**Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development**
**Vol. 24, Issue 4, 2024**
**PRINT ISSN 2284-7995, E-ISSN 2285-3952**

# GOVERNMENT AGRICULTURAL LENDING FROM THE PERSPECTIVE OF DEVELOPMENTAL INSTITUTIONS OPERATING IN THE PALESTINIAN JORDAN VALLEY

**Qais HANTASH[1], Abdallah Ben SAAD[1], Bana BARGHOUTHI[2]**

[1]National Agronomic Institute of Tunisia-Carthage University, Tunisia, E-mails: qais_hantash@yahoo.com, abdallah.bensaad@ira.agrinet.tn
[2]Al-Quds Open University, Palestine, E-mail: banabarghouthi@gmail.com

***Corresponding author***: qais_hantash@yahoo.com

***Abstract***

*The agricultural sector is a crucial component of Palestine's economy, contributing 6.5% to the GDP. The Jordan Valley, known for its fertile land and underlying eastern groundwater basin, is the focal point of this study. This research assesses governmental support as perceived by civil society organizations (CSOs), with an emphasis on the need for tailored lending programs. The study employs a descriptive-analytical methodology, utilizing questionnaires distributed to 20 CSOs. The findings suggest that effective lending programs should be coupled with agricultural guidance and consider seasonal production and marketing to enhance loan repayment feasibility.*

***Key words*****:** *Jordan Valley, agriculture, lending, Civil Society Organizations, farmers, rural development*

## INTRODUCTION

The territories, rich in natural resources, have the potential to foster diversified local economies through the optimal utilization of these assets. In Palestine, agriculture is particularly significant, especially in frontier regions that make up many rural areas. Agriculture is not only vital economically but also holds political, social, and symbolic importance. Understanding the dynamic interplay between these aspects is crucial, especially given the ongoing settler-colonial expansion and the ever-changing socio-political landscape of rural Palestine [29].

The economic development of rural areas and the modernization of agriculture are heavily influenced by the availability of adequate financial resources. Experiences from developing countries highlight the centrality of financial systems in meeting farmers' needs and ensuring sustainable development [13, 14]. However, the financing of agriculture has seen inconsistent changes, with debates on the effectiveness of microcredit in combating poverty and promoting rural economies [20, 26]. Peasant farmers typically require both short-term loans for seasonal needs and long-term loans for capital investments. Yet, microfinance institutions predominantly offer short-term loans, limiting their impact on rural development [7].

In the context of the Occupied Palestinian Territories, agricultural finance is under-researched. Existing studies suggest that financial inclusion alone may not overcome the challenges posed by the Israeli occupation, particularly in agricultural development [10]. The COVID-19 pandemic has further complicated agricultural finance strategies, exacerbating the challenges brought on by settler-colonialism [27].

Agricultural finance is not just about future development; it also legitimizes the current operations of institutions like the Palestinian Monetary Authority (PMA,2021) [25] and the Palestinian Capital Market Authority (PCMA, 2021) [24]. Although these institutions have yet to fully realize their mandates, such as facilitating agricultural loans and fostering rural economic growth, their existence is justified by the potential of agricultural finance [11].

### Problem statement

Agricultural lending is a crucial tool for achieving sustainability in the agricultural sector, particularly in the Jordan Valley, where financial support is essential for

enhancing the resilience of Palestinian farmers.

This study investigates the impact of lending mechanisms employed by civil agricultural and rural institutions on the resilience of these farmers. By analyzing how these practices affect farmers' ability to overcome challenges, the research provides valuable insights into optimizing lending programs to better support long-term agricultural sustainability and livelihood security in the region [28].

**Questions of the study**

The problem of the study is represented in the following main question:

(1) What are the key characteristics of a potential governmental agricultural lending program for Palestinian farmers in the Jordan Valley?

(2) What are the anticipated effects of such a program on fostering rural agricultural development and enhancing the resilience of farmers in the region?

**Objectives of the study**

This study aims to achieve several key objectives:

(1) Identify the essential components that should be included in any governmental agricultural lending program to promote integrated agricultural development, thereby enhancing the resilience of Palestinian farmers in the Jordan Valley.

(2) Examine the perspectives of developmental organizations active in the Jordan Valley regarding the impact of governmental agricultural lending programs on both the farmers and the region itself.

**Hypothesis of the study**

The following hypotheses have been developed for this study:

H1: There is no statistically significant relationship at the level of ($\alpha \leq 0.05$) between the presence of a governmental agricultural lending program—characterized by zero interest, attainable guarantees, and extended repayment periods—and the achievement of rural agricultural development in the Jordan Valley, as perceived by developmental institutions.

H2: There is no statistically significant relationship at the level of ($\alpha \leq 0.05$) between the existence of a governmental agricultural lending program and enhancing farmers' resilience, attracting investments, increasing income, combating Israeli settlement expansion, and expanding agricultural land in the Jordan Valley.

**Theoretical framework and Literature Review**

***Economic Activities in Palestine***

The Palestinian economy is predominantly service based, with services contributing about 75% of the GDP, while the production sector contributes only 25% (PMA, 2021) [25]. Table 1 illustrates the GDP components and sector contributions for 2012.

Table 1. GDP and Gross National Income in Palestine (2012):

| Economic sector | Million USD |
|---|---|
| Agriculture, Forestry, and Fishing | 977.5 |
| Real GDP at Constant Prices | 12,624.1 |
| Real Gross National Income | 17,553.1 |
| Real Available National Income | 19,342.0 |

*Base Year: 2015
Source: [25].

The contribution of various economic sectors to the GDP and their growth rates for 2021 is shown in Table 2.

Table 2. Contribution and Growth of Economic Activities to GDP (2021)

| Economic Activity | Contribution % | Growth % |
|---|---|---|
| Other Services | 10.8 | 1.9 |
| Industry | 12.2 | 4.7 |
| Agriculture | 6.5 | -2.3 |
| Construction | 4.7 | 10.4 |

Source: [21].

***Labor Force***

Palestine has a high population growth rate and a predominantly young population, with 44.2% under the age of 18.

Table 3. Palestinian Labor Force Overview (2023)

| Item | No. Thousands | Percentage % |
|---|---|---|
| Total Population | 5,227.2 | 100 |
| Out of Labor Age | 1,981 | 37.9 |
| In Labor Age | 3,246 | 62.1 |
| Out of Labor Force | 1,838 | 56.6 |
| In Labor Force | 1,408 | 43.4 |
| - Working | 1,036 | 73.6 |
| - Unemployed | 372 | 26.4 |

Source: [22].

The labor force participation rate is low, with about 50% of the population not engaged in economic activities, compared to the global average of 34.9% and the regional average of 37.3% [17, 16].

The commerce and services sectors absorb 34.5% of the labor force, while agriculture employs 6.7%. Palestinian labor force distribution includes 630,000 in the West Bank and 260,000 in Gaza, with 140,000 working in Israeli markets, contributing to a high unemployment rate of 26.4% [12, 8].

**Lending in Palestine**

Lending is crucial for development, with funds provided by commercial and Islamic banks, as well as financial institutions. Agricultural lending is aimed at supporting agricultural projects, but the sector faces significant challenges [31, 3].

**Banks**

In 2021, the loan-to-deposit ratio in Palestinian banks was 65.1%, with 84.9% of the credit portfolio allocated to loans. Agricultural loans amounted to 128.5 million USD, or 1.2% of total loans [5]. Banks are hesitant to fund agriculture due to its high risk and seasonality [15].

**Specialized Lending Sector**

By late 2021, eight registered institutions managed a credit portfolio of 274.9 million USD, issuing 64,541 loans. Commercial loans represented 84.8% of the portfolio, with Islamic loans at 15.6%. Agricultural lending constituted 11.3% of the credit [1, 4, 18].

**Governmental Lending**

The Palestinian Agricultural Lending Institution, part of the Ministry of Agriculture (Palestinian Ministry of agriculture, 2022) [23], provides both Islamic and commercial loans to farmers [19].

**The government's policy framework and practical interventions to promote private investment in agriculture for Region (C) with a focus on the Jordan Valley - Palestinian Farmers Union- 2019:** Based on the mentioned study, the Jordan Valley and the areas classified as (C) represent the true geographical cohesion of the Palestinian Territory. These areas encompass natural resources and agricultural land. Therefore, achieving real development in Palestine—whether economic, social, or sectoral (primarily agriculture)—is unattainable unless the resources of these areas are utilized [6]. Furthermore, the study highlights the difficulties and challenges faced by residents of the Jordan Valley and the areas classified as (C), which have rendered them a vulnerable social group. These challenges include Israeli occupation practices and policies, as well as the Palestinian government's failure to implement adequate interventions. Therefore, there is a need for tangible governmental intervention that matches the importance of these areas and the potential political and developmental returns from investing in them.

The study by the Palestinian Farmers Union outlines a framework for an achievable developmental process to realize the desired change. However, achieving this change is contingent upon political and administrative will, through bold measures, appropriate decisions, and the allocation of necessary budgets to implement this framework. Despite political and legal challenges and resource scarcity, there are elements that should be considered as effective in achieving change. These elements mainly relate to individual and collective culture and the relationship between people and land. Additionally, there is a need to respect the land and handle it with care, as it is a resource for living and happiness. The value of the land should not be viewed solely from a financial perspective, even though the Jordan Valley represents 50% of the fertilized Palestinian land and produces 60% of the vegetables and fruits consumed in the West Bank. The study emphasized the necessity of ensuring harmony and coordination among active organizations (civil society organizations, cooperatives, local authorities, and educational institutions, particularly applied and vocational educational institutions). It also highlighted the importance of strengthening the governance of these institutions. The study affirmed the need to support entrepreneurial ideas among young farmers and to establish a development fund institution capable of creating a new economic vision.

**Economic Policies in the Jordan Valley and Their impact on Farmers** [30].

This study by researcher Abdul-Sattar Shreida examines Palestinian economic policies in the Jordan Valley, focusing on governmental, private sector, and civil society interventions. It assesses whether these efforts create real change or merely reinforce economic dependence on occupation. The study highlights the occupation's near-total control over the Jordan Valley and its impact on Palestinian agricultural development and export capacity, noting that some dependence on Israeli resources, including those from illegal settlements, persists. The study is divided into two main sections. The first section details the occupation's strategies to economically dominate the Jordan Valley, including land confiscation for settlements and military bases, the construction of the Annexation Wall, control of water resources, and the imposition of low-wage labor conditions on Palestinians. The second section focuses on Palestinian economic policies, examining government development plans, civil society initiatives, investment in agricultural exports, and support for small-scale farmers. It also explores alternatives to employment in Israeli settlements. The findings reveal that Israel's occupation of the Jordan Valley is primarily driven by economic interests rather than security or political reasons. The study argues that Palestinian efforts should concentrate on diminishing the economic significance of Israeli settlements through sustained boycott campaigns. The declaration of 44% of the Jordan Valley as a military-closed area is viewed as a tactic to expand control and suffocate Palestinian localities, obstructing development in 95% of the region. The study calls for urgent action from Palestinians to address the current situation rather than relying on the 1993 Oslo Accords.

**A study about Developing funding for the Entrepreneur Agricultural Projects in Palestine commence by Pro-Active-Solutions for Consultancy and training, for the benefit of the Palestinian Agricultural Relief Committees and Welfare Association (Agricultural Development Association, 2018)** [2].**:** The study reveals that financial services for agricultural projects are significantly less developed compared to those for other sectors, limiting the agricultural sector's contribution to Palestine's economic development. Challenges include inadequate financial support, high costs of lending, and restrictive bank conditions. Banks perceive agricultural projects as high-risk, leading to stringent requirements and higher interest rates, which further deter investment.

Key obstacles to agricultural financing identified by the study include:

1. Lack of Trust :Banks' doubts about project success and the high risk of failure.
2. Guarantee Requirements :Difficulty in providing necessary guarantees.
3. Feasibility Studies :Absence of thorough feasibility studies.
4. Revenue Misalignment: Discrepancy between loan amounts and project revenues.
5. Insurance Coverage: Lack of insurance for high-risk agricultural projects.
6. Owner's Financial Capacity: Inability to meet guarantee and funding requirements.
7. High Interest Rates: Elevated costs of loans due to high bank interest.
8. Short-Term Focus: Banks prefer short-term loans over long-term ones, increasing financial strain on borrowers.

Farmers also hesitate to request loans due to:

1. High Lending Costs: Loans are costly compared to early project revenues.
2. Debt vs. Cash Flow: Rising debt compared to available cash flow.
3. Limited Savings: Insufficient personal or family savings.
4. Affordability Issues: Difficulty in managing high interest rates and guarantees.

Additionally, the study conducted by [9] on the "Palestinian Agriculture Clusters Strategy" evaluated the status and potential impact of this plan on the sector. It found that assessing the plan's effectiveness would require 3-5 years. Success depends on collaboration with various stakeholders and overcoming challenges imposed by Israeli occupation policies. Recommendations include involving youth and investors, improving access to technology and resources, expanding cultivated areas, and securing external financing.

## MATERIALS AND METHODS

### Research Method

The study employs a descriptive analytical approach using a questionnaire to gather data. A total of 20 questionnaires were distributed to employees, with one representative from each of the 20 institutions operating in the Jordan Valley. This comprehensive survey encompasses all institutions within the sector in the region.

### Data collection

The best method for gathering data for This study is:

(1) Literature Review: Reviewing academic works, books, articles, and reports on the study.

(2) Questionnaire: distributed among 20 employees (one from each institution) of those working in the Jordan Valley (comprehensive survey, the number of institutions operating in the Jordan Valley in this sector is 20 institutions).

### Data Analysis

The study surveyed all 20 civil organizations actively engaged in rural development and agriculture within the Jordan Valley.

*(A)Reliability*

The study tool's reliability was confirmed through internal consistency, with a Cronbach's Alpha coefficient of 0.95, indicating very high reliability.

*(B)Validity*

The validity of the study tool was assessed using Pearson Correlation, as shown in Table 4.

The results demonstrate significant internal consistency across most items, affirming the tool's ability to measure the attributes of a potential governmental agricultural lending program effectively.

## RESEARCH RESULTS

### (1) What are the key characteristics of a potential governmental agricultural lending program for Palestinian farmers in the Jordan Valley?

The answers are reflected in Table 4.

Table 4. Pearson Correlation for Items in Question 1 (Key Features of a Government Agricultural Credit Program), According to statistical analysis

| No. | Item | C C1 | S S2 | A M3 | S D4 |
|---|---|---|---|---|---|
| 1 | Agricultural Lending Program bias to small farmers | 0.608 | 0.004 | 4.40 | 0.99 |
| 2 | Islamic Agricultural Lending Program | 0.338 | 0.145 | 3.80 | 1.39 |
| 3 | Commercial Agricultural Lending Program | -0.020 | 0.932 | 2.80 | 1.00 |
| 4 | Agricultural Lending Program with simple guarantees | 0.526 | 0.017 | 4.35 | 1.04 |
| 5 | Agricultural Lending Program with guidance | 0.615 | 0.004 | 4.45 | 0.82 |
| 6 | Agricultural Lending Program with low interest | 0.247 | 0.294 | 3.60 | 1.46 |
| 7 | Agricultural Lending Program with long payback duration | 0.517 | 0.020 | 4.25 | 1.02 |
| 8 | Agricultural Lending Program with long grace periods | 0.454 | 0.044 | 4.20 | 1.15 |
| 9 | Agricultural Lending Program with low monthly payments | 0.457 | 0.043 | 4.20 | 1.10 |
| 10 | Agricultural Lending Program considering seasonal production | 0.660 | 0.002 | 4.35 | 1.04 |

Source: Statistical analysis.

1C. C: Correlation Coefficient; 2S S: Statistical Significance; 3A M: Arithmetic Mean;4S D: Standard Deviation

The results indicate that most items demonstrate statistical significance, confirming the tool's internal consistency and its effectiveness in measuring the proposed program's features**.**

With effectiveness scores of 4.45 and 4.40, respectively, the data indicate that the Agricultural Lending Program with advice and the Program slanted to small farmers are the most successful. Both exhibits extremely low p-values (0.004) and substantial positive correlations (0.615 and 0.608), which show significant statistical significance and reliability.

With effectiveness scores of 4.35, moderate to strong correlations (0.526 and 0.660), and low p-values (0.017 and 0.002), programs that incorporate simple assurances and take seasonal output into account also fare well. These attributes appear to play a major role in the programs' performance.

In contrast, the Commercial Agricultural Lending Program exhibits a low effectiveness

score of 2.80, a near-zero correlation (-0.020), a high p-value (0.932), and no statistical significance. Programs with low interest rates and monthly payments have modest correlations (0.247 and 0.457), but they may not be as successful on a consistent basis based on their greater variability and effectiveness scores (3.60 and 4.20).

**(2) What are the anticipated effects of such a program on fostering rural agricultural development and enhancing the resilience of farmers in the region?**

The answers are reflected in Table 5.

Table 5. Pearson Correlation of Question 5 Paragraphs (Potential Impacts of a Government Agricultural Lending Program)

| No. | Item | C C1 | S S2 | A M3 | S D4 |
|---|---|---|---|---|---|
| 1 | Increase farmers' income | 0.559 | 0.010 | 4.35 | 0.67 |
| 2 | Enhance farmers' resilience and steadfastness | 0.566 | 0.009 | 4.55 | 0.69 |
| 3 | Increase cultivated area | 0.361 | 0.118 | 4.25 | 0.79 |
| 4 | Transform Jordan Valley into an attractive agricultural area | 0.568 | 0.009 | 4.40 | 0.68 |
| 5 | Transform Jordan Valley into an attractive residential area | 0.008 | 0.973 | 3.90 | 0.85 |
| 6 | Transform Jordan Valley into an attractive investment area | 0.193 | 0.414 | 4.00 | 0.73 |
| 7 | Enhance people's steadfastness on their land | 0.507 | 0.022 | 4.45 | 0.69 |
| 8 | Recession of settlements in Jordan Valley | 0.516 | 0.020 | 3.70 | 0.87 |
| 9 | Minimize occupation's activity in the area | 0.571 | 0.009 | 3.75 | 0.85 |
| 10 | Enrollment of new citizens in agriculture | 0.376 | 0.102 | 4.20 | 0.70 |

Source: Statistical analysis.

Table 5 confirms the internal consistency and highlights the significant impacts of the proposed program on rural development and resilience enhancement.

**Ranking of Main Features of a Government Agricultural Lending Program** are presented in Table 6.

Table 6 ranks the features of the program based on their perceived importance by organizations, with agricultural guidance and support for small farmers being the top priorities.

With high Pearson correlations (0.566 and 0.568) and statistically significant p-values (0.009 for both), Table 5's results suggest that the two most important expected effects of a government agricultural lending program are strengthening farmers' resilience and steadfastness and turning the Jordan Valley into a desirable agricultural region. Additionally, these items have great effectiveness values of 4.55 and 4.40, indicating a high likelihood of achieving these goals.

Table 6. Ranking of Main Features of a Government Agricultural Lending Program

| No. | Item | Arithmetic Mean | Standard Deviation |
|---|---|---|---|
| 1 | Agricultural lending with guidance | 4.45 | 0.83 |
| 2 | Program bias towards small farmers | 4.40 | 0.99 |
| 3 | Considers seasonal production | 4.35 | 1.04 |
| 4 | Easy guarantees | 4.35 | 1.04 |
| 5 | Long payback duration | 4.25 | 1.02 |
| 6 | Long grace period | 4.20 | 1.15 |
| 7 | Small monthly payments | 4.20 | 1.11 |
| 8 | Islamic Agricultural Lending Program | 3.80 | 1.40 |
| 9 | Low interest | 3.60 | 1.47 |
| 10 | Commercial Agricultural Lending Program | 2.80 | 1.01 |

Source: Statistical analysis.

Along with a high effectiveness score of 4.35, increasing farmers' income also demonstrates a beneficial impact, with a correlation of 0.559 and a p-value of 0.010. This suggests that the program may significantly increase the financial stability of farmers.

On the other hand, items such as making the Jordan Valley a desirable place to live and reducing the amount of activity related to occupation in the area had smaller correlations (0.008 and 0.571) with higher p-values (0.973 and 0.009), indicating that these effects might not be as direct or substantial. Additionally, these items' effectiveness scores (3.90 and 3.75) are marginally lower, suggesting that these outcomes might have less of an impact or be more difficult to obtain.

In conclusion, the program's most significant effects are probably going to be in strengthening income, boosting resilience, and improving the Jordan Valley's agricultural appeal. These factors are all vital for encouraging rural agricultural development and strengthening the resilience of the area.

**Expected Impacts of a Government Agricultural Lending Program** is shown in Table 7.

Table 7. Expected Impacts of a Government Agricultural Lending Program

| No. | Item | Arithmetic Mean | Standard Deviation |
|---|---|---|---|
| 1 | Enhance resilience and farmers' steadfastness | 4.55 | 0.69 |
| 2 | Contribute to sustaining citizens' presence | 4.45 | 0.69 |
| 3 | Transform into an attractive agricultural area | 4.40 | 0.68 |
| 4 | Increase farmers' income | 4.35 | 0.67 |
| 5 | Increase the agricultural area | 4.25 | 0.79 |
| 6 | Enrollment of new groups in agriculture | 4.20 | 0.70 |
| 7 | Attractive area for investment | 4.00 | 0.73 |
| 8 | Attractive residential area | 3.90 | 0.85 |
| 9 | Satisfaction with civil society organizations | 3.90 | 0.55 |
| 10 | Reduce settlement building by occupation | 3.70 | 0.87 |

Source: Statistical analysis.

Table 7 shows the anticipated impacts of the program on rural development and resilience, highlighting the highest priority impacts such as enhancing resilience and sustaining farmers' presence.

The anticipated effects of a government agricultural loan program are shown in Table 7, which emphasizes several important areas. With great agreement and consistency among respondents, the arithmetic mean of 4.55 and a standard deviation of 0.69 indicate that improving resilience and farmers' steadfastness will have the highest predicted benefit. Contributing to maintaining the presence of citizens (4.45, 0.69) and converting the area into a desirable agricultural region (4.40, 0.68) come next. The program's projected major influence on increasing farmers' income has a mean of 4.35 and a low standard deviation of 0.67, indicating that it is a dependable outcome.

Despite their slightly larger variability, enlarging the agricultural area and promoting the enrollment of new groups in agriculture are deemed significant as well, with corresponding averages of 4.25 and 4.20. Expectations that the program will increase the area's appeal for residential purposes (3.90, 0.85) and investment (4.00, 0.73) are less significant, but they are nonetheless meaningful. The program may have less of an impact on these outcomes since the lowest predicted impacts are on minimizing settlement building by the occupation (3.70, 0.87) and satisfaction with civil society organizations (3.90, 0.55).

**Detailed Participant Responses** on the main features of a Government Agricultural Lending Program are shown in Table 8.

Table 8. Responses on Main Features of a Government Agricultural Lending Program

| Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| Bias to small farmers | 65% | 20% | 5% | 10% | 0% |
| Islamic Lending Program | 45% | 20% | 15% | 10% | 10% |
| Commercial Lending Program | 5% | 15% | 45% | 25% | 10% |
| Easy guarantees | 65% | 15% | 10% | 10% | 0% |
| With agricultural guidance | 60% | 30% | 5% | 5% | 0% |
| Transfer to attractive investment area | 40% | 20% | 10% | 20% | 10% |
| Long payback duration | 55% | 25% | 10% | 10% | 0% |
| Long grace period | 60% | 15% | 10% | 15% | 0% |
| Small monthly payments | 55% | 25% | 5% | 15% | 0% |
| Considers seasons of production | 65% | 15% | 10% | 10% | 0% |

Source: Statistical analysis.

Table 8 provides a detailed breakdown of participant responses regarding the key components of a government loan program for agriculture. Bias towards small farms and simple promises are the aspects that receive the strongest approval; 20% of respondents agreed with these features and 65% strongly agreed. This overwhelming support implies that participants should give priority to easily accessible programs designed specifically for small-scale farmers, since this could increase their success and involvement.

Long payback periods (55% strongly agree, 25% agree) and agricultural guidance (60% strongly agree, 30% agree) are two more highly accepted elements.

According to these findings, participants place a high importance on financial flexibility and educational support, both of which may strengthen the resilience and sustainability of farming enterprises.

With only 5% strongly approving and 45% remaining neutral, the Commercial Lending Program, on the other hand, garnered the least amount of support.

This answer implies that compared to more specialized or easily available solutions, commercial lending might not be viewed as advantageous or appropriate for farmers' needs.

There is some preference for lending programs that are in line with Islamic principles, as evidenced by the moderate support the Islamic Lending Program has, with 20% strongly agreeing and 45% strongly agreeing.

There is, however, a noteworthy 15% neutrality and 20% disagreement, indicating differing views regarding its efficacy.

The last characteristic that gained less enthusiastic support was turning the area into a desirable investment area, with only 40% strongly agreeing and 10% opposing.

This implies that although investment opportunities are of interest, participants may not find them as important as other qualities that are more closely associated with their farming activity.

The responses on the impacts of a Government Lending Program are given in Table 9.

Table 9. Responses on Impacts of a Government Agricultural Lending Program

| Item | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|---|---|---|---|---|---|
| Increase farmers' income | 45% | 45% | 10% | 0% | 0% |
| Enhance resilience and farmers' steadfastness | 65% | 25% | 10% | | |

Source: Statistical analysis.

The participant answers about the effects of a government agricultural financing program are displayed in Table 9. With 45% of respondents strongly agreeing and another 45% agreeing, many respondents think the program will greatly enhance farmers' income. There is a great deal of faith that the initiative will benefit farmers financially, as evidenced by the overwhelming support for it.

Similarly, 65% strongly agree and 25% agree that strengthening farmers' steadfastness and resilience will be a substantial advantage. The initiative appears to be highly valued by participants as a means of enhancing the stability and perseverance of farmers in the area, based on the overwhelming support shown for it.

The lack of disagreement in both instances and the low neutrality percentage (10% for both items) highlight the participants' faith in the program's ability to accomplish these objectives.

## CONCLUSIONS

Based on the analysis of the data, the study draws the following **conclusions**:

-Successful Agricultural Lending Programs: Workers in the development field believe that a successful agricultural lending program, which enhances development and strengthens resilience, must include an agricultural guidance component. This feature is most effectively implemented through a government-led initiative, as non-governmental programs may fall short due to high costs and extensive human resource requirements.

-Essential Program Elements: There is a consensus on the key elements needed for a successful government agricultural lending program. These include agricultural guidance, support for small farmers, a repayment system aligned with production and marketing seasons, lenient guarantees, long repayment periods, extended grace periods, and manageable monthly payments. These factors are crucial for achieving the program's developmental goals.

-Program Impacts: Participants from developmental institutions identified two

major impacts of a government agricultural lending program: enhancing resilience and ensuring that farmers remain on their land. This supports the study's argument that such programs are pivotal in strengthening farmer resilience.

-Institutional Interventions: The study highlighted that agricultural lending programs and grants are vital for agricultural development. Sixty percent of participants agreed that these interventions are essential for advancing agricultural progress and resilience.

**Recommendations:**

Comprehensive Program Design: Government agricultural lending programs should be paired with agricultural guidance and focus on supporting small farmers. The repayment schedule should consider agricultural seasons, with easy-to-meet guarantees, long repayment periods, and extended grace periods to meet developmental objectives.

-Enhancing Resilience and Investment: Incorporating these elements into governmental lending programs will significantly improve farmers' resilience and make the Jordan Valley a more attractive area for agricultural investment, thereby increasing income and expanding cultivated areas.

-Prioritizing the Jordan Valley: The Jordan Valley is strategically important for Palestine, serving as a critical economic and agricultural zone. Given its significance and the challenges posed by Israeli occupation policies, it is essential to prioritize its development. Strengthening resilience in this area through government agricultural lending programs is crucial for supporting Palestinian farmers and maintaining the region's agricultural viability.

## REFERENCES

[1]Abusharbeh, M. T., 2022, Determinants of credit risk in Palestine: Panel data estimation. International Journal of Finance & Economics, 27(3), 3434-3443.

[2]Agricultural Development Association, 2018, Agricultural relief: A study on the development of financing for pioneering agricultural projects in Palestine. Pro-Active Solutions for Training and Consultancy Company. Ramallah, Palestine.

[3]Al Saifi, M., 2021, Challenges facing micro, small and medium-sized enterprises (MSMEs) when accessing funds from financial institutions in the West Bank. Ashwin Anokha Publications & Distributions.

[4]Al-Tameemi, B. Y. S., 2023, Assessing the level of compatibility of internal control in private Iraqi banks with the requirements of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). American Journal of Business Management, Economics and Banking, 17, 108-126.

[5]Aqel, S., 2022, Bank-specific and macroeconomic determinants of liquidity: Evidence from Palestine.

[6]Arda, L., Banerjee, S. B., 2021, Governance in areas of limited statehood: The NGOization of Palestine. Business & Society, 60(7), 1675-1707.

[7]Christen, R. P., Douglas, P., 2005, Microfinance agricole: Gérer les risques et concevoir des produits adaptés — les caractéristiques d'un modèle émergent (Etude spécile No. 11). UK Department for International Development.

[8]Farsakh, L., 2002, Palestinian labor flows to the Israeli economy: A finished story? Journal of Palestine Studies, 32(1), 13-27.

[9]Haj Yassin, R. H., 2021, The Palestinian agriculture clusters strategy: Status and prospects. Journal of Al-Quds Open University for Administrative & Economic Research, 6(15).

[10]Harker, C., 2021, The promise of financial inclusion: Finance as future in Palestine. Geografiska Annaler: Series B, Human Geography, 103(4), 320-336. https://doi.org/10.1080/04353684.2021.1931398

[11]Huraini, T., 2024, Surpassing obstacles for the development of agrarian insurance in Palestine and the challenge for water. Agua y Territorio/Water and Landscape, 24, e7818.

[12]Istaitih, Y., Alsadi, S., Elrashidi, A., Kanan, M., Al-Sartawi, A., Asad, J., 2023, Socio-economic assessment of researchers' perceptions and farmers' willingness to adopt silage technology in Palestine-West Bank. Information Science Letters, 12(9), 2241-2253.

[13]Jouili, M., 2009, Problématique de financement de l'investissement agricole en Tunisie. New Medit, 28-35.

[14]Karelakis, C., Zafeiriou, E., Galanopoulos, K., Koutroumanidis, T., 2013, Natural resources in regional and rural development: Moving from public perceptions to policy action. New Medit, 56-64.

[15]Khatib, S. F., Hendrawaty, E., Bazhair, A. H., Rahma, I. A. A., Al Amosh, H., 2022, Financial inclusion and the performance of the banking sector in Palestine. Economies, 10(10), 247.

[16]Mesmeh, T., 2020, Role of small businesses in the economic development of the Gaza Strip in Palestine (Doctoral dissertation, Cape Peninsula University of Technology).

[17]Migdad, A. M., 2023, Examining Islamic microfinance as a mechanism of Takaful in high-risk countries: Case study of Palestine. International Journal of Ethics and Systems, 39(1), 126-142.

[18]Mohamed Farid, R., 2020, The effect of financial inclusion on banks' credit risk: Perspective from MENA region.

[19]Morrar, R., Baba, S., 2022, Social innovation in extreme institutional contexts: The case of Palestine. Management Decision, 60(5), 1387-1412.
[20]Niyongabo, E., Périlleux, A., 2010, Microfinance et financement de l'investissement en milieu rural: Potentiel des coopératives et synergies avec les politiques publiques. Mondes en développement, 152, 45–56. https://doi.org/10.3917/med.152.0045
[21]Palestinian Centre for Bureau of Statistics, 2022, Labour force survey report (Statistical report). Ramallah, Palestine.
[22]Palestinian Centre for Bureau of Statistics, 2024, Labour force survey report (Statistical report). Ramallah, Palestine.
[23]Palestinian Ministry of Agriculture, 2022, Agricultural sector strategy: Resilience and sustainable development: 2017-2022. Ramallah, Palestine.
[24]Palestinian Capital Market Authority, 2021, Annual report 2021. Ramallah and Al-Bireh, Palestine.
[25]Palestinian Monetary Authority, 2021, Annual report 2021. Research and Monetary Policy Department, Ramallah and Al-Bireh, Palestine.
[26]Randriamanampisoa, H., 2011, Microcrédit et lutte contre la pauvreté en milieu rural malgache: Une analyse par les capabilités. Management & Avenir, 46, 319–335. https://doi.org/10.3917/mav.046.0319
[27]Saad, A., 2021, The slow violence of Israeli settler-colonialism and the political ecology of ethnic cleansing in the West Bank. Settler Colonial Studies, 11(4), 512-532.
[28]Said-Foqahaa, N., Barghouti, M., Said, S., Thue, B., 2020, Responsiveness of the Palestinian National Cash Programme to shifting vulnerabilities in the Gaza Strip. Oxfam.
[29]Sayrafi, I., 2022, Survival, leverage, and rural development in Palestine: A sociological assessment of Association France Palestine Solidarité's (AFPS) support for farmers in the Jordan Valley and Halhul.
[30]Sharida, A. S., 2012, Economic policies in the Jordan Valley and their impact on farmers. Bisan Center for Research and Development, Ramallah, Palestine.
[31]Shihadeh, F. H., 2022, Individual's behavior and access to finance: Evidence from https://tinyurl.com/2swf5xxt, Accessed on 01/08/2024