



*Background Documents Distributed  
to the members of the Joint  
Palestinian-Japanese Working Group  
in preparation for the January 26  
Online Workshop*

## **Strengthening Japan's "Corridor for Peace and Prosperity" Initiative**

Japan and the Jordan Valley

January 2022

**Abdel Nasser Makky**

---



# **Strengthening Japan's "Corridor for Peace and Prosperity" Initiative**

Japan and the Jordan Valley

By

**Abdel Naseer Makky**

## Members of the Joint Working Group on Palestinian-Japanese Working Group

**Mr. Toshiya Abe**, Chief Representative of JICA Palestine Office

**Mr. Mohammad Daraghmeh**, Asharq news bureau chief – Palestine

**Dr. Ali Jarbawi**, Professor and director of Ibrahim Abu Lughod Institute of International Studies, Birzeit University

**Mr. Raja Khalidi**, Director General of MAS (Palestine Economic Policy Research Institute)

**Dr. Abdel Nasir Makky**, formerly with JICA

**Dr. Aiko Nishikida**, Associate Professor, Faculty of Law Department of Political Science, Keio University

**Ms. Tomoko Ohji**, Editor & Senior Staff Writer, Mainichi newspaper

**Mr. Omar Sha'ban**, founder and Director, Palthink, Gaza Strip

**Dr. Khalil Shikaki**, director of the Palestinian Center for Policy and Survey Research, Ramallah, Palestine

**Dr. Hiroyuki Suzuki**, Associate Professor, the University of Tokyo

**Dr. Ryoji Tateyama**, Professor Emeritus, National Defense Academy of Japan

**Mr. Kohei Tsuji**, NHK Washington Correspondent

## PCPSR's Publications of the Joint Working Group on Palestinian-Japanese Working Group

### Background Reports prepared for the first workshop

Mohammad Daraghmeh, **Japan As Seen by the Palestinian Media: How the Palestinian Press and Social Media View Japanese Culture, Literature, Technology, Economy, and Palestinian-Japanese Relations**

Dr. Abdel Nasser Makky, **Strengthening Japan's "Corridor for Peace and Prosperity" Initiative: Japan and the Jordan Valley**

PCPSR, **Japan in the Middle East, 2017-2021: The Palestinian-Israeli Peace Process and Palestinian-Japanese Relations (excerpts from Japan's MOFA Bluebook)**

PCPSR, **Official PA-PLO Positions on Japanese-Palestinian Relations: recent statements on the Palestinian-Israeli Peace Process and Palestinian-Japanese Relations**

Omar Sha'ban, **Japan's Developmental Role in the Gaza Strip: The Constraints of the "Split" and the Promising Potential in Partnering with Civil Society and the Productive Sector**

Khalil Shikaki, **Palestinian Public Perception of Japan: Report on Results of a Public Opinion Poll among Palestinians, December 2021**

### Background Report prepared for the Second workshop

Khalil Shikaki, **Japan and Palestine: Timeline of Main Developments and Turning Points in the last 50 years**

### Reports on workshop's proceedings

PCPSR, **Report on the Presentations and discussion of the First Workshop of the Joint Palestinian-Japanese Working Group, January 2022**

PCPSR, **Report on the Presentations and discussion of the Second Workshop of the Joint Palestinian-Japanese Working Group, March 2022**

### Other Publications

**The Future of the Middle East Peace Process: Policy Recommendations produced by the Middle East Study Group**, Headed by Dr. Ryoji Tateyama, Professor Emeritus, National Defense Academy of Japan, Organized by The Japanese Institute of International Affairs

Government of Japan, **Japan's assistance to the Palestinians**

Government of Japan, **JAIP: Jericho Agro-Industrial Park**

# Strengthening Japan’s “Corridor for Peace and Prosperity” Initiative

## Japan and the Jordan Valley

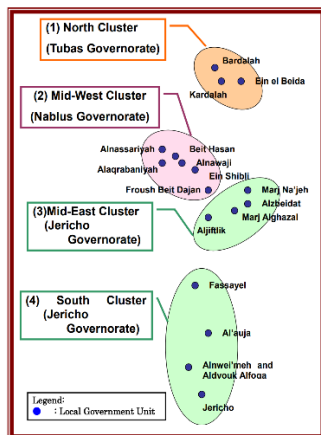
### Background

#### 1. Japan’s Project of the “Improvement of Local Governance System in Palestine”

As a result of the intifada that broke out in 2000, the economic and the financial conditions in Palestine deteriorated significantly. Without independent revenue sources, this development caused considerable loss in financial and administrative autonomy for more than 60% of the basic PA municipalities, the smallest units of administration such as cities and villages.

Against such background, in September 2004, the PA appealed to Japan for technical cooperation in the area of Local governance. In June 2005, JICA concluded a written agreement (R/D) with the PA Ministry of Local Government (MOLG) to dispatch a team to discuss possible work in the area of local finance and regional administration, as well as practical capacity building activities for local government personnel. This project was subsequently commenced in September 2005, with the MOLG as the counterpart organization. The project purpose was to establish the foundation for implementing policies in the area of local finance and Joints councils by improving the municipal services and revenue generation.

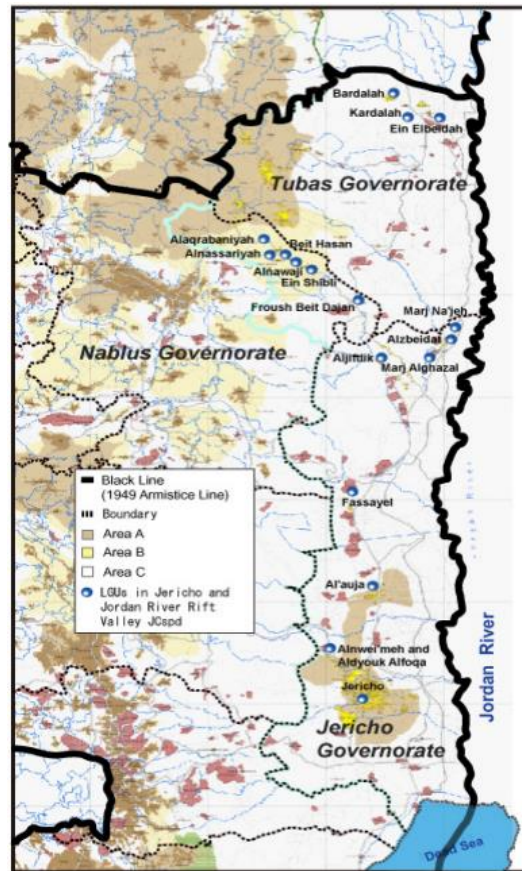
An Interim Local Development Strategy (I-LDS) is a mid-term plan formulated for “Clusters” of local government units (LUGs) in Jericho and Jordan River Rift Valley (JJRRV) with the target year of 2010. Seventeen local councils were grouped into four Clusters for this planning purpose in view of the Governorate boundaries and geographical proximity, as shown below. The four Clusters are:



**Population Estimate (2007)**

Bardalah (BR)	2,000	North
Kardalah (KR)	350	3,650
Ein Elbeidah (EB)	1,300	Mid-
Alaqrabaniyah (AQ)	950	West
Alnassariyah (NS)	1,700	6,900
Beit Hasan (BH)	2,000	Mid-
Alnawaji (NWJ)	500	East
Ein Shibli (Esh)	550	7,580
Froush Beit Dajan (FBD)	1,200	South
Marj Na'jeh (MN)	980	8,700
Alzbeidat (ZB)	1,800	
Marj Alghazal (MG)	300	
Ajjmtik (JF)	4,500	
Fassayef (FS)	1,000	
Al'auja (AUJ)	4,300	
Alnwei'meh & Aldyouk Alfoga (NW&DF)	3,400	
Jericho Municipality *	24,000	24,000

\* Jericho Municipality reviewed and updated its existing plan, which will be presented separately with the I-IDS of the three Village Councils/Committee of the South Cluster.



## 2. The Corridor for Peace and Prosperity and the Agro-Industrial Park (JAIP)

Supported by the Japanese initiative in 2006 "Corridor for Peace and Prosperity", and in line with the Palestinian Government plan to drive the sustainable development and investment, particularly in Jericho and Jordan Valley province, PIEFZA, the Palestinian Industrial Estate and Free Zone Authority, initiated the construction of the external infrastructure for JAIP by the beginning of 2010 with the support from then Japanese Government. Moreover, in 2012, JAIP company was contracted to construct the components of the internal infrastructure, in addition to the management and operation of JAIP.

This initiative is Japan mid- and long-term effort to support the coexistence and co-prosperity of the Israeli and the Palestinian. It aims to promote economic and social development in Jericho and Jordan Valley area through regional cooperation among Palestine, Israel, Jordan and Japan. As a flagship project of this initiative, the four sides worked towards the establishment of the JAIP, which is expected to lead the development of Palestinian private sector. As of September 2021, 18 factories are operating, and another 10 companies signed lease agreements with the park. In

August 2021, Palestinian Prosperity Business Center has newly opened inside JAIP to enhance Palestinian ICT sector and incubation.

JAIP is located south east of the city of Jericho, 4.5 KM away from the city center and 7 KM from the Karama (or Allenby) Bridge. The area of 140 Dunams was developed and a contract was signed with the contractor to start the ground leveling for the development of 475 dunams in the second phase.

Funded by the Japanese Government, PIEFZA developed the components of the external infrastructure such as the road linking between JAIP and Industrial zone in Jericho, the green power station project, the wastewater treatment plant, the electricity transmission line, the water tank & pumping plant to provide the industrial park with the required supply of water, in addition to the administration building.

The current construction work underway in JAIP provided up-to date more than 1000 temporary employment opportunities during the development and construction phase. The investors feasibility studies show that the industrial park will offer 5000 direct and indirect employment opportunities in the industrial field.

Area	Start up	Developer	Target	Donor	Financial incentives	Investment contracts
615 Dunums	2014	Jericho industrial Company	Agricultural and food industries and their supplement	Japan	50% of the cost of equipment and building materials subject to a maximum of \$ 500,000	36 Leases in the first stage

### 3. Incentives in Jericho Agro-Industrial Park (JAIP)

- 1- 16 investors in JAIP received the Pride grant in the beginning of the project
- 2- Efforts are under way to obtain preferential rates of electricity through the Electricity Regulatory Board and the Energy Authority, as well as obtaining the required approval to allow the developer to distribute electricity to the plants.
- 3- Approval to dig deep water well with funding from the Japanese government was obtained to ensure the continuous supply in the industrial estate with a daily production of 4000 m.
- 4- Funded by JICA, work is underway on designing a special road for the industrial estate to link it with the Jordanian side to facilitate the movement of products and individuals in both directions, in addition to encouraging the exchanged commercial movement and increasing the Palestinian exports.
- 5- Japan also supported regional development projects in Jericho such as construction of roads, wastewater treatment and solid waste treatment plant, all of which benefit JAIP.



- 6- PIEFTZA proposed a package of incentives for the projects of the industrial estate to encourage investment.

## JAIP Recent Development and Main Challenges

- 1- The land of the second stage is ready for construction the factories and the size of the land about 100 dunams
- 2- The center of the Palestinian development industry had been established and it is working
- 3- The construction of the solar panel project had been finished and waiting for operating
- 4- The central wastewater treatment plant is in the construction stage with UNOPS
- 5- The master plan of the second stage had been approved and the work plan had been prepared

## Main Challenges

- 1- The cost of the services provided to JAIP is high and not stable;
- 2- The cost of the annual rent is increasing from 9\$ at the beginning of the project to \$18 now;
- 3- The access road between the Agro-Industrial park and Allenby bridge needs the Israeli approval and till now the Israeli didn't make any actions to support the construction of that road;
- 4- One of main challenges is the sustainability of many factories and companies in the JAIP and to attract new factories to invest in the area;
- 5- The challenge of attracting the skill workers to come and work in JAIP;
- 6- The ability and capability to manage and run the service of the solid waste, water and the waste water inside JAIP for all the factories.

## Comments by JAIP Investors

1. Some investors interviewed for this report said that the agricultural industrial zone, which came about as a result of Japan's initiative known as the "Corridor for Peace and Prosperity," provides good opportunities for investment and that the area is fertile for development, that the infrastructure is good and accessible, and that rental prices are appropriate and encourage investment.
2. Although the grants known as "Pride" were available to the investors, some have benefited from it but then withdrew from the area. This has been seen as a flaw in the project structure and has given others the opportunity to consider withdrawing, especially after the appearance of problems related to electricity and waste.
3. Many investors complained of frequent power outages affecting the scale of production and the delivery of orders to traders. Some also complained about the high prices and cost of connecting to electricity grid.

4. Although the solar power grid, which was part of the project from the beginning, was completed, it was not made operational by the developer. This impediment added to the production costs.
5. It seems from the conversation with investors that there is a break in the relationship between the developer and the Palestinian Industrial Estates and Free Zones Authority (PIEFZA), which has left a negative impact on the development of the industrial zone.
6. Many problems arose at the beginning of operation, such as sanitation, waste and disposal.

### **The Japanese role in the Jericho and The Jordan Valley, according to the opinions of the mayors of the 1st Jordan Valley**

Japan's assistance to the Jordan Valley's local government came in an appropriate time for the region. The region has been marginalized and has not been given adequate attention by the Palestinian Authority (PA) since its creation in 1994. At the same time, the Israeli occupation was building settlements and confiscating land under military and security pretexts, while preventing the population from building in that area. As a result, the region was being abandoned by many citizens from that area. The following represents a summary of the comments made by the heads of local councils who were interviewed for the purpose of preparing this report:

1. Our interviews with the heads of local councils found that the focus of the mayors in their observations on the methodology of the Japanese project was that the needs of the population were directly identified through meeting with the residents and before meeting with the mayors. They justified their objection by arguing that the municipalities had ready plans stemming from their own assessment of the needs of the population, that they found that they were ignored, and that the newly proposed plans placed additional burdens on local councils at the time when these councils might not have considered them vital.
2. The mayors also said that the study of the project took a long time, creating some frustration and boredom for them and the population, who were not accustomed to the Japanese method of planning and identification of needs. By that time, the councils had certain expectations, based on previous experiences with other donors, that the projects would address needs in areas of infrastructure such as electricity, water, agriculture and others. They were surprised that these areas were not part of the initial Japanese project.
3. The first Japanese project established the Joint Solid Waste Council of the Jordan Valley. However, to the Jordan Valley Councils, waste service was not a priority. As a result, there was little interaction between them and the Japanese project, which focused on community awareness as a starting point for the success of the Joint Council.
4. Therefore, it might have been better at the outset for the Japanese project to take into account the characteristics of the region, particularly as a marginalized and agricultural area, and to establish vital projects, especially in agriculture, water, electricity, health and education in order to support the resilience of the population in that region.
5. After identifying the needs and projects, which amounted to 92 projects, through the Local Interim Development Strategy, the mayors objected to many of the projects that were approved and implemented, such as the construction of community centers and kindergartens, and considered them unimportant, especially since their management did

not come under the control of the local councils at a time when they required expenses that councils could not afford, which led to their eventual closure.

6. It would also have been advisable to ensure the participation of the relevant PA ministries in the meetings of the Japanese team with local councils and residents when identifying needs so as to avoid any conflict with the Palestinian National Development Plan.
7. Despite the observations of the heads of the local councils on the Japanese project, the project was not a failure. To the contrary, it served as the basis on which many donors relied when providing assistance to the area of the Jordan Valley. Moreover, the project drew attention to the importance of that area, with particularly emphasis on the role of the PA and especially after the Israeli government began to draw up plans to annex the entire area.

### **General assessment of the local government project:**

1. The project took a long period of time in studies and meetings and this affected the success of the project and the interaction of those concerned with it. In terms of content, it would have been better to focus on issues that were vital and seen as a priority for the community, such as agriculture, water and infrastructure, rather than initially focusing on waste that was not considered a priority in that area at the time.
2. The Jordan Valley is a very important area, but it is an extended wide area. It would have been better to work within sectors and joint projects through the four geographical administrative divisions that were subsequently developed. In terms of supervision and project identification, with few exceptions, the PA ministries played a small role as most of the work was accomplished by the project team. Once the project period ended, the follow up was not as effective as hoped for. Eventually, many projects could not be sustained and have been closed.

### **Recommendations**

1. In the future, we recommend the integration of the project on the agricultural industrial zone and the project that aims at supporting and strengthening local councils in the Jordan Valley. In this context, the industries in JAIP should be focused on agriculture in order to support the population of the Jordan Valleys in the face of Israeli settlement expansion and creeping annexation.
2. It is essential to involve the PA ministries in any future planning or implementation of any of the projects approved in the Interim Development Strategic Plan. The interim plan should be linked to the national plan.
3. In reviewing the requirements from the parties involved in the establishment of JAIP, it is clear that the Israeli government is placing obstacles to the success of the project by imposing conditions on the building of the road linking the park and the terminal at the Jordan River. The road is essential for the smooth and speedy export of the products of JAIP. A need exists to consider supporting JAIP without involving Israel in the Quartet

envisaged in the Corridor for Peace and Prosperity. By contrast, Jordan's role should be strengthened.

4. In order to support local councils in the Jordan Valley region in the face of Israeli annexation plan, a higher council should be established for the Valleys, supported by the PA. Donor support should focus on projects that build resilience and focus on areas of agriculture, water, electricity, and the educational and health infrastructure.
5. A strong relationship must be created, along with a new mechanism for cooperation, between the developer and PIEFZA in order to create an environment conducive to investment within the industrial zone and provide for all the requirements of water, energy, waste service and sanitation.
6. Cooperation and coordination between JICA, the developer, and PIEFZA should be strengthened through the establishment of a trilateral committee tasked with following up on the challenging facing the Jordan Valley region.

## References

Meeting with the mayors of Jordan Valley in Jericho Municipality

Site visit and Meeting with the investors in JAIP

The Project of the Improvement of Local Governance System in Palestine

The Interim Local Development Strategy (I-LDS)



The **Palestinian Center for Policy and Survey Research** explored Palestinian-Japanese relations by establishing a joint Palestinian-Japanese working group made up of experts and academics to engage in a dialogue on the various facets of the relationship with the aim of proposing a joint vision on how to strengthen and advance that relationship in a manner that helps it meet the challenges of the future. This initiative sought to examine *Japan's role in the Middle the Middle East by focusing on Japanese-Palestinian Relation through a Joint Japanese-Palestinian second track policy workshops and consultation.*

The dialogue took place in two online workshops to discuss the current relationship and explore ideas and policies for the future. In addition, the effort included the preparation and publication of various background reports and working papers addressing some aspects of the current relationship. PCPSR also issued two reports summarizing the presentations and discussion of the two workshops as well as the recommendations of the second workshop.

**The Palestinian Center for Policy and Survey Research (PCPSR)**

P. O. Box 76, Ramallah, Palestine

Tel: +970-2-2964933

[pcpsr@pcpsr.org](mailto:pcpsr@pcpsr.org)

[www.pcpsr.org](http://www.pcpsr.org)

