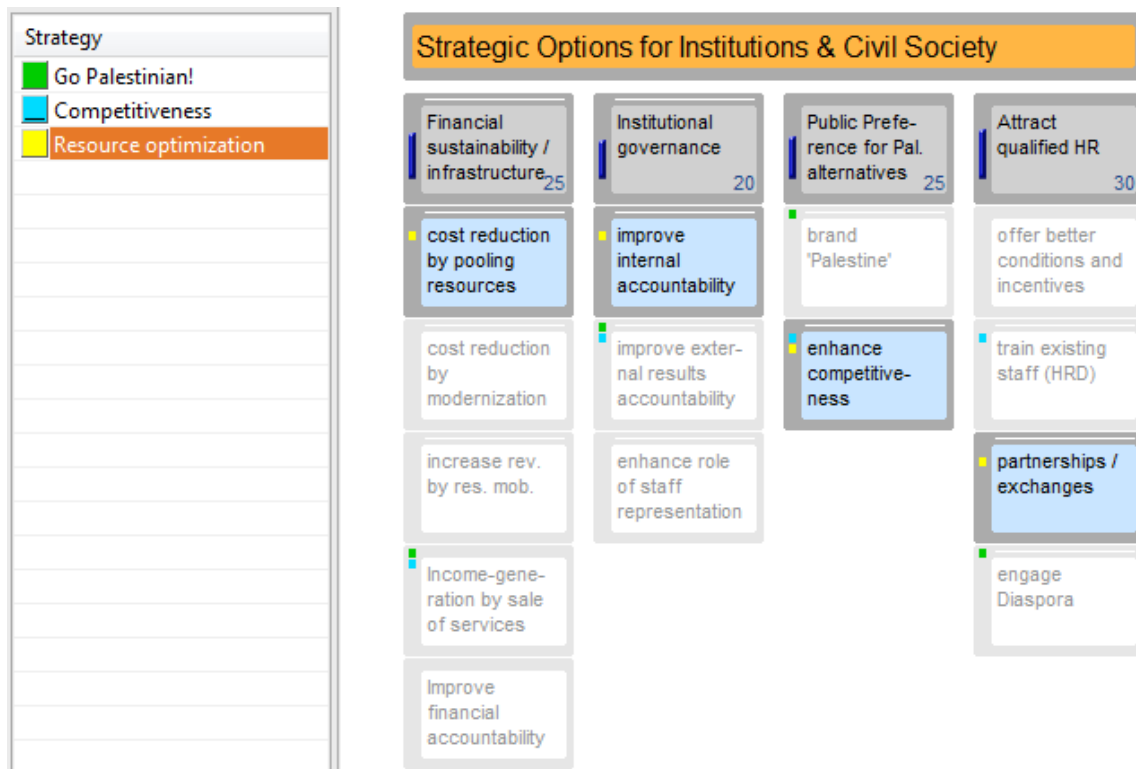
- *Financial sustainability / infrastructure (reducing dependency / improve financial accountability):*
  cost reduction by pooling resources:
  - emphasize a culture of modesty and accountability;
  - establish a NGO forum;
  - organize joint activities (working in partnerships);
  - organize a pooling of human (and technical/equipment) resources.

- *Institutional governance (absence of internal democracy (elections) of board members/institutions):*
  improve internal accountability:
  - Introduce/establish transparency mechanisms;
  - Introduce/establish democratic processes (to elect board, decision-making, etc.);
  - uphold employees rights;
  - fight corruption;
  - provide job descriptions and traceable processes;
  - create a "culture of accountability".

- *Public preference for the Palestinian alternative:* enhance competitiveness through offering diversity and quality.

- *Attract qualified Human Resources:* through partnerships / exchanges; secondment as an option for recruitment.

B. Scenarios Profiles:

B1   Driving forces identified for scenarios:

Drivers	Description	Possible Developments ("Options")
Occupation policies	-Stubborn Israeli leadership in heeding the needs of the Palestinian Community -Ongoing Judaization of Jerusalem -Changes in demography due to new residency status regulations -Systematic obstruction of activities -Dual NGO registration Legal System -Little legal protection of Palestinian businesses & individuals involved in business disputes	• Deterioration continues • more restrictive / Oppressive / "full Apartheid" • carrot and stick • alleviated/easing - de-escalation • end of occupation
Palestinian Authority Neglect	- If the Palestinian authority is unable or unwilling to consider Jerusalem civil issues as national, and residents' needs as its responsibility, this will threaten the legal status of Jerusalem as disputed territory, and threaten residents' sustainability.	• same as today • EJ in total focus of PA • PA out of presence / not showing • Collapse / End of PA • PA replaced by other force
International Pressure on Israel	- Intern. laws / recognition of EJ as occupied territory resorting to international laws and the recognition of Jerusalem as occupied territory The acceptance of Jordan as custodian of the Holy Muslim and Christian religious sites --> Degree of implementation of international law	• as today • increased pressure / towards implementation of international law • full implementation of international law (supported by BDS, UN agencies, ICC mechanisms | lobbying institutions accountability of Israel for war | related damages political will) • less pressure (acceptance of occupation as a fact)
External financial support / aid management	- Sustained and growing interest from interna-tional NGOs to engage in development activities Involving Muslim countries and the Vatican in the division of Jerusalem according to a formula that will address the religious and administrative status of the city BUT: - Lethargic Jordanian response to Israeli actions in Haram Al-Sharif - Abandonment of Jerusalem as a major Holy Place by Arab and Muslim world - Consequences of Oslo Agreements about leaving Jerusalem till the final stages of resolving the Palestinian - donor driven/ rather than real needs - ignorance of international laws	• as today: sparse, erratic, non-coordinated • International Community fatigue • increased funds
EJ represen-tation incl. aid manage-ment	- no unified address - obsolete leadership - closed key institutions	• as today (vacuum))(optional representation through Israeli system) • as today + openness for some kind of civil society representation • Representation of EJ as part of Palestine (i.e., PA can act in Jerusalem) • Representation of EJ by itself (as separate body "Orient house style")

		• International umbrella solution (Representation of West and East Jerusalem in a system governed by a High Commissioner) • Curtailment of Palestinian Civil Society
Religious Fundamentalism (domestic + regional)		• as is: contained extremism (no local threat) • Rising extremism on all fronts (spill over / fundamentalist Jews/Elad gaining upper hand / Daesh + other extremist Islamist gaining influence in Jordan / young Palestinians are increasingly attracted by Daesh ideas / the Palestine-Israel conflict turns into a religious conflict) • Decreased religious radicalism

B2   Scenarios developed:

Deterioration of the Current Situation	Towards Apartheid	Window of Hope	End of Occupation	International Umbrella Solution

SCENARIO: DETERIORATION OF THE CURRENT SITUATION

This scenario foresees the perpetuation of the current situation on the ground, i.e., **occupation policies** continue unabated, following the recent negative trends of further deterioration: continuous Judaization of Jerusalem, ongoing assaults on Palestinian residency rights, an Israeli leadership that remains stubborn in heeding the needs of the Palestinian community, which continues to live between the Israeli and Palestinian systems while belonging to neither and with little legal protection, both in the private and work/businesses spheres. Palestinian civil society faces a hampering dual NGO registration legal system and remains beyond its potential due to the obstruction of its activities, such as closing offices and stopping events from being held. Due to all the above Jerusalem is a source of ongoing tension and conflict escalation.

The **Palestinian Authority** remains weak and focuses almost exclusively on internal issues while Jerusalem continues to be neglected. As the PA is unable or unwilling to consider Jerusalem civil issues as national, and residents' needs as its responsibility, the legal status of Jerusalem as disputed territory and the residents' sustainability will be threatened.

A change with regard to **international pressure on Israel** is not expected, i.e., the degree of implementation of international law remains low and the recognition of East Jerusalem as occupied territory only exists on the paper. While Israel engages in unilateral actions exclusively serving its own interests, Jordan's acceptance as custodian of the Holy Muslim and Christian religious sites is theoretical and reluctant, keeping Jordanian influence and actions at a rather low level. The Arab/ Muslim world has abandoned Jerusalem as a major holy place over seemingly more pressing regional agendas. The Israeli government, meanwhile, is unwilling to influence public opinion regarding compromise in Jerusalem and is uninterested in placing the question of Jerusalem on the negotiating table.

Due to the political deadlock, the international community avoids any significant intervention in the city but continues to support the Palestinians, while, however, displaying a growing degree of aid

fatigue. **External financial support** remains donor-driven and limited in scope not really serving the needs of the people while turning a blind eye to obligations under international law. Socioeconomic conditions further deteriorate.

There is no change with regard to **East Jerusalem's representation**, including aid management, i.e., Palestinians in Jerusalem have no unified address, while struggling with obsolete leadership and the closure of key institutions (such as the Chamber of Commerce, the Housing Council, etc.). As the Palestinian Authority is unable to enforce its leadership on the national level the vacuum continues in Jerusalem with the optional representation through the Israeli system (by participating in municipal elections, which are, however, boycotted by the majority).

Nurtured by frustration with the hopeless situation on the ground and the toothless international attitude there is rising **religious extremism** on all fronts, domestically and regionally. In Israel, fundamentalist Jews/Elad and other settler groups are gaining the upper hand, while Daesh and other extremist Islamists gain influence in Jordan/the region (with a likely further spill over to Palestine). The Palestine-Israel conflict is at the brink of turning into a religious conflict.

SCENARIO: TOWARDS FULL APARTHEID

In a future that develops towards full Apartheid, occupation continues and intensifies and **occupation policies** will become much more restrictive and oppressive. Jerusalem will be completely walled off and ethnic cleansing is accelerated as Palestinians will be increasingly pushed out of the city by new, harsher residency status regulations and other measures making their lives deliberately untenable (possibly to the extent that Israeli authorities revoke residency rights and forcibly deport large numbers of Palestinians from the city). Israeli leadership completely ignores the needs of the (remaining) Palestinian community and quasi-anarchical conditions will allow criminals to act largely unimpeded. Meanwhile, the Judaization of Jerusalem progresses at a fast speed, while settler and other Jewish extremist groups - with overt government support - take over large blocks of housing in East Jerusalem, especially in and around the Old City, and severely limit access to holy sites for non-Jews. Community-based activities are systematically obstructed and staff is subject to intimidation, leading to a further weakening of the civil society and closure of more offices and institutions. Palestinians in the city have no legal protection - neither private-personal nor business-wise - and their economic situation worsens. As Ultra-nationalist/ rightwing groups dominate the city hall Palestinian freedom of movement is further restricted and both access to services and employment as well as travel between Jerusalem and the West Bank becomes more difficult, costly and time-consuming (or near impossible).

Jerusalem will remain **neglected** as the **PA** will collapse or otherwise cease to exist, which may lead to an all-encompassing conflict with unprecedented clashes and losses. Jerusalem's legal status as disputed territory will cease, vehemently threatening the Palestinian residents' sustainability. Unable to take action, the political leadership will be increasingly unable to limit or restrict by extremists and spoilers.

International pressure on Israel will further decrease (with the possibility that 'occupation' will even be accepted as a fact). As the international community retreats and gives up on the possibility to reach a two-state solution or any other form of "peace", the degree of implementation of international law is at its lowest level, leading to the *de facto* non-recognition of East Jerusalem as occupied territory and the questioning, if not ignorance, of Jordan's role as custodian of the Holy Muslim and Christian religious sites. Disenfranchised and lacking effective leadership, the Palestinians are unable to draw any international intervention.

Along with this **external financial support** is characterized by an unprecedented level of aid fatigue, leading to further severe economic and social deterioration. International NGOs/donors may engage

in development activities but with a limited scope and a donor-driven agenda which does not attend to real needs and ignores international laws (which is no big deal as the Oslo Agreements have left Jerusalem out of the negotiations). Muslim countries (Jordan) and the Vatican may still play some marginal role in addressing the religious and administrative status of the city, but Jordan's response to Israeli actions at Al-Haram Al-Sharif is weak and the Arab/Muslim world has abandoned Jerusalem over other pressing regional agendas.

We will witness a further curtailment of Palestinian civil society as their will be no **East Jerusalem representation** at all. Officially denied any unified address, Palestinians are left with no own leadership while their key institutions (such as the Chamber of Commerce, the Housing Council, etc.) remain closed permanently. AS the PA will be unable to enforce its leadership, there is an imminent danger of criminal gangs and militias taking control of East Jerusalem's neighborhoods and streets.

Furthermore, there is rising **religious extremism** on all fronts, domestically and regionally – nurtured by frustration with the hopeless situation on the ground and the toothless international attitude. In Israel, fundamentalist Jewish groups (such as Elad) are gaining the upper hand and embark on an aggressive campaign to take over Al-Aqsa Mosque compound, while Daesh and other extremist Islamists gain influence in Jordan/the region, with a likely spill over to Palestine, threatening to turn the Palestine-Israel conflict into a religious conflict. As moderates and peace promoters are regarded as traitors, an increase in violence, including suicide bombings, is becoming very likely.

SCENARIO: WINDOW OF HOPE

This scenario is a fragile, transitional one triggered by a return to negotiations due to tiredness of the conflict, mutual destruction and violence. It predicts a future where **occupation policies** will continue but in an alleviated and eased manner leading to an overall de-escalation of the conflict. Both sides are willing to work towards improving the situation on the ground to prevent further deterioration of the conflict. The Israeli leadership increasingly considers the needs of the Palestinian community and slows down the Judaization of Jerusalem. Residency status regulations are lessened, the dual NGO registration legal system is being reviewed and Palestinian activities in the city are being increasingly tolerated. The overall legal protection of Palestinians improves, including in the businesses sphere. Economic links with the Palestinian hinterland are enhanced, but the fractured nature of Palestinian existence between Jerusalem and the West Bank still creates disruption in people's daily lives. While violence decreases considerably, mistrust and the negative perception of the other persist.

The **Palestinian Authority** will stop neglecting East Jerusalem and instead put more focus on the city, considering its civil issues as national and residents' needs as its responsibility, thus strengthening the legal status of Jerusalem as disputed territory and the residents' sustainability.

International pressure on Israel as well as political intervention will increase and push towards the implementation of international law, the various stipulations of which will be reviewed with regard to their realization. The recognition of East Jerusalem as occupied territory is emphasized and acceptance of Jordan as custodian of the Holy Muslim and Christian religious sites increases.

Along this, **external financial support** will increase as the international community tries to facilitate and support the improved situation as well as encourages further progress. While there is sustained and growing interest from international NGOs to engage in development activities, their scope remains limited and they continued to partially follow a donor-driven agenda. Muslim countries and the Vatican are increasingly allowed to play a role regarding the religious and administrative status of the city, giving Jordan more strength to respond to Israeli actions at Al-Haram Al-Sharif and bringing Jerusalem slowly back to the agendas of the Arab/Muslim world.

Palestinians in Jerusalem are allowed to establish some form of a unified address and reopen some key institutions (such as the Chamber of Commerce, the Housing Council, etc.), challenging the obsolete leadership. **East Jerusalem** will thus have its own separate **representation** (including aid management) in the style of the former "Orient House", allowing Palestinians to regain at least some form of functional autonomy.

Despite first tangible improvements, there is still **religious extremism** on all fronts, albeit on a lower scale and this time driven by "spoilers", who try to torpedo/jeopardize the rapprochement process. In Israel, fundamentalist Jews/Elad and other settler groups are still powerful, while Daesh and other extremist Islamists still have a palpable influence both locally and in the region, contributing to continued religious tensions in the city. Ongoing Palestinians' daily hardships and sense of deprivation bears potential to strengthen the religious aspect of the conflict.

SCENARIO: END OF OCCUPATION

Under this scenario, the occupation would come to an end, resulting in a situation where both sides of the conflict would be able to develop and prosper while destruction and the further loss of lives would be stopped. As the **occupation policies** come to an end the Palestinian leadership is in charge of the needs of the Palestinian community in Jerusalem, where the Judaization process stops and some of its manifestations are reversed or disappear altogether. The new situation leads to changes in demography as Israeli restrictive residency status regulations cease to be applied and people can freely move to and from Jerusalem and between Jerusalem and the West Bank hinterland. There is only one legal system for NGO registration and Palestinian civil society activities are encouraged and overseen by the Palestinian government. Palestinians, including businesses, enjoy proper legal protection. Access to Jerusalem and free movement of goods and people between East Jerusalem and its West Bank hinterland is reestablished.

As the PA will be replaced by another force, which will refocus on Jerusalem the **PA's neglect of Jerusalem** is no longer a concern. The legal status of Jerusalem as disputed territory is recognized and results in the transfer of East Jerusalem to Palestinian sovereignty. The new Palestinian government will focus on Jerusalem's civil issues as national priority and significantly improve the residents' needs, who now hold Palestinian citizenship.

International pressure on Israel will increase and demand full implementation of international law (supported by BDS, UN agencies, the ICC mechanisms). Degree of implementation of international law will subsequently increase tangibly. The application of international law will have far-reaching consequences (e.g., removal of settlements) and lead to the explicit recognition of East Jerusalem as formerly occupied territory. Institutions will be lobbied for accountability of Israel for war related damages and external players will demonstrate a serious political will to get involved. Jordan's "historical" role as custodian of the Holy Muslim and Christian religious sites is recognized, while it remains to be seen whether its role may cease or somehow continue under the new circumstances.

External financial support will increase due to sustained and growing interest from international NGOs to engage in development activities but still (at least initially) with a tendency to be donor-driven and limited in scope. Muslim countries and the Vatican are allowed to play a larger role regarding the religious and administrative status of the city, giving Jordan (at least during a transitional phase) more strength to respond to Israeli actions at Al-Haram Al-Sharif and bringing Jerusalem slowly but gradually back to the agendas of the Arab/Muslim world.

East Jerusalem will now be represented as part of Palestine/the Palestinian government (which will be able to act in Jerusalem). Consequently, Palestinians in Jerusalem are represented in the same way as Palestinians in Ramallah, Hebron, Nablus etc. under one national umbrella, allowing them to form

(elect) a new leadership and revive key institutions (such as the Chamber of Commerce, the Housing Council, etc.) as well as establish a body in charge of municipal affairs.

Religious fundamentalism is tangibly decreasing, but there remain radical and extremist elements that oppose the new situation and try to jeopardize it provoking tensions and violence. Overall, however, fundamentalist Jews and settler groups as well as Islamist groups are contained and do not mobilize or attract the masses.

SCENARIO: INTERNATIONAL UMBRELLA SOLUTION

This scenario sees an international solution to the conflict in Jerusalem that would give the international community a strong, new role in the city. It envisions a thriving urban area shared by the two nations, which both enjoy free access for workers, worshippers and visitors, safeguarded by an international umbrella body. That body cooperates and coordinated with the two municipalities, which work towards political separation but functional integration of the city.

As the occupation as such would come to an end in the city, there will be a tangible de-escalation on the ground and **occupation policies** with significantly alleviate, ease or stop. During a transitional phase, the Judaization of Jerusalem slows down and the residency status regulations are less restrictive, as the Israeli leadership increasingly considers the needs of the Palestinian community and Palestinian civil society organizations are allowed to operate and implement their activities mostly undisturbed. The dual NGO registration legal system is being reviewed, while the overall legal protection of Palestinians, including businesses, improves, as international forces ("blue helmets") replace Israeli soldiers and police are now in charge to safeguard the city and protect its residents.

As an international body will be in charge, there is no change in the **PA's neglect of Jerusalem** expected. **International pressure on Israel**, however, will increase and push towards the implementation of international law, the degree of which should subsequently increase considerably. International laws are reviewed with regard to their implementation (or not) and recognition of East Jerusalem as occupied territory is emphasized. The acceptance of Jordan as custodian of the Holy Muslim and Christian religious sites increases.

In support of the international umbrella solution and to facilitate its implementation, **external financial support** will increase, while Muslim countries and the Vatican are allowed to play a larger role regarding the religious and administrative status of the city, giving Jordan more strength to respond to Israeli actions at Al-Haram Al-Sharif and bringing Jerusalem back to the agendas of the Arab/Muslim world.

As part of the international solution, West and **East Jerusalem** will be jointly and evenly **represented** in a system governed by a High Commissioner for Jerusalem, which will (partially) replace existing leaderships and key institutions. The Commissioner will be in charge of preparing a new master plan for the entire open, shared city, reversing policies restricting Palestinian development in Jerusalem and taking into consideration an equitable regulatory framework (regarding taxation, property registration, planning, development, land use etc.), while avoiding duplication of infrastructure and fostering cross-border cooperation and positive relations between the Palestinian and Israeli residents.

Domestic and regional **religious fundamentalism** will neither increase not cease but most likely decrease, posing no greater threat than before. In Israel, Jewish extremist and settler groups are contained, while the same is true for Daesh and other Islamist movements in the region, so no further spill over to Palestine must be feared). The Palestine-Israel conflict is thus not turning into a religious conflict.

PASSIA, the Palestinian Academic Society for the Study of International Affairs, is an Arab, non-profit Palestinian institution with a financially and legally independent status. It is not affiliated with any government, political party or organization. PASSIA seeks to present the Question of Palestine in its national, Arab and international contexts through academic research, dialogue and publication.

PASSIA endeavors that research undertaken under its auspices be specialized, scientific and objective and that its symposia and workshops, whether international or intra-Palestinian, be open, self-critical and conducted in a spirit of harmony and cooperation.

This paper describes the process of a project PASSIA implemented during 2015-2016 in partnership with the Open Regional Fund for the MENA region (ORF-MENA) of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which included the a software-assisted development of various scenarios, strategies and advocacy measures for Jerusalem's future along four sectors (1. Representation, 2. Economy and Services, 3. Urban Planning, 4. Institutions and Civil Society). The goal was to identify ways and means that help Palestinian Jerusalemites remain steadfast inside the city, preserve their identity, strengthen their presence and resilience, and develop mechanisms as well as advocacy tools to improve their socioeconomic situation.

The outcome was a strategy (selected from a set of developed strategies) called MUSTAQBALNA/OUR FUTURE!, which aims to take action for the benefits of the Palestinian community in Jerusalem and to improve, if not reverse, the negative effects of almost half a century of occupation, neglect, and discrimination. The Strategy is described in a separate publication.