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TITLE	WORLD BANK AS A DEVELOPMENT ACTOR IN PALESTINE
SUMMARY	<p>The Middle East and North Africa region has been one of the priority destinations for foreign aid inflows over the past decades with the West Bank and Gaza among top recipients of external assistance. However, in the context of examining dilemmas of state-building in the MENA this case is absolutely unique as there is no internationally recognized state in Palestine. This fact, along with a lack of progress in the peace process, additional risks for any donor. In such a complicated environment multilateral organizations tend to play a major role as they are supposed to be politically neutral and to provide donors with an opportunity to minimize various risks pertaining to granting assistance to fragile states (especially unrecognized ones) on a bilateral basis. In this context the World Bank stands out as one of the pivotal actors in international development cooperation and one of the key partners of fragile and conflict-affected states. This paper studies objectives, focal areas, forms and modalities of the World Bank’s engagement in Palestine as well as challenges that hinder its activities in the West Bank and Gaza. The conclusion is drawn that the World Bank, mostly as an administrator of various multi-donor trust funds, has implemented a limited number of large projects in Palestine but with questionable outcomes. When trying to reform economic system in Palestine the Bank is always facing obstacles such as restrictions imposed by the Israeli government on Palestinian activities. Without political settlement of the Arab-Israeli conflict any attempts of external actors to strengthen Palestinian institutions or to stimulate private sector growth will inevitably be largely unproductive.</p>
KEYWORDS	International development cooperation, development assistance, fragile states, World Bank, Palestine, PNA, multi-donor trust funds.
ACKNOWLEDGEMENTS	The reported study was funded by RFBR according to the research project № 17-37-01018.