



Report On

**Integrity, Transparency and Accountability in the Management
of the Electricity Sector in the Gaza Strip**



November 2021

AMAN
Transparency Palestine



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Executive Summary

In its relentless efforts to promote integrity values, transparency principles and accountability systems (ITA) as well as to instill integrity in governance, AMAN prepared this report with the aim of examining the ITA indicators in the management of the electricity sector in the Gaza Strip (GS). The report included the main government institutions and companies that manage the sector in the Strip such as: The Energy and Natural Resource Authority (ENRA), the Gaza Governorate Electricity Distribution Company (GEDCO), and the Palestinian Electricity Company, owner of the Gaza Power Plant. The descriptive approach was applied in the preparation of this report where the researcher reviewed and analyzed the legislative framework governing the mentioned bodies as well as their institutional environment, policies and measures. He also reviewed relevant local literature and research reports, conducted in-person, phone and on-line interviews with a number of officials and employees working in these institutions, after which the contents of the interviews, messages and collected information were analyzed before concluding the following:

1. The current legal framework governing the electricity sector lacks the necessary laws and legislations needed to regulate the sector and its controlling parties.
2. In terms of integrity values, employees of the ENRA did not undergo training on the Code of Conduct and Ethics for Public Service Employees (CoC) issued by the General Personnel Council (GPC). In addition, the Energy Authority has no guide-books on conflict of interest or gift-receiving. However, the GEDCO has its own specific COC that is applied at work and published on the website. The company is also in the process of adopting its own prepared guidebooks on conflict of interest and gift-receiving.
3. In terms of transparency principles, the ENRA in Gaza has an active official website and Facebook (FB) page where some activities are posted. However, details concerning the company's action plans are missing as well as the information posted on tenders is insufficient. Moreover, disclosure of information to the public by the GEDCO is also insufficient due to delays in adopting the conflict of interest guide-book and the lack of disclosure of information on its financial center and work results; all of which are caused by the absence of a law demanding these requirements. The report also showed that The Palestinian Electricity Company (PECO) issues annual, semi-annual and quarterly reports including disclosure of the company's financial center and work results in addition to other disclosure requirements.
4. In terms of accountability, the Energy Authority in Gaza (GEA) submits periodic performance reports to the Government Follow-up Committee. However, agreements concluded by the Gaza Energy Authority are not presented to the Economic Committee of the Legislative Council "The Change and Reform Bloc", which reduces chances for the legislative council to evaluate and provide advice concerning these agreements. The report also revealed that the GEA remains outside the scope of accountability of all actors in the Palestinian arena, government, political and civil society organizations (NGOs).

Recommendations to Promote ITA in the Management of the Electricity sector in the GS include:

1. All political parties in the West Bank and Gaza Strip (WB&GS) must harmonize laws and legislation related to the electricity sector. They must also reach an agreement on a modern, unified and final law for the electricity and energy sector in Palestine in order to ensure integrity in the governance of the sector.
2. Provide training for employees of the GEA on the CoC in addition to preparing manuals and regulations on conflict of interest and gift-receiving. Also, to complete the training of employees of the GEDCO on the CoC, and to expedite the adoption and dissemination of the conflict of interest and gift-receiving guide-books prepared by the company. The need for the Palestinian Electricity Company to disclose whether it has a code of conduct for employees, regulations or guidebooks on conflict of interest and gift-receiving.
3. Develop the GEA's website to include disclosure of the organizational structure, staff system, annual budget, operational plans and strategies, performance reports and tenders' details and price quotes. In addition, it is necessary to develop its FB page so that all news and activities carried out by the Authority are adequately and appropriately disclosed. To also quicken the adoption of the information disclosure manual prepared by the GEDCO to enhance transparency to the public. Moreover, in order to promote transparency, the Palestinian Companies Law must be amended to oblige public companies or any company that manages vital sectors such as the electricity and energy sectors, to disclose information on their finances and business results.
4. The GEA must present all concluded agreements to the Economic Committee of the Legislative Council "the Change and Reform Bloc" for evaluation in order to enhance parliamentary oversight and accountability opportunities of officials concerning the signing of these agreements. In addition, it is necessary to ensure that the GEA is subject to accountability of all actors in the Palestinian arena, government, political and NGOs.

Introduction

The electricity sector is considered one of the most vital sectors in any country. However, this sector gains extra significance in the GS due to the extenuating political and social circumstance the area is going through. In this regard, the electricity crisis or the deterioration in its provision has affected all walks of life in the Strip due to many reasons, including: Israel's colonial policy which denies Palestinian rights at all levels; the internal division between the two largest political Palestinian movements Fateh and Hamas, hence the division of the institutions of Palestinian Authority (PA); the economic deterioration due to negative external and internal factors; reasons linked to the administrative system responsible for managing the electricity sector. Therefore, it is essential that a reform and governance plan, in general, and systems of ITA in the management of the electricity sector in Gaza, in particular, be put in place. This is of great importance if this vital and sensitive sector is to thrive and overcome the accumulating problems and crisis that negatively impact the lives of citizens,

With this in mind, it is important to know that the electricity sector in the GS consists of two main companies. The first is the GEDCO, established in 1998 as a private shareholding Co. Ltd. and is responsible for the distribution of electricity in the GS. Its headquarters' office is located in the Gaza governorate with sub-headquarters located in all of the GS governorates. The second company is the Gaza Power Plant, established in 1999 as public shareholding Co. Ltd. owned by the Palestinian Electricity Co., in addition to the ENRA in Gaza, which regulates and controls policies of the electricity sector.

The State of Palestine lacks local electricity generating sources with the exception of the Gaza Power Plant and renewable energy sources. Palestine depends mainly on importing electricity from Israel and a small part from Egypt and Jordan in addition to the portion produced by the Gaza Power Plant amounting to 38% of the electricity consumed in the GS and 10% of the total amount consumed in the country¹.

Due to the extenuating difficult political and economic situation in the area, the GS suffers from severe shortage of electricity. The current available capacity from the mentioned sources (Israel, the Gaza Power Plant and Egypt) amounts to a maximum of 220 MW, which accounts for 45% of the GS electricity needs noting that the Egyptian line has been disabled since February 2018². Moreover, the maximum production capacity of the Gaza Power Plant is estimated at 120 to 125 MW, while it currently is producing 85 MW. Electricity, in the meantime, is imported from Israel through 10 lines with a total of 120 MW³ (an average of 10 MW per line) through which energy is supplied to the GS by ten connecting points on the 22KV before it is distributed to consumers by the GEDCO.

1 Statistical report entitled Electric Power in Palestine 2016-2019, the Energy Authority's website, Ramallah.

2 Statistical report entitled Electric Power in Palestine 2016-2019, the Energy Authority's website, Ramallah

3 Phone interview with Mr. Mahmoud Abu-Hayya, director of the planning and development unit at GEDCO, 5/9/2021.

The electricity crisis in the GS began in 2006 when the Israeli aggression targeted and destroyed the only power plant in the Strip. Ever since that time, the Strip suffers from a persistent and mounting shortage of electricity causing residents to use candles and small primitive generators, which resulted in many human and material losses. Moreover, living standards declined due to the severe shortages of electricity supplies, where the ENRA in Gaza often declared the halting of electricity production due to lack of fuel to operate the power plant⁴.

The internal Palestinian division also exacerbated the issue as the electricity crisis imposed itself on all walks of life and has become a heavy burden on the Gazans. Since then, some political and community efforts and initiatives attempted to address the crisis and reduce its effects, but the reality points to a continuing crisis and the absence of any foreseen solutions.

Nevertheless, the overall objective of this report is to examine the compliance of the parties managing the electricity sector (GEDCO, the Gaza Power Plant, ENRA) in the GS with the principles of transparency, as well as the commitment of officials working in these entities to the values of integrity, and to ensure that systems of accountability are in place and activated. AMAN's specific objectives, however, are to assess the risks of corruption in the management of the electricity file caused by decision-makers responsible for this sector thorough examining the integrity of governance indicators in each of the three bodies (GEDCO, the Gaza Power Plant, ENRA). To also ensure that the laws and legislations governing the work of the electricity sector are based on values and systems of ITA, in addition to assessing the political, economic and administrative factors that affect the electricity sector in the GS, and finally to come up with recommendations that will enhance ITA in the management of the sector and guarantee integrity of governance in this area.

⁴ Fact-finding working paper entitled "Electricity Crisis in the GS", Al-Mizan Center for Human Rights, 2017.

Methodology

The descriptive approach was applied in the preparation of this report where the framework governing the work of the electricity sector was reviewed and analyzed. Also, the analytical approach was applied to the institutional environment, policies and measures followed by the ENRA, GEDCO, and the Palestinian Electricity Company-owner of the Gaza Power Plant through several data collection tools, most prominent of which:

1. Review of the local literature and research related to the electricity sector in the GS.
2. Critical analysis of decisions, reports, agreements, contracts and partnerships related to the electricity sector in the GS.
3. Review and analysis of the laws, regulations and general instructions governing the electricity sector in Palestine and particularly in the GS.
4. Collection and analysis of information related to ITA indicators in the management of the Energy Authority, the GEDCO and the Gaza Power Plant.
5. Conduct in-person interviews with a sample of officials and staff employed by the Energy Authority, the GEDCO and officials in government agencies that oversee, regulate and monitor the electricity sector, as well as with specialists and experts in this field. Subsequently, a critical analysis of the contents of those interviews and information was carried out.
6. Review of the draft report was conducted by AMAN in preparation for the second draft.
7. Conduct a workshop to discuss the draft report in participation of as many of the related parties as possible.
8. Produce the final draft of the report.
9. Contribute to identifying follow-up mechanisms to influence decision-makers.

Legislative Framework for the Electricity Sector in the Gaza Strip

• First: Activated Laws and Legislations

1. Law No. (12) of 1995 on the Establishment of the Palestinian Energy Authority

This law was issued by the PA president prior to the elections of the Palestinian Legislative Council (PLC) in 1996. It provides for the establishment of a Palestinian Energy Authority with an independent legal personality and its own specific budget and shall be under the jurisdiction of the PA president who is granted the power to appoint its Head by a decision issued by him. The law defined the Energy Authority's tasks as follows: to be responsible for generating and importing power from the neighboring countries; establishing national networks to ensure the transfer of energy across the country; establishing sub-networks to distribute energy to consumers; regulating all affairs related to power generation, storage, distribution and manufacture of equipment and gear, as well as energy transport and consumption.

The law also provided for the formation of an energy council chaired by the President of the PA with membership of the head of the Energy Authority, the general director of the Authority, and four other members appointed by the PA president for a two-year term subject for renewal. This law is considered the only law applied in the GS⁵.

The Palestinian Basic Law was issued in 2003 granting the Palestinian Council of Ministers the right to establish public institutions as well as appointing their heads. As for the prime minister, he/she are selected by the PA president and is tasked with forming the government and taking the oath. However, ministers cannot exercise their duties until they have the confidence of the Legislative Council including the Minister of Energy; this was applied by the PLC until 2007.

2. Commercial Companies Law No. (7) of 2012

This law was issued by the "Change and Reform Bloc" members in the Gaza Legislative Council in November 2012, and is only applied in the GS. This law differs from other corporate laws that are applied in the GS, such as The Companies Law No. (18) of 1929 and its amendments, and the Ordinary Companies Law No. (19) of 1930 and its amendments, is that it divided companies into five categories. Among these are public shareholding companies, one of which is the Gaza Power Plant; and those called the limited liability companies, one of which is the GEDCO. The law contains legal articles governing the establishment of companies in the GS and also determines tasks of the corporate controller in registration and oversight of companies' work⁶. However, this law was criticized upon its issuance due to the incomplete quorum in the Legislative Council when it was passed. And also because of the "exaggerated" role of government agencies in Gaza in their dealings and control over companies. Nevertheless, the law remains in effect and is applied by the government in Gaza where companies in the GS abide by it⁷.

⁵ Law No. (12) of 1995 on the establishment of the Palestinian Energy Authority

⁶ Commercial Companies Law No. (7) of 2012.

⁷ Palestinian Economic Policy Research Institute (MAS), Gaza's new corporate law compared to current corporate laws, 2013

● **Second: Establishment Decisions and Internal Systems for Electricity Companies**

1. Council of Ministers Decision No. (11) of 1999 on the establishment of the Gaza Governorate Electricity Distribution Company GEDCO

According to this decision, the GEDCO was established as a Private Shareholding Co., Ltd. to be located in the city of Gaza and fully owned by the Palestinian Energy Authority and local government units (LGUs) in Gaza.

2. Contract for the establishment of the Palestinian Electricity Company

In accordance with the Corporate Law of 1929 and its amendments, the Palestinian Electricity Company was established as a Public Shareholding Co., Ltd. The foundation contract set the goals for which this company was established, which included the establishment of power plants in the PA governorates as one of its objectives. It also specified that it is to carry out all work needed to produce, generate and distribute electricity.

3. Internal regulations of the Palestinian Electricity Company

It is an internal system amended in accordance with the Commercial Companies Law No. (7) of 2012. It included, in addition to the objectives stated in the company's founding contract, more details of the company's capital and its shareholding management process. It also included the structure of the company's board and its sessions and regulating financial accounts and reports.

● **Third: Laws by Decisions-Not enforced in Gaza**

• **Law by decision No. (13) of 2009 on the General Electricity Law**

The aim of this law is to regulate and develop the electricity sector in Palestine and to promote local and foreign investment in the electricity sector in order to provide sufficient amounts of electricity at the lowest prices possible. This decree authorized the Energy Authority to establish the basic policies and rules related to the development of the electricity sector. It also provided for the establishment of an "Electricity Sector Regulatory Council" as a body with legal personality and financial and administrative independence. The Law also granted private sector companies the concession of managing the electricity sector under specific conditions. It also outlined the policies and instructions for electricity transmission and distribution⁸. Following the passing of this Law by Decision, many revisions were issued that included specific amendments relating to some administrative, financial and logistical matters in the law itself:

- Law by Decision No. (16) of 2012 on amending Law by decision No. (13) of 2009 (the General Electricity Law).
- Law by Decision No. (1) of 2018 on amending Law by decision No. (13) of 2009 (the General Electricity Law).
- Law by Decision No (17) of 2018 on amending Law by decision No. (13) of 2009 (the General Electricity Law) and its amendments.
- Law by Decision No. (1) of 2020 on amending Law by decision No. (13) of 2009 (the General Electricity Law).

⁸ Law by Decision No. (13) of 2009 on the General Electricity Law.

New draft-laws to regulate the electricity sector were initiated by some members of the “Change and Reform Bloc” of the Legislative Council in Gaza such as: The Electricity Draft-Law in 2015, the Draft-Law concerning encroachment on the electricity grid in 2017, and the Electricity Consumption Regulation Draft-Law of 2018. However, none of the abovementioned draft-laws was approved,⁹ although the last two are still on the Council’s agenda for adoption by the second reading¹⁰.

It is apparent that the electricity sector in Gaza lacks regulating laws and legislations for governing the work of electricity companies and supervising government parties. The only law in force in the GS is the law on the establishment of the Palestinian Energy Authority, as the Law by Decision on the Public Electricity Law and its amendments is not applied by the ENRA in the GS due to the internal division. In addition, draft laws submitted to the “Change and Reform Bloc” in the legislative council in Gaza have not been approved until now, which weakens the integrity of governance of this important sector. Moreover, delays to work in accordance to a modern Palestinian electricity law leads to the concentration of the sector’s management in the hands of the ENRA as a single institution, which will result in the absence of an independent oversight body to regulate the electricity sector. In addition, the absence of the Electricity Sector Regulatory Council weakens the supervisory role over the management mechanisms of companies in charge of generating and distributing electricity, and reduces opportunities to promote integrity and accountability in these companies.

9 Interview with Mr. Amjad Al-Ahga, General Director of the General Department of Legal Affairs, Gaza Legislative Council, 26/8/2021.

10 Mr. Zaher Att-Allah, Rapporteur of the Oversight Committee of the Legislative Council in Gaza, an intervention during a workshop on 26/10/2021.

Institutional Framework of the Electricity Sector in the Gaza Strip

There are many regulators and managements of the electricity sector in the GS ranging from government agencies to private companies, as follows:

- **Energy and Natural Resources Authority**

Established in 1999 the ENRA is a government authority ranked as a ministry and its president is also ranked as minister. This authority aims to: achieve institutional building for the energy sector, secure a permanent and low-priced source of electricity; improve the electricity service in Palestine by overseeing the rehabilitation and expansion of existing distribution networks, build Palestinian power plants in addition to building a regional connection with neighboring countries, construct an integrated electrical system linking the GS governorates to the WB governorates, build an information system for peaceful applications of atomic energy in cooperation with the International Atomic Energy Agency with the aim of collecting and documenting information, and to establish a database on the current and future situation of access to renewable energy sources in Palestine¹¹. Like other Palestinian institutions, the Energy Authority was divided into two semi-separate institutions between the GS and the WB after the internal division, hence the head of the WB Energy Authority exercises his powers only in the WB, and the Deputy Head of the Gaza Energy Authority exercises the powers of a top official in the GS. The organizational structure of the Energy Authority in the GS, in addition to the position of chief official, consists of six departments: General Department of Administrative and Financial Affairs; General Department of Rural Electricity projects; General Department of Planning and Information; General Department of Energy and Electricity; General Administration of Gas and Petroleum and Byproducts; General Administration of Electrical Transport¹². The Energy Authority in the GS employs (110) individuals (30) of whom are connected to the (The Government Follow-up Committee) in Gaza, and another (80) are connected to the PA in the WB¹³.

- **The Gaza Governorate Electricity Distribution Company (GEDCO)**

It is a Private Shareholding Co. Ltd. That was established based on a partnership between the PA, represented by the Palestinian Energy Authority (PEA) and the Ministry of Finance (MoF) and the municipalities' group in the Gaza Governorates. The company has a legal personality and is financially and administratively independent. It was established in 1998 through the Council of Ministers decision No. 99/11 after the arrival of the PA to Palestine and the establishment of the Energy Authority as a fulfilment to one of the donor countries' requirements who shouldered the responsibility to support the development of the electricity sector in Palestine. The company provides services throughout the Gaza governorates, cities and villages. Its distribution branches are located in the northern governorate, as well as in the Gaza, middle, Khan-Younis and Rafah governorates. Its services cover 360 square kilometers and serve more than 2 million Palestinian citizens living in the GS¹⁴.

11 Energy and Natural Resources Authority website, Ramallah.

12 Energy and Natural Resources Authority website, Gaza.

13 Interview with Ms. Hala A-Zubdeh, Assistant Vice President of the Energy Authority in Gaza, 30/8/2021.

14 Website of the GEDCO, Gaza <https://www.gedco.ps/> date of access 21/8/2021.

The company aims to provide electricity services to all consumers in the GS and at all times in accordance with international standards to include domestic, industrial, commercial and government sites. It also aims to ensure receiving electricity from its production sources as well as its transport and distribution it to all categories and sectors of consumption through distribution networks, and to develop these networks in addition to creating connecting networks between the Gaza power plant in Gaza to the Khan-Younis and Rafah governorates in the south and the northern governorate in the north. To also replace all high-pressure networks to land networks on public streets and in new areas in addition to replacing transformers that feed the distribution networks. The company will also develop safety systems; preventive measures and activities; environmental safety measures; ensure maintenance and development of distribution networks to keep pace with load increases resulting from increased service demand; conduct the necessary research to develop future plans for expansion and development in all areas of distribution¹⁵.

The company consists of several sections: administrative units, management units, departments and headquarters. Currently, there are (915) employees working with the company. The company is led by a board of directors with the Vice President of ENRA as Chairman and a body of seven members representing the Ministry of Local Government, MoF, Energy Authority in addition to representatives of the five major municipalities (Gaza, Khan-Younis, Rafah, Deir Al-Balah, Jabalia). The Board's main tasks are to approve policies and objectives and to develop annual plans in addition to approving budgets, reports and financial statements. The audit unit and the business intelligence and decision support units fall under the responsibility of the Chairman of the Board, while seven major managements fall under the responsibility of the public administration department, these are: Technical, commercial, computer, internal audit, human resource affairs, supplies and services and financial management. It also includes four units: planning unit, international cooperation, public relations and the media and legal affairs unit. This is in addition to the various headquarters of the company that include: the Northern headquarter, the Gaza Technical and Commercial Headquarters, the Middle, Khan-Younis and Rafah Headquarters¹⁶.

● **Palestinian Electricity Company- Main Source for the Gaza Power Plant**

The Palestinian Electricity Company (PECO) was established based on a condition put forth by the Energy Authority on The Palestine Electricity Company to establish a public shareholding company. The PECO was established in accordance with Palestinian laws as a Public shareholding Co. Ltd., with a capital of 60 million US dollars. The aim was to develop, own and operate the first independent power plant in the Palestinian territories where 33% of the shares are owned by the public and 67% are owned by the founding shareholders from the private sector. The PECO established the Gaza Power Plant as a fully owned subsidiary company to be its investment arm in operating power plants with exclusive rights to generate electricity in the GS, according to the agreements signed with the PA¹⁷.

15 Website of the GEDCO, Gaza <https://www.gedco.ps/> date of access 25/8/2021.

16 Website of the GEDCO, Gaza <https://www.gedco.ps/> date of access 15/8/2021.

17 Website of the GEDCO, Gaza <https://www.gedco.ps/> date of access 22/8/2021.

One of the company's main objectives is to establish, develop and manage power plants in the PA areas and hence carry out all needed preparations and procedures to produce and generate electricity. To also import all machinery and equipment needed to build plants and produce energy, as well as ensure maintenance of the power plants and networks¹⁸.

The Company's Board of Directors consists of 13 members, 11 of whom are representatives of the Palestine Energy Co., Ltd., and one member representing the Palestinian Pension Agency (PPA), and another member who is a shareholder representing the shareholders' audience. At the end of 2020, the company had 159 employees, divided between engineers, technicians and administrators. At the end of 2020, the company had 159 employees, divided between engineers, technicians and administrators.

Moreover, it is clear that the institutional framework for the electricity sector in the GS differs from that of the WB. In this respect, there are institutional bodies that operate in the WB, but not in the GS, such as the Electricity Sector Regulatory Council, which weakens the integrity of governance in this vital sector. The Council was formed based on the Law by Decision No. 13 of 2009 to control all activities related to the electricity sector whether it concerns production, transportation, distribution and or consumption, according to the adopted laws, rules and regulations. The Council's is also required to promote competition and prevent monopoly in all production and distribution activities within the electric power sector¹⁹; and to review and control implementation of the electrical tariffs, issuance of licenses for the distribution as well as for transporting and generating electricity.

● Commercial Generators

Recently, the phenomenon of selling electricity to citizens in the GS through private commercial generators has been noticed. It coincided with the intensification of the electricity crisis and the lack hope among citizens that a solution will be found. With that in mind, and as everyone needs electricity, exploitation²⁰ of this need brought the prices of electricity became very high compared to the cost from ordinary sources, ranging in cost per kilowatt of electricity from 3 to 4 shekels (NIS). Moreover, it is estimated that 274 commercial generators are operating in the GS as of the writing of this report. While the number of companies involved in the distribution of electricity through these generators is 125²¹. This is all due to the absence of a supervisory and responsible role to control this issue.

18 Palestinian Electricity Company Annual Report 2020.

19 See: Law by Decision No. (13) of 2009, Articles (5) and (7).

20 Position paper, electricity Crisis and Ways to Regulate the Spread of Generators in the GS, International Commission for the Support of the Rights of the Palestinian People, 2018.

21 Interview with Ms. Hala Al-Zubdeh, Assistant Vice President of the Energy Authority in Gaza, 30/8/2021.

The Government Follow-Up Committee, at the beginning of 2020, adopted a specific system for commercial generators called the “Licensing System for Generating and Distributing Electricity for Commercial Purposes”. The system aimed to regulate the process of generation and distribution of electricity produced from commercial generators. It also aimed to ensure the following: that public safety requirements are sound; the maximum tariff for selling kilowatt/consumer’s meter is set; that licensing requirements for the generator are met, such as being registered in the commercial registry and have a tax record. Also, to ensure that the technical staff possess sufficient technical expertise in addition to submitting a written undertaking to bear full responsibility for any damages that may result from the production or distribution of electricity. According to the system, the Head of the Energy Authority issues a procedural manual on obtaining licenses to produce electricity through generators and also to distribute it. The system also included technical, environmental, security and safety requirements. It also stipulated that the Energy Authority must provide technical and procedural supervision as well ensure implementation of the provisions of the system through control activities in coordination with the competent authorities²².

In the fourth quarter of 2020, an increasing number of citizens complained about the high price of kilowatts sold to them by commercial generator owners. As a result, the Government Follow-up Committee formed a special commission consisting of representatives from government agencies as well as a representative from the Chamber of Commerce to study the price offered to the consumers, after which the specific price of 2.5 NIS per kilowatt was approved.

22 See: Licensing system for the generation and distribution of electric power for commercial purposes, Resolution No. (38/52/2019).

Environment of Integrity, Transparency and Accountability in the Management of the Electricity Sector in the GS

This section of the report takes a scrutinizing look at the status of ITA in the management of the following bodies: The Energy Authority in Gaza, the GEDCO and the Power Plant in Gaza.

It is worth noting that we were unable to examine, in person, the extent of availability of the ITA indicators in the Power Plant in Gaza due to the lack of cooperation of the company's management, not to mention its reluctance to communicate with us despite our written request for cooperation²³, which included questions intended to be asked.

• Values of Integrity in the Management of the Electricity Sector in the Gaza Strip

Integrity is referred to as a set of values related to honesty, dependability, loyalty and protection of public interest. This calls for all institutions to provide effective codes of conduct that are distributed to employees as well as written procedures, instructions and manuals on conflict of interest and gift-receiving, in addition to financial disclosure statements and property disclosure system²⁴.

The ENRA in its daily work applies the CoC for Public Service, issued by the GPC in Gaza in 2016, noting that there is no specific CoC for the ENRA in Gaza as a government institution whose employees are under the jurisdiction of the GPC. However, employees of the authority have not received training on provisions of the adopted CoC, in addition to the absence of systems, and conflict of interest and gift-receiving manuals. As for financial disclosures, it is worth noting that the deputy head of the authority in Gaza did submit a financial disclosure of his finance (transferable and non-transferable funds²⁵) to the Government Follow-up Committee. However, this disclosure is considered incomplete due to the failure to activate the Anti-Corruption Commission (ACC) or enforce its laws, such as the Amended Anti-Corruption Law (1) of 2005 and its amendments. Also, failure to fully implement articles of the Illicit Gain Law No. (1) of 2005 in the GS, and absence of the role of the President of the PA in the GS as a result of the political division. In this regard, according to the amended Basic Law, each minister must submit a declaration of his or her financial disclosure, his spouse's and his minor children's to the President of the PA who makes all the arrangements needed to keep it confidential and may only be accessed with the permission of the Supreme Court when necessary. In addition, the Illicit Gain Law No. (1) of 2005, amended to the Anti-Corruption Law grants the ACC the right to access the financial disclosures of ministers and heads of commissions.

As for the Gaza Electricity Distribution Company, it has its own CoC which it adopted in 2019. The CoC has been circulated to the various departments, units and branches within the company, and was also posted on the company's website on 24/10/2021. However, employees of the company did not receive the necessary training on its provisions, but according to Mr. Mahmoud Abu-Hayya, Director of the Planning and Development Unit at the company, the CoC is being abided by internally and preparations are under way to complete training programs on the CoC for all employees. Moreover, all employees are held accountable in accordance with the code's provisions²⁶. In addition, the company has prepared specific manuals on gift-receiving and conflict of interest in 2021 that are awaiting approval.

23 Written letter sent by email to the Gaza Power Plant requesting cooperation for the purpose of this report on 8/8/2021.

24 Integrity, Transparency and Accountability in the Fight against Corruption, Coalition for Integrity and Accountability (AMAN), Fourth Edition, 2016.

25 Interview with Ms. Hala Al-Zubdeh, Assistant Vice President of the Energy Authority in Gaza, 30/8/2021.

26 Interview with Mr. Mahmoud Abu-Hayya, director of the planning and development unit at GEDCO, Gaza, on 30/8/2021.

In relation to the Gaza Power Plant as a shareholding company, it is subject to the principles of corporate governance. Unfortunately, due to the lack of cooperation of the company's management, we were unable to verify the availability of a code of conduct for the company's employees, nor the existence of a conflicts of interest or gift-receiving manuals, or if officials of the company have disclosed of their finances and assets through the proper channels. However, the company's legal counsel, Sharhabeel Al-Za'eem, assured us that the company has its own internal systems imported from its founding companies., but he, himself, has never been involved in the preparation of any internal system, regulations on codes of conduct, conflicts of interest or gift-receiving manuals. He also confirmed that he was not informed of the details of matters in this area, as there are some legal agreements and contracts that he is not aware of²⁷.

The company's internal regulations clearly state that the membership of the board of directors must not exceed two years and ends with electing or appointing a successor. However, the situation on the ground indicates differently, which is illustrated in the board's section of the annual reports showing that members have been on the board for more than two years²⁸.

● **Transparency Principles in the Management of the Electricity Sector in the Gaza Strip**

Transparency of an institution is measured by the absence of ambiguity of those in charge at the various levels in terms of their decisions, policies and procedures followed. It is also measured by the level of disclosure of the conditions, standards and mechanisms for accessing the services provided by the institution (i.e., made public and on equal terms for all citizens)²⁹.

The ENRA in Gaza has an active and effective website that shows the authority's objectives, powers and areas covered by its strategic projects. The site also illustrates the various administrations of the Authority within its organizational structure in addition to describing the purposes and tasks of the administrative departments and units under those departments. However, the authority's detailed organizational structure, staff system and budget are not published on the site. Neither does the site show past and future action plans in addition to posting only one tender agreement³⁰. The Authority also has a FB page where it relays the Authority's news and ads (www.facebook.com/Penra.gov). However, a significant time gap was noted in the publication of the Authority's activities on the FB page reaching five years³¹. The Authority also has an electronic application for the provision of certain services by citizens³². However, the Authority does not disclose its periodic reports, whether administrative or financial, on its website or on its FB page.

27 Phone conversation with Mr. Sharhabeel Al-Za'eem, Legal advisor at he Palestinian Electricity Company, 2/9/2021.

28 See: Gaza Power Plant Annual Reports 2017,2018,2019,2020.

29 "Integrity, Transparency and Accountability in the Fight against Corruption", Coalition for Integrity and Accountability (AMAN), Fourth Edition, 2016.

30 Tender No. 2/2020 for the provision of the services of an advisory office on commercial generators.

31 Press release dated October 1, 2015, followed by an announcement dated November 12, 2019, then some ads, news and activities in 2021.

32 Interview with Ms. Hala Al-Zubdeh, Assistant Vice President of the Energy Authority in Gaza, 30/8/2021.

The GEDCO has an effective website that contains the company's activities, services and news. In addition, the company also prepared a disclosure manual in 2021, although it has not been approved as of yet³³. A short version of company's strategic plan is also posted on the website, showing brief paragraphs about the company's vision and mission in addition to its strategic goals and basic values. However, the disclosure of the strategic plan lacks details of company's future key activities and programs that will assist the company to achieve its strategic objectives. Details are also missing concerning performance measurement indicators that will measure the level of achievement of targets and the time periods for the implementation of these activities. This provides a small margin of opportunities for the public to access sufficient information and be involved in the drafting of the foundation's plans and or to provide feedback on these activities and plans.

Website of the GEDCO in Gaza illustrates a detailed disclosure of the company's organizational structure, but does not show disclosure of its staff system and its internal system. In regard to the company's financial statements and business results in terms of profits and losses, the Palestinian Companies Law applied in the GS does not require public companies or in which the government has the largest share to disclose financial statements. For this reason, the GEDCO in Gaza does not disclose its financial statements to the public and merely discloses some very simple financial information such as the percentage of its bill collection and the total debt to institutions and individuals. This provides for an-uniformed public of the company's financial status as well as results of its work in terms of profits and losses. this lack of full disclosure of the company's revenues and expenditures and the way in which it manages those revenues and expenditures reveals the weak application of principle of transparency in this area.

The Gaza Power Plant is a public shareholding company whose disclosure requirements differ from that of the Energy Authority and the Electricity Distribution Company. In this regard, the Public Shareholding Companies laws and the Corporate Governance Code require full disclosure of financial reports and of the board members and their share ownership ratio, as follows: The company must disclose its financial reports to the Palestine Stock Exchange, the Capital Market Authority and the public on an annual, semi-annual and quarterly basis. These reports must include the management's mission, a profile of the company and its objectives, profits, losses, financial status, board components, members and incentives. Reports must also report on the most important board meetings, number of staff and qualifications, the company's legal obligations, social responsibility activities carried out, shareholder structure, stock distributions and profits³⁴.

The Palestinian Electricity Company's profits for 2019 amounted to \$12,450,448, compared to 2018's profit of \$8,786,981, which contributed to the net profit growth of about 41.69%³⁵.

The following table illustrates the extent of transparency posted on websites of parties managing the electricity sector.

33 Interview with Mr. Mohammad Khalaf, Head of Planning at the GEDCO, 30/8/2021.

34 See: The Gaza Power Plant website, <http://www.pec.ps>, Palestine Stock Exchange website <https://web.pex.ps/>, Capital Market Authority website, www.pcma.ps/.

35 The Palestinian Electricity Company Annual Report for 2019, Palestine Stock Exchange website <https://web.pex.ps/>, Capital Market Authority website www.pcma.ps/ access on 6/11/2021.

#	Indicator/party	Energy Authority	Distribution Co.	Power Plant
1.	The Institution has a website	yes	Yes	yes
2.	The site is in Arabic	yes	Yes	yes
3.	Does the site provide full information on all of the services provided by the institution?	No	yes	*
4.	A service guide is posted on the website for the public to access	No	Yes	*
5.	Services' target groups are illustrated clearly.	yes	yes	no
6.	Requirements for service provision are clear.	yes	yes	*
7.	Service-related forms are available	No	Yes	*
8.	Awareness materials about the services are provided.	Yes	yes	*
9.	Service delivery fees are displayed clearly to the public.	No	No	*
10.	Time duration (time) required to provide the service is clearly explained	No	Yes	*
11.	Contact numbers of the institution are available and up-to-date	yes	Yes	yes
12.	The institution's organizational structure and sections are available.	yes	Yes	No
13.	Branch contact numbers are available	Yes	Yes	*
14.	A complaints section is available.	No	Yes	No
15.	The complaints section is user-friendly and easily accessed	No	Yes	No
16.	A clear mechanism for responding to complaints and time needed is provided.	No	Yes	No
17.	A section for suggestions, consultation with service recipients and satisfaction measurement is available	No	Yes ³⁶	No
18.	The institution's geographical location is clear to the public.	Yes	Yes	Yes
19.	Instructions to communicate with the internal groups are clearly provided	Yes	No	No
20.	The institution's annual plans are available	No	No	No
21.	Assessment reports are provided	Yes	No	No
22.	The Institution's strategy plan is provided	No	Yes	Yes
23.	Job vacancy announcements are published clearly and transparently	No	Yes	No
24.	Does the organization publish bid and procurement announcements, and are they clear and transparent?	No	Yes	No
25.	Does the institution publish its annual reports?	No	No	Yes
26.	Is the organization's budget published?	No	No	No
27.	Does the institution publish specific report related to service?	Yes	No	No
28.	Does the institution publish agreements concluded with third parties to provide or improve services.	Yes	Yes	No
29.	Does the institution publish results of request applications (university grants, employment results, bid results... Etc.).	No	No	No

36 In 2020, the electricity distribution company conducted surveys to measure the quality of services provided, however, it was not documented on its website that it had conducted a public opinion.

● **Accountability in the Management of the Electricity Sector in the Gaza Strip**

Unlike some other institutions where communication and coordination are completely cutoff, the Gaza Energy Authority coordinates some of its activities with the Energy Authority of the WB, one of which is the joint reports between the two sides. This is due to the sensitivity of the electricity sector in the GS. However, the organizational structure that demonstrates levels of accountability is different between the two authorities, hence weakening the mechanism of a holistic and structured accountability. Within this context, the Gaza Energy Authority submits periodic performance reports to the Government Follow-up Committee in Gaza and not to the Legislative Council “the Change and Reform Bloc”. In addition, the agreements signed by the Authority are not presented to the Economic Committee of the Legislative Council. Moreover, some heads of the Authority were brought before the “Change and Reform Bloc” for hearing sessions and questioning³⁷.

As for receiving public and institutional complaints, the Authority does not have a mechanism or system for receiving special complaints, nor complaints from the public with the exception of some complaints coming from some private sector institutions and companies.

The Gaza Electricity Distribution Company has a clear organizational structure posted on the website showing the levels of responsibility between the various departments and sections. However, there is no task description for each department or section posted on the website. In addition, the company has an internal control department and an internal audit unit that follows up and monitor the financial, administrative and technical performance of the company. Mr. Mahmoud Abu-Hayya, Head of the Planning Department, confirms that a full and integrated job description for all positions in the company is available³⁸. Being a company owned by the public sector and the LGUs, the electricity distribution company is subject to the supervision of the Energy Authority and to the control of the State Audit and Administrative Control Bureau (SAACB), according to the law. The Bureau exercises its oversight role on the company represented by the five oversight reports it issued between 2017 and 2020. The company also monitors employees’ behavior and actions and their adherence to the provisions of the CoC and other regulations and systems. As a matter of fact, in 2019, a number of employees were dismissed for committing offenses after their cases were investigated by the assigned committees and in accordance with the regulations of the company that define violations requiring dismissal from the company’s service³⁹. Moreover, it was revealed that the company had referred a number of commercial generator owners to the Public Prosecutor’s Office after discovering that they stole public power lines, run by the company.

As for dealing with complaints, the company has its own special computerized system established and activated in 2020 where citizens can submit their complaints and or suggestions. In this respect, the company received (639) complaints in 2020, and (474) in 2021.

37 Interview with Ms. Hala Al-Zubdeh, Assistant Vice President of the Energy Authority in Gaza, 30/8/2021.

38 Interview with Mr. Mahmoud Abu-Hayya, director of the planning and development unit at GEDCO, Gaza, on 30/8/2021.

39 Interview with Mr. Mahmoud Abu-Hayya, director of the planning and development unit at GEDCO, Gaza, on 30/8/2021.

The question of accountability remained controversial since the establishment of the company due to the first agreement to establish the company signed by the PA. This agreement granted the company the exclusive right to generate electricity in the GS for 20 years in exchange for the construction and operation of a power plant. This is in addition to the controversy over the nature of the company's work, its importance, usefulness, profits and cost of fuel borne by the PA and other parties.

The company has been and still remains outside the scope of accountability by all parties in the Palestinian arena. The Budget and Finance Committee of the Legislative Council issued a report entitled "Report on the Electricity Sector in the Gaza Strip" in 2004, indicating the following⁴⁰:

- The technical foundations on which the agreement was signed between the PA and the Palestinian Electricity Company were not fully studied and analyzed prior to the signing, hence entailing an unjust waste of public funds.
- The agreement was considered a dedication to the monopoly companies in Palestine without adequate restrictions and guarantees to protect the PA and the Palestinian consumer.
- The agreement deprived the state treasury of an important source of revenues due to the exemption granted to the company, shareholders and lenders from all taxes and customs.
- There are many question marks and suspicions surrounding the relationship between the administrative and legal bodies and the company's major shareholders.
- PA's commitments to companies deemed unfair to the people and to the PA itself.
- The cost to build this power plant was very high; and obtaining electricity from this plant far exceeds the cost of obtaining it from Israel.
- As a result of the Palestinian intifada, the PA paid the amount of \$38 million US dollars as disaster fines to the company.
- The PA's commitment to pay \$30 million per month to the company, which is a very large sum, considering that the cost of operating and maintaining the plant annually is only \$5 million US dollars.

The abovementioned report recommended that the Legislative Council form a committee comprising of representatives from the MoF, energy experts and lawyers to reformulate the agreements signed by the PA with the power companies. It also recommended that the pre-establishment expenses of the station be corrected in favor of the general shareholders and to oblige the Power Plant to carry out internal transport and distribution of electricity. In this regard, it is worth noting that the committee at the time had called for the formation of a formal commission of inquiry to look into the circumstances of the Power Plant and to submit its report to the Legislative Council within a maximum one month from the starting date. However, neither the PA nor the Council did their job concerning this issue, hence the company and the parties with which the Agreement was signed remained outside the scope of accountability.

40 Report by the Budget and Finance Committee of the Legislative Council entitled "Report on the Electricity Sector in the Gaza Strip", 2004

Questions and doubts concerning the Palestinian Electricity Company and the Power Plant remain unsettled, especially as the electricity crisis in the GS continues and since the company remains accountability free. Ya'qoub al-Ghandour, General Controller of Companies in the Palestinian Ministry of Economy (MoE)⁴¹ in Gaza confirms that the company has a “political” pass, although the corporate controller attends the company’s annual meeting, and the company has legal records with the ministry and provides the Ministry with administrative and financial reports every 6 months. This translates into being exempted from accountability and oversight of the regulatory bodies in the WB&GS as well as of the Ministry of Economy (MoE), who does not carry out oversight visits to the company.

On the other hand, many questions are raised concerning the company’s future projects. In that respect, Mr. Mohammad Abu-Jiyab, Editor-in-Chief of Al-Iqtisadiya Newspaper, confirms that although the previously signed agreement unfairly exempts the company from many of its obligations⁴², he is afraid that the future one might be more ambiguous. His fears stem from desires and efforts exerted towards operating the Power Plant in the GS on gas instead of diesel. This idea has been implanted since 2018 although no steps have been taken so far to achieve these desires. Moreover, an investigative report that included a number of government officials from the PA, the Gaza government and from the Palestinian Electricity Co. revealed that all efforts and plans to implement the diesel-gas conversion project remain untouched pending the outcome of the renewal of the agreement, which will end in 2024. The report also points out that even if the diesel-gas conversion is achieved, it will not increase the power supply for more than an hour or two a day⁴³.

The Power Plant file is considered a “Black Box” until now, since not all parties involved adhere to the ITA principles, and many its aspects remain hidden hence raising a lot of question marks and doubts...such as: the reason for granting concession to the Plant, and who signed it, as well as who owns the Plant and who is benefitting from it, and whether there will be a renewal of the agreement with the electricity co. or not?

41 Interview with Mr. Ya'qoub Al-Ghandour, General Controller of Companies in the (MoE) in Gaza, on 26/8/2021.

42 Phone interview with Mohammad Abu-Jiyab, Editor-in-Chief of Al-Iqtisadiya Newspaper in Gaza, on 5/9/2021.

43 See: Investigative report link <https://www.facebook.com/watch/?v=3038008813094440>

• **Community Accountability in the Management of the Electricity Sector in the Gaza Strip**

Some civil and political forces have tried to exercise accountability and control over the electricity sector. In 2013, for example, the national and Islamic forces in the GS decided to form a national committee to follow up on the electricity crisis and to seek strategic solutions for the issue, but the committee was unable to produce any solutions.

Efforts to solve the crisis continued in 2015 by the Palestinian political factions and forces. They reviewed meetings minutes prepared by the National Committee as well as messages and telegrams sent by many parties⁴⁴. The proposed solutions, although temporary and not strategic, failed to find effective solutions to the electricity crisis in the GS.

In 2017 an agreement was reached to solve the electricity crisis between representatives of the national and Islamic forces, journalists, the private and civil society sectors and ministers of the then Consensus Government, Dr. Maamoun Abu Shahla and Dr. Mufid Al-Hasayna. Implementation of the agreement entailed an eight-item initiative summarized as follows⁴⁵:

1. The formation of a national commission comprising representatives from the national forces, the private sector, the PA, and civil society to be tasked with following up on implementation of the agreement.
2. Re-formation of the board of directors of the electricity distribution company on national and professional bases with the participation of experts and specialists. Similarly, the Higher Energy Council is to be formed on the same bases as above and with participation of experts in the fields of energy, finance, economy, electricity and management. The national committee must begin to put forth a bank of proposed names for the formation of the Council based on professional grounds and standards, one of which is to avoid political affiliation, hence protecting the electricity sector from quotas, political controversies and disputes.
3. The authorities in charge in the GS are obliged to pay dues for institutions, ministries and places of worship and to install prepaid meters. This requires: conducting an inventory of the debt and entitlements of these entities; debt scheduling and providing the necessary guarantees for repayment; installing prepaid meters for the mentioned entities and obliging the official authorities in Gaza to assume their responsibilities towards the implementation of the abovementioned tasks.
4. Activating the collection system extensively and identifying poor families in cooperation with the Ministry of Social Affairs (MoSA) ensuring the company's commitment to install free prepaid meters for these families with a monthly allocation of at least 80 NIS per family. In addition, incentives must be granted to clients who have been committed to paying their electricity bill, especially to those who presently may owe some money.

The initiative also included the formation of the Higher Energy Council to be tasked with, first and foremost: putting forth a strategic and integrated energy policy plan that meets market requirements and citizens' needs; developing plans and policies to ensure optimal energy use; ensuring optimal investment of the natural energy resources; developing an administrative and financial system to improve collection in order to achieve control and stability in the collection processes.

⁴⁴ Letters to Rami Al-Hamdallah, former Prime Minister on 4-1-2016, 15/1/2017, 19/2/2017, 31/12/2015, letter to the Palestinian President on 28/3/2016, letter to the Egyptian President, Abd-Alfattah Alsisi, on 19/2/2017.

⁴⁵ Memorandum on the national agreement to resolve the issue of the electricity crisis, 2017.

In addition to the abovementioned initiatives by the political parties and forces to solve the electricity crisis and enhance ITA in the electricity sector, some citizens and personalities from the community active in this field also submitted initiatives. In 2015, for example, experts and activists in (Al-Tajamou' Al-Watani Al-Filistini) the Palestinian National Assembly-Nida' Al-Wattan launched an initiative suggesting solutions to the electricity crisis, which consisted of seven main principles: 1. Remove the electricity file out of the hands of politicians and place it in the care of economic administrators. 2. Develop a mechanism to ensure the provision of electricity to impoverished groups. 3. Recognize and promote the principle that it is the people who pay for what is consumed. 4. Manage sources with more comprehensive and accurate technical plans to reach optimal use. 5. Adopt administrative, financial and security policies and procedures to impose solutions. 6. Promote solar energy projects while ensuring that they are in line with the vision put forward. 7. Develop and generate new energy sources to cover the GS's electricity needs⁴⁶.

Also, in 2020, the National Alliance for the Rescue of the Electricity Sector was formed, as an informal civil body capable of supporting the efforts of the various relevant parties relating to the electricity system. At the same time, this body can provide social pressure to bring about solutions to the electricity crisis and hence mitigate citizens' suffering in addition to addressing the issue of the commercial generators. Moreover, this alliance can play a role in neutralizing the electricity file from political tensions and the effects of the internal division and its repercussions by managing it in a professional manner and not on political grounds. The alliance can also work on raising public awareness of the importance of energy conservation, and present proposals for a radical solution to the electricity crisis in the GS⁴⁷. However, authorities in Gaza rejected the idea of forming this body and was therefore considered illegal⁴⁸.

46 Initiative by Nida' Al-Wattan- the Palestinian National Assembly.

47 Interview with Mr. Isam Hammad, General Secretary of the National Alliance for the Rescue of the Electricity Sector, 24/8/2021.

48 Government correspondent from the Ministry of Interior of the Gaza Energy Authority, 16/9/2020.

Conclusions

• Conclusions Related to the Legal and Institutional Framework of the Electricity Sector

1. The legal and legislative system in the GS lacks laws and legislations that have been adopted and enforced to regulate the electricity sector and the work of its supervisory parties.
2. The only law in force by the electricity supervising parties in the GS is the Law on the Establishment of the Palestinian Energy Authority.
3. The Energy and Natural Resources Authority (ENRA) in the GS does not enforce the Decree on the General Electricity Law and its Amendments as a result of internal political division.
4. Draft laws submitted to the Legislative Council “the Change and Reform Bloc” have not been approved until now, which weakens the integrity of governance in this vital sector, and leads to the absence of a clearly defined and comprehensive national plan for the development of the electricity sector.
5. Delay in activating a modern Palestinian electricity law leads to the concentration of the management of the sector solely in the hands of the ENRA hence resulting in the absence of an independent oversight body to regulate the electricity sector. This is in addition to the poor service and significant variation in electricity prices due to the absence of a uniform price tariff.
6. The absence of the Electricity Sector Regulatory Council weakens the supervisory and oversight role on the mechanisms of action of this sector, and reduces opportunities to promote ITA.
7. Despite previous criticisms of the Commercial Companies Law No. (7) of 2012 upon its issuance by the Legislative Council in Gaza “the Change and Reform Bloc”, the law is enforced and applied by the government in the GS. It is also used as reference by companies operating in the Strip, including the Palestinian Electricity Company.
8. The Palestinian division has contributed to clear differences in the institutional framework of the ENRA exemplified by the split of the Energy Authority into two semi-separate institutions divided between the WB&GS. To that respect, the head of the Ramallah Energy Authority exercises his powers only in the WB, while the vice president of the Gaza Energy Authority exercises the powers of the first official.

● **General Conclusions on the Reality of the Electricity Sector in the Gaza Strip**

1. The internal Palestinian division, as well as the Israeli blockade of the GS, contributed to the continuing electricity crisis in Gaza. To that effect, all political and administrative parties in government agencies and companies working in the electricity sector are fully responsible for the continuing electricity crisis suffered by the Palestinian citizen in Gaza.
2. Failure of all political and community efforts and initiatives aimed at finding solutions to the electricity crisis in Gaza. This failure is the sole responsibility of the political administrative parties caused by their lack of seriousness in utilizing these efforts and initiatives, as the minimum requirements of these initiatives were not implemented.
3. Despite the absence of regulating laws, electricity delivery to consumers through commercial generators has become a basic necessity for many residents and shop owners.
4. Absence of the oversight and responsible role of those who manage the electricity sector in the GS, concerning the issue of commercial generators, led to the exploitation of citizens' needs over the past few years.
5. The Government Follow-up Committee and the Energy Authority adopted a licensing system to generate and distribute electricity for trade purposes, which aims to regulate the generation and distribution of electricity produced by these generators and to ensure that public safety requirements are met.

● **Conclusions Related to Integrity in the Management of the Electricity Sector in the Gaza Strip**

1. The ENRA in Gaza introduced the Public Service Code of Conduct and Ethics, issued by the GPC, to its staff. However, no training on the Code's provisions was provided for the employees.
2. The ENRA in Gaza has no systems or manuals concerning conflict of interest and or gift-receiving.
3. Unlike other government officials in Gaza, the Deputy Head of the Gaza Energy Authority disclosed to the Government Follow-up Committee of his transferrable and non-transferrable funds, but no financial disclosure was submitted to the Supreme Court Justice in accordance with the law.
4. The GS Energy Authority has no systems or manuals concerning conflict of interest and or gift-receiving.
5. The GEDCO has its own code of conduct that was approved in 2019, which has been introduced to the staff and published on the company's website. However, the employees did not receive proper training on its provisions although the company is preparing to provide such training.
6. In 2021, the GEDCO prepared specific gift-receiving and conflict of interest manuals although they are still awaiting approval.
7. Due to the lack of activation of the Anti-Corruption Law and the Illicit Gain Law, officials of GEDCO and members of their board do not fully disclose of their financial assets. However, the new conflict of interest manual that is awaiting approval stipulates that company officials must submit full financial disclosures.
8. The GEDCO has a specific system for receiving grievances or comments where citizens can submit their complaints through a computerized complaints and proposals system.

9. The Palestinian Electricity Company has special internal systems and regulations imported from its founding companies.

10. The legal advisor of the Palestinian Electricity Co. never participated in the preparation of any manuals, internal regulations regarding codes of conduct, conflict of interest or gift-receiving guides.

11. The board members of the Palestinian Electricity Company remaining in their positions for more than two years is in violation of the company's internal regulations.

● **Conclusions Related to Transparency in the Management of the Electricity Sector in the Gaza Strip**

1. The ENRA has an effective website containing objectives, powers and future strategic projects of the authority. It also illustrates the general administration departments of the authority within the institutional structure, in addition to tasks' descriptions of all of the sections and units annexed to these departments.

2. The ENRA's does not publish on its website the detailed institutional structure of the company nor its employees' system or its budget.

3. The ENRA in Gaza does not disclose its previous and future plans. In addition, its disclosure of bids and tenders is insufficient.

4. A significant time gap was noted in the publication of the Authority's activities on its FB page reaching to five years.

5. The ENRA in Gaza does not publish its periodic reports, whether administrative or financial on its website or FB page.

6. The GEDCO prepared a conflict of interest guide, but it is still in the process of being approved as of the date of the report.

7. The GEDCO published a short version of its strategic plan where it shows brief paragraphs about the company's vision and mission in addition to its strategic goals and basic values. Moreover, the disclosure of the strategic plan lacks details of the company's future key activities and programs that will assist the company to achieve its strategic objectives. Details are also missing concerning performance measurement indicators to measure the level of achievement of goals and implementation timeline of these activities. This provides a small margin of opportunities for the public to access sufficient information and be involved in the drafting of the foundations of plans and or to provide feedback on these activities and plans.

8. The GEDCO's disclosure of its information to the public is insufficient, especially since it does not disclose its financial statements and results of its work in terms of profits and losses, which leaves the public in the dark concerning these important matters.

9. The disclosure of its information to shareholders by the Palestinian Electricity Company is carried out in accordance with the rules of corporate governance. The company issues annual, semi-annual and quarterly reports including disclosure of the company's financial center and work results. In addition, the company discloses board components, members and incentives, legal obligations, social responsibility activities carried out, shareholder structure, stock distributions and profit on the company.

● **Conclusions Related to Accountability in the Management of the Electricity Sector in the Gaza Strip**

1. Partial coordination exists between the ENRA in Gaza and Energy Authority in Ramallah in terms of joint reports, distribution of project quotas and external financing.
2. The Energy Authority in Gaza submits periodic performance reports to the Government Follow-up Committee in Gaza and not to the Legislative Council “The Change and Reform Bloc”.
3. Agreements signed by the Energy Authority in Gaza are not presented to the Economic Committee in the Legislative Council “The Change and Reform Bloc”, which reduces chances for the Council to review, assess and provide advice on matters contained.
4. In previous periods, the Legislative Council “The Change and Reform Bloc” in Gaza held some parliamentary hearings for Heads of the Gaza Energy Authority.
5. The ENRA in Gaza has no mechanism or system for receiving public complaints. However, it does receive complaints submitted by some of the private sector companies and institutions.
6. The GEDCO has an internal control department and internal audit unit that follow-up and monitor the financial, administrative and technical performance of the company.
7. The GEDCO is subject to actual supervision by the Energy Authority and to control by SAACB.
8. The GEDCO monitors its employees’ behavior in order to assess their adherence to the CoC and other systems and regulations. It also formed inquiry commissions concerning some violators, which resulted in the dismissal of some employees.
9. The GEDCO actually referred a number of commercial generator owners to the Public Prosecutor’s Office after discovering that they stole public power lines, run by the company.
10. The GEDCO has a specific system for receiving grievances or comments where citizens can submit their complaints through a computerized complaints and proposals system.
11. The first agreement to establish the Palestinian Electricity Company signed by the PA, Granting the company the exclusive right to generate electricity in the GS for 20 years continues to generate controversy among Palestinians, and is marred by many suspicions of corruption and violation of laws and legislations enforce.
12. the Palestinian Electricity Co. remains outside the scope of accountability of all actors in the Palestinian arena, government, political and NGOs.
13. The Ministry of Economy in Gaza does not fulfill its role of regulating the work of the Palestinian Electricity Co. and the Gaza Power Plant that is under its jurisdiction, which weakens the element of accountability and also transparency.

Recommendations

The management of a vital and sensitive sector such as the electricity sector in a region with many political, economic and social complexities in addition to the apparent decline in adherence to the principles of good governance and to integrity in governance requires that all involved exercise an honest commitment to the ITA principles and also to be subject to oversight and accountability procedures. This would reflect positively on the management of this sector and reduce suspicions of corruption and abuses as well as enhances public confidence in the services provided by enterprises operating in the sector.

● **Recommendations on the Legal and Institutional Framework of the Electricity Sector**

1. All political parties in the GS and the WB must integrate laws and legislations on the electricity sector due to the basic services they provide to citizens.
2. Political parties should refrain from political disputes in this sector to assist the Electricity Sector Regulatory Council in carrying out its role of supervision and oversight effectively and efficiently. They also should increase opportunities for promoting ITA.
3. Unifying the organizational structure of the ENRA in the GS and the WB.
4. Fully activating the Anti-Corruption Law and the Illicit Gain Law in institutions running the electricity sector.
5. Amending the Palestinian Companies Law to include obliging public companies or entities in which the government owns large shares and manage vital sectors such as this to disclose their financial statements and results of their work in terms of profits and losses to enhance transparency.

● **Recommendations for Enhancing Governance Integrity in the management of the Electricity Sector**

1. All political and administrative parties in government agencies and companies working in the electricity and energy sector in Gaza and the WB are fully responsible for the continuing electricity crisis suffered by the Palestinian citizens in Gaza.
2. Reactivating political and community efforts and initiatives aimed at finding solutions to the electricity crisis in Gaza; also, the political and administrative parties must be held responsible for the failure of those efforts.
3. Strengthening community oversight and accountability of the electricity and energy institutions in the GS.
4. Strengthening the oversight and responsible role of the regulators who manage the electricity sector in Gaza concerning the issue of the commercial generators, while taking into consideration that these generators are only a temporary solution for the residents of the GS until a radical and final solution is found.

● **Recommendations on the Environment of Integrity in the Management of the Electricity Sector in the Gaza Strip**

1. Provide training for employees working in the ENRA in Gaza on provisions of the Code of Conducts and Ethics in Public Service Employment issued by the GPC.
2. The ENRA in Gaza must prepare specific systems and guides on conflict of interest and gift-receiving.
3. Officials of the ENRA in Gaza must complete the disclosure process concerning their financial statements by establishing financial disclosures with the High Court of Justice, as specified by the law.
4. The GEDCO must complete training for the company's employees on its code of conduct.
5. Accelerating the adoption and dissemination of the gift-receiving and conflicts of interest manuals prepared by the GEDCO.
6. Officials of the GEDCO must provide financial disclosures and submit declarations in its regard.
7. The Palestinian Electricity Company must disclose whether it has a code of conduct for employees, gift-receiving and conflict of interest guides.
8. the Palestinian Electricity Company must adhere with the internal regulations concerning the membership period of the Board of Directors.

● **Recommendations on the Environment of Transparency in the Management of the Electricity Sector in the Gaza Strip**

1. The need to develop the website of the ENRA in Gaza to include the disclosure of the institutional structure, employees' system, annual budget, operational and strategic plans, performance reports and tender and price quotes details.
2. The need to develop the ENRA's FB page so that all news and activities carried out by the Authority are adequately and appropriately disclosed in a timely manner.
3. The need to adopt the disclosure manual prepared by the GEDCO in order to promote transparency.
4. The need for a detailed disclosure and publication of the GEDCO's strategic plan on the website to include activities and main programs planned to be carried out by the company in the future in order to achieve its strategic goals. It should also include performance measurement indicators that will measure the level of achievement of its objectives and implementation timeline of these activities.
5. Disclosure by GEDCO of its financial statements and business results including profits and losses.

● **Recommendations on the Environment of Accountability in the Management of the Electricity Sector in the Gaza Strip**

1. The need to elevate the levels of coordination between the Gaza ENRA and the Energy Authority in Ramallah, since the electricity sector is one of the most important sectors that must remain far from political controversies and disputes.
2. The Legislative Council “the Change and Reform Bloc” should be informed of the ENRA’s periodic performance reports. In addition, all agreements concluded by the Gaza Energy Authority must be presented to the Economic Committee of the Legislative Council for assessment and also to promote legislative oversight and accountability of officials who signed the agreements.
3. The Gaza Legislative Council should continue to hold regular parliamentary hearings and to question Heads of the Gaza Energy Authority and officials of companies working in the field.
4. The ENRA needs to have an independent complaints system to receive public complaints and not only file complaints with the GEDCO.
5. Government supervisory and regulatory agencies must provide guarantees to prevent duplication of positions in the GEDCO.
6. Support the GEDCO in its role of monitoring commercial generator owners in the event they infringe on public power lines operated by the company.
7. Efforts must be exerted to bring the Palestinian Electricity Company into the scope of accountability by all actors in the Palestinian arena, government, political and NGOs.
8. The ministries of economy in GS and the WB must organize intensive regulatory visits to the Palestinian Electricity Company and its affiliated Power Plant.

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