



Palestinian National Plan 2011-13

**Cross-cutting Strategy on Public Finance Management
&
Monetary, Banking and Financing Policies**

1. Introduction and Approach

This Strategy on Public Finance Management and Monetary, Banking and Financing Policies is one of cross-cutting strategies, which compose the Palestinian National Plan (PNP) 2011-13 process. Accordingly, the Ministry of Finance (MoF) and all finance sector institutions seek to integrate with other national bodies in order to the inclusive national vision.

Development approach of this Strategy derives from the 13th Government Programme Palestine: Ending the Occupation, Establishing the State. It also relies on an integration of vision, objectives and programmes of all institutions working in the public finance management sector.

In this context, all public finance stakeholders have been identified to draft or implement policies at an early stage of the Strategy development process. The Strategy also makes reference to strategies, policies, objectives and programmes compiled by each stakeholder. Through a consultation process, bilateral meetings were held with many officials of various levels at relevant bodies, focusing on major objectives and programmes to be taken into account and built on in the process of identifying the Strategy targets. Finally, the Strategy pays a special attention to harmony and integration between all respective actors.

2. Vision

The independent Palestinian State will manage its financial institutions and system in line with the best international standards and practice. These will be accountable as well as highly transparent, responsible and effective, enabling decision makers to make proper policies and decisions and take economic, financial and monetary measures, which will achieve fiscal and monetary stability, promote investment, and propel economic growth in Palestine. Within a framework of effective, equitable and transportation allocation and expenditure of public finance, the State of Palestine will also rely on domestic resources and reduce dependence on external aid.

The vision of the Strategy on Public Finance Management and Monetary, Banking and Financing Policies is a significant part of the broader scope of the national vision and guidelines set forth by the 13th Government Programme Palestine: Ending the Occupation, Establishing the State.

The vision identifies four strategic objectives:

- (i) Support domestic resources and reduce reliance on international aid.
- (ii) Create a regulated financial system at a high level of transparency, responsibility and equitability.
- (iii) Achieve financial stability.
- (iv) Materialise monetary and banking stability and establish a modern, advanced non-banking system in order to promote investment and economic growth.

The first three objectives are linked to the public finance management system (MoF and relevant bodies) and the fourth to monetary, banking and financing policies (Palestinian Monetary Authority (PMA) and Palestinian Capital Market Authority (PCMA)).

Combined, these objectives should serve national strategic goals, which lie the necessary foundations of the prospective State of Palestine. These goals are as follows:

1. Ending the occupation and creating political stability that allows economic activities to grow and prosper.
2. Social integration, ensuring that all segments of the society have access to available economic opportunities.
3. Regional and international integration, by establishing an open economy and society and enhancing competitive and diversified markets.
4. Continued economic development by integrating economic and social interests.

3. Sector Profile

The Palestinian financial system was officially in place 16 years ago following conclusion of the 1993 Oslo Accords and 1994 Paris Protocol, which enabled PNA to manage financial and monetary issues and support economic development.

Institutions in relation to public finance management and monetary, banking and financing sectors: PNA incorporated two bodies to supervise and regulation the finance sector: PMA for operations of the banking sector, and PCMA for operations of the non-banking sector.

Additionally, several government agencies operate in the public finance management sector. MoF is the government body which is responsible for managing public finance and implementing the Government fiscal policies in cooperation and partnership with respective agencies, including the Financial and Administrative Control Bureau (FACB), Palestinian Central Bureau of Statistics (PCBS) and Ministry of Planning and Administrative Development (MoPAD).

This Strategy is twofold: one addressing the public finance management sector, and the other monetary, banking and financing sector.

SECTION ONE: PUBLIC FINANCE MANAGEMENT SECTOR

1. Public Finance Management Policies

For several years, the Palestinian financial sector has faced challenges and crises resulting from general political and security fluctuations. The Israeli occupation has further imposed restrictions on existing fiscal and monetary tools, which the PNA uses to manage the national economy.

1.1. Challenges

- Impact of Israel's policies on the public finance sector: In addition to the closure regime, Israel denies access to the PNA to respective natural resources, including land, water and cultural heritage, thereby crippling the Palestinian economy and effectively limiting investment prospects.
- Increasing public expenditure, especially the wage and pension bill.
- The budget is still in dire need of external support.
- Limited capacities of the financial sector's human resources: Adverse impacts of outdated employment mechanisms, which were not merit-based, are still visible.
- Existent laws and regulations are inconsistent with requirements of implementing reform policies.
- Net lending has originated because utility bills were not being collected by local governments and electricity distribution companies.
- Challenges to the Palestinian Reform and Development Plan (PRDP): The most significant obstacle to the PRDP implementation is financial instability. PNA is not in control of major economic and fiscal policy tools.
- Consequences of the Israeli military offensive on Gaza:
 - o Addition of further financial burns on the PNA.
 - o The Government has adopted the Palestinian National Early Recovery and Reconstruction Plan for Gaza (2009-10), in which government expenditure plays an important role in the Gaza economy.
 - o Donors deliver support to the Palestinian people through a set of existing mechanisms. The PNA coordinates all finance mechanisms, ensuring full coverage of needs, avoiding duplication, and promoting mutual accountability and responsibility in the implementation process.

1.2. Achievements

The Government Economic Recovery Strategy

PRDP Achievements

Through the PRDP process, the Government has made many achievements and substantial changes in the public finance management sector. These include:

- o The Government has scored a significant progress enhancing effective international aid through close coordination with donors. In this regard, the PNA rejuvenated the Single Treasury Account, developed efficient, transparent systems in the public finance system, and

implemented effective mechanisms for the review of accounts, purchases and entry recording.

- The Government has taken measures to control expenditure, release clearance revenues illegal withheld by Israel, pay salary arrears, revoke illegal contracts, and a quittance procedure to collect utility bills. All these, and other, measures have adjusted the public finance position, reducing the fiscal deficit in the GDP from 25% in 2007 to 20% in 2008. Compared to 2008, the deficit dropped by 2% in 2009.

Reform Policies

- **Financial System Reform**

As part of MoF restructure and responsibility allocation, a position of the Accountant General and a Public Budget Directorate were created in the West Bank. Other structural changes included the following:

- The Monetary Directorate and Public Debt Directorate were established.
- The Directorate of Grants, Profits, Fees and Other Revenues was established.
- The Tax Computer Directorate was established at MoF.

Other reform procedures that also registered many achievements were as follows:

- Reactivating the Single Treasury Account system.
 - Implementing the first phase of constructing the Public Finance Institute.
 - Reform the tax management system.
 - The financial system is now capable of identifying actual monetary needs (i.e. forecasting).
 - Registering all grants allocated to projects in the budget.
 - Building and developing a computerised financial system in line with International Accounting Standards (Bisan System).
 - The financial system is now capable linking and tracking improvements in directorates' performance.
 - Salaries are Controlled and recorded from within the salary-related system.
 - The Accounts Department now issues financial statements from within the accounting system. Bank settlements are also conducted electronically within the system.
 - Linking the public supplies and purchases to the financial system.
 - Linking budgeting and planning processes as a first step towards developing the budgeting preparation process. The process of shifting from an item-based to a programme-based budget has also been initiated.
 - Achievements made by the Auditing Directorate.
 - Preparations have been in place to shift to the Modified Merit System within three years (towards 2014).
- **Accountability and Transparency**
 - Work has started to develop FACB and enhance its human and physical capacities.

- FACB's role and performance has been further developed; a financial controller was appointed at each ministry and government body.
- A Draft Public Purchases Law has been finalised. Accordingly, the Higher Public Purchases Commission will be established.
- Financial statements are published on a monthly basis on MoF website.
- o Revenues
 - The Customs Reform and Modernization Programme of the International Customs Organisation (WCO) has finalised the diagnosis stage, and is now preparing for the implementation phase.
- o Expenditure
 - In cooperation with local government officials, MoF has implemented a plan to reduce net lending from 10.6% of the GDP in 2007 to 7.8% in 2010.

Public Finance Management Strategy

1. Introduction

Despite the crises and obstacles it still faces, the Government will continue to implement policies and measures which will consolidate and develop the public finance management sector. First and foremost, the Government will strengthen and recover the national economy. The Government will also continue to integrate policy making, planning and budgeting process as significant components into the Strategy, which seeks to hold the Government accountable for public expenditure, including those relating to donor-funded development projects. This will also be subject to a national policy framework that emanates from Palestinian vision and priorities.

The Government will continue to build on the achievements made in modernising regulations and procedures, which govern expenditure and accounting operations, thereby consolidating improvements introduced to the public finance system as well as promoting respective transparent and accountable functions.

Tangible enhancements will affect the budgeting process as well as other major operations in public finance management so that the budgeting process becomes output-based. An integrated process, which relies on specific policies in the budgeting process, will also be in place.

2. Goals

Goals will ensure that the strategic visions of the public finance management sector is accomplished. Clear goals will guide dialogue and interaction between various stakeholders, make clear necessary implementation requirements, and identify general priorities to be achieved. Thereupon, the following are complementary, strategic goals that lead to the realisation of the national vision:

- (i) Promote domestic resources and reduce reliance on international aid.
- (ii) Create a regulated financial system at a high level of transparency, responsibility and equitability.
- (iii) Achieve financial stability.

Policy	Policy Interventions	Indicators
Strategic Objective (1): Promote domestic resources and reduce reliance on international aid.		
1. Develop and consolidate tax revenues as well as develop the Palestinian customs system	<ul style="list-style-type: none"> - Consolidate the Palestinian financial and economic situation by increasing tax revenues in order to reduce the budget deficit. - Amend the Income Tax Law, Property Tax Law, and all other laws pertinent to taxes and revenues. - Facilitate procedures to raise tax collection. - Establish and operate the Senior Taxpayers Unit to combine multiple revenues, including income tax, VAT, customs and excises. - Reduce tax evasion and smuggling (i.e. to raise customs revenues, VAT revenues, as well as revenues of the General Petroleum Commission and Directorate of Grants, Profits and Other Revenues). - Raise citizens' tax awareness. - Rejuvenate collection priorities and compulsory implementation system. - Establish a unified accounting system and develop a computerised environment as Revenues Departments: <ul style="list-style-type: none"> o Provide the tax computer system. o Finalise implementation of the WCO Customs Reform and Modernization Programme, including development of a single file and single outlet. o Implement the third phase of the ASYCUDA programme in cooperation with UNCTAD. o Use PATAX systems (tax computer) and link it to various information systems inside and outside MoF. - Develop the Palestinian customs system and take part in the international commercial and legal activity. 	<ul style="list-style-type: none"> - An anticipated 10% rise in revenues over the upcoming three years. - A gradual increase in customs revenues over the next three years by 8%, 12%, and 15% respectively. - Increase in property tax revenues over the next three years by 25%, 50%, and 75% respectively. - Increase revenues of the General Petroleum Commission as well as of the Directorate of Grants, Profits, and Other Revenues by 5% every year. - Increase the percentage of taxpayers registering on a voluntary basis by 10% every year. - Voluntary compliance by taxpayers by reducing the volume of adjustments to personal assessment statements by 10% per annum. - Collect default revenues from taxpayers and owners of petroleum stations. - Provide the consolidated tax computer system. - Finalise implementation of the WCO Customs Reform and Modernization Programme, including development of a single file and single outlet, and implement the third phase of the ASYCUDA programme in cooperation with UNCTAD. - Use PATAX systems (tax computer) in line with the strategy set forth by the Minister of Finance. In addition, the tax computer system will be separated from the Israeli Sha'am system and connected to various information systems inside and outside MoF. - Palestinian customs will accede to WCO.
2. Control and rationalise expenditure, especially recurrent expenditures	<ul style="list-style-type: none"> - Alleviate burden of the public sector wage bill. - Design the pension system with a view to achieving financial stability. - Finalise the approval of the Public Purchases Law, in accordance with which the Higher Public Purchases Commission will be incorporated. - Reduce net lending: <ul style="list-style-type: none"> o Implement all necessary procedures to reduce net lending, including 	<ul style="list-style-type: none"> - Accede to the Organisation. - Employment in the public sector is consistent with the PNA Public Budget. - Reduce the gap between public and private sector salaries to the minimum. - Alleviate the burden associated with implementation of the Pension Programme. - Promote transparent and accountable public purchases as well as rationalise expenditures. - Pay all bills due by local government units. In the future, public services will be based on a full coverage of costs.

	<p>procedures in connection with public servants, promoting them to repay all debts associated with utility bills.</p> <ul style="list-style-type: none"> o Incorporate electricity distribution companies and commercialise electricity service provision. 	
Policy	Policy Interventions	Indicators
Strategic Objective (2): A regulated financial system at a high level of transparency, responsibility and equitability.		
3. Develop legislation relating to the reform of the public finance management	<ul style="list-style-type: none"> - Make sure that existent legislation is in conformity with the Public Finance Management Reform Plan. - Develop a new Budget Law. - Continue to work towards matching the Budget Law with public finance management reform procedures so that a comprehensive review can be developed. - Upgrade the categorisation of the budget and accounts. 	
4. Establish the Public Finance Institute and develop capacities of respective human cadres	<ul style="list-style-type: none"> - Develop capacities and skills of the staff of MoF and relevant bodies. - Set forth guidelines for human resources capacity building at MoF. - Analyse training needs. - Implement an annual training programme in order to established the Monetary and Financial Policy Unit. - Promote an effective management for developing and distributing human cadres at MoF. 	<ul style="list-style-type: none"> - An approved job description at MoF.
5. Develop budget preparation mechanisms	<ul style="list-style-type: none"> - Shift from the item-based to a programme- and performance-based budget. - Adopt the concept of mid-term expenditure framework in budgeting and planning processes. - Link budgeting to planning in consistence with national policies. - Clear and definite procedures in relation to budget implementation and accounting system. 	
6. Develop and control public expenditure management	<ul style="list-style-type: none"> - Submit all responsibility centres to the pre-disbursement financial control mechanism. - Invigorate the control of revenues by establishing control departments to exercise control over revenue accrual departments. - Finalise, regulate and control the Single Treasury Account. - Develop and rejuvenate computerised systems at MoF. - Decentralise disbursement. 	<ul style="list-style-type: none"> - All PNA bodies have financial controllers. - Establish revenue control departments. - Adopt and develop a single accounting programmes - Establish a Single Treasury Account. - Adopt and develop a single accounting programme as well as cease operation of other programmes. - All disbursement centres have their own bank accounts at a single electronically-

	<ul style="list-style-type: none"> - An effective monetary management. - Develop accounting and reporting: <ul style="list-style-type: none"> o Issue transparent financial reports that reflect the real financial situation of the PNA. o Adopt International Public Sector Accounting Standards (IPSAS). - Stimulate and encourage donors to provide direct support to the PNA budget. 	<ul style="list-style-type: none"> - monitored bank. - Publish monthly financial reports on MoF website before to the 15th of every month.
7. Develop and decentralise internal auditing	<ul style="list-style-type: none"> - Establish and operate internal auditing departments at ministries and government bodies - Improve and develop capacities of internal auditing departments. - Develop the organisational structure of the Military Financial Control Department. 	<ul style="list-style-type: none"> - Auditing departments throughout PNA agencies. - Review the legal framework of the public sector auditing anti-corruption and ensure that these are in line with applicable international standards.
8. Develop and promote FACB capacities so that it becomes an independent external auditing body, which operates in line with INTOSAI. Necessary legislation will be enacted to help FACT attain this goal	<ul style="list-style-type: none"> - Develop capacities of FACB's staff so that it can perform assigned tasks and responsibilities in consistence with applicable international standards. - Review the legal framework of the public sector auditing and anti-corruption to ensure independence of both the FACB and the Anti-Corruption Commission as well as compliance with relevant international standards. - A high-quality control product, which matches INTOSAI. - Obtain the European Excellence Certificate of Government Bodies and apply it to FACB. 	<ul style="list-style-type: none"> -
9. Manage and coordinate aid	<ul style="list-style-type: none"> - Put in place administrative arrangements in order to manage and coordinate aid. - Integrate aid into the budget. - Record expenditures and disbursements made by donors immediately to beneficiaries from development projects. 	<ul style="list-style-type: none"> -

3. Strategic Objectives and Policies

Policy	Policy Interventions	Indicators
Strategic Objective (3): Achieve financial stability		
Make the financial policy, develop strategic plans, and establish a financial policy units in order to develop MoF's capacity in drafting financial policies	<ul style="list-style-type: none"> - Develop MoF's ability to draft the financial policy. - Implement administrative arrangements for planning and budgeting purposes. - Assist in the planning process through financial reports and analyses as well as macroeconomic reports. - Develop short- and long-term concepts of the economy and budget. - Manage investment in the public sector. 	<ul style="list-style-type: none"> - Consolidate planning and budgeting processes within a single institutions in line with relevant international standards. - PNP 2011-13 process is in consistence with the 2011 budgeting process.

SECTION TWO: MONETARY, BANKING AND FINANCING SECTOR

1. Introduction

Palestinian Monetary Authority (PMA)

In accordance with a presidential decision, PMA was established as an independent national institution in 1994 and commenced operation in 1995 in its Ramallah and Gaza offices. PMA's operation has been promoted by the promulgation of the Law on the Monetary Authority No. (2) of 1997. PMA has been in place to implement tasks provided for by the Paris Protocol.

Vision: On the near term, PMA seeks to become a central bank with full powers that match the best international control mechanisms. It will also promote banking function in Palestine so that it will be capable of competition and entering regional and international markets.

Mission: PMA works towards providing an enabling, stable and safe environment to exercise banking operations by adopting and applying the best international practice. Thereby, PMA will maintain integrated relations with the banking apparatus and achieve a maximum state of stability and safety in order to consolidate savers' and investors' trust in the banking system. Meanwhile, attention is paid to promoting both PMA's and banks' social responsibility.

Palestinian Capital Market Authority (PCMA)

PCMA was incorporated in reference of Article (2) under the Law Concerning the Capital Market Authority No. (13) of 2004. Accordingly, PCMA enjoys a juridical character, financial and administrative independence, and legal eligibility to carry out all actions and dispositions and accomplish its goals, including the possession of movable and immovable properties necessary to ensure the progress of its operations and exercise of its activities in pursuance of the Law.

Vision: PCMA will be a pioneer in the regulation of the Palestinian capital market and protection of investors' interests.

Mission: To set forth a modern, effective oversight and regulatory framework that materialises principles of transparency, justice and integrity in the performance of securities, insurance, mortgage finance and financial leasing in Palestine.

2. PMA: Achievements and Challenges

- Israel's policies have adversely impacted the banking and monetary sector of Palestine. PNA's ability to fully benefit from monetary policies remained limited as a Palestinian national currency is not in place. To issue such currency, Palestine must enjoy sovereignty over borders as well as economic and security stability.

- PMA faces several difficulties and challenges:
 - o The Israeli occupation and measures imposed on banks and banking sector, especially in the Gaza Strip.
 - o Internal political crisis in Palestine as well as division between the West Bank and Gaza Strip.
 - o Dysfunction of the Palestinian Legislative Council (PLC) has impeded promulgation of a set of laws that are important to the PMA's Transformation Plan.
 - o Global financial and economic crisis.
- In 2006, PMA adopted an ambitious plan to transform from a monetary authority to a central bank with full powers. The first phase would be implemented over a period of three years (2006-9). Major components of the Plan are as follows:
 - o Upgrading and developing legislation that governs operations of the PMA and banking system.
 - o Restructuring existent department, establishing PMA Human Resources Department, and starting initiation of an electronic payments system.
 - o Enhancing capacities of the PMA staff.
- Three years later, PMA has made a number of achievements, including:
 1. Restructured the majority of PMA departments; reorganised existent departments; established the Human Resources Department; started establishment of an electronic payments system; improved PMA staff's capacities; and recruited a group of qualified staff and filled vacancies. Therefore, PMA's current structure now includes three sets: monetary stability set, financial stability set, and administrative set. Additionally, a set of offices carry out specific, specialised tasks, including legal advice, grievances, ethics, risk management, and internal auditing.
 2. Legislation: In cooperation with relevant actors, PMA accomplished the following:
 - a. Developed the Anti-Monetary Law, which was promulgated in 2007.
 - b. Presidential Decree No. (13) of 2008 on the Regulation of Licensing and Controlling the Money Change Profession in Palestine was promulgated.
 - c. Develop a final draft of the new Banks Law.
 - d. Develop a first version of the Draft Central Bank Law.
 - e. Redrafted and issued several instructions for regulation of banking operations.
 - f. Contributed to and took part in drafting a set of general laws and regulations, which overlapped with the financial and banking sectors.
 3. Preservation of the safety and stability of the banking apparatus in Palestine:
 - a. Maintained continued operation of the banking sector in the Gaza Strip.
 - b. Implemented good governance principles and promoted principles of accountability and transparency of banks operating in Palestine.
 - c. Consolidated the capital composition of banks.
 - d. Raised the level of internal investment in Palestine.
 4. Launching and developing of a set of advanced programmes, regulations and services that safeguard the banking sector:

- a. A credit information service through an advanced centre for the provision of necessary information to banks and lending institutions.
 - b. Preparation for using the credit scoring system in the banking sector.
 - c. Developing of a new system of dud cheques.
 - d. Awarding of the tender on the establishment of the electronic payments system in line with the best available technology.
5. Raised the number of bank branches, particularly in rural areas.
 6. Laid the foundation stone of the building housing Palestine Central Bank in the Ramallah city.

3. PCMA: Achievements and Challenges

During few months following its incorporation, PCMA made tangible achievements in relevant sectors. It has been supervising, controlling and licensing all operations of the securities sector as well as exercising oversight and supervision over the Palestine Securities Exchange. In this context, Law No. (12) of 2004 on Securities was promulgated, along with a set of regulations and instructions for regulation of the securities sector. PCMA has also made a remarkable progress in the management and reform of the insurance sector. accordingly, the Insurance Law No. (20) of 2005 as well as regulations and instructions issued in accordance with it were promulgated.

Currently, PCMA is finalising a legal and administrative framework for regulation of the real estate mortgage, financial leasing, and non-banking financial operations. The Draft Law on Financial Leasing was completed and submitted to the Council of Ministers for approval. In cooperation with international bodies, including the World Bank, the Law on Real Estate Mortgage is being developed.

With the aim to promote investment and support economic development in Palestine, PCMA lately published its Strategy, which will enable it addressed matters that affect its function as a regulator of the Palestinian capital market as well as a partner with the private sector. Extending to 2011, a comprehensive strategy, which covers all sectors supervised by PCMA, was developed.

Monetary, Banking and Financing Sector Strategy

4. Strategic Objective and Relevant Policies

Strategic Objective (4): To realise monetary stability and create a modern, developed non-banking system in order to promote investment and economic growth.

4.1. PMA

All monetary and banking policies made by PMA will focus on completing the PMA's transformation into a central bank with full powers.

Policy	Policy Interventions	Indicators
Strategic Objective (4): To realise monetary stability and create a modern, developed non-banking system in order to promote investment and economic growth.		
11. Manage a monetary policy and develop PMA's capacities, ensuring delivery of sound economic advice to support financial stability	<ul style="list-style-type: none"> - Consolidate PMA's independence. - Build PMA staff's capacities through training programmes and workshops as well as issuance of specialised professional certificates 	<ul style="list-style-type: none"> - Establish the Central Bank of the sovereign, independent State of Palestine.
12. Create an enabling environment to stabilise prices and achieve financial stability so as to help support investment, economic growth and workforce	<ul style="list-style-type: none"> - Finalise and promulgate the Banks Law. - Develop drafts of the Central Bank Law and Regulation on the Licensing and Control of Specialised Lending Institutions. - Create an enabling legislative environment of good governance and risk management, taking account of effective, competitive and renovated operation of financial institutions and markets, which work in line with the best international standards. - Initiate development of a law on the guarantee of deposits. - Develop the payments system, start operation of the National Payments System, and prepare necessary programmes in congruence with the best standards and specifications. - Develop a written, detailed plan on the issuance and management of the national currency. The plan will be ready as soon as objective conditions associated with issuing the currency and securing citizens' liquidity needs are in place. 	<ul style="list-style-type: none"> - Establish the Deposit Guarantee Institution. - Establish the National Payments System. - Review the system on a regular basis, assess performance, and identify needs, if any. - Issue the national currency of the independent State of Palestine.
13. Finalise steps towards transforming PMA into a central bank with full powers. The bank will fulfil essential tasks currently performed by PMA	<ul style="list-style-type: none"> - Promulgate laws and regulations (i.e. prepare the legislative environment) necessary for such transformation. - Regulate and finalise some existent PMA departments so as to cope with needs of transforming into a central bank. - Finalise construction of the building housing the Palestine Central Bank in accordance with the respective best international specifications. 	<ul style="list-style-type: none"> - Establish the central bank of the sovereign, independent State of Palestine.

4.2. PCMA

Policy	Policy Interventions	Indicators
Strategic Objective (4): To realise monetary stability and create a modern, developed non-banking system in order to promote investment and economic growth.		
14. Develop and regulate the securities sector under supervision of a specialised administration, which will be capable of promoting it	<ul style="list-style-type: none"> - Consolidate the financial brokerage role by simplifying procedures and removing obstacles in order to improve the quality and effectiveness of services delivered by brokers to investors. - Promote development of the financial market by imposing regulations and instructions. Companies will also be encouraged to provide finance through the PCMA. - Rejuvenate and increase the financial market's liquidity by proposing initiatives and mechanisms that urge investment in local corporations. - Enhance regulations internal function and use IT to facilitate investors' access to needed data and information. 	<ul style="list-style-type: none"> - Ensure that public shareholding companies are committed to the Code of Conduct on the Governance of Companies in Palestine.
15. Develop effective and efficient regulations to develop the insurance sector	<ul style="list-style-type: none"> - Strengthen the legal framework to ensure compliance with legal rules, implementation of binding disciplinary decisions and provisions, and solving all problems associated with insolvent companies. - Develop the legal framework, which governs the Palestinian Road Accident Victims Compensation Funds (PRAVCF) in conformity with the best standards of dispute resolution and victim compensation. Meanwhile, rights of companies, the insured and beneficiaries. - Ensure that insurance companies fulfil their commitments towards the insured and beneficiaries. - Provide necessary support to promote professions associated with the insurance industry. - Expand the scope of insurance services so that it covers broad economic activities. 	<ul style="list-style-type: none"> -
16. Develop a Palestinian market to specialise in mortgage financing in line with the best international practices and standards	<ul style="list-style-type: none"> - Draft necessary laws and regulations in accordance with those of respective institutions. - Issue forth clear instructions on licensing as well as identify monitoring and evaluation standards and systems in accordance with the best international practices and standards. - Design, develop and implement training and educational courses and confer accredited certificates in order to promote staff's capacities in mortgage financing (lenders, valuers, etc.). - Develop and implement sensitisation campaigns in coordination with relevant bodies. 	<ul style="list-style-type: none"> - Make available a legal and regulatory framework to govern the real estate mortgage sector in Palestine. - Make available a legal and regulatory framework to govern the financial leasing sector in Palestine.

<p>17. Create a proper legislative and regulatory environment, which will help support development of the financial leasing sector on equitable and transparent grounds</p>	<ul style="list-style-type: none"> - Draft the Law on Financial Leasing and respective bylaws as well as follow up on implementation following approval. - Design and implement an inclusive campaign to raise awareness of the financial leasing sector. This activity will be in coordination with relevant actors. - Design and implement a professional training programme on financial leasing. - Adhere to implementing all laws and bylaws relating to financial leasing (taxes, assets registration, etc.). 	<p>-</p>
--	---	----------