

Collective Resilience

The Status and Needs of Cooperatives in the oPt, Centering East Jerusalem



Funded by
the European Union



جامعة القدس
AL-QUDS UNIVERSITY



Contents

Introduction.....	3
Cooperatives as Global Driver of Economic Recovery and Growth.....	5
Cooperatives in the occupied Palestinian territory: Overview.....	6
Historic Background.....	6
Structure and function of Palestine’s Cooperative Regulatory System.....	7
Methodology and Sample.....	9
Key Findings.....	10
Desk Review.....	10
The Reality of Cooperatives in oPt.....	10
Strengthens and Weaknesses of the Cooperative Ecosystem.....	12
The 2017 Cooperative Decree Law: Effectiveness and Applicability.....	13
ILO Mapping and Assessment of Cooperative Unions: Deep Dive.....	15
Spotlight: The state of Agricultural Cooperatives in light of the Recent War on Gaza.....	16
East Jerusalem: Distinct Challenges and Limited Insight.....	18
Findings.....	19
Voices from East Jerusalem: Grounded Narrative from Cooperatives.....	19
Summary of Key Themes.....	28
In-Depth Thematic Analysis: Strengths, Challenges, and Opportunities.....	33
Assessment Recommendations.....	39
References.....	41
Annex (1).....	42

Introduction

Cooperatives have long been more than just economic structures for Palestinians, they have served as means of survival, solidarity, and self-determination. In moments of political upheaval and economic collapse, cooperatives have historically provided a lifeline for communities. This is especially the case in Gaza, where communities turned to consumer, agricultural, and saving and lending cooperatives to fill in the growing needs gap and diminishing resources. Whether under occupation or during the ongoing Israeli blockade in Gaza, Palestinians have relied on cooperatives to meet basic needs and reclaim a measure of agency in the face of systemic restriction and limited private and public services.

Marked by the fragility of both public and private investment in critical infrastructure, the volatility of international aid, the Israeli government's recent policies constraining civil and donor interventions, and a persistently declining economy, the current conditions have positioned cooperatives as an increasingly essential component of the Palestinian economic landscape. Indeed, in the context of deepening geographic fragmentation and mounting social and economic constraints, cooperatives provide viable, community-based responses to local development challenges.

Amid persistently high unemployment, particularly among youth and women, cooperatives represent one of the few mechanisms for generating employment and sustaining livelihoods. Operating as decentralized economic units, cooperatives mobilize local resources, distribute risk, and foster social cohesion where state and market institutions are weak or absent. Today, they play an increasingly critical role in addressing structural barriers to economic growth, including limited access to natural resources (such as land and water), fragile markets, and inadequate public investment in key sectors such as agriculture, housing, and industry. However, the viability and sustainability of cooperatives as well as their financial liquidity have been significantly undermined by the ongoing war in Gaza and the escalation of military operations across the West Bank.

East Jerusalem has been experiencing what Palestine Economic Policy Institute (MAS) refers to as a 'developmental stalemate'. The intensification of Israeli mobility restrictions and limitations on access to resources has led to a significant decline in trade, commerce, tourism, and the transportation sector. Additionally, the health and education systems continue to suffer, struggling to meet needs for Jerusalemites. Overall, the gap between needs and available resources services continues to widen, with minimal intervention from public, private, or non-governmental actors. Civil society and community-based organizations face increasing barriers to responding effectively due to constraints imposed by the Israeli government. In East Jerusalem, the PA, civil society, and private sector are facing systematic and critical challenges in reaching communities in need, sustaining and growing business operations, and implementing developmental projects.

Considering the increasing socioeconomic challenges, cooperatives in East Jerusalem play an essential role in supporting the local economy and social fabric by creating employment opportunities, promoting entrepreneurship, and contributing to community welfare. However, these cooperatives face unique challenges driven by systematic socioeconomic barriers, political complexities, legal ambiguities, and limited market access.

This needs assessment employs a qualitative approach to examine the challenges and opportunities facing cooperatives in the occupied Palestinian territory (oPt), ***with a particular focus on East Jerusalem***. It combines a desk review of relevant literature and policy documents with findings from two focus group discussions involving 35 participants, including cooperative members, stakeholders, and MSME representatives interested in cooperative models. The assessment provides a contextual overview of the cooperative sector and captures findings into the structural, economic, and institutional barriers shaping its development, aiming to inform more targeted and sustainable support efforts. By triangulating secondary sources with grounded qualitative data, the assessment seeks to offer a comprehensive analysis of the cooperative landscape in East Jerusalem and surrounding areas to ensure responsive support strategies.

The objectives of the assessment are to:

1. To map the cooperative sector in the oPt by reviewing its historical trajectory, legal structures, and governance mechanisms, including the role of the General Cooperative Union and sectoral unions.
2. To identify internal and external factors that influence the growth, sustainability, and resilience of cooperatives, including economic constraints, donor support, market access, and institutional capacity.
3. To examine the distinct challenges faced by cooperatives in East Jerusalem, including political isolation, limited regulatory support, and fragmentation from the wider Palestinian cooperative ecosystem.
4. To highlight grounded experiences and perspectives of cooperative members and stakeholders in East Jerusalem using qualitative evidence to surface lived realities, priorities, and strategies for resilience.
5. To generate targeted, evidence-based recommendations for strengthening the cooperative ecosystem, informing sector interventions particularly in East Jerusalem.

Cooperatives as Global Driver of Economic Recovery and Growth

In a study examining the role of cooperatives in conflict-affected and fragile states, Weihe (2004) highlights how cooperatives contribute to both economic and social development in countries such as Bosnia, East Timor, Lebanon, Mozambique, Rwanda, Macedonia, and Nepal. The study finds that even in areas marked by ongoing violence, cooperatives can foster rapid economic growth, particularly when they function as ethnic bridging institutions. Drawing on

historical and anecdotal evidence, the research shows that cooperatives have been especially effective in creating jobs in markets that are both geographically distant and economically valuable. Weihe (2004) explains that the cooperative approach, which emphasizes mutual self-help among stakeholders, adopted in fragile or failed states enables these entities to thrive because of adversity. Through mobilizing people for social stability and economic advancement, societies in failed or conflict torn countries are able to transform their rural economies in ways to overcome barriers such as remoteness, poor infrastructure, and monopolies. These findings carry important implications for the Palestinian economy, where markets are similarly, and increasingly, characterized by geographic “distance”. That is, fragmentation, restricted mobility, and separation between communities. In this context, cooperatives likely hold significant potential as inclusive economic tools capable of circumventing structural barriers and supporting socio-economic resilience.

A recent cross-sectional panel data analysis of 300 cooperatives over a ten-year period (Joshi, 2024) demonstrates that cooperatives have a positive and statistically significant impact on economic development, particularly in terms of poverty reduction, employment generation, and the promotion of entrepreneurship. Additional empirical evidence reinforces the developmental role of cooperatives. For instance, Zeuli and Cropp (2004) find that cooperatives contribute to local economic stability by generating substantial employment opportunities. Similarly, Birchall and Ketilson (2009) highlight the resilience of the cooperative business model during times of crisis, an especially relevant insight for the Palestinian context as the intensifying war in Gaza and military operation in the West Bank continues to exacerbate the deteriorating socioeconomic situation.

In a study investigating the impact of agricultural cooperatives on technical efficiency and total factor productivity of olive farms in the West bank of Palestine, Kashiwagi (2020) finds that participation in cooperatives is an effective strategy to reduce existing levels of inefficiency and low land productivity of olive farms in Jenin specifically. The study uses cross-section data of olive growing farmers in the Jenin government. It emphasizes that while olive farms in Jenin are characterized by inefficiency and relatively low labor productivity compared with other farms in the Mediterranean region, it is possible to increase the productivity of these farms by 38-48% through more efficient use of inputs with given technology. Agricultural cooperatives, the most common form of cooperatives in the West Bank, are highlighted as an effective strategy to increase technical efficiency and total factor productivity. Kashiwagi (2020) underlines the significance of becoming a cooperative member in Jenin in improving farms’ productivity. To realize the potential productivity of olive-farms in Jenin, evidence suggests that becoming cooperative members is one of the crucial factors to enhance productivity especially by improving technical efficiency and inducing technical progress.

There remains a gap in the literature related to the socioeconomic impact of cooperatives in Palestine. This is because the sector was characterized by its fragmentation and informality, particularly prior to the enactment of the Decree-law of 2017. Through the analysis of the

historic background of cooperatives, as demonstrated in the following session, it is clear that the change of laws and regulations over the span of the last decade has negatively impacted the growth, viability, and sustainability of cooperatives. Nonetheless, as emphasized by Joshi (2024), Zeuli and Cropp (2004), Weihe (2004), Ketilson (2009), cooperatives have historically played a critical role during times of crisis by enabling access to basic services and addressing the persistent needs of communities, particularly in states in which geographic fragmentation and political instability limit the ability of both the public and private sectors to bridge the growing gap in society.

Cooperatives in the occupied Palestinian territory: Overview

Historic Background

Cooperatives have long been an integral part of the Palestinian social economy. Officially institutionalized with the enactment of the Cooperative Societies Ordinance of 1920, cooperatives were granted legal recognition, enabling them to operate, sue, and be sued as formal entities. Initially modeled after the Indian Cooperative Societies Act of 1912, the Palestinian Ordinance went further by supporting the registration of cooperatives beyond agriculture, embracing sectors such as savings and credit, industrial procurement, production, shared machinery use, and even housing development.

With the enactment of the Cooperative Societies Ordinance, the number of organized and functioning Palestinian cooperatives continued to rise exponentially. Between 1930 and 1940, following the enactment of the first cooperative law in 1933, cooperatives in agriculture, rural development, and the transportation sector increased exponentially. By 1947, the number of registered cooperatives had reached 244.

Over the past century, the Palestinian cooperative movement has undergone significant shifts due to changes in political governance and legal systems. These transitions have impacted the coherence and continuity of cooperative development. The evolution of Palestinian cooperatives can be ***broadly categorized into five phases:***

1. Traditional Cooperation: Rooted in informal practices, this phase involved unwritten agreements and grassroots savings and credit associations, many of which still operate today.
2. British Mandate Period (1922–1948): As mentioned, this period saw the introduction of the first formal cooperative law, leading to a surge in registered cooperatives across various sectors.
3. Jordanian and Egyptian Administration (1948–1967): Under Jordanian rule in the West Bank and Egyptian administration in Gaza, the cooperative sector expanded significantly. The West Bank saw the number of cooperatives grow to 418, while Gaza recorded 60. In the Gaza Strip, consumer cooperatives were formed to enable the purchase of subsidized commodities through the Egyptian central consumers institutions.

4. Israeli Occupation & Pre-Oslo Accord period (1967–1994): The Israeli occupation of the West bank and Gaza disrupted connections between cooperatives and existing formal support structures, located in Egypt and Jordan. Despite fragmentation, many cooperatives continued to operate independently.
5. Palestinian Authority Era (1994–present): After the establishment of the Palestinian National Authority (PNA), cooperative oversight was placed under the Ministry of Labor's General Directorate of Cooperatives. The sector remained governed by outdated laws, Law No. 17 of 1956 (West Bank) and the 1933 Egyptian law (Gaza), until reforms were introduced.

A major legislative milestone was achieved in 2017 with the enactment of Decree-Law No. 20, the first unified legal framework for cooperative associations in Palestine. Passed after a decade of drafting, this law replaced both the 1956 West Bank and 1933 Gaza legislations. While implementation is still hindered by the absence of supporting regulations that ensure systematic application of the laws, the 2017 law marks a significant advancement in the formal recognition and regulation of cooperatives in Palestine.

Structure and function of Palestine's Cooperative Regulatory System

In the Palestinian context, cooperative work is defined as a group of individuals coming together to achieve a common goal. Legally, a cooperative is a registered entity composed of at least 15 members who voluntarily unite to meet their common economic, social, and cultural needs and aspirations, as well as those of the broader community, through a jointly owned, democratically governed, and supervised enterprise with no fixed capital ceiling. In accordance with the Decree-Law, registered cooperatives are required to submit articles of association and bylaws, minutes of the founders' meeting, a clear definition of the cooperative enterprise including an economic feasibility study, and a bank receipt confirming the deposit of the total value of equity shares and membership fees by all founding members.

Palestinian cooperatives take many forms. The most common forms are agricultural entities, particularly those specializing in beekeeping, livestock, and irrigation. Other forms of cooperatives include those with a mission to provide housing, saving and credit services, protect consumers, and share electricity or water resources.

Cooperatives in Palestine operate in accordance with the seven general cooperative principles: 1) voluntary and open membership; 2) democratic management and administration; 3) member economic participation; 4) independent self-rule; 5) education, training, and information; 6) cooperation among cooperatives; 7) concern for the community.

According to the Cooperative Work Agency (CWA), an independent body established in 2018, funded by the government, and responsible for registering, regulating, and promoting cooperatives, cooperatives are classified into two categories:

1. **Active Cooperatives:** Registered entities with the CWA that have prepared fiscal budgets and held at least one general assembly meeting within the past three years.
2. **Inactive Cooperatives:** Registered entities with the CWA that have either not prepared fiscal budgets or have not held a general assembly meeting for more than three years.

Palestine has four members in the International Cooperative Alliance (ICA), an international non-governmental organization established in 1895 to unit, represent and support cooperatives. The four members are:

- **CWA:** An ICA member since 2020, the CWA is an independent body established in 2018 and funded by the government and responsible for registering, regulating, and promoting cooperatives.
- **Economic and Social Development Centre for Palestine (ESDC):** a member of the ICA since 2014, the ESDC is an NGO in Palestine established 2003 that works with cooperatives and community-based organizations for promoting food security and livelihood empowerment for women and youth.
- **Palestinian Agricultural Cooperative Union (PACU):** a member of the ICA since 1997, the PACU is a union of the Agricultural Cooperative Union, Animal Livestock Union, and Union of Olive Pressing Cooperatives. Broadly, the PACU promotes cooperatives run by local farmers.
- **Union of Housing Cooperatives in Palestine:** An ICA member since 2018, the PUHC consists of members who are voluntarily linked as cooperative housing associations seeking to support individuals from low to middle income backgrounds to obtain decent housing.

Methodology and Sample

Given the unique challenges faced by cooperatives in East Jerusalem due to discriminatory policies, mobility restrictions, legal ambiguities, and limited market access and institutional set-up, this assessment adopted a qualitative and exploratory approach to form a comprehensive understanding of unique challenges that could potentially hinder the effectiveness of the cooperative model in East Jerusalem and the surrounding areas. Given the nature of the data utilized, findings presented in this assessment are likely not representative of the wider Palestinian population, particularly in Gaza where the economic and political reality remains extremely challenging due to the ongoing blockade and war.

Two focus group discussions (FGDs) with existing and potential cooperatives were organized between August and September of 2024. The groups composed of 36 participants (18 Female and 18 Male). The two FGDs were facilitated by Al Quds Business Center for Technology Innovation and Entrepreneurship (BCITE) and Enabel's YEP Program, supported by the European Union and in collaboration with the International Labour Organization (ILO).

The two groups composed of 36 participants

The FGDs aimed to evaluate the challenges, needs, and opportunities facing cooperatives in East Jerusalem; their role in stimulating the economy; their response to social, economic, and cultural needs; and their significance in the current political and economic climate. Annex (1) provides the comprehensive list of guiding and probing questions included in the FGDs, disaggregated by theme.

The first session was attended by 17 participants, while the second session included 18 participants, with a total of 35 cooperative or MSME representatives interested in becoming cooperative members.

Following the FGDs, a thematic analysis was conducted to gain an understanding of the ecosystem in which cooperatives in East Jerusalem operate; key concerns and outstanding challenges were identified; and participants' recommendations for promoting their development and sustainability in East Jerusalem were collected.

In addition to the qualitative methods employed, a desk review was integrated into the methodology to contextualize and update findings in light of the significant changes following the ongoing war in Gaza and the escalation in the West Bank. Insights from the desk review are critical to outlining the current state of cooperatives and integrating recent developments in the cooperative ecosystem that have altered cooperative dynamics and needs.

Key Findings

Desk Review

The Reality of Cooperatives in oPt

The findings section begins with insights derived from the desk review, which serve to contextualize the current state of cooperatives in oPt. This background is essential for informing the interpretation of the qualitative data collected from stakeholders on the ground.

According to the most recent CWA annual report, as of 2023, there were 780 cooperatives officially registered. Approximately half, 369 cooperatives (47.3%), were considered active, while the remaining 411 had not met the minimum criteria for activity in recent years.¹

Cooperatives in Palestine focus on a variety of sectors. Nearly half focus on agriculture (44.9%), reflecting the sector's long-standing role in Palestinian livelihoods and its historic contribution

¹ In active cooperatives are those registered with the CWA that have either not prepared fiscal budgets or have not held a general assembly meeting for more than three years.

to GDP. These are followed by housing cooperatives (29%), which address high costs of housing, especially in East Jerusalem, and then services (15%), handicrafts (7.8%), and a smaller number of cooperatives in the consumer sector (2.9%).

The agriculture sector hosts the highest number of **active** cooperatives, with the majority operating in Hebron, Nablus, and Jenin. On the other hand, housing cooperatives account for a large portion of the **inactive** ones, particularly in Ramallah and Al-Bireh and the Gaza Strip.

Geographically, as of 2023, Ramallah and Al-Bireh lead in the overall number of cooperatives, with over a quarter (25.9%) of all registered cooperatives located in the governorate, followed by Gaza (11.7%), Hebron (10.7%), Jenin (10%), Nablus (7.8%), and East Jerusalem (7.3%).

In Jerusalem, housing cooperatives play a particularly vital role. With limited access to construction permits and increased obstacles to obtaining necessary licenses from the Israeli government, these cooperatives make up 61% of all cooperatives in East Jerusalem. They offer Palestinians a pathway to collectively purchase land, obtain necessary permits and licenses, and reduce construction costs, helping counter the ongoing housing crisis in light of settlement expansion in Jerusalem.

As for gender representation, cooperatives remain largely mixed: 69% of cooperatives include both men and women. However, 16% are male-only, and 14% are exclusively female, indicating the need to support women-led cooperatives. Indeed, registered cooperatives counted 62,278 members by the end of 2023, of which only 14,108 (22.6%) were women. This reflects the need for continued efforts to enhance women's participation in economic and social initiatives.

The General Cooperative Union (GCU) serves as a central stakeholder and coordinating body within the Palestinian cooperative sector. Established in 2017, the GCU functions as the apex union, providing an institutional framework for all affiliated sectoral unions and primary cooperatives. Its role is formally embedded within the organizational structure outlined in Decree Law No. 20 of 2017, which establishes a three-tier hierarchy consisting of primary cooperatives, sectoral unions, and the General Union, as stipulated in Article 15. The GCU's core mandate is to advocate for the interests of the cooperative movement, support its development, and elevate the visibility and strategic positioning of the sector within national socioeconomic planning (ILO, 2022).

In the West Bank, six sectoral cooperative unions operate across key domains. Five of these (Agricultural, Handicrafts, Housing, Consumers, and Savings and Credit) are formally affiliated with the General Cooperative Union (GCU), while the Marketing Union remains the only sectoral body operating as a non-GCU member. In Gaza, there exists a Handicraft and Agricultural cooperative unions (ILO, 2022). The following presents key facts and figures for each

of the unions, according to the ILO (2022) mapping of the cooperative ecosystem in the West Bank:

- **The Palestinian Agricultural Cooperatives Union (PACU):** established in 2013 and includes 116 cooperatives societies out of the existing 300 agricultural cooperative societies, of which 164 are active. PACU offers many services to members including promotion/marketing of products, support in obtaining fair trade certifications, olive oil exports, and developing business plans.
- **The Union of Housing Cooperatives:** established in 2017 and includes 66 cooperatives out of 378, of which 166 are active. The unions provide legal services, engineering consultancy, and architectural services.
- **The Union of Savings and Credit Association:** established in 2004 and includes 13 cooperative societies out of 116, of which 66 are active. In addition to lobbying and advocating for policy and legislation to enhance the financial and administrative capabilities of cooperatives, the Union provides accounting support, financial management, and credit assessment to its members.
- **Consumer Cooperative Union:** established in 2017 and includes 7 cooperatives out of 25, of which 14 are active. The Union primarily represents the sector with governmental and non-governmental institutions. It also provides technical, administrative, and financial advice, and helps attract funding to develop the sector.
- **Cooperative Union for Handicrafts:** established in 2017 and includes 8 cooperatives out of 36, of which 23 are active. The Union works primarily on establishing cooperation between members and other sectoral unions and their members to create critical marketing linkage and enhance the capacity of cooperatives. It provides additional services related to facilitating access to raw materials, equipment, marketing channels, management and financial advice, production cities, etc.
- **Marketing Union:** established in 2020 and includes 17 agricultural cooperatives. The Union aims to develop production and marketing activities for member primary cooperatives and their members who are mainly farmers. It seeks to build the administrative and technical capabilities of the unions and its members. The Union focuses on the field of quality control and packaging.

Strengthens and Weaknesses of the Cooperative Ecosystem

A survey conducted by the Muwatin Institute for Democracy and Human Rights (2021) mapping the challenges facing Palestinian cooperatives reveals that, since 1967, the cooperative movement has encountered growing difficulties in expanding into markets and contributing meaningfully to the social and economic development of Palestinian society.

They survey finds that a combination of external and internal factors has significantly hindered the viability, impact, and sustainability of cooperatives. The ongoing Israeli occupation

constitutes the primary external factor impeding the viability and operational sustainability of cooperatives. More specifically, the systematic and expanding control over critical resources such land, water, and minerals, the intensification of mobility restrictions, and the flooding of Palestinian markets with Israeli products have undermined local production capacities and weakened the feasibility and sustainability of agricultural, production, and consumer cooperatives.

A number of internal factors, including structural and operational challenges, continue to impede the development and impact of Palestinian cooperatives. These factors include limited access to finance, the absence of strategic vision and long-term planning, and a decline in volunteer engagement driven by low public awareness and interest. Many cooperatives remain isolated from broader cooperative unions, which are themselves often weak and fragmented, particularly within the agricultural sector. Legal safeguards for cooperatives are insufficient, especially for farms excluded from existing protection laws, leaving them exposed to risks without compensation. Internally, cooperatives often suffer from undemocratic governance structures, limited technical and managerial capacity, and a lack of organizational infrastructure. Bureaucratic hurdles related to registration and licensing persist, while many cooperatives continue to operate under outdated, primitive models. Additionally, an overemphasis on export markets frequently overshadows the need for local economic development. Women's participation remains low, typically confined to mixed-gender cooperatives, with few female-led initiatives emerging.

At the institutional level, there is limited awareness, especially within higher education, about the cooperative model and its potential. Curricula and programs rarely equip students with the knowledge and tools necessary to establish or engage in cooperatives. Similarly, civil society and non-governmental organizations have not sufficiently prioritized raising awareness around the role of cooperatives in economic recovery and addressing socioeconomic challenges.

There remains a pressing need for more technical training focused on sustainable cooperative models, market linkages, private sector engagement, managerial skills, logistics, and financial literacy.

Efforts should also be made to reduce dependence on external funding, particularly as it relates to covering running costs. This can be addressed by building financially self-sustaining models in which donor funding is geared towards purchasing operational equipment necessary to start operations or other one-time costs that could overburden startups including infrastructure and maintenance.

Lastly, there remains a notable gap in promoting a culture of volunteerism and community engagement among Palestinian youth, an essential component for fostering a resilient and inclusive cooperative ecosystem. This is largely due to the increasing fragmentation across

communities due to a variety of reasons, including the restrictions on movement and intensified physical barriers between cities and across villages.

The 2017 Cooperative Decree Law: Effectiveness and Applicability

A recent Legal Framework Analysis conducted by the International Co-operative Alliance (ICA), finds that while the Decree-law is 'cooperative friendly' and progressive, there remains a need to further enhance the law to better reflect good practice and measures. Notably, the legal nature of the CWA (public, private, semi-private) and its function remain unclear. Specifically, the double function of the CWA as both a regulatory and promotional body is likely to cause contradiction. The CWA is responsible for monitoring and controlling cooperatives while also promoting cooperatives and providing them with advice. While a high minimum number of members is thought to ensure the viability of cooperatives², the minimum number required by the Decree-law (15) might be too high or too depending on this sector. The ICA recommends tailoring the number of cooperative members to the sector to ensure harmony between the type of cooperative and the number of members. Additionally, the Decree-law does not permit the registration of cooperatives of the same nature or working in the same sector/field to register. This stands in contradiction to the principle of voluntary membership that guides cooperative work. Cooperatives should have the autonomy to decide what structures they want to be part of.

Mostly importantly, the rule of cooperative organizations, as is their legal form, is vague as the law fails to mention their tasks (pre-registration, feasibility studies, organization education and training efforts, auditing, legal advice, etc..), limiting the level of support, services, and monitoring provided to cooperatives.

At a government level, the Decree-law does not fully-consider financial instruments available to cooperatives, particularly internal financial possibilities, such preferred shares, limiting non-member business, and the establishment of subsidiaries to access financial markets, and improving the creditworthiness of cooperatives by promoting the establishment of undividable reserve funds, and setting up guarantee funds as security of credits. While external funding is critical, relying on donor grants without providing internal financial instruments encourages dependence on volatile donor funding.

Furthermore, the Decree-law does not address 'education and training' even at the level of suggesting that cooperatives set up education and training funds, a core principle of cooperative work that ought to be enforced to ensure sustainability and growth.

Overall, the ICA prioritizes adopting a pragmatic approach to ensure the Decree-law functions effectively and to address the shortcomings noted above. Primarily, there is a need to formulate a series of by-laws and regulations to regulate the organizational structure of the CWA, its financial resources, and its functions. Moreover, it is critical to devise an approach for

² This is not backed by evidence.

regulations and procedures for the scission, merger, and dissolution of cooperatives. An amendment granting greater autonomy to cooperatives is critical, particularly in relation to reducing the minimum number of members required for registration (especially for workers' cooperatives), lifting restrictions on the number of cooperatives that can operate within the same sector and geographic area, and eliminating clauses that mandate CWA approval of cooperative general assembly decisions.

As it relates to the governments' Cooperative Sector Strategy, in line with ILO recommendation 193, the ICA recommends that the government consider the following policy recommendations:

- 1) Emphasizing research, education, and training specifically integrating the subject of cooperatives into education curricula;
- 2) Distinguishing between surplus and profit in the regulatory framework;
- 3) Introducing tax incentives and financial instruments to improve creditworthiness and reduce dependence on external funding;
- 4) Strengthening secondary (unions) and tertiary (federations) cooperative organizations.

ILO Mapping and Assessment of Cooperative Unions: Deep Dive

A 2022 assessment by the International Labour Organization (ILO) provides a comprehensive analysis of the Palestinian cooperative landscape, focusing on the General Cooperative Union (GCU) and six sectoral unions: agriculture, housing, savings and credit, consumer, handicraft, and a newly established marketing union for Palestinian cooperative products. The study evaluates governance practices, operational performance, service delivery, and financial viability across these entities, as well as their ability to meet the evolving needs of primary cooperatives.

A major theme in the assessment is the structural fragmentation that impedes effective coordination among cooperative actors. Political and geographic disintegration, exacerbated by occupation policies, particularly around East Jerusalem, has led to institutional isolation and weak communication between key bodies, including the Cooperative Work Agency (CWA), the GCU, and sectoral unions. The assessment stresses the need for integrated governance mechanisms and stronger communication pathways under a unified cooperative sector strategy.

While the GCU is recognized for its mandate to represent and advocate for cooperative interests at the national level, the assessment identifies significant limitations in its outreach and public communication functions. Enhancing the GCU's capacity to engage the public, promote cooperative values, and mobilize support for the cooperative model is viewed as essential. Strategic partnerships with civil society organizations and local communities are encouraged to nurture a broader cultural understanding of cooperative work.

The institutional strength of sectoral unions varies significantly. The Savings and Credit Union in the West Bank is noted for its strong organizational and financial capacity. Similarly, the

Agriculture and Marketing Unions benefit from substantial early-stage external support, which has contributed to their relative robustness. By contrast, newer unions struggle with resource constraints and limited institutional maturity, despite demonstrating strong commitment to member support and cross-union collaboration.

At the level of primary cooperatives, managerial and financial capacity is found to differ based on sectoral affiliation and access to external support. Notably, the study finds that external funding, especially during a cooperative's formation or periods of growth, has been instrumental in ensuring organizational sustainability and improving service delivery. However, the report also cautions against an overreliance on donor-driven financing models, which risk entrenching aid dependency and undermining long-term autonomy.

The assessment also highlights the fragmented nature of donor engagement in the cooperative sector. Despite numerous initiatives aimed at systematizing and promoting cooperative development, the lack of coordination among donors and implementing organizations has led to inefficiencies and missed opportunities for synergy. A more cohesive approach to donor engagement, aligned with national strategies and responsive to grassroots needs, is urgently needed.

In terms of crisis resilience, the study highlights cooperatives' capacity to adapt and sustain member support during the COVID-19 pandemic, despite the absence of formal government protocols for emergency coordination. Cooperatives played a critical role in promoting local production and consumption during the crisis. Yet, long-term resilience remains fragile. The report calls for the development of contingency plans in collaboration with civil society, the activation of the Cooperative Development Fund, and transparent, strategic use of cooperative union reserves during periods of disruption.

In moving forward, the ILO emphasizes the importance of fostering innovative and entrepreneurial cooperative models in underrepresented sectors, including technology, finance, media, healthcare, solar energy, food production, and quality assurance. The formation of such cooperatives is seen as vital to revitalizing the sector and enhancing its socioeconomic relevance.

Crucially, the report outlines a set of strategic recommendations for strengthening the GCU and sectoral unions. These include expanding their ability to provide financial services to members, delivering targeted capacity-building programs, and reinforcing principles of democratic governance. Establishing networks and partnerships, particularly with civil society organizations and private sector actors, is also recommended to amplify impact. The GCU is urged to take the lead in promoting cooperative awareness and its potential to enhance the socioeconomic resilience of Palestinian communities. In addition, priorities such as digital and traditional marketing, e-commerce, advocacy, and the development of a shared information system are seen as critical enablers of cooperative growth and visibility.

Spotlight: The state of Agricultural Cooperatives in light of the Recent War on Gaza

Back in 2023, the Food Agricultural Organization (FAO) characterized agricultural cooperatives as underdeveloped as many of them lack expert knowledge and/or the skills to help farmers maximize their market returns. Moreover, most agricultural cooperatives lack adequate marketing infrastructure, including packaging and canning of agricultural products, refrigerated storage and transport to deliver perishable goods to market. This issue has been exacerbated recently with the intensified mobility restrictions and consequent time delays on checkpoints. Farmers suffer from losses of agro-products, including spoilage. Given the lack of financial capacity and physical resources available to cooperatives, the prospects for exports are also limited.

In light of the ongoing war in Gaza and the military escalation in the West Bank, the status of agricultural cooperatives deteriorated significantly. The Palestinian Agricultural Cooperatives Union (PACU, 2025) conducted a situational and needs assessment of agricultural cooperatives in the occupied Palestinian territory (oPt). The assessment findings highlight the deterioration in the operational capacity of cooperatives in the West Bank, with the impact being particularly severe in Gaza in which virtually all cooperatives, despite the importance, have become increasingly not viable.

In the West Bank, cooperatives face great challenges due to intensified mobility restrictions and limited market access, undermining their ability to sustain production and pushing many farmers into financial loss. Land confiscations, settler violence, and property destruction further threaten farmers' capacity to cultivate and harvest their land. The majority of farmers were affected, with over 27 cooperatives severely affected by violent attacks targeting infrastructure including reported damage to irrigation networks, land bulldozing, field burning, denial of land access, destruction of storage facilities, greenhouse vandalism, and the burning of olive trees.

Livestock farmers are particularly vulnerable, especially in the Jordan Valley, where access to grazing areas has become increasingly restricted. Many farmers struggle to obtain animal feed and veterinary supplies due to movement constraints. As a result, the costs of animal husbandry have risen sharply, and livestock mortality rates are increasing due to poor veterinary care and transportation difficulties.

According to PACU, broader structural challenges also constrain cooperatives. These include Israeli-imposed obstacles such as land seizures and road closures, deteriorating agricultural infrastructure (e.g., irrigation systems and electricity access), weak integration into national agricultural policies, fragmented regulatory oversight, and the absence of a unified legal framework, particularly affecting East Jerusalem. Internally, cooperatives often suffer from weak governance, characterized by seasonal or individualistic leadership and a lack of long-term shared vision.

While the challenges outlined above highlight the role of cooperatives in providing solutions for farmers and ensuring access to food in local communities, it has become increasingly difficult for farmers to access the market and secure the capital necessary to sustain operations.

As of 2019, over 250 agricultural cooperatives were registered in the occupied Palestinian territory (oPt). Currently, only 125 are active under PACU, including just five in the Gaza Strip. This constitutes a sharp decline driven by the unprecedented levels of destruction. Once contributing significantly to local consumption, Gaza's livestock and poultry sector has been virtually wiped out due to direct airstrikes and feed shortages. Entire farms and feed storage facilities have been obliterated.

To build resilience among cooperatives in response to the on-going war in Gaza and military escalation in the West Bank, the PACU assessment recommends a focus on strengthening agricultural value chains, from production to marketing, emphasizing added value and improved farmer income. The report also stresses the need for stronger relationships between donors and cooperatives to ensure timely and effective responses to high-risk conditions. For smallholder farmers, particularly those owning fewer than three dunams, the report suggests targeted in-kind assistance such as greenhouses and essential agricultural inputs to reduce costs and enhance productive capacity.

East Jerusalem: Distinct Challenges and Limited Insight

Given the uniquely complex and restrictive context of East Jerusalem, the challenges identified in the broader Palestinian cooperative sector are likely to be even more acute in this area. Palestinian cooperative members and businesses in East Jerusalem operate under a distinct set of political, legal, and economic constraints that significantly hinder their ability to establish and sustain viable business models. These challenges have only intensified amid the ongoing Israeli aggression in Gaza and the escalating military operations across the West Bank, including East Jerusalem. In light of this reality, the current assessment seeks to fill a critical knowledge gap by developing a comprehensive understanding of the cooperative ecosystem in East Jerusalem. It aims to identify key structural and contextual challenges, highlight pressing needs, and provide informed insights to guide future interventions and support strategies.

Since the most recent escalation in the occupied Palestinian territory (oPt), the focus on cooperatives as a driver for economic recovery and resilience has been heightened. This is especially in light of socioeconomic deterioration, weak market, raising employment, and scarce private and public investments. Most importantly, settlement expansions and intensified mobility restrictions across the West Bank and East Jerusalem have resulted in more severe geographical separation between various areas, increasing the need for locally operating cooperatives responding to raising communal needs and economic activity.

Findings

Voices from East Jerusalem: Grounded Narrative from Cooperatives

I. Legal and Policy Framework: Navigating Dual Jurisdictions and Political Invisibility

Participants opened the focus group by describing their cooperatives' origins and their personal roles. For many, the cooperative was more than a business model, it was a survival strategy. "Our cooperative started because our area lacks many services," said a member of a women's food production group. "We didn't choose this path out of ambition; it was out of necessity." A youth digital services cooperative member stated, "We couldn't find decent work, so we created our own space."

These stories quickly transitioned into frustration around legal recognition. While several participants had registered their cooperatives with the Palestinian Authority (PA), this status was meaningless in East Jerusalem. "Our registration papers are not worth anything at the Israeli level," said one cooperative leader. "We can't operate inside Jerusalem with Palestinian registration". Others described attempts to register under Israeli law, only to be blocked by language, security issues, and legal contradictions. "They asked us to remove anything related to Palestinian narratives". "They don't understand what a cooperative is." Another shared, "Even the accountant we hired didn't know how to classify us. He told us to register as a private company, or a nonprofit organization, if we wanted to survive."

Some cooperatives were entirely informal, relying on personal networks to lease spaces or manage income. "Our cooperative has no license. Everything runs through my cousin's name," one participant explained. "That's how we pay rent, how we order materials, but it's risky."

There was strong consensus around the need for a legal advisory body specific to East Jerusalem cooperatives. "We don't need another training. We need legal protection," one participant stated. "If we had just one lawyer who understands both systems, our entire situation would change."

II. Institutional Support and the Role of Cooperative Unions

When asked about support from national cooperative institutions, nearly all participants responded with some degree of confusion or detachment. "The GCU? I've heard the name, but they've never contacted us," said a member of a cultural preservation cooperative. Another remarked, "They talk about cooperatives in the West Bank, but unfortunately, they don't have access to Jerusalem."

Those who had minimal interaction with the GCU or sectoral unions described the support as symbolic at best. "We received invitations to attend conferences and trainings in Ramallah, but

unfortunately, we can't attend all of them due to accessibility issues. We need something in Jerusalem" said one participant. Others noted that the trainings offered by unions were often irrelevant to urban or service-based cooperatives. "They keep teaching us farming, which is not that relevant to the Jerusalem district". "We make digital content. They don't know our reality," explained a youth cooperative founder.

Some participants believed the unions were simply under-resourced, not intentionally neglectful. "Maybe they want to help," said a participant from a home-based cooperative. "But they don't have anyone here, no office, no staff. They don't know how to navigate Jerusalem's politics."

Despite the frustrations, there was an openness to rebuilding the relationship. "We want representation," said one cooperative leader. "Why is there no Jerusalem desk at the GCU? Why don't we vote in their elections?" Participants suggested that a dedicated East Jerusalem liaison or union office could help bridge the gap and enable coordinated support, advocacy, and resource-sharing.

III. Relationships with External Stakeholders and INGOs

Unlike their frustration with government institutions, many participants spoke more positively about the role of NGOs and international organizations in supporting their cooperatives. "If it weren't for an NGO, we wouldn't even have chairs in our workshop," one woman said. Another shared, "A UN program gave us the seed money, we used it to buy our equipment."

What stood out to participants was how much more accessible and flexible NGOs were compared to government programs. Many appreciated that NGOs allowed informal or semi-registered cooperatives to take part in their initiatives. As one member put it, "They treat us normally, even though we are not officially registered". They actually care about what we're doing."

Still, there was a sense of frustration with how short-lived these partnerships often are. "They come for a year, help a bit, and then disappear," one participant said. "Sometimes it feels like they just want photos to show their donors, not to build something that lasts." Another added with a hint of dissatisfaction, "We had three NGOs train us on financial management in one year—same PowerPoint, just different logos."

There was also criticism about the lack of coordination between different actors. "We don't need more scattered projects, we need a real strategy," someone suggested. "Why can't NGOs, unions, and cooperatives work together on a long-term plan for East Jerusalem?" Participants emphasized the need for multi-year commitments, more involvement in program design, and greater flexibility in funding, especially for essentials like rent, legal support, and digital tools.

IV. Internal Governance, Participation, and Capacity Gaps

Cooperative members spoke openly about how they manage things internally. While many said they try to follow democratic principles, the reality is often more informal or even hierarchical. “We vote, sure,” said one member of a youth media cooperative, “but in the end, the founders make the real decisions. It’s hard to push back, they built this from scratch.”

When it comes to resolving conflict, most cooperatives rely on informal methods. Community elders, trusted mediators, or just a group conversation are usually the first steps. Formal rules or written procedures are rare. “We had a disagreement over finances once,” shared a cooperative leader. “So, we called someone from the neighborhood to help out. It worked, but honestly, it felt like a quick fix, not a real system.”

Training for cooperative leaders and staff was limited. Most said they relied on donor-led workshops or occasional NGO courses. “We were trained on bookkeeping once, but that was years ago,” one participant said. Another added, “We want training, but not just lectures. We need help with real tasks, like writing budgets, managing time, and dealing with suppliers.” Several members asked for hands-on training in Arabic, especially in areas like leadership, digital marketing, negotiation, and cooperative governance.

Training was another area where members felt there were clear gaps. “We usually wait for NGOs to offer workshops. We don’t really have our own plan to build our skills,” one participant admitted. Others pointed out the need for more tailored support, especially around rotating leadership, managing finances transparently, and thinking ahead. “We believe in democracy,” said a member of a mixed-gender cooperative, “but we don’t always know how to structure it.”

For daily communication, WhatsApp was the tool of choice. It acted as a bulletin board, calendar, coordination space, and even a place to share happy wishes. “Everything happens there, orders, shift changes, reminders,” said one cooperative leader. But as cooperatives grew, this informal system started to struggle. “If someone misses a day, they miss all the updates,” one member noted. Some groups tried tools like Google Drive, but found them too complicated or hard to use with limited skills. Many said they would welcome a simple mobile app, in Arabic, that uses little data and is easy to manage.

Leadership structures were usually informal and based more on who does the work than on official titles. In most cooperatives, roles rotated based on tasks like logistics, outreach, or finances. Only a few had fixed coordinators or boards. Leaders often emerge naturally, based on trust and initiative. “We don’t vote,” said one youth cooperative member. “The one who does the work becomes the leader.” In women’s cooperatives, leaders were often chosen through informal interviews or based on seniority. “It’s not about qualifications,” one woman said. “We choose the person who stands by us.”

V. Gender, Youth, and Marginalized Group Inclusion

Gender and youth inclusion were seen as both a strength and a work in progress. Several cooperatives were founded and led by women, who described their work as both economic and political. “We don’t just sell food, we prove we can lead,” said a participant from a women’s handicraft cooperative. Yet, participants also acknowledged that even in women-led spaces, power was not always shared equally. “We still rely on men for logistics, transport, and dealing with authorities. That has to change,” one said.

Youth-led cooperatives shared their own challenges. While they often had better digital skills and more innovative models, they struggled with credibility and funding. “Donors don’t trust us with big grants. They think we’ll mess up,” said one founder. Another noted that older cooperatives were sometimes unwilling to mentor younger groups, seeing them as competitors rather than allies.

Inclusion of people with disabilities was minimal, but not intentionally so. “We’ve never had a PWD member. Maybe they don’t know we exist,” said one participant. Others said they lacked the knowledge or funds to make spaces accessible. However, there was clear interest in improving. “If someone trained us on how to include PWDs, we’d welcome it,” one woman said. “Our cooperative should represent our whole community.”

VI. Emergency Response, Conflict, and Resilience

This part of the discussion brought forth the most emotional testimonies. Cooperatives described how repeated escalations, curfews, and closures have made it nearly impossible to operate sustainably. “During the last war, we couldn’t leave our homes,” said a member. “Our whole production almost stopped.” Others shared how the political situations blocked access to markets.

No one reported receiving emergency support from Palestinian institutions, Israeli authorities, or cooperative unions. Instead, survival was built through social solidarity. Some shifted to remote work, especially youth cooperatives, who conducted online meetings and digital content production from home. “We adapted quickly, but it is not that efficient,” one young member said.

There was consensus that cooperatives need structured crisis response systems. Participants called for emergency funds, and mobile production units. “We are resilient, but we need tools to survive the next shock,” one said. “Don’t just train us, prepare us.”

VII. Economic Viability and Market Adaptation

Participants described their business strategies as mission-driven, rather than profit-maximizing. Many saw their role as service providers to the community. “Our prices are lower than market rates because we want families to afford our goods,” said a food cooperative manager. This

commitment, while admirable, put them at a disadvantage when competing with larger companies or imports.

Those with the ability to innovate, by bundling services, targeting niche audiences, or entering tourist markets, had more success. “Before COVID, we sold to tourists in the Old City. That gave us income we reinvested in training,” said one artisan. Others struggled with basic business planning and marketing. “We’re good at making, not selling,” one member jokes.

Participants expressed a strong interest in learning how to improve their pricing strategies, branding, and revenue diversification. “We want to be financially independent,” one woman said. “But we don’t know where to begin.” Several participants requested mentorship from business professionals and cooperative leaders from other regions.

VIII. Digital Readiness and Innovation

The use of digital tools was widespread but shallow. Most cooperatives had Facebook pages, used WhatsApp for internal coordination, and shared photos with customers. Few had websites, online stores, or integrated accounting systems. “We run everything on social media. Even orders, invoices, and staff schedules,” said one member. “It works, but it’s chaotic.”

Some had attempted digital marketing but lacked the training to sustain it. “We did a one-time campaign on Instagram, but we don’t know how to track engagement or reach new audiences,” said a youth member. Participants cited lack of access to affordable internet, limited hardware, and fear of digital fraud as barriers.

There was enthusiasm for building digital literacy, particularly in e-commerce, financial tools, and cooperative management apps. “We want a platform built for us, not for big companies, but for cooperatives,” one participant said. Another suggested a shared digital services unit that could manage websites and online payments for multiple cooperatives.

IX. Challenges and Opportunities: Navigating the Present While Planning for the Future

Participants discussed how they balance immediate operational challenges with long-term goals, often describing a constant tension between survival and vision. One cooperative manager explained, “Every day we are reacting, solving problems with suppliers, dealing with electricity cuts, trying to move goods across checkpoints. Long-term planning feels like a luxury we can’t afford.” Yet, others expressed that without a long-term vision, cooperatives risk falling into inertia. “We hold on to hope,” said a woman from a craft cooperative. “Even if today, we can’t expand, we still dream of opening a shop in the Old City.”

Participants described a variety of strategies for managing this dual focus. Some adopted seasonal planning, aligning short-term activities with religious holidays or local market peaks, while others created rotating leadership structures to allow senior members to focus on long-term goals like partnership development and digital transformation. “We split roles. I deal

with the products, my colleague handles outreach,” said one participant. “It’s not perfect, but it keeps us moving forward.”

When asked about unique opportunities, many pointed to the cultural and historical identity of Jerusalem as an asset. Cooperatives producing handmade goods, heritage food products, or services targeting tourism believed that, under more stable political conditions, they could scale significantly. One cooperative producing herbal remedies shared, “People trust traditional knowledge here. If we had proper branding and export licenses, we could sell to Europe.” Others saw opportunity in digital platforms, especially given rising interest in Palestinian products from the diaspora. “We are thinking of launching a subscription box, Palestinian flavors sent abroad every month,” said a cooperative leader with pride.

In terms of external support, cooperatives overwhelmingly cited the need for access to affordable working capital, business mentorship, legal guidance, and assistance in navigating both Palestinian and international markets. “We don’t need handouts. We need investment with dignity,” said one youth member. “Give us a grant to launch, but also teach us how to write proposals, manage accounts, and report to funders.”

Managing the regulatory environment of Jerusalem requires constant adaptation. Many cooperatives described informal methods for compliance, working through middlemen, using personal bank accounts, or renting workspaces under individual names to avoid drawing attention. “It’s a workaround economy,” one participant stated. “You have to be creative, and you have to be careful.”

Support structures for members affected by conflict were usually informal but deeply rooted in community solidarity. Several cooperatives described how they pooled earnings to assist members whose homes were raided or whose family members were detained. “When one of our women was evicted, we paid her rent for two months. That’s what solidarity means to us,” said a cooperative leader. Others hosted members’ children in their workspaces during lockdowns so mothers could continue earning.

Looking ahead, participants identified rising rents, increased policing, digital surveillance, and economic isolation as major future challenges. “We worry about being pushed out of the city, not just physically, but economically,” said a cooperative leader based near the city. Their strategies for coping included diversifying income, investing in digital visibility, decentralizing production to members’ homes, and building alliances across sectors. “Our strength is not in scale. It’s in network,” one participant emphasized.

X. Funding Opportunities: Between Aspiration and Administrative Aspects

The topic of funding provoked a mix of optimism and frustration. Many participants had pursued donor funding, primarily through NGOs, foundations, and small local initiatives. However, few had applied directly to large funding programs due to capacity gaps or legal status issues. “Most calls for proposals require a bank account and financial history. We have neither,” said one cooperative founder. “We depend on friends in NGOs to let us know when something informal comes up.”

Some cooperatives had explored partnerships with diaspora groups or ethical consumer networks abroad. “We had a small crowdfunding campaign through a solidarity network in the UK. It worked, but we don’t know how to repeat it,” explained a member of a handicraft cooperative.

When asked about the types of financial support they preferred, most participants leaned toward grants and soft loans. Many were wary of traditional loans due to inconsistent cash flow, high interest rates, and fear of personal liability. “We can’t risk losing our homes because the cooperative has a bad month,” said a woman from a music cooperative group. Others expressed openness to investor models, but only if the investors respected cooperative principles and allowed decision-making to remain with members.

Preparation for funding varied widely. Only a few cooperatives had prior experience writing formal proposals or conducting audits. “We’re strong in execution, but weak in documentation,” admitted one youth cooperative member. “We could do much more if someone guided us on compliance, budgeting, and reporting.” Participants called for training in project proposal writing, fundraising strategy, and donor communication, ideally provided in Arabic and in-person.

XI. Market Analysis: Knowing the Community, Reaching Beyond It

Understanding their local market was something many participants took pride in. Most described a deep connection to their customer base, neighbors, friends, and nearby institutions. “We know what people want because we are with them,” said a food cooperative member. “We live in the same neighborhoods, shop in the same stores.” However, several admitted that they lacked formal methods of market research. Instead, they relied on direct feedback, seasonal trends, and intuition. “We try something and see if it sells. If it doesn’t, we stop,” one member explained.

Recent trends have affected cooperatives differently. The war and rising prices pushed customers to prioritize essentials, causing a drop in demand for non-basic goods like crafts or eco-products. “People want cheap, fast options. They don’t care if it’s handmade anymore,” said a textile producer. However, other cooperatives noted a growing interest in Palestinian-branded

products, especially among youth and international visitors. “There’s pride in buying local now,” one participant said. “People want products with meaning.”

Differentiation strategies varied. Some cooperatives emphasized their social mission, employing widows, training youth, preserving cultural heritage, as a selling point. Others highlighted quality or unique ingredients. “We grow our herbs without chemicals. That’s our edge,” said a member of an agricultural cooperative. Still, few had consistent branding or promotional strategies.

Participants expressed interest in learning more about market analysis tools, customer segmentation, and digital marketing. “We don’t want to guess anymore. We want to plan,” one participant said. Several called for the creation of a shared market research service or cooperative-level marketing team that could serve multiple small groups.

XII. Business Model Adaptation and Innovation: Reinventing Within Limits

Nearly all participants had adapted their business models in the past two years, citing reasons ranging from political closures and economic instability to shifting customer preferences. Some shifted from in-person sales to online platforms, especially during the COVID-19 pandemic and recent conflict periods. “We created a WhatsApp catalogue and started delivering by taxi,” said one cooperative. Others moved production into members’ homes to cut costs or avoid municipal scrutiny. “We used to rent a workshop. Now we work from four homes. It’s harder but safer,” said a crafts cooperative leader.

Innovation was often informal but effective. Cooperatives redesigned products to suit local tastes, partnered with schools and NGOs to sell directly to communities, or created hybrid models that blended commerce and education. One participant described a unique partnership: “We sell needlework, but we also teach youth how to stitch. It builds skills and markets our work.”

Encouraging innovation depended heavily on leadership and member dynamics. Some cooperatives held brainstorming sessions or invited outside mentors to help generate ideas. Others had more rigid structures that left little room for change. “Our elders resist new ideas. They say, ‘We’ve always done it this way,’” one youth member said.

The role of member feedback was mixed. Some cooperatives had strong internal communication, using WhatsApp or weekly meetings to collect input and make decisions. Others admitted that feedback mechanisms were informal or one-sided. “The leader asks for ideas, but in the end, it is difficult to implement them,” said one member.

Participants expressed a desire to institutionalize innovation, setting aside time for reflection, involving all members in planning, and experimenting with new products or services without fear of failure. “We need space to fail and learn. Right now, we are too scared to try new

things,” one woman said. There was strong interest in cooperative incubators, innovation grants, and peer exchanges with other cooperatives locally and internationally.

X. Sustainability: Building Stability in an Unstable Context

Participants consistently acknowledged that economic sustainability is their greatest and most persistent challenge. With few safety nets, limited access to formal capital, and restricted market access, their ability to generate consistent income is constantly tested by political uncertainty and economic disruption. “Every time we feel stable, something happens,” one cooperative manager shared. “We are in a permanent state of financial fragility.”

To cope with these realities, cooperatives have implemented a range of informal and creative strategies. Many reported rotating income models, where one stream supports another during low seasons. For example, a women’s cooperative producing traditional embroidery had added catering services to cover operating costs when product sales were low. “We use food to fund art,” said the founder. Others developed flexible working hours or project-based structures to reduce fixed costs. “Our members come in when there’s work. We don’t have salaries, we have solidarity,” explained a cooperative leader in Jerusalem.

Long-term sustainability planning, however, remains aspirational for most cooperatives. “We want to build reserves, but we barely break even,” said a participant. Others mentioned that they had started saving small percentages of income monthly into emergency cooperative funds. A few groups had created internal micro-savings clubs, pooling resources for future investment or hardship relief. “It’s like a cooperative inside a cooperative,” said one member.

When discussing financial challenges, participants cited increased cost of raw materials, currency fluctuations, high rent, and lack of formal banking options. “We can’t even open a business account in Jerusalem with our current legal status,” one woman explained. Many relied on cash or informal credit systems, which limited their ability to track finances or apply for grants.

Summary of Key Themes

A summary of the general findings is provided in Table (1), highlighting key challenges, pressing needs, and practical recommendations shared by participants. The table addresses all critical components necessary for fostering an ecosystem that supports the sustainability of cooperative businesses on a global scale and in the Palestinian context more generally. With a particular focus on the conditions facing cooperatives in East Jerusalem, the general findings are followed by a thematic analysis based on structured questions designed to investigate factors affecting operations and sustainability of cooperatives in Jerusalem. Each thematic area includes an overview of the current situation, identified strengths and weaknesses, and participant-driven recommendations.

Table (1): A summary of key challenges and recommendations identified in the FGDs

Key Challenge	Identified Needs	Recommendations
Legal and Regulatory Complexity in East Jerusalem	Support to navigate registration and legal processes across the dual system, i.e., PA and Israeli registration, and secure operational legitimacy for cooperatives in East Jerusalem.	Provide legal aid services for cooperatives, mainly lawyer services to complete the registration process and enhance cooperative capabilities in understanding the tax system and securing recognition under both Palestinian and Israeli legal frameworks.
Limited Access to Finance (internal and external funding instruments)	- Access to grants to maintain operational costs and fill-in the gap in financial capital raised by cooperative members - External funding opportunities dedicated to cooperatives in East Jerusalem - Financial reporting and project management capacity building necessary to enhance financial reporting skills and strengthen the ability of cooperatives in East Jerusalem in competing for grant opportunities - Internal financial possibilities, such preferred shares, the establishment of subsidiaries to access financial markets, and instruments to improve the creditworthiness (e.g., undividable reserve funds, setting up guarantee funds as security of credits, etc.).	- Establish cooperative-focused financial products, improve access to donor and governmental funds, provide cooperatives with the support to apply for necessary grants, sector-specific cooperative grants - Design tailored financial instruments to enhance the creditworthiness of cooperatives, reducing reliance on external/donor funding.
Inconsistent Government Support	Stronger, more consistent engagement and policy clarity especially as it relates to the distribution of surplus and profit and effective use of grants within the cooperative business model	Develop a unified policy framework with clear guidelines for cooperative support across all regions including East Jerusalem. The framework should include practical measures to ensure adequate

	● The role of government bodies needs clarification to better assist and direct cooperatives, especially in East Jerusalem.	support for cooperatives, clarify roles and responsibilities of each governmental and non-governmental body operating in the ecosystem, and provide monitoring mechanisms to ensure that cooperative work is in alignment with universal cooperative principles and values.
Weak Internal Capacities at a cooperative level	● Capacity-building in cooperative management, governance, financial planning, and conflict resolution ● Tailored requirements as it relates to the minimum number of members and the yearly rotation of the management board, especially the case in cooperatives with a limited number of members and/or a particular area of intervention that targets a specific and small-scale group of beneficiaries	● Launch structured training programs through incubators or cooperative unions; develop toolkits and mentorship models ● Provide flexibility and enhance decision-making authority as it relates to management decisions. ● Tailor the minimum number of members based on the form/sector of the cooperative and the area
Lack of general awareness on cooperative work and limited integrated education and training for cooperative members	● Incorporate cooperative principles and social solidarity economy models into all levels of education to build broader awareness and engagement. ● Suggest/Mandate education and training for cooperative members within the legal framework to ensure its inclusion in cooperative operations.	● Collaborate with the Ministry of Education and higher education institutions to embed cooperative and social solidarity economy content into curricula at schools, universities, and vocational training centers. ● Amend the Decree-law on cooperatives to explicitly require member education and training as a core operational component
Lack of access to market analysis tools (e.g., business model validation and feasibility studies)	● Access to market analysis tools to enable cooperatives to understand the evolving needs of their target customer(s) and adapt to changing socioeconomic needs and market conditions as the majority of cooperatives register and operate based on anecdotal information rather than market research.	● Provide market-analysis resources to cooperatives that are easily accessible ● Provide capacity building training on understanding the market

		● Improve monitoring of cooperatives at the registration stage to ensure that a feasibility study has been conducted
Political Instability and Mobility Restrictions	● Operational support to mitigate movement and access challenges and enhance cooperative resilience ● Enhancement of ‘cooperation between cooperatives’, specifically through unions to allow for more effective mobilization of available resources, particularly in more vulnerable areas such as East Jerusalem and Area C	● Establish decentralized logistics hubs to provide cooperatives with critical services not covered by the members; include the facilitation of cooperative goods and services ● Mobilize and incentivize union work. Cooperative unions should ideally have more than one hub to mitigate increased geographic fragmentation
Economic Fragility in the Broader Context	● Resilience-focused business models and diversification, including raising awareness regarding the re-integration of profits into the cooperative model to provide members with additional livelihood support services/goods. ● Cooperative funds to support cooperative cash-liquidity, especially at times of emergency and war when members are unlikely to be able to invest necessary capital to sustain operations	● Encourage cooperative diversification strategies, integrate with broader livelihood programs, and support inclusive value chains and cooperative sector-specific unions ● Establish emergency funds, in-part through encouraging the reallocation of a percentage of cooperative profits for times of emergency
Weak Integration with Innovation and	● Access to innovative tools, incubation support, and digital solutions to cope with the current geopolitical challenges—primarily, geographic fragmentation and limited access to resources.	● Formalize partnerships between cooperatives and business incubators; embed innovation in cooperative structures through pilot programs

Entrepreneurship Ecosystem	● Increase investments in innovative cooperatives in East Jerusalem to attract members and provide responsive solutions to communities in and around the area	● Facilitate cross-sector linkages to build bridges between the innovation/startup sector and cooperatives in the oPt. ● Provide cooperatives with digital transformation training
---------------------------------------	---	--

In-Depth Thematic Analysis: Strengths, Challenges, and Opportunities

The analysis is structured around key focus areas that are particularly relevant to the Palestinian context and were raised consistently throughout participant discussions. These areas reflect core dimensions of cooperative work in East Jerusalem, including recurring strengths, weaknesses, challenges, and opportunities. Each section synthesizes insights to identify critical issues and community-level priorities, while also outlining potential directions for future programming and support. This approach offers a clear, evidence-based understanding of the cooperative landscape in East Jerusalem.

Cooperative Registration Process

Current situation

- Cooperatives in East Jerusalem face distinct challenges when navigating the registration processes under the dual governance systems of Israel and Palestine. Although the Israeli registration system is generally perceived as easier and more streamlined, it presents its own complexities for cooperatives, particularly when trying to meet the requirements of both the Palestinian and Israeli legal systems. Indeed, the majority of cooperatives remain hesitant to register due to the lack of understanding of the tax and registration process.
- Compared to the Israeli system, the Palestinian registration process is often viewed as more cumbersome, with lengthy bureaucratic procedures and more stringent regulatory hurdles.

Strengths

- The government cancellation of registration fees was acknowledged as a major breakthrough across participants. This shift has significantly reduced the financial burden on cooperatives, particularly benefiting cooperatives in economically vulnerable areas of East Jerusalem. The cancellation of registration fees reduced the burdens to formalization.
- Participants acknowledged the recent improvements in the registration process through the facilitation by the Cooperation Work Agency (CWA). Services offered by the CWA streamlined the existing bureaucratic system, encouraging cooperatives to formalize their operations

Weaknesses/challenges

- Cooperatives registered under the Israeli system continue to face significant challenges in securing necessary permits, particularly for activities involving cross-border

transportation of inputs/goods as well as challenges related to resource management and access

- Limited administrative capacity further hinders cooperatives registered under the Israeli system from meeting compliance standards, exacerbating operational difficulties.
- The Palestinian registration process is perceived as overly complex, marked by excessive bureaucracy and a high level of government oversight. Cooperatives report frequent delays due to unclear guidelines, poor inter-agency coordination, and repeated requests for additional documentation.
- Cooperatives operating in East Jerusalem face a heavy administrative burden, especially related to extensive annual reporting requirements. They struggle to submit financial statements and activity reports in a timely and effective manner, as they must meet the often-differing requirements of both Palestinian and Israeli authorities.

Recommendations

- The introduction of a unified digital platform was recommended to streamline processes and improve accessibility. Key features should include clear guidelines and requirements, online registration and document submission, real-time application tracking, and a virtual assistant or chatbot to support users throughout the process.
- A dedicated entity within the Ministry of Labour offering timely and continuous support and guidance for cooperatives through the registration processes both in Jerusalem and the West Bank
- Provide cooperatives seeking to operate in East Jerusalem with legal services to enable formal registration and a full understanding of the taxation system.

Access to Capacity Building and Incubation Opportunities

Current situation

- Participants noted that the services currently provided to cooperatives are largely traditional in nature, offering limited scope for innovation or the integration of digital tools that could enhance market access. Available training programs tend to focus on general business topics and are not sufficiently tailored to the unique needs of cooperatives, particularly those operating within fragile economies such as Palestine.

Strengths

- There is a growing interest in cooperative development, accompanied by broad recognition of cooperatives as drivers of economic growth. Business incubators were identified as key enablers of innovation, supporting cooperatives in adapting to market dynamics, adopting new technologies, and enhancing their competitiveness both locally and internationally.

Additionally, a rising number of non-governmental and community-based organizations are offering funding and capacity-building opportunities for cooperatives. However, participants emphasized the need to improve access to such opportunities, particularly for cooperatives and potential members in East Jerusalem.

Weaknesses/challenges

- Despite being recognized as a critical model to address social and economic challenges in the Palestinian context, cooperatives have historically received limited tailored support compared to start-ups, particularly in terms of incubation and acceleration services that address their specific operational and structural challenges.
- There remains a limited understanding of the unique sustainability needs of cooperatives, which restricts the relevance and effectiveness of current support programs.

Recommendation

- Strengthen partnerships between cooperatives and business incubator programs, ensuring cooperatives have access to a wider range of services, including business mentoring, networking opportunities, and technical support. Many cooperatives expressed interest in expanding their partnerships with incubators to benefit from tailored business development services that cater to cooperative models, such as specialized training in governance, market access, and financial management. Trainings should move beyond traditional trainings and introduce digital and other innovative tools that cooperatives can utilize to further integrate in the market.
- Develop specialized incubator programs specifically for cooperatives, focusing on areas such as cooperative governance, social impact, and sustainability, in addition to traditional business growth services. These programs should provide localized content that aligns with the challenges and needs of Palestinian communities.
- Encourage collaboration between incubators and cooperative unions, allowing incubators to provide more targeted support for cooperatives based on their specific needs and challenges.

Cooperative Autonomy and Government Regulation

Current situation

- Palestinian national law provides that cooperatives should operate autonomously. As it stands, the majority of participants reported that the extent of government oversight, specifically when it comes to financial and operational decision making, infringes on this independence.
- The government and various aid organizations provide grants and advisory services to support cooperatives. However, to preserve cooperative autonomy and ensure that

cooperatives remain member-driven, the national financial and governance frameworks must be refined and streamlined to minimize excessive external interference.

Strengths

- Existing law that emphasizes autonomy and a governmental acknowledgement of the importance of independent decision-making in a successful cooperative model.

Weaknesses/challenges

- Government control, particularly in financial matters, often undermines the decision-making authority of cooperatives, constraining their ability to manage resources independently. In some instances, this extends to operational oversight, further diminishing cooperative autonomy.
- Cooperatives in East Jerusalem report receiving limited financial support from Palestinian authorities. Those registered under the Israeli system face similar challenges in securing consistent government grants or advisory services.

Recommendation

- Introduce policies that enhance cooperative autonomy to ensure independent decision making especially as it relates to management of finance and operational decision-making.
- Promote regular consultations between cooperative representatives (e.g., unions) to ensure clear guidelines for oversight and support to maintain a balance between oversight and autonomy while ensuring that cooperatives can still benefit from governmental support and are incentivized to formalize.

Governmental Support to Cooperatives

Current situation

- As it stands, cooperatives that are contributing to national social and public policy goals (e.g., poverty alleviation, job creation, and sustainable development) are eligible for government support. The participants noted, however, that the monitoring and coordination of these programs across ministries are inconsistent, resulting in challenges in securing sustained support.
- Inter-ministerial collaboration remains insufficient. The lack of communication across ministries often hinders the effectiveness of frameworks and policies put in place to support cooperatives.

Strengths

- Participants noted that policy frameworks exist to support cooperatives and align them with broader public development goals. While these frameworks represent a positive

foundation, their implementation has been limited, largely due to weak inter-ministerial coordination.

Weaknesses/challenges

- The lack of coordination between ministries and insufficient information sharing was seen as a significant barrier, making it difficult for cooperatives to secure sustained support for initiatives aligned with public policy objectives.

Recommendation

- Improved inter-ministerial collaboration to ensure that ministries coordinate efforts in supporting and evaluating cooperatives contributing to national social goals.
- Development of a unified database to track the performance and contributions of cooperatives across different sectors, ensuring they are recognized and supported accordingly

National Policies for Cooperatives

Current situation

- Broadly, there exists national policies that provide a basic framework that enables the establishment and growth of cooperatives. These policies focus on facilitating the growth of cooperatives in the agriculture, services, and crafts sector. The government does provide support mechanisms to allow cooperatives to improve their operational capacity.

Strengths

- The government does provide financial incentives and support mechanisms, allowing cooperatives an opportunity to access funding for expansion and tools to improve their operational capacity.

Weaknesses/challenges

- Current policies are not tailored to address the specific challenges faced by cooperatives operating in East Jerusalem. It is critical to tailor policies and incentives to address the challenges that cooperatives face in different parts of Palestine as the reality of business and operations varies widely.
- While support mechanisms do exist, technical resources available to cooperatives are scarce with many lacking the necessary knowledge and tools to operate efficiently and sustainably.

Recommendation

- Greater policy integration is needed to address the specific challenges faced by cooperatives in East Jerusalem, where the political and economic environment differs significantly from other parts of Palestine.

- Increased financial and technical resources tailored to the unique needs of cooperatives, ensuring they have access to the necessary support to thrive in a competitive and unstable environment.

Legal Framework for Cooperatives in Jerusalem

Current situation

- The legal framework governing cooperatives in East Jerusalem is outdated and ambiguous, largely due to overlapping and often contradictory policies within the Israeli and Palestinian legal systems. As a result, cooperatives in the area face heightened vulnerability to legal disputes, operational disruptions, and barriers to accessing resources and incentives, as they struggle to navigate the complexities of both legal frameworks with limited technical support.

Weaknesses/challenges

- Legal protections to safeguard cooperatives in East Jerusalem remain insufficient specifically as it relates to property rights, market access, and dual governance systems.
- The dual governance systems leave cooperatives vulnerable to legal disputes and operational disruptions, especially given the lack of technical resources and knowledge.

Recommendation

- Tailor policies, incentives, and support mechanisms to the needs of cooperatives in East Jerusalem. More specifically, provide cooperatives with technical support to navigate the governance system and their target markets.

Performance and relevance of the General Cooperative Union (GCU) and Sectoral Cooperative Unions

Current Situation

- The majority of participants reported that the current role of sectoral unions and the GCU is limited to advocacy and general support. Cooperatives require more strategic support from unions, specifically sectorial unions that should be able to provide strategic support in addressing operational sector-specific challenges, foster market-linkages, and enhance the technical capacity of the cooperatives to enable access to necessary sources and benefit from existing support mechanisms and financial incentives.³

Strength

- The advocacy role of the unions is critical and has highlighted the importance of support mechanisms and financial incentives in enhancing the role of cooperatives in providing socioeconomic solutions, particularly in fragile economies.

³ At the time of data collection, the current government's decision to disband and restructured as a department within the Ministry

Weaknesses/challenges

- Participants reported that the governance structure of the GCU lacks full transparency, accountability, and efficiency.

Recommendations

- Restructure cooperative unions to enhance their governance structure, transparency, and accountability. This is critical to also ensure that unions are able to address the needs of unions to sustain their operations
- Conduct regular performance evaluations for unions, integrating the feedback of cooperatives, ensuring responsiveness and relevance of the role and performance of the unions.

Assessment Recommendations

Institutional Support and Legal Facilitation

- Establish a dedicated unit within the Ministry of Labour to provide continuous, context-sensitive support throughout cooperative registration and compliance processes in both East Jerusalem and the West Bank.
- Advocate for region-specific legal frameworks and offer legal advisory services to help cooperatives navigate the complex legal and political landscape.

Tailored Incubation and Capacity Building

- Develop cooperative-specific incubators that integrate training in cooperative governance, financial planning, social impact measurement, and sustainability alongside traditional business development services.
- Foster partnerships between incubators and cooperative unions to deliver localized, demand-driven support.
- Implement long-term training programs covering cooperative management, financial literacy, digital tools, and democratic governance.

Governance and Autonomy

- Restructure cooperative unions to improve governance, transparency, and accountability, ensuring responsiveness to member needs.
- Introduce supportive policies that safeguard cooperative autonomy, especially in financial and operational decision-making.
- Promote regular dialogue between unions and cooperative representatives to clarify roles, balance oversight with autonomy, and ensure access to government incentives.

Financial Capital and Resilience

- Expand access to external funding opportunities specifically earmarked for cooperatives operating in East Jerusalem, including international donor programs and public-sector grants.
- Strengthen financial reporting and project management skills through targeted capacity-building to improve cooperatives' competitiveness in securing grants.
- Promote internal capital-raising mechanisms, such as preferred shares and member-based equity contributions.
- Introduce financial instruments to enhance creditworthiness, including undividable reserve funds, guarantee funds, and other risk-sharing tools to improve cooperatives' eligibility for credit and investment.

Legal and Operational Support for East Jerusalem Cooperatives

- Provide legal and financial services tailored to the East Jerusalem context, facilitating formal registration, navigating tax obligations, and enabling access to support mechanisms.

Infrastructure and Geographic Access

- Develop decentralized logistics hubs to support cooperative activities, particularly in fragmented areas lacking municipal services.
- Expand union presence across geographic regions to reduce fragmentation and improve coordination among cooperatives

Integration with Livelihood Ecosystems

- Support cooperative diversification strategies and linkages with broader livelihood initiatives and inclusive value chains.
- Promote the formation and strengthening of sector-specific cooperative unions to support, knowledge sharing and collective market access, particularly as mobility restrictions continue to intensify

Market Access and Innovation

- Enhance cooperatives' access to marketing expertise, branding support, market analysis tools, and innovation programs to improve competitiveness and growth potential.

Education and Public Awareness

- Integrate cooperative principles into national curricula at secondary and tertiary levels to foster a culture of cooperation and solidarity from an early age.
- Launch public awareness campaigns to increase understanding and visibility of the cooperative model among youth, entrepreneurs, and communities.
- Encourage partnerships between universities, vocational institutions, and cooperative unions to offer joint training, research, and mentorship programs.

- Facilitate engagement with schools and community centers to raise awareness of the economic and social value of cooperatives, particularly in marginalized areas.

References

Birchall, J., & Ketilson, L. H. (2009). Resilience of the cooperative business model in times of crisis. International Labour Organization.

COOP. (2021). Mapping: Key Figures-National Report: Palestine.
<https://coops4dev.coop/sites/default/files/default/file%20Report.pdf>

CWA. (2024). Cooperative Work Agency Annual Report 2023.
<https://cwa.pna.ps/uploads/REPORTS/17230279450.pdf>

FAO, European Union and CIRAD. 2023. Food Systems Profile - Palestine. Catalysing the sustainable and inclusive transformation of food systems. Rome, Brussels and Montpellier, France.
<https://doi.org/10.4060/cc7323en>

ILO & Riyada Consulting and Training. (2022). Assessment study: A quantitative and qualitative assessment of Palestinian sectoral cooperative unions and the General Cooperative Union (GCU) in terms of governance and service provision to primary cooperatives (Reference No. 2021003). The Italian Agency for Development Cooperation (AICS).

International Co-operative Alliance. (2021). Palestine Legal Framework Analysis National Report.
<https://coops4dev.coop/sieport.pdf>

Joshi, J. R. (2024). Understanding the Role of Cooperatives in Economic Development. AMC Journal (Dhangadhi), 5(1), 101–117. <https://doi.org/10.3126/amcid.v5i1.69128>

Kashiwagi, K. (2020). The impact of agricultural cooperatives on efficiency and productivity: Evidence from olive-growing farms in West Bank of Palestine. New Medit, 19(3), 21-41.

Palestine Economic Policy Research Institute (MAS). (2024). Palestine Economic Update February.
https://mas.ps/cached_uploads/download/2024/02/29/special-bulletin-4-eng-1709190027.pdf

Weihe, T. (2004). Cooperatives in Conflict & Failed States. US Overseas Cooperative Development Council.

Zeuli, K. A., & Cropp, R. (2004). Cooperatives: Principles and practices in the 21st century. University of Wisconsin Extension.

Annex (1)

Focus Groups Questionnaire:

Questionnaire (7): Focus Group with representatives and member of

Primary Cooperatives: Introduction (3-5 mins):

Good morning/afternoon, and thank you for taking the time to participate in this focus group meeting. We are currently working with ILO and Al-Quds University to conduct an assessment aimed at better understanding the performance and governance of Jerusalem. As part of the assessment process, your feedback is very important. Feedback, whether positive or negative, will help in making generative and strategic recommendations for the project's future action to support cooperatives in Jerusalem.

Your honest and open views will also help in providing practical recommendations to shape the remaining activities of this project and inform any future initiatives. Your responses will be kept confidential and handled with the utmost care. Sensitive information will be securely stored and accessible only to authorized personnel involved in the project. Summaries and/or non-attributable quotes will be presented in the evaluation report, ensuring that your identity and specific contributions remain anonymous.

Please remember that you do not have to answer any question if you do not wish to, and we can stop the discussion at any time upon your request. Your participation is greatly valued and appreciated.

Thank you in advance for
contributing to this evaluation. Open
ended questions (60 – 90 mins):

General: 1-2 minutes introduction.

- What is your role and which cooperative do you represent?
- A brief introduction about the cooperative you represent?

Category	Question
Policy Framework / Cooperatives Environment in Palestine	1. Describe your role and what your Primary Cooperative does. 2. How well do current government policies support the creation of appropriate reserves in primary cooperatives? 3. How efficient is the registration process for primary cooperatives? a. What is your opinion on the registration process? b. How could it be improved in the future? 4. Does the government support cooperative autonomy as per national law? a. How does the government encourage cooperatives to be autonomous and self-managed? 5. How does the national government support cooperatives that meet social and public policy goals? a. How are these goals monitored across different Ministries? b. Is information sharing between Ministries sufficient? How can it be improved? 6. What are the strengths of the current national policy for developing the cooperative sector in Palestine? a. How can this policy be improved in the future? b. What resources are needed to improve the policy? 7. Is there a supportive legal framework for establishing cooperatives in Jerusalem? a. If not, how could it be improved in the future? 8. How would you rate the performance and governance of sectoral cooperative unions and the GCU in serving primary cooperatives? a. What are your recommendations for supporting them in the future? a. What are your recommendations for supporting them in the future?

Relationship with stakeholders and other actors.	9. Please characterize your relationship with the GCU and Sectoral Cooperative Unions a. What is the strength in the services received from the GCU and sectoral cooperative unions? b. What is the strength in the coordination between these actors? c. How could it be improved? Please specify any additional needed resources or capacity building. 10. How have external actors, such as INGOs or NGOs, helped the development and sustainability of your cooperative? a. What could be done to improve the way external actors engage and support your cooperative and others in your sector?
Capacity of Primary Cooperatives, GCU and Sectoral Unions	11. How would characterize the GCU and Sectoral Cooperative Unions' capacity to solve the problems that occur within the primary cooperatives and support them to overcome the obstacles that hinder the development of their cooperative work?

Challenges and Gaps	12. What are the biggest challenges that are facing Primary Cooperatives within Palestine? a. How can these challenges best be addressed in the future?
Representation of women, youth and marginalized communities	13. In terms of gender, how would you characterize the current level of inclusion within your cooperative? a. Is the decision-making process inclusive? Why or Why not? b. How do you think this can be improved? 14. What, if any, gender considerations were implemented within these cooperatives? a. How were youth and PWD integrated into the cooperatives? b. How do you think the marginalized and vulnerable can be better integrated into cooperatives? c. What role can Cooperatives play in the development of economic opportunities for Youth? Please explain your answer?
Emergency Response	15. Threats and Emergency Sustainability • Main Question: What are the main threats that cooperatives face due to the ongoing occupation? How can cooperatives sustain themselves during emergencies? 16. Resource Needs for Resilience • Main Question: What additional resources do cooperatives need to strengthen their resilience? 17. Impact of the Current War on Cooperatives • Main Question: How has the current war affected your cooperatives? - o a: Did your cooperative receive support from the GCU or sectoral cooperative unions during this time? Please explain. - o b: Did you notice any gender-specific impacts of the war? Please explain. - o c: Were certain cooperatives (based on sector, location, or identity) particularly vulnerable during this time? ▪ i. What actions were taken to reduce this impact within your cooperatives? ▪ ii. Did the government, GCU, or Sectoral Cooperative Unions take any initiatives to help reduce the impact? Please explain. ▪ iii. What additional support would be helpful for future programming? 18. Resilience in the Face of Conflict • Main Question: How resilient are cooperatives in the face of potential violence or escalation of the occupation/conflict? - o a: What role can cooperatives play during a humanitarian crisis? - o b: What would help cooperatives better withstand emergencies? (e.g., programming, capacity building, financial support)

	b. What do you suggest would help their capacity to withstand emergency situations? i.e., programming and capacity building/financial support
Suggestions for further interventions/programming	19. What are the most important needs critical to cooperative development in Jerusalem? 20. What are your suggestions for future programming and interventions to support the positive development of the cooperative sector? a. Which actors are critical to establishing this support?

Category	Question
Registration and Governance	1. How do you perceive the benefits of the cooperative model compared to other business models? 2. What challenges do you face in adhering to cooperative principles in your governance practices?
Internal Management and Team	1. How do you manage decision-making within your cooperative? Is it mostly centralized or decentralized? 2. How effective do you find your current internal communication strategies? What improvements are needed? 3. How is leadership structured within your cooperative, and how are leaders chosen? Reflect on the cultural and community norms of Jerusalem in your response. 4. What training programs do you have in place for your management and staff to enhance their skills and adapt to the cooperative's needs? 5. How do you handle conflict resolution within your cooperative, especially considering the diverse community dynamics in Jerusalem?
Business Model and Product	1. How does the cooperative model influence your approach to competition and collaboration within the market? 2. In what ways could your cooperative adapt its business model to better serve the needs of its members and community? 3. Considering the economic and social environment of Jerusalem, how do you ensure that your cooperative's business model remains viable and competitive? 4. In what ways has your cooperative adapted its services or products to cater specifically to the needs of the Jerusalem community? 5. How do you measure the success of your business model in terms of community impact and member satisfaction? 6. How does the cooperative model affect your pricing strategies and market positioning? 7. Describe a scenario in which your business model was particularly effective. What factors contributed to this success?
Sustainability	1. What strategies have you considered or implemented to improve the economic sustainability of your cooperative during economic downturns? 2. How does your cooperative plan to ensure long-term financial and operational sustainability? 3. What are the most significant financial challenges currently facing your cooperative, and what strategies are you considering to overcome them? 4. Can you provide examples of how your cooperative has successfully diversified its revenue streams?
Digital Skills	1. How has digital technology been integrated into your operational and management practices? 2. What digital tools do you believe could enhance the efficiency or outreach of your cooperative? 3. Given the specific challenges in Jerusalem, such as access to technology and internet connectivity, how does your cooperative incorporate digital tools in its operations? 4. What digital training or resources do you think are necessary to enhance your team's effectiveness, considering the local availability of technology? 5. How do you leverage digital marketing to reach your audience in Jerusalem? What platforms or strategies have proven most effective?

The War Impact on Cooperatives	1. How have the dynamics within your cooperative changed as a result of the war's impact on the local economy and community? 2. What specific areas of your operation have required adaptation or reevaluation due to the war? 3. How has the war influenced your plans for future growth or diversification? 4. How has the ongoing conflict in the region influenced the operational security and economic stability of your cooperative? 5. What specific operational changes have you implemented to safeguard your cooperative's activities and members in light of regional tensions? 6. Discuss the impact of mobility restrictions, if any, on your supply chains and member accessibility. How has your cooperative adapted to these challenges?
Challenges and Opportunities	1. How do you balance short-term challenges with long-term goals in your cooperative's strategy? 2. What unique opportunities has your cooperative identified that could be leveraged for growth or stability? 3. What specific external supports or resources would most benefit your cooperative at this time? 4. How does your cooperative plan for and manage the unique regulatory and economic challenges present in Jerusalem? 5. What support structures are in place within your cooperative to assist members who are directly affected by the regional conflict? 6. In light of Jerusalem's specific circumstances, what future challenges do you anticipate, and what strategies have you developed to address them?
Funding Opportunities	1. Have you explored partnerships or funding opportunities specifically aimed at cooperative development? 2. What types of financial support (e.g., grants, loans, investor funding) would be most beneficial for your cooperative? 3. How prepared is your cooperative to meet the requirements of these funding opportunities (e.g., financial audits, project proposals)?
Market Analysis	1. How well do you understand the needs and preferences of your target market? What methods do you use to gather this information? 2. Describe any market trends or changes that have significantly impacted your cooperative in the last year. 3. How does your cooperative differentiate itself from competitors in your market?
Business Model Adaptation and Innovation	1. What recent adaptations have you made to your business model in response to market pressures or opportunities? 2. How does your cooperative encourage innovation in its products or services? 3. What role do member feedback and participation play in shaping the strategic direction of your cooperative?