



Promoting a Coordinated Strategy for the Reconstruction of Gaza

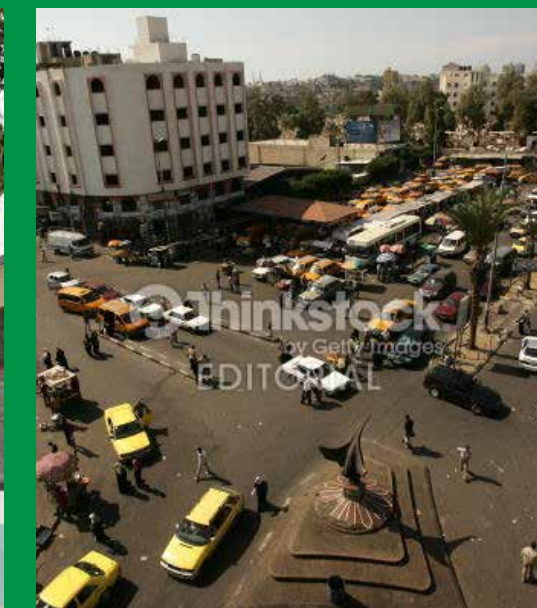




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Dr. Yair Hirschfeld

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Introduction

Yair Hirschfeld

The S. Daniel Abraham Center for Strategic Dialogue at Netanya Academic College in cooperation with the Friedrich Ebert Stiftung, is proud to submit the compilation of articles which examines the present situation in Gaza. Our work has been encouraged and generously supported by the Friedrich Ebert Stiftung, Israel office, whose team has participated in the process of overseeing and reviewing the articles written.

All contributions to this booklet have a common aim in mind: to improve the living conditions of the people of Gaza, prevent another military confrontation and create stability in the region. Nevertheless, four different strategic approaches are being advocated:

A former Palestinian minister and leading member of the Fatah movement in Gaza, who asked to remain anonymous, has placed the emphasis on reaching at first an internal reconciliation between the PLO and Hamas, and defining together an acceptable strategy toward Israel.

A senior Israeli civil servant, who has asked to remain unnamed, suggests that Israel should permit the establishment of a functioning and stable entity in Gaza, preferably under the auspices of the PA, and put a complete end to the siege not only by land, but also by sea. It is argued that this would make it possible for Israel to achieve international recognition of the de facto state of "end of occupation" of the Gaza Strip, and make the authority in charge in Gaza fully responsible and accountable for any acts of aggression against Israel.

Ephraim Sneh, former Israeli Deputy Minister of Defense (as well as Minister of Health and Minister of Transport) and Chair of the S. Daniel Abraham Center for Strategic Dialogue suggests a set of measures for the economic development of Gaza to be based largely on private investment. The essential precondition for this approach would be an internationally controlled process of DDR (Disarmament, Demobilization and Reintegration) of the Hamas military forces. Private investment of a multi-billion dollar Marshall Plan will only be possible if the likelihood of a renewal of armed conflict can be dramatically minimized.

Dr. Yair Hirschfeld, one of the architects of the Oslo Agreement, and Academic Director of the S. Daniel Abraham Center for Strategic Dialogue, argues that the reconstruction in Gaza, and the promotion of economic development and stability can only be achieved by a fully coordinated and concerted effort of all interested parties, the international community, Israel, Egypt, the Palestinian Authority, Jordan, Saudi Arabia and Qatar.

The other three contributions focus on different ways and means to improve living conditions in Gaza, and bring about a process of reconstruction, and economic development

regardless of whatever strategic or political approach would be chosen.

Celine Touboul, who is a deputy director of the Economic Cooperation Foundation (Tel Aviv) has for years prepared strategic concepts for stabilizing the situation in Gaza. She was a guest researcher at NATO in Rome. Many of her policy papers have influenced the policy planning of the relevant Israeli authorities. Due to her work, the Economic Cooperation Foundation was involved behind the scenes in supporting the cease-fire negotiations, in 2012 as well as in 2014. Celine Touboul has made five major interrelated recommendations:

- First, in order to create a situation of normality and stability, there is a need to take action to solve the water and energy crisis for all Gaza citizens. There is an urgent need to prevent further contamination of Gaza's water resources and it is essential to put an end to the daily hours' long shortages of electricity. Whereas important medium-term solutions are being prepared, little change has been achieved in the immediate and short term.
- Second, there is a need to assist in the reconstruction of completely destroyed neighborhoods. Whereas over 1,500,000 tons of cement have been imported from Israel and have made it possible to repair partly destroyed homes, a comprehensive operational plan is necessary to provide for the reconstruction of destroyed neighborhoods.
- Third, there is a need to introduce action to reduce the extremely high rate of unemployment by easing exports and imports of goods, and encouraging private business development.
- Fourth, there is a need to work closely together with Egypt to coordinate the suggested policy approach together with necessary action to prevent the re-arming of the Hamas military wing.
- Fifth, there is a need to take necessary action to stabilize the cease-fire, optimally by an agreed commitment of all concerned parties.

Brigadier General (ret.) Dov Sedaka served as head of the Israeli Civil Administration in Gaza (and later on the West Bank) and is closely connected to the Israeli security authorities. Anat Kaufmann is a project director at the Economic Cooperation Foundation and has worked on issues of trade promotion and access and movement. Their article deals with the central issues of access and movement, which are key for the economic and social rehabilitation of the Gaza Strip. In essence, it is shown that Israel has



lifted the siege on land, whereas the siege at sea is still fully maintained. Movement and access on land is mainly being impeded by bottlenecks in the infrastructure and the creation of necessary security provisions. On land, it would be essential to expand further the capacity of the Kerem Shalom Crossing point, create a supportive road network, and provide the necessary security facilities. The addition of a second modern scanner is being planned, and is being financed by the Dutch government. It is essential to create the necessary infrastructure capacities on the Palestinian side. In order to enhance the movement of people, the upgrading of the Erez crossing point is being envisaged, and action is being taken. Similarly, the construction of a short railway line – connecting the Israeli railway system to Gaza is being proposed.

Regarding the siege at sea, it is recommended to establish a Palestinian pier at Ashdod port, and permit the transport of goods from Gaza and to Gaza, optimally by railway. In the medium term, the renewal of planning a safe passage between Gaza and the West Bank is being suggested. However, this seen to be currently impractical, due to security concerns.

Another important recommendation refers to the management of the crossing points. It would be important to permit the Palestinian Authority to control and manage the Palestinian side of the Kerem Shalom and Erez crossing points.

Prof. Miriam Hirschfeld held a senior position at the WHO (World Health Organization) and has personal close links to the senior health professionals in the Middle East and beyond. She has worked together with the WHO officials responsible for Gaza, as well as with the Israeli branch of the Physicians for Human Rights, who carry out most important health work in Gaza.

She argues that the central problem is the affordability of health care which has to be solved by increasing available budgets, on one hand, and creating further income opportunities for the people in Gaza, on the other. In the short term, the provision of training facilities for health workers in Gaza, as well as in Israel, can provide an important upgrade of health services. Further ease of access and improving the referral system to Israeli hospitals, permitting also family members to join the patients, would be of assistance.

* * *

It is important to point out that the research team of the S. Daniel Abraham Strategic Dialogue Center has, in preparing the articles, engaged in an effective track-two diplomacy effort. The former Palestinian minister who contributed to this project is maintaining, on an ongoing basis, an important bridge-building dialogue between the Fatah and the Hamas leadership and is making an effort trying to overcome the prevailing obstacles to reach the hoped for reconciliation.

The unnamed Israeli senior civil servant who has contributed to this booklet has been involved in supporting a coordinated regional cooperation effort aiming mainly to obtain Arab support for the reconstruction effort in Gaza.

Dr. Yair Hirschfeld has maintained an intimate policy-oriented dialogue with senior international diplomats, who tend to share his approach of creating an international and regional structure to promote a peace and stability building effort in the wider Israeli-Palestinian arena. At the time of writing, international diplomacy is preparing the creation of a "Double Quartet" structure: the USA, the EU, Russia and the UN on behalf of the international community; Egypt, Jordan, Saudi Arabia and the Arab League Secretariat on behalf of the Arab world. The diplomatic effort aims to achieve a functioning working structure toward the end of the forthcoming UN autumn session. The contribution of the articles compiled here, is to offer a proposed political action program for Gaza for the "double Quartet structure". As the unity of the two geographically divided Palestinian areas, the West Bank and Gaza, has to be maintained in order to sustain a peaceful two-state solution, Dr. Hirschfeld and the team of the Economic Cooperation Foundation, is also working on proposed separate but complementary action for the West Bank.¹

Celine Touboul, Anat Kaufmann and Brig. Gen. (ret.) Dov Sedaka are maintaining an ongoing daily dialogue with the relevant Israeli authorities, with senior Egyptian representatives, with members of the Palestinian Authority, diplomats from European countries, as well as with the Quartet Representative Office. These deliberations help to create a commonly pursued conceptual approach, which is being submitted to the relevant governmental authorities. The practical value of this work is not necessarily to be able to implement all recommendations made, but rather, to "widen the envelope" by creating a powerful professional coalition for influencing particularly the Israeli government authorities to take necessary action.

Last but not least, our professional group has been consulted by a British led business group, who are engaged in promoting private business investment in Gaza. The idea is to identify possible business ventures that will be sustainable even under a continued conflict situation. We hope that the articles presented here can offer a small contribution to this important effort.

¹ It should be noted that Prime Minister Benjamin Netanyahu has told a senior international diplomat that he would support an international peace-building effort that would be in line with three Israeli demands: take care of Israel's security needs; provide a regional support component, and enable gradual progress toward a peaceful solution. Our proposals are all in line with these three enabling conditions.

Foreword

Dr. Werner Puschra

This publication is the result of a joint project by Friedrich-Ebert-Stiftung Israel and the S. Daniel Abraham Center for Strategic Dialogue at Netanya Academic College. It presents contributions from seven authors analyzing the situation in Gaza after the war between Israel and Hamas in the summer of 2014 and suggesting strategies for the reconstruction of Gaza. The war brought about human suffering on both sides and left Gaza and its people with the challenge to rebuild its physical infrastructure and the economy in order to create a more prosperous, stable, and safe future.

The challenges spelt out in the articles of the publication are huge and require cooperation between Israel and the international community, including regional players, as well as private investors.

In order to successfully deal with the challenges, certain conditions need to be in place:

An effective, transparent and accountable governance structure in Gaza, composed of all Palestinian political forces.

Enhanced cooperation between all parties to ease restrictions of movement and access to and from Gaza, including between Gaza and the West Bank.

A security arrangement between Israel and Hamas to avoid future confrontations with the subsequent deterioration of living conditions of the people of Gaza.

We hope that this publication contributes to the creation of an enabling framework for the development of Gaza and to the establishment of a stable and peaceful future for both Palestinians and Israelis. We thank the S. Daniel Abraham Center for Strategic Dialogue and all the authors for the outstanding work in this common endeavor.

Dr. Werner Puschra

FES Israel



Glossary

Ad Hoc Liaison Committee (AHLC): a 15-member committee that serves as the principal policy-level coordination mechanism for development assistance to the Palestinian people. The AHLC is chaired by Norway and co-sponsored by the EU and US. In addition, the United Nations participates together with the World Bank (Secretariat) and the International Monetary Fund (IMF). The AHLC seeks to promote dialogue between donors, the Palestinian Authority (PA) and the Government of Israel (GoI).

Areas A, B, and C: categories defined in the Oslo II Agreement of September 1995; area A refers to the Palestinian urban areas, where the PA enjoys full administrative and security authority; area B, refers to the Palestinian rural areas, where the PA enjoys full administrative authority, whereas Israel has maintained its security authority; and Area C, which covers the other areas of the West Bank, where Israel maintains administrative and security authorities.

Coordinator of Government Activities in the Territories (COGAT): a unit in the Israeli Ministry of Defense responsible for implementing the government's policy in the West Bank and vis-à-vis the Gaza Strip. It engages in coordinating civilian issues between the Government of Israel, the Israel Defense Forces, international organizations, diplomats, and the Palestinian Authority. It constitutes the civilian authority for residential zoning and infrastructure and is responsible for addressing the needs of Israeli settlements in the West Bank.

Fatah: the leading secular Palestinian political party and the largest faction of the confederated multi-party Palestine Liberation Organization (PLO). Fatah had a strong involvement in revolutionary struggle in the past. Fatah had been closely identified with the leadership of its founder Yasser Arafat, until his death in 2004. Following its recognition of the State of Israel, Fatah led the PLO to sign the Declaration of Principles (the Oslo Accords) with Israel in 1993.

Hamas: a Palestinian Islamic organization, with an associated military wing, the Izz ad-Din al-Qassam Brigades, in the Palestinian territories and elsewhere in the Middle East including Qatar. Hamas is designated as a terrorist organization by Canada, Egypt, the European Union, Israel, Japan, and the United States. Since 2007, the Hamas government has administered the Gaza Strip, following the Fatah-Hamas conflict and the expulsion or killing of numerous Fatah political figures.

Islamic Jihad: a Palestinian Islamist organization formed in 1981 whose objective is the destruction of the State of Israel and the establishment of a sovereign, Islamic Palestinian state. Islamic Jihad has been labelled a terrorist organization by Australia, Canada, the European Union, Israel, Japan, New Zealand the United Kingdom, and the United States. Iran is a major financial supporter of the organization.

Muslim Brotherhood: a transnational Sunni Islamist organization founded in Egypt by Islamic scholar and

schoolteacher Hassan al-Banna in 1928. The organization gained supporters throughout the Arab world and influenced other Islamist groups with its model of political activism combined with Islamic social and charity work.

Palestinian Liberation Organization (PLO): an organization founded in 1964 with the purpose of the "liberation of Palestine" through armed struggle. It is recognized as the "sole legitimate representative of the Palestinian people" by over 100 states with which it holds diplomatic relations, and has enjoyed observer status at the United Nations since 1974. The PLO was considered by the United States and Israel to be a terrorist organization until December 1988, when it first recognized the existence of the State of Israel, accepted UN Security Council resolutions 242 and 338, and rejected "violence and terrorism". In return, President Reagan and Secretary Shultz sanctioned the establishment of a US-PLO Dialogue. In the 1993 Declaration of Principles, the PLO recognized Israel's right to exist in peace, accepted UN Security Council resolutions 242 and 338, and rejected "violence and terrorism"; in response, Israel officially recognized the PLO as the representative of the Palestinian people.

Palestinian National Council (PNC): the legislative body of the PLO which elects its Executive Committee. The PNC is the highest authority in the PLO, responsible for formulating its policies and programs. It serves as the parliament for all Palestinians both in and outside of the Occupied Territories and represents all sectors of the Palestinian community worldwide.

Palestinian National Authority (PA or PNA): the interim self-government body established to govern the Gaza Strip and Areas A and B of the West Bank, as a consequence of the 1993 Oslo Accords. Following elections in 2006 and the subsequent Gaza conflict between the Fatah and Hamas parties, its authority has been restricted to areas A and B of the West Bank.

Palestinian Legislative Council (PLC): the parliament of the Palestinian inhabitants of the Occupied Territories. It is a unicameral body with 132 members, elected from 16 electoral districts of the Palestinian National Authority in the West Bank and Gaza. It served as the legislature of the Palestinian National Authority. The PLC was inaugurated for the first time on 7 March 1996 and served until the split of Hamas and Fatah in 2007; the PLC stopped its operation in the Gaza Strip entirely in 2009.

Popular Front for the Liberation of Palestine (PFLP): the Popular Front for the Liberation of Palestine is a secular Palestinian Marxist-Leninist and revolutionary socialist organization founded in 1967 by George Habash. It has consistently been the second-largest of the groups forming the Palestine Liberation Organization (PLO), the largest being Fatah. PFLP is described as a terrorist organization



by Canada, the European Union, and the United States. The PFLP has generally taken a hard line on Palestinian national aspirations, opposing the more moderate stance of Fatah. It opposes negotiations with the Israeli government, and favors a one-state solution to the Israeli–Palestinian conflict.

The Middle East Quartet: a foursome of nations and international and supranational entities involved in mediating the peace process in the Israeli-Palestinian conflict. The Quartet is comprised of the United Nations, the United States, the European Union, and Russia. The group was established in Madrid in 2002, recalling Madrid Conference of 1991, as a result of the escalating conflict in the Middle East.

United Nations Development Program (UNDP): UNDP works in more than 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. The organization helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA): the part of the United Nations Secretariat responsible for bringing together humanitarian actors to ensure a coherent response to emergencies. OCHA's mission is to mobilize and coordinate effective and principled humanitarian action in partnership with national and international actors, advocate the rights of people in need, promote preparedness and prevention, and facilitate sustainable solutions.

United Nations Relief and Works Agency (UNRWA): Following the 1948 Arab-Israeli conflict, UNRWA was established by United Nations General Assembly resolution 302 (IV) of 8 December 1949 to carry out direct relief and works programs for Palestine refugees. The Agency began

operations on 1 May 1950. In the absence of a solution to the Palestinian refugee problem, the General Assembly has repeatedly renewed UNRWA's mandate, most recently extending it until 30 June 2017. The Agency's services encompass education, health care, relief and social services, camp infrastructure and improvement, microfinance and emergency assistance, including in times of armed conflict.

United Nations Special Coordinator for the Middle East Peace Process (UNSCO): established in June 1994 following the signing of the Oslo Accord, the aim of the office was to enhance the involvement of the United Nations during the transition process, and to strengthen UN inter-agency cooperation to respond to the needs of the Palestinian people, mobilizing financial, technical, economic and other assistance. In 1999, UNSCO's mandate was enhanced. It became the Office of the Special Coordinator for the Middle East Peace Process, as well as the Personal Representative of the Secretary-General to the PLO and the Palestinian Authority. Additionally, the Special Coordinator represented the Secretary-General in discussions relating to the peace process with the parties and the international community.

World Health Organization (WHO): a specialized agency of the United Nations that is concerned with international public health. It was established on 7 April 1948, headquartered in Geneva, Switzerland. The WHO is a member of the United Nations Development Group. Its current priorities include implementing health policies to prevent communicable diseases, in particular HIV/AIDS, Ebola, malaria and tuberculosis; the mitigation of the effects of non-communicable diseases; sexual and reproductive health, development, and aging; nutrition, food security and healthy eating; occupational health; substance abuse; and driving the development of reporting, publications, and networking.

A Brief Timeline of the Gaza Strip

September 1948	Establishment of the "All Palestine Government" in the Gaza Strip under the auspices of Egyptian military occupation.
October 1956	Israel briefly occupies the Gaza Strip and Sinai Peninsula during the "Sinai Campaign".
June 1967	Israel occupies the Gaza Strip, along with other territory during the 1967 war. In total, between 1967 and 2005, Israel establishes 21 settlements in Gaza, comprising 20% of the total territory.
May 1994	Following the Palestinian-Israeli Declaration of Principles, a phased transfer of governmental authority to the Palestinians takes place. Much of the Strip (except for the settlement blocs and military areas) comes under Palestinian control. The Israeli forces leave Gaza City and other urban areas, leaving the new Palestinian Authority to administer and police those areas.
August 2005	Following government approval of Israel's unilateral disengagement from Gaza, all military installations, Israeli settlements, the joint Israeli-Palestinian Erez Industrial Zone are dismantled, and 9,000 Israelis, most living in Gush Katif, are evicted. On 12 September 2005, the Israeli cabinet formally declares an end to Israeli military occupation of the Gaza Strip.
January 2006	Hamas emerges victorious in the Palestinian Legislative elections. When Hamas assumes power the next month, Israel, the United States, the European Union, Russia and the United Nations demand that Hamas accept all previous agreements, recognize Israel's right to exist, and renounce violence; when Hamas refuses, they cut off direct aid to the Palestinian Authority, although some aid money is redirected to humanitarian organizations not affiliated with the government.
June 2006	On 25 June 2006, IDF soldier Gilad Shalit is captured by Hamas militants in a cross-border raid via underground tunnels near the Israeli border. Hamas holds him captive for over five years, until his release on 18 October 2011 as part of a prisoner exchange deal.
January-June 2007	Ongoing Fatah-Hamas violence in the Gaza Strip, which leads to the expulsion of Fatah governmental figures and hundreds of deaths and the near total blockade of border crossings with Israel and Egypt.
December 2007- January 2008	Following increased rocket and mortar attacks on Israeli population centers, Israel launches a military offensive labelled Operation "Cast Lead".
November 2012	Following ongoing rocket attacks on Israel Operation "Pillar of Defense" is an eight-day Israel Defense Forces (IDF) operation in the Hamas-governed Gaza Strip, which begins on 14 November 2012 with the killing of Ahmed Jabari, chief of the Gaza military wing of Hamas.
June 2014	Fatah signs a unity agreement with Hamas, an agreement which has never been implemented.
July-August 2014	Operation "Protective Edge" officially begins on 17 July and is expanded to an Israeli ground invasion of Gaza with the stated aim of destroying Gaza's tunnel system. On 26 August, an open-ended ceasefire is announced. By that date, the IDF reports that Hamas, Islamic Jihad and other militant groups have fired 4,564 rockets and mortars from Gaza into Israel, with over 735 intercepted in flight and shot down by Iron Dome. Most Gazan mortar and rocket fire hits open land, more than 280 fall on areas in Gaza, and 224 strike residential areas. The IDF attacks 5,263 targets in Gaza; at least 34 known tunnels are destroyed and two-thirds of Hamas's 10,000-rocket arsenal is used up or destroyed.
October 2014	The Governments of Egypt and Norway, together with President Mahmoud Abbas host a conference entitled: The Cairo International Conference on Palestine "Reconstructing Gaza", held in Cairo on 12th October, 2014. The defined goal of the conference is to strengthen the basis of the ceasefire and improving political solution prospects for the conflict through: a) strengthening the Palestinian government's ability to assume its responsibility in the rehabilitation of the Gaza Strip; b) enhancing the existing UN mechanism for import and export of goods and materials to and from Gaza; c) providing the financial support required for reconstructing the Gaza Strip.



The PLO-Hamas Relationship

A former Palestinian minister

1. The historical background for the PLO-Hamas relationship

The Palestinian Liberation Organization (PLO) was established in 1964 as an Arab initiative led by Ahmad Shukeiri, a Palestinian who was at various times the Saudi Arabian and Syrian representative to the United Nations. Yasser Arafat was elected president of the PLO at a meeting of the PLO's National Council in 1968 as a result of the participation in the elections of all the armed organizations founded until then.

Hamas was founded on December 14, 1987, shortly after the start of the first intifada, by Sheikh Ahmed Yassin. The Hamas movement was a political entity belonging to the Palestinian Muslim Brotherhood movement, and its military wing was known as the Izz ad-Din al-Qassam Brigades.

Before founding the Hamas movement, Sheik Ahmed Yassin had been the head of the Islamic Association in Gaza, authorized by the Israeli military governor in 1977. The Islamic Association had more than 70 chapters in the Gaza Strip, and included charitable associations, schools and groups for the study of the Quran. The association's main activities were focused in mosques throughout the Gaza Strip. Later, its activities moved to the West Bank too.

The military government considered the Islamic Association to be an ideological competitor of the PLO, which espoused an armed struggle. Hamas objected to the path taken by the PLO, viewed the PLO and its organizations as heretics that did not strictly observe Islamic law and preferred to take action on the social and cultural level in order to raise an Islamic generation, similar to the Muslim Brotherhood in the various other countries in which it was active. From 1977 on, the chapters of the Islamic Association grew considerably stronger, especially on the social level, and began to take control of the mosques and open active chapters of the association throughout the Gaza Strip. These chapters began to compete with the "leftist" Palestinian associations, and hostility towards the left grew. The Islamic Association considered those that participated in the leftist associations to be communist infidels. This hostility peaked when the members of the Islamic associations burned down the offices of the Palestinian Red Crescent Society in Gaza, headed by Dr. Haidar Abdel-Shafi (he later headed the Palestinian delegation at the Madrid talks). A number of individuals that belonged to the communist party were also attacked throughout the Gaza Strip. The members of Fatah in Gaza tried to resolve the conflict between the Islamic entity and the Palestinian communists. After the founding of the Islamic University in the early 1980s in Gaza City, the Islamic Association began to seize control of its institutions, notwithstanding that the university had been established with the support of the PLO leadership abroad.

The initial clash between Fatah and the Islamic Association erupted in 1983 between students of the university. The students that belonged to the Islamic Association attacked Fatah students with hatchets, knives and chains, resulting in injuries on both sides. This clash heightened the tension between Fatah and Islamic Association members, leading to a second clash between Fatah and Hamas in 1991 in wake of a disagreement among the students of the Islamic University during the student union elections. The clash spilled over beyond the university to supporters of the two sides. The clashes resulted in numerous injuries and Fatah imposed house arrest on some Hamas members in the Gaza Strip. The dispute was finally resolved only after the intervention of Arab Israeli leaders and Fatah leadership from abroad.

Hamas considered itself an entity that competed with the PLO among the Palestinian public, especially after it established its military wing, the Izz ad-Din al-Qassam Brigades, which began to initiate military actions against the Israeli occupation. The first dispute between the movements arose after the outbreak of the first intifada because Hamas had not been included in the intifada's united national leadership. All the PLO organizations set the eighth day of each month as a day to mark the start of the intifada, whereas Hamas set the fourteenth of each month (the day Hamas was founded). The Islamic Jihad set the eleventh of each month. This dispute persisted throughout the first intifada, from 1987 to 1994, when the Palestinian National Authority (PNA) was established in Gaza and Jericho following the Cairo Agreement. During the intifada, there were many clashes, especially in Gaza, between Hamas and the other organizations (the national leadership of the intifada). The dispute especially focused on the plan for the struggle as determined by the national leadership of the intifada, of which Hamas was not a part. The dispute went as far as to include disputes over the division of the walls of buildings, i.e. who would write or paint which intifada slogans on which walls. Each organization seized its own walls, which it considered an asset of the organization that only it was permitted to use. The members of one organization would erase the slogans of the rival organization, leading to clashes between the younger members of the organizations whose role in the struggle was to paint graffiti on the walls.

The conflict between the organizations spilled over into the prisons where the Palestinian detainees were incarcerated, especially in the detention camps (where the young intifada activists were being held), Ansar 2 in the Gaza Strip, Ketziot in the Negev and Megiddo. The altercations came due to the growing power of Hamas in the detention camps and their demand to be given representation on the committees that represented the prisoners in the detention camps, in face of the refusal by the PLO to agree to their demands and allow this. The clashes continued for almost two years, until the



PLO organizations agreed to accept a Hamas representative on the committees.

The issue of unaffiliated prisoners was yet another source of dissent among the factions in the prisons: Hamas wanted to recruit them into its ranks and the PLO organizations refused to allow this to happen. A further point of contention related to jobs in the prison, such as work in the kitchen, laundry, cleaning in the prisoner sections and prisoner representatives in the sections. The PLO organizations refused to allow Hamas prisoners to be given these jobs, and this continued until the number of Hamas detainees increased to such an extent that it was no longer possible to ignore them. At this point, the PLO organizations allowed them to have representation in the various jobs. The conflict between the members of the PLO and Hamas continued in this fashion inside the prisons throughout all the years of the first intifada.

The Hamas movement and its military wing Izz ad-Din al-Qassam Brigades began to gain power during the first intifada. This could be seen when the PLO signed the Oslo agreement on September 13, 1993, and Hamas was among the first to oppose the agreement, along with the Islamic Jihad, the Popular Front and Democratic Front. They persisted in their verbal and military opposition even after the Cairo agreement of May 4, 1994.

The Palestinian prisoners in Israeli prisons in the period between the Oslo agreement and the Cairo agreement understood the sensitive nature of the situation and the danger that it posed to the future of the Palestinian people. A dialogue was held between the Hamas and Fatah leaderships in the prisons, as a result of which they reached understandings that could have led the Palestinian arena to a safe harbor. Sadly, the PLO leadership outside the prisons, Fatah and Hamas in the territories did not adopt the prisoners' agreement signed in late 1993. This would have negative implications for the internal Palestinian situation in the future.

In May 1994, Israel and the PLO signed the Cairo agreement, making possible the established of the PNA in the Gaza Strip and Jericho. The Palestinian people mostly supported the agreement, and the inhabitants of Gaza received the Palestinian policemen that returned from exile with open arms, despite opposition from Hamas, the Islamic Jihad and the Fronts. When Yassar Arafat arrived in Gaza, he was received by jubilant Palestinian crowds, and few noticed that the opposition groups refused to take part in the celebrations. In the early days, Arafat tried to meet with the leaders of the organizations, but they refused. In early 1995, the first incident between Hamas activists and Palestinian Authority police occurred, killing 18 Hamas members in the Palestine Mosque. This event caused the Hamas leadership to enter into dialogue in order to forestall the crisis. Hamas knew that they could not open a front against the PNA, which enjoyed the support of the majority in Gaza. Although the dialogue, which continued for a few days, failed to bring about an agreement between Fatah and Hamas on how to continue the talks between the PLO and Israel, it put an end to the clashes between the two organizations.

There was a further incident in the same period, coming in response to the killing of a member of the Islamic Jihad by Israeli soldiers at the Erez industrial zone. In the incident, Islamic Jihad members hurled shoes at Yassar Arafat during prayers in the great mosque in Gaza and Arafat had to be removed by his bodyguards in a taxi. In late 1995, another more serious incident occurred when Hamas people killed a Palestinian policeman. As a result, the PNA arrested most of the Hamas members that belong to a secret apparatus headed by Ibrahim Al-Maqadma, and those arrested were incarcerated in a Palestinian prison for many years. None of this prevented Hamas and the other groups opposed to the agreement from continuing their terror attacks against Israelis in Gaza, the West Bank and inside Israel. These attacks were indicative of the PNA's failure to enforce its discipline on the factions, which weakened the agreement between the PLO and Israel and turned it from a political agreement into a security arrangement, severely undermining it, ultimately causing it to fail.

The PNA's failure also rewarded those that opposed the peace agreement on the Israeli side. The failure belonged to both the PNA and Hamas because ultimately they were unable to cooperate and come up with a plan that would preserve the supreme Palestinian interest. The PNA was unable to force its will on the organizations, which continue to resist the agreement with violence. The PNA responded with hesitance and exercised a policy in its relations with Hamas and the other organizations that became known as the "revolving door" policy. The confrontation reached a peak after the bus bombings in Jerusalem and Tel Aviv in 1995-1996 and continued in different modes until the outbreak of the second intifada in 2000 following the failure of the Camp David talks.

After the failure of the Camp David talks, it became clear that the Palestinians and Israel were moving in the direction of a clash, and it was not long before the wave of violence that became known as the Al-Qaeda or Second Intifada broke out in September 2000. The Second Intifada testified to the failure of the peace process and encouraged those who opposed it, including Hamas, which at first hesitated to join in the intifada for fear of the PNA, and only joined in after a few months had passed. Hamas refused to believe that Arafat would return to the path of the armed struggle against Israel and consequently was in no rush to join. It thought that he wanted to draw Hamas into military activity, in order to expose its fighters and act against them in coordination with Israel. Only after Hamas realized that Arafat was sincere in his desire to continue the armed struggle against Israel did it join the intifada. The Palestinian opposition movements viewed the intifada as a failure of the peace process and a success for those that opposed the agreement and favored the armed struggle against Israel.

The Second Intifada weakened the PNA both politically and militarily, strengthened the opposition organizations, especially Hamas, and undermined the peace process. The Hamas movement continued its struggle through the

use of suicide bombers in buses, restaurants and hotels. The intifada also increased the strength of numerous armed gangs that were supported by Palestinian organizations as well as by organizations and states in the region (the Al Aqsa Martyr Brigades – Fatah; Izz ad-Din al-Qassam Brigades – Hamas; Sirat al-Quds – Islamic Jihad; National Movement Brigades – the Democratic Front; the Abu Ali Mustapha Brigades – the Popular Front. Most enjoyed the support of Iran and Hezbollah). From 2000-2003, when Arafat wanted to halt the intifada or the activities of the suicide bombers, or to arrest any of the Hamas leaders, he was unsuccessful. Often when an order was given to the Palestinian security forces to arrest one of the leaders, even just for show, they were unable to carry out the task because they encountered popular resistance on the part of people who were willing to confront the Palestinian security forces.

In this situation of chaos and lack of discipline on the part of the PNA, who felt helpless when facing Hamas, Hamas increased its military, organizational and public power, particular in the years 2003-2005, and especially in the Gaza Strip and the northern West Bank. Hamas increased its strength in the Gaza Strip at the expense of the PNA, becoming an alternative and parallel Palestinian Authority in the northern West Bank too (Jenin and Nablus).

The Hamas movement, which had opposed the establishment of the PNA and refused to accept the basic assumptions of the Oslo agreements, agreed in 2005 to participate in elections to the Palestinian Legislative Council to be held on January 24, 2006. All the foreign parties, including the Americans and the international Quartet agreed to allow Hamas to participate in the elections unconditionally. Hamas won 57.7% of the seats on the Council. Abu Mazen believed that he would have to include Hamas in the PNA before continuing with the process to a final status settlement with Israel, and also believed that Hamas would change after it became part of the PNA.

The PNA was controlled by two entities: the elected president, whose authority was set out in the Palestinian constitution – Mahmoud Abbas – “Abu Mazen” – who was elected in 2005; and the government, which was supported by the Legislative Council, elected in 2006.

After the elections, a confrontation broke out between the different components of the PNA, the Legislative Council and government, on the one hand, and the president, on the other. It should be borne in mind that Israel and the International Quartet were opposed to the government formed by the Hamas movement. It should further be noted that during the period between the election of the president in 2005 and the elections to the Legislative Council in early 2006, in late 2005, Israel, led by Ariel Sharon, withdrew from the Gaza strip. The withdrawal bolstered the organizations that opposed the PNA, because they viewed it as a victory for the opposition forces, which was how the withdrawal was viewed by the general Palestinian public too.

In addition, before the 2006 elections to the Legislative Council, i.e. in 2005, Egypt tried to bring all the Palestinian organizations to the table for a dialogue in Egypt in order to come up with an agreement on a shared Palestinian state. The initiative was unsuccessful and the organizations and Egypt made do with understandings regarding the method to be used to elect the Palestinian Legislative Council (PLC), and it was agreed that the existing council would change the election law: Instead of only regional elections, as was the case before (and was opposed by all the leftist organizations, which wanted only proportional elections throughout the PNA), 50% would be elected in regional elections and 50% in national proportional elections. In addition, the participating sides reached an agreement to hold elections for the Palestinian National Council (PNC). These were the two subjects agreed upon by the organizations, under Egypt's sponsorship.

After the elections, the tension between Fatah and Hamas increased and the prisoners in Israeli prisons foresaw the dangers posed to the future of the Palestinian people. That is why a dialogue developed inside the prisons between the prisoner leaders from all the organizations, which continued for two months, culminating in a document agreed upon by all. The document was then sent to the leaders of the organizations in the West Bank and Gaza, all of whom endorsed the prisoners' draft document. In order to understand the historic and political importance of the agreement signed by the Fatah and Hamas prisoners, the entire agreement should be presented:

Preamble

Based on the supreme sense of national and historical responsibility and in light of the dangers facing our people, and on the basis of lack of recognition of the legitimacy of the occupation and to reinforce the internal Palestinian front and maintain and defend national unity and the unity of our people in the homeland and in the Diaspora, and in order to confront the Israeli project that aims to impose an Israeli solution and shatter the dream and right of our people to establish their independent state with full sovereignty; this project that the Israeli government intends to execute in the next phase based on completing the racist separation wall and the Judaization of Jerusalem and expansion of the settlements and the seizure of the Jordan Valley and the annexation of extensive areas in the West Bank, closing the door to our people to exercise their right of return; and also to safeguard the accomplishments of our people obtained throughout its long struggle and out of loyalty to our martyrs, the suffering of our prisoners and injured, and given that we are still in the midst of the liberation process that has a national and democratic character, which necessitates this political strategy, and in order to make our comprehensive national dialogue a success, and based on the Cairo Declaration and coupled with the urgent need for unity, we put forth this the national conciliation document to our people and



to President Mahmoud Abbas, the PLO leadership, Prime Minister Ismail Haniyeh and his government, as well as to the Palestinian Legislative Council and the Palestinian National Council and all Palestinian forces and factions, and popular Palestinian opinion in the homeland and beyond.

This document is put forth as a single unit that should not be split up, of which the preamble is an integral part thereof.

- The Palestinian people in the homeland and in the Diaspora is aspiring and struggling to liberate its land and remove the settlements and exile the settlers and remove the racist separation wall and annexation, and to achieve their rights to return, freedom and independence and to exercise their right to self-determination, including the right to establish their independent state with Jerusalem as its capital on all territories occupied in 1967, and to secure the right of return for refugees to their homes and properties from which they were evicted and to compensate them and to liberate all prisoners and detainees without any exception, and all of this is based on the historical right of our people on the land of our forefathers and based on the UN Charter and international law and legitimacy in a way that does not derogate from the rights of our people.
- Efforts should be made to speed up the achievement of that which was agreed on in Cairo in March 2005 pertaining to the development and reactivation of the PLO and the participation of all its forces and factions, according to democratic principles that will reinforce its status as the sole legitimate representative of our people wherever they are, in a manner that meets with the changes on the Palestinian arena and in a manner that consolidates the PLO's ability to assume its responsibilities in leading our people in the homeland and the Diaspora and defend its national, political and humanitarian rights in the various international and regional frameworks and circles. Our national interest stipulates the formation of a new Palestinian National Council before the end of 2006 in a manner that secures the representation of all Palestinian national and Islamic forces, factions and parties and all sectors of our people through elections, where possible, according to proportional representation. The elections will be held according to the rules determined by the Higher Committee resulting from the Cairo Dialogue so as to turn the PLO into a broad and consensual comprehensive national front and the higher political reference for all the Palestinians in the homeland and beyond.
- The right of the Palestinian people to resistance [muqawama] and to uphold the principle of resistance to occupation by all means, and focusing resistance in territories occupied in 1967 in addition to political action, negotiations and diplomacy, and the continuation of the popular resistance against the occupation in all its forms and modes, with attention given to expanding the public struggle among all sectors and levels.
- To formulate a Palestinian plan aimed at comprehensive political action and to unify Palestinian political discourse

on the basis of the Palestinian national goals as presented in this document and according to Arab legitimacy and just international framework resolutions that to maintain the rights and principles of the Palestinian people by means of the PLO leadership and its institutions, and the PNA by means of its president and government, the national and Islamic factions, the civil society organizations aimed at mobilizing Arab, Islamic and international political, financial, economic and humanitarian support and solidarity with our people and the PNA and to gain support for the right of our people to self-determination, freedom, return and independence; and at confronting Israel's plan to impose any unilateral solution on our people and to confront the oppressive siege.

- To protect and support the PNA in that it is the infrastructure of the future state, that same PNA that our people strengthened through its struggle, and the sacrifices and suffering of its children. The supreme national interests call for respect the provisional constitution and laws deriving from it, and respect for the authority and responsibility and of the president elected according to the will of the Palestinian people through free, democratic and fair elections; and respect for the responsibilities and authority of the government granted by a vote of confidence from the parliament elected in free, democratic and fair elections, stressing the need to strengthen mutual cooperation and conciliation between the presidency and the government; there should be joint action and regular meetings between them to achieve and strengthen mutual cooperation and conciliation for action between the two entities according to the provisions of the provisional constitution and the supreme national interests, and for the need for comprehensive reforms in PNA institutions, especially the judiciary whereby the judiciary authority should be respected at all levels, its rulings implemented and the rule of the law expanded.
- To form a national unity government that secures the participation of parliamentary blocs and political forces on the basis of this reconciliation document and the comprehensive program for Palestinian revival at the local, Arab, regional and international levels; to confront the challenges through a strong unity government that enjoys popular and political support from all the factions implement a plan of reforms and economic growth to increase international investment and fight poverty and unemployment, to provide aid to those sectors that carry the burden of resistance and steadfastness, and the Intifada and who were the victims of the criminal Israeli aggression, specifically the families of the martyrs, prisoners and injured, and the owners of the demolished homes and property which were destroyed by the occupation, in addition to care for the unemployed and university graduates.
- Administration of the negotiations falls under the jurisdiction of the PLO and the Chairman of the PNA, on the basis of adherence to Palestinian national goals as noted in

this document in such a way that the entire agreement must be presented to the new PNC for ratification or a general referendum to be held in the homeland and the Diaspora by means of a law legislated for that purpose.

- Liberation of the prisoners and detainees is a sacred national duty that must be implemented by all Palestinian national and Islamic factions and organizations, the PLO and the PNA the President, the government and Parliament, and all resistance forces by all means available to them.
- The need to redouble efforts to support and care for the Palestinian refugees and defend their rights, convene a popular conference for the refugees that will stress the right of return and to cling to this right, and call upon the international community to implement Resolution 194 regarding the right of return and compensation for the refugees.
- To form a unified resistance front under the name "Palestinian Resistance Front" to lead and engage in resistance against the occupation and to unify and coordinate the struggle and to consolidate a unified political front for the struggle.
- To cling to the principles of democracy and to hold regular, general, free and fair democratic elections in accordance with the law for the presidency, the parliament and the local and municipal councils and trade unions and federations, and to respect the principle of a peaceful and smooth transfer of authority, separation of powers and the results of the elections and rule of law, as well as individual and human rights, freedom of the press and equality among the citizens before the law and women's rights.
- To condemn and reject the siege imposed on the Palestinians presided over by the United States and Israel, and to call upon our Arab brethren, peoples and regimes, to aid the Palestinian people, the PLO and the PNA and to call on the Arab governments to implement the political, financial, economic, and media resolutions of the Arab summits that support the Palestinian people and their national cause; to stress that the PNA is committed to the Arab agreements and to unified Arab action that supports the Palestinians and the supreme Arab interests.
- To call upon the Palestinian people to strive for unity and solidarity, to unify their ranks and to support the PLO and PNA, the president and government, and to reinforce the steadfastness and resistance in the face of Israeli aggression and to reject any interference in internal Palestinian affairs.
- To denounce all forms of division and discord, or any actions that could lead to internal strife; to condemn and ban the use of weapons in settling internal disputes whatever reasons there may be for the disputes; to stress the sanctity of the Palestinian nation and the commitment to dialogue as the sole means of resolving disagreements and express opinions and protests concerning the PNA and its decisions in accordance with the law; and the right

to peaceful protest on condition that they are unarmed and do not harm public property.

- The national interest necessitates finding the best means of continuing to allow the Palestinian people, wherever it may be, to participate in the battle for freedom and independence while bearing in mind the new situation that has come about in the Gaza strip; the national interest must serve as the main factor for firm steadfastness based on successful methods to wage the struggle, resist the occupation and safeguard the supreme interests of our people.
- The need for reforms and development of the Palestinian security sector and all its branches, based on modern methods so as to make them able to defend the homeland and its citizen in face of the aggression of the occupation.
- To maintain security and public order, law enforcement, to end the state of security chaos and lawlessness, the public display of arms and military parades; to confiscate any weapons that feed the security chaos and severely undermine the resistance and distort its image, or threaten the unity of Palestinian society; there is also a need to coordinate and organize the relationship between the security forces with the forces of resistance and the armed struggle, and regulate and protect their weapons.
- To call on the PLC to continue to enact laws that regulate the work of the security apparatus and its various branches and pass a law banning the exercise of political and partisan action by members of the security services in that they are required to abide by the elected political frameworks as defined by law.
- To expand the role and presence of international solidarity committees and peace-loving groups to support our people in their just struggle against the occupation, settlements and the racist separation wall, to work towards the implementation of the rulings of the International Court of Justice at The Hague pertaining to the dismantling of the wall and settlements and their illegitimate presence.

The prisoners' agreement failed to put an end to the tension and clashes between Fatah and Hamas despite the support the agreement received from all the organizations. Since then, the PNA has had two heads: the elected president and his authority as set out in the Palestinian constitution and the government headed by Ismail Haniyeh under Hamas control.

The fact that Hamas won a majority in the elections for the Palestinian Legislative Council and established a government moved the conflict between the PNA and the opposition organizations into the PNA itself, with Hamas controlling the government and PLO the presidency.

Because the president did not allow the Hamas government to control the PNA's security branches, Hamas decided to establish and control its own security forces: the executive forces – Tanfidziyah. This further heightened the tension



within the PNA, of which Hamas was part. The tension peaked in 2007.

After the clashes between Fatah and Hamas escalated, the Saudi king decided to become involved and defuse the tension between the parties. In February 2007, he called upon Fatah and Hamas to send delegations to Saudi Arabia to jumpstart a dialogue between them. A Fatah delegation headed by Abu Mazen and a Hamas delegation headed by Ismail Haniyeh and Khaled Mashaal arrived. On February 8, the parties announced that they had reached an agreement under the sponsorship of the king, known as the Fatah–Hamas Mecca Agreement. This is the text of the agreement:

Fatah and Hamas turn to the Palestinian public and peoples of the Arab and Islamic nations and to all their friends in the world to announce their commitment to achieve their national goals and liberate themselves from the Zionist occupation and restore their rights and devote themselves to the principal Islamic issues, mainly that of Jerusalem (the Al-Aqsa Mosque), the refugees, the Palestinian prisoners and the confrontation over the wall and settlements.

1. To put an end to the internal violence; to ban the shedding of Palestinian blood and to take all measures and arrangements to ensure that the Palestinian people must stand firmly against the occupation so that it can achieve its national goals.
2. The language of dialogue will be the only basis to resolve disputes among Palestinians.
3. All measures will be taken to form a national unity government that will be ratified by both sides. Ismail Haniyeh will be the Prime Minister and his deputy will be a member of the Fatah movement to be appointed by Abu Mazen.
4. Measures will be taken to reactivate the PLO and implant reforms in its institutions.
5. Political cooperation between the sides will determine that both organizations will share the political decision-making process in the PNA. The sides desire political pluralism.

The agreement garnered considerable legitimacy among the Palestinian public that was fed up with the bloodshed and the difficult economic situation in wake of the boycott imposed on Hamas and its government in Gaza. This was similar to the situation with the prisoners' agreement that preceded it, which had also been supported by all the organizations and Palestinian public. The Palestinians realized that an alternative to the situation had to be found. They viewed the Mecca Agreement signed by Abu Mazen and Khaled Mashaal and the establishment of a unity government to be a good solution to their bleak predicament. That is why they supported the agreement. A further reason for the public support for the unity government was that it had

been decided that it would be made up of the organizations representing the entire range of political views.

Israel's response to the agreement was: "It's nothing new. This is an internal Palestinian agreement that does not meet the conditions of the international Quartet – recognition of the existence of the State of Israel, an end to the terror, acceptance and implementation of all the previous agreements, including the Road Map." The American position was also negative. The American submitted a program called Plan B, which called upon Abu Mazen to dismantle the unity government if Hamas did not change its position towards Israel.

As a result of the Mecca Agreement, a very fragile unity government was formed. Its future was shrouded in uncertainty. The partnership between Hamas and Fatah was tense because no trust had been built between the parties and the clashes between them on the ground continued. Furthermore, the government headed by Ismail Haniyeh was not given authority in accordance with the Palestinian constitution, which would enable it to control the security apparatuses, and they remained under the command of President Abu Mazen. Ultimately, the agreement failed and the unity government fell apart when Hamas decided on June 14, 2007 to forcibly take over the Gaza Strip and seize control of all the security forces belonging to President Abbas.

After the Hamas takeover of the Gaza Strip, Abu Mazen declared the dissolution of the Palestinian unity government and the dismissal of Prime Minister Ismail Haniyeh. He then declared a general state of emergency and appointed Salam Fayyad prime minister, who was subsequently sworn in before Abu Mazen on June 17, 2007. Abu Mazen outlawed Hamas's military wing, the Izz ad-Din al-Qassam Brigades and in response, Hamas established a government in the Gaza Strip and convened the members of the PLC that supported Hamas for a vote of confidence in Ismail Haniyeh's government. Salam Fayyad's government demanded that PNA officials in the Gaza Strip refuse to cooperate with the Hamas government in Gaza, including doctors and teachers. As a result, the Hamas government was forced to recruit new officials to fill its ranks so that its ministries could continue to function.

During their takeover of the Gaza Strip, Hamas forces refrained from confrontations with those Fatah forces belonging to the Hilis family. Ahmed Hilis was a bitter rival of Muhammed Dahlan. On July 25, 2008, an explosion on a Gaza beach killed five senior Hamas members. Hamas accused Fatah and the Hilis clan for the incident, and in response, closed down the Fatah institutions that still remained in the Gaza Strip and arrested dozens of its activists for long periods. On August 1, 2008, Hamas imposed a curfew on the Shuja'iyya neighborhood, which it believed held a fortified compound belonging to the Hilis family. The aim was to arrest those members of the clan that were wanted by the Hamas security forces. On the evening of August 2, 2008, 180 members of the clan fled to Israel

via the Nahal Oz crossing and the IDF permitted their entry into Israel and their transfer to the West Bank, and arrested a number of those fleeing from Gaza, including Ahmed Hillis. Five members of the clan were killed by Hamas.

The Hamas movement took full control of Gaza, and Abu Mazen and the PLO controlled the West Bank. This split received the support of countries in the region and in the world. Most of the world's nations, including Arab countries, supported Abu Mazen and his government in Ramallah, while Iran, Syria, Sudan, Hezbollah, Turkey and the Muslim Brotherhood around the world all supported Hamas.

The Hamas takeover of Gaza led to a significant increase in the launching of rockets towards Israel and attempts by both Hamas and other organizations to carry out various terror attacks. Hamas also took over the Philadelphi Route, thus enabling the digging of numerous tunnels, allowing Hamas to boost its military capabilities now that it could smuggle in long-range rockets into the Gaza Strip via the tunnels. The rockets were then launched at towns located inside Israel at a distance from Gaza. Ultimately, the increase in rocket fire towards Israel led to three wars against the Gaza Strip – Operation Cast Lead in 2008-2009; Operation Pillar of Defense in 2012, which began following the killing of Ahmed al-Jabri, the head of the Hamas military wing; and Operation Protective Edge in 2014.

Attempts at conciliation between the PNA and Hamas following the Hamas takeover

In the years after the Hamas takeover of the Gaza Strip, a number of efforts were made to mediate between Hamas and Fatah aimed at reuniting the ranks under a single governmental unit. These efforts met with difficulty in view of the lack of trust between the parties along with the conflicting interests created after the split between the Gaza Strip and the West Bank. In addition, the Palestinians (Hamas and Fatah) played into the hands of external forces whose goal was to deepen the rift or topple Hamas. Often, dialogues between the sides were reported in the media in order to create public pressure on them, without any real intention of reaching national unity.

In March 2008, a Yemenite mediation initiative culminated in the Sana Declaration, a document signed by senior figures from both movements that called to restore the status quo from before the events in Gaza. A short time later, Abu Mazen's office repudiated the declaration with the claim that the Fatah delegates that signed the agreement did not represent the president, while Hamas claimed that a dialogue should be held based on the document.

Egypt launched efforts to broker a reconciliation between the Palestinian sides. As part of a reconciliation effort, meetings were held among all the Palestinian organizations in Cairo. At the conclusion of these meetings, the sides signed a document on April 27, 2011, known as the Cairo Agreement. This is the text of the agreement:

1. Elections:

- The sides agreed to identify the names of the members of the Central Election Commission in agreement with the Palestinian factions. This list will then be submitted to the Palestinian president who will issue a presidential order to form the committee.
- Both Fatah and Hamas agree on the nomination of no more than 12 judges to be members of the Electoral Court. This list will then be submitted to the Palestinian president in order to take the necessary legal actions to form the Electoral Court in agreement with the Palestinian factions.
- The elections for the parliament, president and Palestinian National Council will be conducted at the same time exactly one year after the signing of the Palestinian National Reconciliation Agreement by the national factions and forces.

2. Palestine Liberation Organization: The Fatah and Hamas movements agree that the authorities and decisions of the provisional interim leadership cannot be suspended or obstructed, except in a manner that does not conflict with the authorities of the PLO Executive Committee.

3. Security: It is emphasized that the formation of the Higher Security Committee will be formed by a decree of the Palestinian President and will be composed of professional officers in consensus.

4. Government: The Fatah and Hamas movements agree to form a Palestinian government and appoint a prime minister and ministers in consensus between them.

Functions of the Government:

- To prepare the necessary conditions to conduct presidential, parliamentary and Palestinian National Council elections.
 - To supervise and address the prevalent issues regarding the internal Palestinian reconciliation resulting from the division.
 - To follow up the reconstruction operations in the Gaza Strip and lift the siege and blockade imposed on it.
 - To follow up the implementation of the provisions of the Palestinian National Accord.
 - To resolve the civil and administrative problems that resulted from the division.
 - To reunite the PNA institutions in the West Bank, Gaza Strip and Jerusalem.
 - To regulate the status of the associations and charities.
5. Both sides agree to reactivate the [current] Palestinian Legislative Council in accordance with the Provisional Palestinian Constitution.



The reactions to the agreement were varied: The Palestinian public was jubilant and filled with hope that the agreement would end the rift, and many Arab countries supported the agreement too. Israel expressed its reservations with the agreement, saying, "The PNA must choose between peace with Israel and peace with Hamas." However, like its predecessors, the Cairo agreement remained only on paper because the parties to it failed to successfully implement it.

Qatar also tried to lead the sides to an agreement. Abu Mazen and Khaled Mashaal signed the Doha Agreement, but it too was unable to produce results on the ground. In 2014, Fatah and Hamas signed the Al-Shati Agreement in Gaza, which led to the formation of a Palestinian Unity Government headed by Rami Hamdallah. Fatah and Hamas chose the members of the cabinet – all professionals with no political affiliation, i.e. they did not belong to any of the organizations. Most of the world supported this government, although Israel refused to recognize it. The National Palestinian Unity Government is still in existence, but is unable to govern in Gaza for a number of reasons: first, Hamas has retained absolute control over the security apparatus in Gaza and has not transferred it to the new government; second, Hamas continues to control the crossings contrary to the agreement that Abu Mazen's forces would have a presence there; third, the dispute over the payment of salaries to officials appointed by Hamas in Gaza has not yet been resolved. The ministers of the Palestinian Unity Government cannot function in Gaza, neither in the offices of the Palestinian Authority nor in the security services.

Over the last few years, since the establishment of the first joint government, Israel has imposed a siege on Gaza, as did Egypt afterwards too. The inhabitants of the Gaza Strip suffer from the siege and the fact that Gaza and Ramallah remain disconnected to this day.

How is it possible to reach reconciliation in order to stabilize Gaza?

In order to reach reconciliation, talks – a dialogue – must be held among all the Palestinian organizations. The goal of the dialogue is:

1. To consolidate a political program that all the organizations can accept. The program will include the political goal – a Palestinian state within the 1967 borders, with East Jerusalem as its capital. The program must include the means that will be used to attain the goal – a political-diplomatic struggle and a nonviolent popular struggle.
2. To bring all the Palestinian organizations – including Hamas and the Islamic Jihad – into the framework of the PLO. An agreement must be reached on how to elect the PLO institutions; the political platform must be the Arab Plan for Peace in the Middle East.
3. To hold orderly elections for the institutions of the PNA without delay, as stipulated in the Palestinian Constitution.
4. To form a Palestinian national unity government that includes ministers of all the organizations and has exclusive authority and control in the PNA, as stipulated in the Palestinian Constitution. This government will be bound by the agreements that the PLO has signed.
5. The PLO will be the entity that represents the entire Palestinian people and have exclusive authority to conduct negotiations with Israel.
6. The Palestinian organizations, including Hamas, must agree and commit that the PNA represents the shared interests of the Palestinian people and that it has the exclusive authority over everything that occurs within its territory. One authority, one weapon, one constitution. All the organizations must recognize this and act accordingly, meaning that they must find a solution to the weapons held by the organizations so that they are used only with the permission of and by the PNA.
7. The Palestinian organizations agree to conduct themselves democratically in the elections to the institutions of the PLO, PNA, presidency and Palestinian Legislative Council.
8. The siege and blockade on Gaza must be lifted for both cargo and people, from both the Israeli and Egyptian sides.
9. A diplomatic process between Israel and the PLO should be launched with an eye to attaining a final status settlement.
10. Efforts to attain partial – economic or security – solutions or a long-term cease-fire must cease, because those efforts only attempt to manage the Israeli-Palestinian conflict, rather than end it. The talks between Israel and Hamas by means of a third party will fail to yield a solution or even the beginning of a solution because Hamas – for religious and ideological reasons – cannot reach an agreement with Israel. Hamas is willing to accept the PLO and Abu Mazen as negotiators in its place. Hamas would be willing to agree to the results, because they will be put to a referendum and will have to receive a majority of the popular vote. This kind of approach will enable Hamas to move ahead despite its religious and ideological difficulties.
11. It needs to be understood that the establishment of a demilitarized Palestinian state within the 1967 borders with East Jerusalem as its capital is a strategic rather than tactical goal, and is binding upon all the organizations after the agreement has been confirmed by a popular referendum.
12. The opposition of Israel and the world nations to the reconciliation agreement between the PLO and Hamas must be removed.
13. The exclusive security authority in the territory of the PNA will be exercised by the PNA's security forces and by no other organization or entity.

The difficulties in reaching understandings between the PLO and Hamas

1. Distrust between Hamas, Abu Mazen and the other member organizations of the PLO continues. Hamas fears that Abu Mazen wants to remove it from the Palestinian political playing field through the holding of elections in the PNA. Hamas also fears acts of revenge by Fatah members. It is concerned by Abu Mazen's behavior on the political level because he is unwilling to share the decision-making process with anyone else. Hamas seeks to become a full and senior partner in the making of all decisions within the PLO and the PNA. These concerns cannot be ignored and a suitable solution to them must be found.
2. Israel opposes the reconciliation between the PLO and Hamas and is taking steps to perpetuate the rift.
3. The Americans oppose reconciliation between the PLO and Hamas except under specific conditions, i.e. that Hamas recognize the decisions of the International Quartet (something that was not demanded of Hamas when it took part in the 2006 elections).
4. Some countries in the region oppose a reconciliation between the PLO and Hamas; some of them support the PLO and a smaller part support Hamas.
5. Hamas's continued security control over the Gaza Strip.
6. The continued arming of the Izz ad-Din al-Qassam Brigades and Hamas's ability to maintain its military power.
7. The problem of the salaries of government employees who began to work for Hamas civilian and military institutions in Gaza eight years ago. They number almost 40,000.
8. Hamas has retained control of the crossings from the Gaza Strip into Israel and Egypt and refuses to hand it over to the PNA.
4. The leadership must build mutual trust so that the atmosphere of reconciliation filters down to all the entities that belong to each side.
5. The siege on Gaza must be lifted and an end put to the policy of hindering the movement of people and merchandise by Israel and Egypt (in consideration of the security demands of the sides).
6. Abu Mazen must prove to Hamas that he is willing to accept Hamas as a full partner in all moves.
7. Hamas must prove that it is a prudent and reasonable actor that will do whatever is needed for the sake of the Palestinian national interest and will not pose an obstacle to the political steps needed to resolve the conflict and benefit the Palestinian people. In addition, Hamas must prove its commitment to democracy in accordance with the Palestinian Constitution.
8. The Palestinian government must be allowed to govern in all the civil and security areas, including the crossings into the Gaza Strip.
9. A Palestinian government committed to the agreements that have been signed must be formed and the world must support it both politically and economically.
10. This should be followed by the launching of talks between the Palestinians and Israelis under an international umbrella and with the participation of the countries of the region in order to resolve the conflict.

How can the difficulties be overcome?

1. All Israeli, Arab or world opposition to reconciliation between the PLO and Hamas must be removed. Steps towards reconciliation between the sides should be supported and encouraged. Reconciliation will benefit the Palestinians, the Israelis and the whole world.
2. A dialogue between the Palestinian organizations should be launched under an Arab umbrella to discuss and resolve all the issues still under dispute.
3. Trust-building steps must be taken between the PLO and Hamas. This should include releasing prisoners on both sides, halting all further arrests, halting incitement in the media of both sides, providing freedom of action to the civic organizations belonging to both sides.

Conclusion

The dispute between Fatah and Hamas of the past 30 years has caused incalculable damage to the Palestinian struggle and harmed the ability to advance towards realization of the Palestinian national vision. There are no magic formulas to resolve the dispute. For years, attempts have been made in many places to bridge the gaps between the sides, but to no avail. Each side in the dispute has interests of its own that it is unwilling to concede, interests that do not necessarily benefit the Palestinian people, but instead perpetuate the rift, making it even more difficult to come up with solutions in the future. The lack of trust between the leaderships adversely impacts any chances of reaching an agreement.

The longer the rift and dispute continue, the more difficult it will be to reach a reconciliation and unity between the territories. Should the rift continue over time, it may completely sabotage any chance of establishing an independent Palestinian entity. The continuation of the rift worsens the living conditions of all Palestinians, especially in the Gaza Strip, and will prevent the reaching of a political settlement that will lead to the two-state solution and the establishment of an independent Palestinian state, because Israel and the countries of world cannot agree to a solution that does not include Gaza and the West Bank as a single political unit. Furthermore, the rift serves the interests of



those on the Israeli side who do not wish to see a resolution to the Israeli-Palestinian conflict.

The Palestinian people lack strong, trustworthy and serious leadership that will be guided exclusively by the supreme Palestinian interest – the right of the Palestinian people to self-determination in a sovereign state. The democratic culture that espouses the participation of all the factions in order to reach shared understandings, in light of which

it will be possible to move ahead, is not expressed in the behavior of the leaderships of the PLO and Hamas. The Palestinian people for the most part wish to see the internal rift healed, but the existing Palestinian reality makes it impossible for the people to fulfill that desire democratically. The leaders of both sides must take this challenge upon themselves for the sake of the unity of the people; if they don't, it is their responsibility for how they appear in the pages of Palestinian history.

Israel and the Gaza Strip – Time to Cut the Gordian Knot

— An anonymous expert on Israel's economic-infrastructure issues with its neighbors —

General comments

We have recently been hearing about secret back-channel talks between Israel and Hamas aimed at achieving a five or ten-year hudna, or truce, with the overall package to include massive rebuilding of the Gaza Strip and construction of a floating seaport opposite its coastline. Where Gaza is concerned, all the proposals appear to be limited to a short-term range of up to five years, and are based on specific steps, without making them part of a comprehensive integrative vision to create a long-term solution to the conflict.

In this paper, I will present a different approach to the subject, one that is established upon a long-term vision and outline of a solution that can once and for all comprehensively terminate Gaza's total dependence on Israel along with Israel's responsibility for what is happening there.

Background

The Gaza Strip has remained an unresolved enigma for the State of Israel for many decades, and the countless efforts aimed at cooperation and collaboration have failed, or in the best case, lasted but a short time. In the years since Israel's disengagement from Gaza in 2005, the Gaza Strip has become a source of incitement of hatred for Israel, ruling out any possibility of cooperation or a peace agreement with it. This opposition is of course led by Hamas, which should be considered a relatively moderate organization in Gaza, compared to the array of radical organizations also operating in it.

At its height, this hostility led to Operation Protective Edge in 2014, preceded by Pillar of Defense in 2012 and Cast Lead in 2009. These operations always resulted in the same destruction and loss of human life, leading to further encouragement of the arming of Gaza, with an emphasis on long-range rockets and the capability to manufacture arms and munitions on its own. After each of the confrontations noted here, as in an ongoing requiem, the belligerent approach gained further momentum. This is expressed in repeated rounds of hostile events between Israel and the Gaza Strip, with the temporary halt in hostilities always serving as the basis for the next confrontation. The Palestinians rearmed and hoped for better outcomes, as it stepped up the intensity of its attacks on Israel from one operation to the next.

In the Gaza Strip, perhaps also in the West Bank, recognition of the need to employ violence against Israel has gained strength, leading to further resolve to arm with rockets of all kinds, improve the effectiveness of the tunnel system and

the continued policy of the *muqawama* – resistance. This is because the prevalent conclusion is that this is the best and most effective way to advance their goals and make gains in the struggle against Israel.

The international community, which in the previous confrontations stood at Israel's side up to a point, is no longer willing to do so. This was first seen in support for the Goldstone Report, which condemned Israel for its actions in Gaza as it expressed tolerance for the brutality exhibited by Hamas towards both its own people and the inhabitants of Israel's south. It could also be seen in the increase of support for boycotts of Israel among world opinion as Israel does its best to explain its perspective on the conflict, making an effort to minimize the damage, although with little success.

Further in the same context, it is important to note a number of additional influential factors: **Egypt**, which with its new leadership has become a very strong and influential factor, creates a new and significant constraint for Israel in any future activity involving the Gaza Strip. The **events of the Marmara**, which caused a sharp deterioration in Israel's relations with Turkey – without any prospect for improvement in sight – showed the international community how Israel can be forced to change its approach to Gaza. We are seeing an **increase of official state visits to the Gaza Strip** and meetings of state leaders (Egypt, Qatar, Tunisia and Turkey) with Hamas, which is gaining increasing legitimacy in the eyes of the international community.

The two terms *occupation* and *siege* have become a major stumbling block for all Israel's efforts at public diplomacy around the world (at home too), in Western world opinion, which is increasing its support for the inhabitants of the Gaza Strip, and even worse, for Hamas, which until now had always been considered a pariah terrorist organization.

Insights

In light of the situation as described here and of the fact that that the clock appears to be ticking until the next operation/war in Gaza, **it may be assumed that in the absence of an Israeli initiative, the next clash is just a matter of time.** It should be further noted that it is clear that in any future clash coming after a further period of deadlock or minor steps on Israel's part, Israel's legitimacy, which is on the decline throughout the world, will be further eroded. **Israel's hands will continue to be tied to the extent of danger of an operational failure.**

From all of the above, it is our view that the main insight to be drawn from this is that Israel must **"create" a comprehensive**



initiative that will completely alter the situation, completely undermine Hamas's legitimacy and put an end to the cycle of hostility and violence between Israel and the Gaza Strip.

This insight is a challenge that requires an immediate action plan to contend with the roots of the cycle of hostility and provide different solutions in the following areas:

- **To end the Israeli “occupation”** of the Gaza Strip in international terms.
- **To remove the term “siege”** from the international lexicon.
- **To bring international Western and Arab parties** into the circle of those who will “take responsibility” for the Gaza Strip.
- **To bring Egypt into the commitment** to maintain quiet in Gaza and halt the flow of arms via Egypt into the Gaza Strip.
- **To give the Palestinian Authority tools** to survive the period in the face of its people's unrest.

The initiative

Seemingly, this concept does not involve any new motifs, and it must be examined legally and in other ways. Nevertheless, it has not been presented so far as a single unit of action and as a critical mass of steps that have the capacity to change the current state of affairs.

The plan is made up of six basic building blocks:

1. **A port** – The construction of a floating seaport opposite the Gaza coastline would open up the sea and the world to Gaza, with merchandise from all over the world reaching it. Following inspection, the cargo would be transported by ferry to the coast and moved back to back from ships.
2. **Water and electricity infrastructures** – A period of 5-10 years would be defined, in cooperation with the international community, to free Israel of its commitment to supply water and electricity to the Gaza Strip, while building a program for Gaza to supply itself with desalinated water and electricity that it generates on its own or comes from Egypt.
3. **A gas pipeline from Israel to the northern Gaza Strip** – The energy connection to the Gaza Strip is a basic tool that must be given to the international community, primarily in order to resolve Gaza's water and electricity issues, but also to promote industry and the development of internal employment sources.
4. **Opening the Rafah crossing** – There must be an agreement with Egypt and the international community to keep the Rafah and Kerem Shalom crossings open continually, with the tunnels permanently closed, as part of an overall package.
5. **Fishing rights** – A fishing strip is to be defined along part of the Gaza coastline to enable fishing up to a depth

of 20 miles in order to develop Gaza's marine economy and increase its self-sufficiency.

6. **Development of gas fields** – Permission should immediately be given to British Gas (BG Group) to develop the Gaza Marine gas field opposite Gaza's coastline, in full coordination with the Palestinian Authority, which will subsequently receive income from the Israel Electric Corporation and/or be able to market the gas in Jordan via the Israeli pipeline infrastructure to make the development cost effective.

The concept vs. the challenge

Before exploring how this idea meets the challenges described above, I will note that part if not all of the ideas expressed in this paper are consistent with the approaches of foreign countries that are not identified as supporters of Hamas in the Gaza Strip, but which execute numerous infrastructural projects there. This includes the Americans (as can be seen from talks with embassy officials and the activities of USAID), who of course do not support the Hamas government in the Gaza Strip, but at the same time provide financial support for numerous humanitarian and economic projects and the development of the Rafah and Kerem Shalom crossings, while distinguishing between the government and Hamas, which they do not recognize.

I will further note that the concept of supporting the population of the Gaza Strip without recognizing the Hamas government is a cornerstone of the talks with the Quartet, with whom we meet regularly as an inseparable part of their demands. An example of this is the idea of widening the fishing area according to the format presented here, as well as the development of the Gaza Marine gas field in the area.

The European Union invests in the Gaza Strip directly and indirectly in projects in a variety of areas, via aid organizations. Holland, with the full support of the EU, has invested in streamlining trade to Gaza by donating an X-ray scanner to screen merchandise at the Kerem Shalom crossing, based on a philosophy that favors the support of the economy without any commitment to the Hamas government.

Following this description of the core of the concept, it remains to see how the “building blocks” proposed can meet the challenge.

The **“Israeli occupation”** as defined by the international community does not emanate from Israel's physical presence in the Gaza Strip, since the Gaza boundary fence is accepted by the world as the 1967 or permanent border. In light of this, the occupation stems from the existence in Gaza of an entity that cannot freely move merchandise and people in the world, except under the full control of Israel (currently via the Kerem Shalom crossing). This issue will be addressed by the construction of the floating seaport proposed in the plan, even if only partially. **The keys to its success are security checks carried out in the port and international**

involvement in implementing the checks, with in-depth Israeli involvement.

The “siege” of the Gaza Strip, as defined by part of the international community and which is so oppressive to Israel, could end unconditionally with the implementation of the immediate opening of the Rafah and Kerem Shalom crossings and the seaport. Nevertheless, **success in this area is dependent on the legitimacy given to the prohibition on the entry of arms and an arms industry. All the partners to the plan must be in agreement on this point.**

International involvement and the entry of the West, Egypt and perhaps countries such as Turkey into the circle are possible and necessary to the plan. The seaport and security checks in it, the mutual agreement to open the crossings with Egypt and the development of the gas field represent the basis for international involvement in the package.

Another subject involves finding a solution to part of the burden of raising international donations, in favor of developing the Palestinian economy and support for the Palestinian Authority with the additional income generated from the development of the gas field. **Here the success is dependent on the depth of the international commitment and the specification of sanctions to be imposed by the world (not Israel) on Gaza in case it violates any of the plan’s building blocks.**

Egypt’s involvement in and commitment to the solution is critical to the plan’s success. We saw the importance of Egypt’s involvement with the culmination of each of the rounds of hostilities, as well as during them. Egypt needs to commit to a mutual opening of the Rafah and Kerem Shalom crossings and to put an end to the tunnel activity from its territory. **Success in this area is dependent on the trust that Israel develops with Egypt and the international community to prevent placing the responsibility for this “hot potato” only in Egypt’s lap.**

With the gas program, the Palestinian Authority could become the “big winner” by increasing its income from gas that would be supplied from the Gaza Marine gas field and as an equal partner to the international plan. The Palestinian Authority could receive standing as the “guardian” of the “unruly child” in Gaza together with the countries involved in the comprehensive package. **Success in this area is dependent on the depth of the Palestinian Authority’s repudiation of Hamas in Gaza and the launching of negotiations with Israel.**

A less favorable option, in the absence of the cooperation of the Palestinian Authority, would be to build the package

without the involvement of the Palestinian Authority. But this would require indirect or direct dialogue between Israel and/or the international community, on the one hand, and Hamas, on the other, leaving the Palestinian Authority out of the game.

To sum up, under the current policy, the economic situation in the Gaza Strip can be expected to significantly deteriorate in the coming years. At the same time, we can expect a shortage of safe water due to the salinization of the groundwater and acute shortage of electricity. This will obstruct development and cause further deterioration of the standard of living in the Gaza Strip. The shortage of energy will prevent desalination of water, treatment of polluted water and the generation of internal sources of electricity, leading to further dependence on Israel in all areas, especially this one.

The rehabilitation of the Gaza Strip that is hindered and carried out under severe restrictions will only accelerate the process of despair and privation, bringing intolerable pressure to bear on Israel, which will be forced to increase its involvement and provide additional aid, a situation that is diametrically opposed to Israel’s interests.

This document outlines a concept that is based on six main “building blocks,” which can be added to or subtracted from. However, in order to bring about the necessary changes in the Gaza Strip, the principle of the full package of steps must be maintained to create a critical mass, along with the involvement of a number of states. Israel must be the one to promote this move in order to prevent an international initiative or unilateral action taken by outside parties that will force Israel to take the position of “responder.” Israel must prevent the continued deadlock with the Gaza Strip, and unrelated to whatever political agreement may be reached with the Palestinian Authority or advances in negotiations with it, it must advance negotiations to end the cycle and stop the ticking clock before time relentlessly runs out and Israel faces yet another confrontation with Gaza.

Partial solutions that address only some of the components of life in Gaza will leave Israel in the status of “occupier” and “besieger,” and in time collapse. Furthermore, this will be interpreted as making “accommodations” or providing benefits without receiving anything in return, thereby strengthening Hamas on its path to its next round of hostilities against Israel. The main fear is that in the next confrontation, Egyptian and Turkish involvement could prove to be problematic to the point of activity on the ground, and this is at a time when Israel’s legitimacy in world opinion is continually deteriorating and political support for Israel is breaking down.



How to Develop Gaza's Economy

Ephraim Sneh

Four entities view the continuation of the Hamas regime in Gaza as a threat or a problem that must be eliminated: Egypt, Israel, the Palestinian Authority and the inhabitants of Gaza. For Egypt, Hamas is an inseparable part of the Muslim Brotherhood movement, the Egyptian's regime's most implacable enemy. Egypt cannot forgive the operational aid that Hamas in Gaza extended and continues to extend to the Muslim Brotherhood and is unwilling to accept a territory controlled by the Muslim Brotherhood on its border.

The existence of an active terror base— maintained and supported by Iran – just one kilometer from Sderot and five kilometers from Ashkelon sharply conflicts with Israel's security interests. Sporadic rocket fire from Gaza to Israel, even if no one is hurt, causes hundreds of thousands of Israelis to live in a constant state of anxiety. No sovereign state should have to accept such a situation. The fact that Israeli governments have decided to accept a Hamas regime in Gaza next door is clearly at odds with our national interest. This acquiescence is the result of political interests, mainly the desire to weaken the Palestinian leadership in Ramallah, to split Gaza from the West Bank and the political-electoral fear of the impact of a wide-scale military campaign in Gaza.

For the Palestinian Authority, the Hamas government in Gaza poses a constant challenge to the legitimacy of its government and to its position as the representative of all the Palestinians in the territories, further weakening its authority.

The inhabitants of Gaza have learned firsthand that Hamas rule in Gaza dooms them to a life of hardship, suffering and fear. It is impossible to rule in Gaza under the ideological banner of Muqawama (resistance) and at the same time maintain a normal lifestyle, to say nothing of economic development. Resistance means to take military action against Israel, following shorter or longer intervals, usually shorter, with Israel eventually responding in full force. This response has destructive repercussions for Gaza. The people of Gaza no longer want the Hamas regime to rule, and it forces its brutal authority on them, cruelly putting down any sign of opposition.

Only cooperative action on the part of Egypt, Israel, the Palestinian Authority and the people of Gaza can put an end to Hamas rule in Gaza. This will not happen in the near future. Israel ultimately prefers Hamas rule, the Palestinian Authority is afraid of coordinating this type of action with Israel, even if Israel were interested in it. And, as noted, the people of Gaza are afraid, and quite rightly so as far as they are concerned.

These circumstances will not necessarily exist forever. A situation may come about in the future making coordination

of this kind possible. But until then, political and military action without a solid economic dimension are not enough.

It is clear to the people of Gaza that already today, under Hamas rule, they have no chance of improving their lives. However, it should also be clear to them that a change in government will bring them prosperity on the personal and family level.

Based on this perspective, in 2006, we – Samer Khoury (among the most outstanding Palestinian businesspeople and owner of the huge Consolidated Contractors Company [CCC]) and I sketched out a plan for the economic development of Gaza. The main thrust of the plan involves private companies from the region and beyond. These are its main components:

Transportation

1. The construction of a highway from the Erez Crossing to the Rafah Crossing.
2. The rebuilding and operation of the Dahaniya airport.
3. The construction and operation of a deep-water port.
4. The construction of sections of a railroad to connect the Gaza Strip to the Israeli railroad network. This connection will also create a land transportation passage between the Gaza Strip and the West Bank.

This involves a section six kilometers long from the Erez Crossing to the Ashkelon area, making it possible to convey cargo to and from the Ashdod port.

A further railroad connection will be built from the Erez Crossing to Kiryat Gat, and from it to Tarqumiyah, and from Kfar Saba to Qalqilya, based on the old Lod-Hadera railroad line.

Energy

1. The construction of a gas pipeline to supply natural gas to the Palestinian power station in Gaza.
2. The gas can come from the natural gas reservoir opposite the Gaza coast to the Ashkelon facility and from it to Gaza, or directly from the marine reservoir to the power station.
3. The development of the Gaza Marine gas field is crucial for any plan to develop the Gaza Strip.
4. To expand the production capacity of the PEC power station in Gaza by another 560 MWh.



Tourism

1. To develop the Gaza beach for recreation and tourism.
2. To build hotels along the beach.

Water

The construction of a desalination facility in the northern Gaza Strip with the capacity to produce 100 million cubic meters annually.

Industry

Gaza has skilled and productive manpower. The industrial area that was destroyed can be rebuilt, along with new industrial parks. Appropriate industries involve the assembly of products for export.

Agriculture

Given the anticipated change in the water economy in the Gaza Strip, it will become possible to expand the hothouse areas, especially to grow strawberries and flowers for export.

Housing and construction

With the change in the security reality, it will be possible to renew the construction of residential high rises, of course subject to a political change that leads to calm. Even if only the projects noted here are executed, tens of thousands of new jobs will be created, the income level will rise and the inhabitants of the Gaza Strip will be assured a life of prosperity and dignity.

The slogan “The Dubai of the Mediterranean” could become a reality.

Developing a Coherent Strategy for Gaza

Yair Hirschfeld

Introduction

Hamas' control over the Gaza Strip has been creating a severe challenge to stability and to the progress of the peace process in the region. Between 2007 (when Hamas took control of Gaza) and 2010, the US, Israel, Egypt and the Palestinian Authority (PA) coordinated the enforcement of a siege on Gaza aimed at delegitimizing and isolating the Hamas ruling elite in Gaza. However, this policy has failed.

A revision of this policy already started at the beginning of 2010, several months before the flotilla incident, and a more substantial change of policy has occurred since August 2014, after the end of "Operation Protective Edge". Currently, Egypt has closed Gaza almost completely, and the PA (Palestinian Authority) is reluctant to take responsibilities for the strip. However the Israeli security authorities and the UN organizations active in Gaza have promoted a policy aimed at stabilizing the situation there and preventing another military confrontation, if at all possible.

Still, the basic problems regarding Gaza have by no means been solved and both the military wing of Hamas and the IDF are preparing themselves for another military engagement. The PA, Egypt, Saudi Arabia and Jordan are still extremely suspicious of Hamas' intentions, and the international community at large has been hesitant to offer necessary political, financial and operational support. In fact, although the international community pledged to donate over \$5 billion at the Cairo Conference of October 2014, hardly \$500,000.000 has been actually raised and committed. The good news is that, under present conditions, none of the main actors, the Government of Israel, the Hamas leadership, nor external actors are interested in a new conflagration, and a practical non-official dialogue between the Israeli Government and Hamas has been unfolding. Nevertheless, the situation is extremely volatile. Both Israel and Hamas act on the assumption that another military round is a foregone conclusion, and yet both sides are determined to postpone this return to violence.

In short, the aim of this paper is two-fold: to develop a comprehensive strategy regarding Gaza, while simultaneously seeking ways and means to stabilize the situation in the immediate future.

A Proposed Conceptual Approach

In developing a coherent strategy, I have largely drawn on research and theoretical work carried out in Germany, Switzerland, Great Britain and the USA. Some of these studies are of a purely theoretical nature, while others

draw their conclusions from events and developments in Afghanistan, Pakistan, Sri Lanka, Nepal, Iraq and elsewhere.¹ The conclusion drawn from experience elsewhere has indicated the need to pursue a five-pronged strategic approach:

1. **Long-term peace trajectory** – The Anti-Spoiler Strategy has to provide for "Systematic Conflict Transformation"; i.e. a long-term peace trajectory, understanding that no quick fixes or quick impact projects are truly effective.²
2. **Keep the overall context in mind**, steadily widen the support for the chosen long-term peace trajectory, and particularly aim at including neighboring countries.
3. **Develop a three-fold stability building approach:**
 - **Seek security by enhanced deterrence;**
 - **Encourage social and economic development against radicalization;**
 - **Seek to promote governmental legitimacy and institution building.**In this context, it is crucial to confront the activities of spoilers, both by soft and hard power, and to prevent misunderstandings by creating effective channels for delivering messages and open opportunities for a controlled dialogue.
4. **Deliver humanitarian support for trust and confidence-building.** Engagement on humanitarian issues can create opportunities for trust and confidence building and help to overcome prevailing blockages.
5. **Support moderate parties within Gaza** – Isolating and opposing spoilers, both socially and politically, can be achieved by supporting moderate players. Furthermore, disseminating democratic values through public service delivery such as the education system will ultimately promote an atmosphere of moderation.

I. Long-Term Peace Trajectory: Keep The Two State Solution Alive

After the repeated failure of Israeli-Palestinian Permanent Status negotiations aimed at solving all outstanding core issues of conflict (Jerusalem refugees, borders, settlements,

1 S. J. Stedman, 'Spoiler Problems in Peace Processes' in *International Security*, Vol. 22, No. 2 (1997); And also in: Wendy Pearlman, *Spoiling Inside and Out, Internal Political Contestation and the Middle East Peace Process*.

Natascha Zupan, Günter Schönegg, "Dealing with Spoilers in Peace Processes", *Dokumentation FriEnt/DIE-Workshop*, 2006.

2 *Ibid*, pp. 6, 7, 12 and 16.



security, the nature of the two state solution, finality of claims and end of conflict), it seems highly unlikely that a "quick fix" is achievable. Rather, it is essential to maintain the basic understandings necessary to reach a peaceful Israeli-Palestinian two state solution in an ongoing process of conflict transformation. The following eight components are essential to achieve such an end:

- Maintain the commitment made by Israel and the PLO that "the West Bank and the Gaza Strip are a single territorial unit, whose integrity should be preserved". To the extent possible, efforts should be made to preserve that integrity through encouraging PA control within Gaza, a policy aim, which is presently blocked, due to the weakness of the PA and the determination of Hamas to maintain exclusive political control in Gaza, while being willing to offer civilian tasks to the PA.
- Develop an understanding between Israel, the PA and the Arab states to better understand how to renew peace negotiations on the basis of the Arab Peace Initiative. Such an understanding has been reached on track two between the activists of a group called "the Israeli Peace Initiative" and representatives of the Palestinian Revolutionary Council. However, at the time of writing the suggested understanding has not been adopted either by the Israeli Government or the PA.
- Pursue a comprehensive state-building effort on the West Bank that includes both permitting the PA to expand its administrative, security and economic activities and powers into area C, and then limiting Israeli settlement expansion, while ultimately preparing the ground for eventual settlement relocation.
- Intensify the dialogue with the religious Jewish and Islamic leadership and with this leadership develop the necessary concepts and language for an all-inclusive peace building process. Track two methods have also proven effective in this context and need to be intensified, in order to provide the necessary religious and societal legitimacy for peace-making.
- Encourage stability-building in Gaza by encouraging ease of access, movement, and economic development. In addition, simultaneously upgrading the supply of electricity, water, sewage and the road system, enhance health providers and the educational system.
- Once substantial headway has been achieved towards a two state solution, encourage reconciliation between Hamas and Fatah in such a way that supports an ethos of state-building and good neighborly relations with all neighbors of Palestine rather than an ethos of "resistance" and violence.
- Oppose a policy of providing international legitimacy to Hamas, while maintaining an ongoing dialogue in order to prevent a renewal of violence. Recognizing the Hamas regime over Gaza would seriously impede the intended unification of both geographical parts of Palestine. And even worse, it could undermine the legitimacy of the

moderate Palestinian leadership and pave the way for Hamas control over the West Bank.

- No military conquest of Gaza should be envisaged. Egypt, Fatah, nor a wider coalition of Arab forces should intend to take Gaza by force. Even though Israel has the power to do so, it would only escalate the vicious circle of violence and sew further radicalism. Furthermore, the Palestinian Authority should not, as a result of an Israeli military victory, consider a military takeover of Gaza.

II. Keeping the Overall Context in Mind: Obtaining the Support of the Neighboring States for the Proposed Strategy

Recent developments in the Middle East have created two major threats against Israel, the Palestinian Authority, Egypt, Jordan, Saudi Arabia, and other Arab states even including Qatar and Turkey. The first of these are the Iranian regional hegemonic aspirations directed in the North via Iraq and Syria toward Lebanon, and in the South toward Yemen and the Red Sea, which threaten the most essential strategic interests of a wide coalition of Arab Sunni states and Israel. In addition, the extreme violence and murderous attacks of radical Sunni Islamic elements led by the Islamic State, the al-Nusra Front, and al-Qaeda are no less threatening.

The eight components of the proposed long-term peace trajectory have been informally tested with Israeli, Palestinian, Egyptian, Jordanian, Saudi and Turkish interlocutors and can, if accepted, form an important basis for ongoing action. Various actors have already started to take initial steps, although no hereto related comprehensive strategic understanding has yet been reached. Serious obstacles still will have to be overcome in order to achieve this aim. Keeping the overall regional context in mind, the following six action items should be implemented.

1. The Israeli security authorities have engaged in a comprehensive stabilizing program for Gaza and have obtained substantial support for this purpose, particularly from Qatar. Initial opposition from Egypt has been overcome due to the Israeli willingness to open up access and movement from Israel to Gaza, while Egypt maintains close control over entries and exits via the Rafah Crossing and exploits this as an important lever for overseeing Hamas action.
2. Whereas Egyptian-Hamas enmity is still prevalent, a gradual improvement of relations has created basic unwritten understandings. Hamas' current ongoing action to curb Salafite activities in Gaza is in a way supportive of Egypt's struggle against extremist groups in Sinai. Similarly, Hamas' action, taken at the time of writing, to prevent violent acts against Israel, is also being appreciated in Cairo. Any change of these policies would definitely lead to a renewed deterioration in the Egypt-Hamas relationship.

3. Due to the mediation by U.S. Secretary of State Kerry, an Israeli-Jordanian understanding regarding the Holy Places in Jerusalem has been achieved. At the time, this was an important step for stabilization and trust-building, which unfortunately has not been sustained. Accordingly, external and internal threats to Jordan are still paramount. The Jordanian border to Iraq and Syria has been closed to traffic and trade, and the overwhelming costs of integrating over 1,500,000 Syrian refugees are putting a further burden on Jordanian stability. Furthermore, if Jordan is destabilized, any pacification of Gaza will become impossible. Hence, a comprehensive U.S., European, and regional effort is necessary to strengthen the security and the economic and social viability of Jordan.
4. The recent elections in Turkey create an important opportunity for an improved coordination of regional stability building. To this end, it is essential to convince the incoming Turkish government to stop financial and military assistance to Islamic State and the Nusra Front, and to cease purchasing oil from them. Islamic State and the Nusra Front have become a threat not only to the territories that they currently occupy, but also to Turkey proper. Following the necessary change of Turkish policies, Turkish economic investment and involvement, particularly in Jordan and Palestine in coordination with Israel, would become an important stability-building element for the entire region. First cautious steps to improve relations between Turkey and Israel have most recently been taken.
5. Saudi Arabia's fear of Iranian regional hegemonic aspirations has created an important impetus in Riyadh to coordinate policies with Egypt and Jordan, as well as with Israel and to assist in stabilizing the situation in Gaza. It appears that, on the operational level, policy coordination between the major stakeholders is progressing, although no such coordination has yet been achieved on the strategic level. Our working assumption is that a possible government reshuffle in Israel, allowing the Israeli Labor Party to join the coalition, based on the acceptance of a track-two Seven Point Understanding in regard to the Arab Peace Initiative, would present important opportunities for wider regional strategic cooperation.
6. The destabilization of Syria and Lebanon will have to be contained and humanitarian suffering minimized, to whatever extent possible. In this context, it is essential to create a wide regional and international coalition to deter and contain Islamic State and the Nusra Front, and to rebuild local regimes of stability in a largely divided Syria and Lebanon.

III. Develop a Three-Fold Stability-Building Approach

In order to stabilize the ceasefire, I suggest three complementary policy devices against spoiler activities, none of which can stand alone:

1. A combined approach of creating security by means of deterrence;
2. Promotion of social and economic development to minimize radicalization and create governmental legitimacy;
3. A process of institution building capable of offering basic services to its citizens.³

I. The Controlled Use of "Hard Power" through Immediate Military Response as a Device for Stability-Building Dialogue

The basic concept of "muqawamma" (resistance), exercised by Hamas, is to utilize low-intensity violent action to provoke violent response. If no Israeli response is provided, violent acts are escalated, which themselves provoke a violent response. In order to prevent Hamas (as well as more radical groups) from escalating violence, a proportionate Israeli military response is required.

Under present conditions, messages and actions from Egypt and Israel to Hamas have created some temporary deterrence. The Egyptian leadership under President al-Sisi has made it clear that Egypt will not tolerate Hamas military action, whether in Sinai or against Israel. Former Hamas tactics of "hitting the mother-in-law, in order to discipline the wife", i.e. starting violence against Israel, in order to force Egypt to support Hamas policy aims, will no longer work. Egypt has made it clear to Hamas that, if this should happen, Cairo will take strong punitive action against Hamas. In addition, the Egyptians closed several thousand tunnels in the interest of a comprehensive effort to prevent arms smuggling into Gaza or from Gaza to Egypt. At the present moment, the moderate and proportionate use of violence as a means of deterrence has created a positive result: an unwritten understanding has emerged between Israel and Hamas to take effective action against other radical groups. Recently Salafist groups have launched rockets at Israeli civilian targets, and Israel's response has been proportionate and evidently seconded by Hamas. Hamas interlocutors have informed Israeli sources that, within less than ten minutes after the rocket launching, Hamas was taking active measures against the Salafist perpetrators. Although this is a positive sign for Israel, the relationship between Israel and Hamas remains an extremely volatile arrangement that all too easily can lead to a renewed conflagration.

For the immediate future, the current policy of deterrence appears to be effective, although highly problematic for four different reasons: (1) Hamas' ideology views Israel, and the Jewish people at large, as the definitive enemy. Accordingly, the conceptual determination to put an end to Zionist presence in Palestine has not been replaced by a more pragmatic strategic approach. (2) The military wing

³ Compare with British Ministry of Defense Development, Concepts and Doctrine Centre: Joint Doctrine Publication 3-40 Security and Stabilisation: The Military Contribution; London "The UK Approach to Stabilisation pp. 24-32.



of Hamas perceives its military power and its capability to threaten Israel as the main insurance policy for its own survival, and the survival of Hamas at large. As such, every effort must be undertaken to prepare for the next military round and prevent Hamas' return to military action. (3) More radical groups, particularly the various Salafist and Jihadist movements, are determined to demonstrate their power by unleashing a new round of military confrontation and challenge any more moderate positions of Hamas. (4) Various regional developments (such as the Iranian and Hezbollah support to the military wing of Hamas and the various jihadist movements or the success of Sunni radical forces in the Sinai Peninsula) can at any moment cause a renewed conflagration.

Effective military deterrence does not contradict, but rather prepares the way to define "rules of engagement", as well as to seek a stability-building dialogue. As a matter of fact, for several years Hamas has suggested to Israel a time-limited ceasefire. As a "stand alone" concept, such an understanding would aim to undermine most essential strategic interests of the Palestinian Authority, of Egypt and also of Israel. A long-term ceasefire will only be sustainable if four conditions of deterrence are met:

- The smuggling of arms and material necessary for arms production will be effectively stopped.
- The internal military build-up will be limited, and a gradual process of arms control will be introduced.
- A wide and coordinated regional coalition necessary to contain Hamas' and jihadist militancy must be established.
- Lastly, the international community will recognize Israel's right to defend itself against Hamas attacks directed at Israel's civilians, and will take action against Hamas' war crimes, including their tendency to hide military installations and rocket launchers behind their own civilian population.

II. Promote Social and Economic Development

During and following cease-fire negotiations aimed at ending "Operation Protective Edge," the political leadership of Hamas demanded Israeli agreement for the promotion of social and economic development for Gaza. As a matter of fact, on the face of it, there was no contrast of interest on this issue between Hamas and the Israeli leadership. In meetings that Israel's prime minister held with senior EU officials, he spoke of the need to develop a 10 years Development Plan for Gaza with a potential investment of US \$2 billion per year. However, in substance, the gap between the two positions was substantial. Hamas was asking for support for social and economic development, including opening Gaza up to the world via sea and air routes, while insisting on a simultaneous build-up of Hamas' military capacities while demanding from Israel an obligation not to attack under whatever circumstances. In contrast, the Israeli position equated support for social and economic development

with a Hamas obligation to engage in an internationally monitored program of DDR (demilitarization, disarmament and reintegration of the Hamas military forces in the security structure of the PA). The Israeli demand was theoretically supported by the PA, who demanded Hamas' acceptance of the concept of "one authority, one law, one gun."

To overcome the deadlock, the UN Peace Envoy to the Middle East, Robert Serry, negotiated with both sides, and the "Serry Mechanism" came to be. It is a largely computerized control system, aimed at overseeing the import of cement and other building material to Gaza, and with the hope of preventing Hamas from using this material for rebuilding tunnels and developing other military capacities. However, even though the Serry mechanism was moderately successful, it did not provide the necessary impetus to enable the inhabitants of Gaza to feel any positive change.

Led by the incoming chief of staff Lieutenant-General Gadi Eisenkot and the head of COGAT (Coordinator of Government Affairs in the Administered Territories) Major-General Yoav Mordechai, the Israeli security authorities understood that if no substantial improvement of living conditions for the Gaza people could occur, the incentive for Hamas to provoke another military round would continue to rise. Accordingly, a comprehensive plan for encouraging social and economic development for Gaza was being designed, which included the following activities:

- Easing access and movement to and from Gaza by expanding the infrastructure facilities and traffic at the Kerem Shalom crossing point. In contrast to the period directly after "Operation Protective Edge" when forty trucks would deliver daily goods to Gaza, currently over 700 trucks daily pass through the Kerem Shalom crossing, and further extension is being planned and prepared.
- Permits for entering Israel from Gaza should and have been substantially eased, and the Erez Crossing has been prepared for the movement of people in both directions.
- Major steps for the provision of electricity to the entire Gaza Strip are being taken, in order to provide for the short-term supply of 100 Megawatt, and planning for the construction of a 640 Megawatt capacity. All of this is in cooperation with the Palestinian concession-holder, the CCC company, which is owned by the Khoury family.
- Major steps for the provision of water are being planned. For immediate needs the Israeli water company Mekorot is being asked to increase substantially the provision of water resources to Gaza. For the medium or long range, other projects are being tested and promoted. A workable long-term solution would be the construction of a sea-water desalination plant.
- Since "Operation Protective Edge," over 1,000,000 tons of cement have been imported via Israel to the Gaza Strip, and have enabled 19,000 families to rebuild their homes, as long as they did not decide to sell the cement on the black market, which can provide the necessary cash for survival.

- On 6 November 2014, Israel allowed Gaza exports to the West Bank for the first time since 2007. Initially this was limited to agricultural products, but it was later extended to all types of goods. Then, on March 12, 2015, Israel began to allow exports from Gaza to Israel, providing mainly for the sale of tomatoes and eggplants.
- The idea of establishing a floating port, or a port in Cyprus to ease imports to Gaza, under full Israeli security control, is presently also being examined. If a modus operandi could be agreed upon, it would provide a most substantial psychological break through, making it evident that the siege of Gaza has come to an end.

Still poverty and unemployment is extremely high in Gaza. Nearly 50% of the inhabitants of Gaza rely on UNRWA provided food support (868,000 according to Gaza Weekly Situation Report, of UNRWA, covering the week of 7-14 July 2015) and the unemployment rate is reported to be higher than 40 %.

III. Create /Governmental Legitimacy and Institution Building

It is apparent that, without a functioning governmental structure in Gaza that is capable of providing basic services to the inhabitants of the Gaza Strip, stability will remain highly volatile. The problem is in essence two-fold: The PA and the international community at large do not recognize the legitimacy of the Hamas government in Gaza, and the Hamas government does not possess the necessary financial means to pay salaries to its civil servants.

In order to create the necessary governmental legitimacy in Gaza, a basic understanding between the PA in Ramallah and the Hamas governmental structure in Gaza is essential. As a matter of fact, the so-called "reconciliation" between the PLO and Hamas produced several agreements which in substance blocked rather than aided progress. The PLO/PA under President Abbas' leadership was interested in taking over governmental control in Gaza, or least achieving a power-sharing understanding with Hamas. The basic idea was that the PA should take control on the Palestinian side of the crossing points between Israel and Gaza, as well as between Egypt and Gaza. PA civil servants would return to work in the various ministries (health, education, transport etc.) and the police and security forces would merge, that is under PA command. From the point of view of Hamas, this deal might have been acceptable if Hamas would have obtained parallel control in the West Bank and maintained exclusive control over its military wing.

In this deadlock, several attempts to bridge the gap were undertaken. The Palestinian "consensus government" under Rami Hamdallah visited Gaza twice. A proposal was submitted to Hamas, defining the conditions that would permit the PA to take over control of the Israeli-Gaza crossing points. This proposal has been rejected by Hamas, although international actors are still making effort to enable the implementation of

the "Hamdallah Plan." Prime Minister Hamdallah also gave the order to Ministers and vice ministers of his government to visit Gaza frequently and seek ways and means to oversee the work of the parallel ministries there. However, Hamas simply did not permit the PA officials to enter the relevant ministries, demanding unequivocally that the PA should pay the salaries of all Hamas civil servants. Hamas further stated that they would not give up exclusive control of the work of the ministries, as long as no parallel agreement for the West Bank was reached.

Amongst all of this, the Swiss government made an effort to mediate. As PA civil servants in Gaza were still being paid salaries without working, the Swiss suggested the principle that the PA should pay the salaries for Hamas civil servants, while permitting PA civil servants to go back to work. The idea was simply that "those who work should get paid, and those who get paid should work" and a joint committee should control the reintegration of PA civil servants in the work of the ministries. The Swiss mediation failed, largely due to the fact that they related to the PA and Hamas governments as equals, which in essence questioned the overriding authority of President Abbas. In order to prevent a total breakdown of the work of the Gaza ministries, Qatar donated one-time payments of salaries. UNSCO, under the leadership of Robert Serry and the agreement of the Jordanian and Israeli governments transferred the funds in cash.

An effort is currently underway suggesting that the PA should pay the salaries of the employees of the various Gaza governmental ministries on the basis of three steps: the Hamas and PA employees should be registered, a joint Legal and Administrative Committee will oversee the work of the ministries, and in each ministry a technical committee of two Hamas and two PA civil servants shall oversee the integration of the joint work.

Judging from recent developments the struggle between the PA and Hamas is escalating rather than moving towards any possible understanding. Thus, at the present point of time, it appears only possible to reach limited administrative understandings to enhance governmental services and legitimacy.

IV. Deliver Humanitarian Support for Trust and Confidence Building

It is important to achieve a commonly-accepted definition of essential humanitarian support, as expanding the humanitarian support is a significant step in trust and confidence building.

a. Basic Humanitarian Support During and Following Situations of Violence

Under conditions of asymmetric warfare, when militants, rocket launchers and other military installations are hidden behind civilians, it is still essential to take action to minimize civilian casualties and to provide essential humanitarian relief



(particularly in regard to shelter, food and health supplies). Even during "Operation Protective Edge," and particularly immediately afterwards, the Red Cross, UNRWA, and various international NGO's carried out extremely important work in providing essential, if minimal, humanitarian aid. The capabilities of the UNRWA organizational network were particularly impressive in their abilities to provide shelter to Palestinians whose residences were destroyed. Although human tragedies could not be prevented, an all-out human disaster of major dimension was, as far as possible, contained.

b. Immediate Relief Work after the End of Fighting

In the aftermath of the war, the main humanitarian concerns were to provide shelter, to prevent the spread of disease, and to open up the flow of supplies via the Israeli-Gaza Crossing of Kerem Shalom. This effort largely succeeded, although the lack of financial resources to take care of basic needs, the electricity blackouts that lasted often for 18 hours a day, the lack of building material, and the unhealthy water supply created substantial suffering.

In all these spheres, there has been a concerted effort to create relief. Throughout the autumn and winter months of 2014 and the early spring of 2015, progress was very slow. Since then, limited normalization has gradually taken place with projects promoting the substantial enlargement of Kerem Shalom Crossing, the supply of over 1,400,000 tons of cement, and the encouragement of trade.

c. Employing Health as a Model for Service Deliveries

The Israeli branch of the Physicians for Human Rights is offering substantial support to Gaza. During and immediately after the war, substantial donations (mainly for warm clothes necessary for the winter) were being brought to Gaza. Israeli Arab and Palestinian medical doctors as well as other health-workers visit Gaza regularly and provide important assistance to the population, which is highly appreciated and has become a mission of goodwill and trust building.

ECF (the Economic Cooperation Foundation) is presently working in coordination with the WHO on preparing a model to upgrade service deliveries to overcome prevailing political and institutional differences. The action plan is relatively simple and based on a four-step approach:

- Define in coordination with all actors (the PA, Hamas in Gaza, the Israeli authorities, the international community and NGOs such as the Physicians for Human Rights) an agreed action plan to improve the health service deliveries in Gaza in the immediate, the short and the longer term.
- Obtain necessary support for access and movement and other necessary assistance from the Israeli authorities.
- Mobilize the necessary funding for implementation, and permit the PA to offer its own service providers,

as well as provide the Hamas Government and other health suppliers the necessary funding for implementation.

- Finally, to permit the various health providers to pursue the implementation of the jointly-agreed action plan, while each side can act independently of the other, even while maintaining a necessary coordination mechanism that should be directed and maintained by the WHO.

I hope that it will be possible to achieve a basic understanding between the PA and Hamas, on an agreed upon power-sharing concept for upgrading substantially the service delivery capacities of government to the inhabitants of the Gaza Strip. As long as this should not be possible, I hope that the four step approach, suggested for upgrading health services can serve as a model in other spheres too, and substantially provide humanitarian relief to the entire population of Gaza.

V. Support Moderates in Gaza

The basic problem

Although Hamas was founded only in 1988 as a political movement, it has deep historical roots within Palestinian society. The strength of the Hamas political leadership is multidimensional. It consists of both a military wing and a socio-cultural support structure of the Dawwa organizations, based within the mosques. The greater the degree of poverty among the Palestinian population, the greater the dependence upon socio-economic support provided to the population from militant Islamic philanthropic organizations. Hamas' power is based also on a frequent very brutal use of violence against any and all dissidents. When Hamas took power in Gaza in June 2007, many members of Fatah were imprisoned and others killed, several of them were even thrown from the top of a high-storey building. For several years, Hamas prevented any possible opposition to their rule. When demonstrations in Egypt against the Muslim Brotherhood government organized by the Tamarud movement led to the overthrow of the Morsi regime in July 2013 by Field Marshall Abdel Fatah as-Sisi, the Tamarud movement was also formed in Gaza. After the initial demonstrations, Hamas militants identified the leaders of the movement and shot the leaders in their knees or ankles, imitating tactics that were applied by the IRA. Unsurprisingly, these tactics turned out to be a convincing method for opponents to stop their activities against Hamas. When the Fatah movement started to reorganize in Gaza, Hamas put bombs on the doorposts of the residences of about sixty Fatah leaders, taking care not to cause any immediate casualties or injuries, but still giving a clear signal that could not be misunderstood.

In other words, any attempt to develop a moderate alternative leadership to Hamas will face substantial difficulties. Accordingly, a "quick fix" suggestion of implementing a

moderate leadership to govern Gaza instead of Hamas has had and continues to see little or no chance for success.

Nevertheless, democracy, liberalism and political moderation are an idea that cannot be easily suppressed in the long term. I am convinced that the strategy laid out in this paper can provide the necessary circumstantial conditions for the immediate, medium and long-term promotion of democratic and liberal values. As Hamas schools propagate the most militant concepts of hate and resentment and seek to educate young children to become "martyrs" in carrying out violent acts of terror, it is essential to disseminate democratic values, a commitment to the respect of human rights, and the pursuit of peaceful solutions.

Supporting democratic values through the education system

Hamas does not have a monopoly over the educational system in Gaza. The UNRWA network has schools ranging from kindergartens to high schools where important educational work can be pursued. True enough, teachers and supervisors are exposed to pressures of Hamas and of the militant atmosphere in society at large. However, a determined leadership can oversee the school curricula and take comprehensive measures for educating the Gaza youth in support of democratic and liberal ideas, which are also in line with the moderate interpretation of Islam. Under the leadership of John Ging, who headed UNRWA in Gaza several years ago, several hundred thousand children were educated in summer camps with a focus on respect of human rights and liberal values. Unfortunately, Hamas responded with the promise that John Ging leave the Gaza Strip "in a coffin", and the UN leadership offered John Ging another job in New York. And so, the summer camp activity was largely stalled.

However, other educational work can be promoted. The American school in Gaza also teaches important values to its students. And, in the past, universities in Gaza have had close relations with Israeli counterparts. Therefore, it should be possible to renew such cooperation, and ultimately serve the needs of Gaza and Israeli-Palestinian relations.

Media work

Hamas does not possess a monopoly on media regarding Palestine, despite the fact that journalists coming from abroad are directly or indirectly threatened not to engage in critical reporting. In reality, there was little opportunity for the media to propagate values of liberalism and democracy, given the human tragedies and suffering during the long siege of Gaza. However, under possible future conditions when a comprehensive strategy of improving living conditions in

Gaza is under way, we should also pursue media work that promotes the ideas of democracy, political moderation and peace-building.

Enhancing hope and the Palestinian private sector in Gaza

Hope for a better future can and should become the major vehicle for change, given the present conditions of Hamas control over Gaza. I believe that the Palestinian private sector can become the main agent for the dissemination of democratic and liberal values, and for the slow development of employment opportunities and the creation of modest prosperity. And so, strengthening the Palestinian private sector and the Palestinian civil society is an important element in the more comprehensive strategy for stabilizing the situation in Gaza.

Concluding Remarks

A comprehensive strategy for stabilizing the situation in Gaza is essential. And the need is only exacerbated by the current actions of Islamic State, the Nusra Front, and various al-Qaeda formations around the Middle East and the actual dismembering of the state structure in Iraq, Syria, and Libya, Yemen, and terrorist action in the Sinai Peninsula.

This paper attempts to promote a comprehensive strategy that is based on a pragmatic long-term peace trajectory. With this, we can then work to create as wide of a regional coalition as possible in support of the stability-building approach, and with substantial backing from the international community. This will make it necessary to enhance deterrence against a renewed Hamas provocation and the possible unleashing of a new military round, to provide socio-economic stability, and to enhance governmental legitimacy. And lastly, this strategy is completed by working to create trust through humanitarian relief action, and to disseminate values of democracy and liberalism in line with the moderate interpretation of Islam. In this context it is essential to keep all communication lines open and create a steadily improving give and take process with Hamas.

The difficulty in promoting this strategic approach is not the lack of common interest. Rather, the difficulty is a kind of political "prisoners dilemma." Each actor, Israel, the PA, Egypt, Qatar, Saudi Arabia, Jordan, the United States, the European Union, their member states, and the UN organizations, wants any of the other actors to take the necessary first action before they themselves move forward. Therefore, it will be a major test of political leadership by all concerned parties to take the required action, in order to put all the necessary pieces of the strategic puzzle together. However, the alternative of default would be disastrous to the entire region.



Promoting Humanitarian Relief for Gaza Gaza Rehabilitation and Stabilization: Obstacles and Challenges

Celine Touboul

Introduction

The situation in Gaza and the various obstacles that have thwarted Gaza reconstruction efforts since the conclusion of the ceasefire on August 26, 2014, reflect the complexity of both current Israeli-Palestinian relations and of Palestinian politics. The humanitarian and economic distress of the Gaza population has been severe for the last eight years - since Hamas took control of the region in June 2007 and Israel's subsequent tightening of the closure on Gaza. The situation worsened also sharply after Egypt actively started closing the smuggling tunnels between Egypt and Gaza, in terms of the impact on both the government in Gaza and the Palestinian population in Gaza. Therefore, it is no surprise that the main Palestinian demand during the truce talks focused on the removal of Israeli restrictions at Gaza border crossings, rather than on political demands. Still, the obstacles that have slowed the reconstruction efforts are essentially politically motivated.

This article is an attempt to define the steps necessary to address the main challenges facing Gaza, and to alleviate the humanitarian distress of the Gazan population as Gaza struggles to reconstruct after the damages caused by the last war. It addresses both economic and political challenges, and attempts to determine the steps which should be undertaken by each of the relevant stakeholders to hasten Gaza reconstruction, promote humanitarian relief, enable economic development and strengthen overall stability in Gaza.

The article will be divided into three sections. First, it will examine the reality that prevailed before Operation Protective Edge (in 2014), in order to better identify the causes of the current humanitarian and economic crisis. Second, it will aim to identify current challenges and measures necessary to address the crisis. The third and concluding part of this article will seek to outline specific and workable recommendations.

I. The reality before the war

1. Understanding the complexity of Gaza's situation

The difficult situation that has prevailed in Gaza this past year cannot be blamed entirely upon the most recent war. Rather, it is the continuation of a difficult economic and political crisis that has characterized Gaza since 2001, when the outbreak of the Second Intifada caused a steep decrease of income,

and even more so since June 2007 after Hamas took over in Gaza and Israel started tightening restrictions on movement and access to and from Gaza. A decade ago, annual per capita income in Gaza was \$2,500. Following the 2007 siege, the per capita income fell to \$900 (Steward, 2010). The economic situation in Gaza has never been prosperous, and it has been further exacerbated by continued military conflicts between Gaza and Israel – Operation Cast Lead in 2008-9, Operation Pillar of Defense in 2012, and Operation Protective Edge (OPE) in 2014.

The following figures offer us insight into the deterioration of the situation in recent years. Gaza is a densely populated and largely urban area, constituting a total area of 365 km², with a population of over 1.8 million and a population growth of 3.37% (State of Palestine, 2013). In fact, Gaza City has the same population density as Manhattan. As such, Gaza can hardly be self-sufficient, and to respond to the needs of its population and be economically viable, it must rely heavily on trading goods and services and workers movements (UN Country Team oPt, 2012). Gaza's ability to recover from repeated wars and to develop economically has been impeded by the restrictions imposed by Israel and Egypt on Gaza border crossings. As a result, it relies heavily on foreign aid: 80% of households in Gaza receive some form of assistance (PCBS, 2012).

Israeli restrictions on movement into and out of the Gaza Strip have had a devastating effect on the unemployment rate as well, which rose to 41.6% in the first quarter of 2015, and is now considered the highest in the world (World Bank, 2015b). Additionally, the poverty rate has reached 39%, with the average monthly salary amounting to a mere \$174.1 (World Bank, 2015b). Since 2007, and the Gaza war of 2008, economic growth has decelerated, and Gaza's GDP growth fell from 20.1% in 2005 to 6.0% in 2013 (IMF, 2014). In 2014, Gaza GDP was USD 2.9 billion (World Bank, 2014b) and has continued to decline further in 2014, following the closure of the tunnels from Egypt.

2. Israeli policy in Gaza – background

a. Evolution of Israeli policy since 2006

After Hamas took over full control of Gaza in June 2007, Israel's security cabinet declared Gaza to be hostile territory and decided that "Additional sanctions will be placed on the Hamas regime in order to restrict the passage of various goods to the Gaza Strip and reduce the supply of fuel and



electricity. Restrictions will also be placed on the movement of people to and from the Gaza Strip. The sanctions will be enacted following a legal examination, while taking into account both the humanitarian aspects relevant to the Gaza Strip and the intention to avoid a humanitarian crisis.” (Israel Ministry of Foreign Affairs, 2007). As a result of this decision, Israel started imposing a total ban on export from Gaza, and chose to limit the movement of Palestinians through the Erez Crossing to humanitarian cases only. In addition, Israel started authorizing only a limited number of goods to enter Gaza, based on a very controversial calculation of the goods needed to maintain Palestinian level of nutrition and prevent a humanitarian crisis (Gisha, 2012).

The private sector suffered greatly as a result of these restrictions. In 2009, two years after the sanctions were imposed, the private sector had already suffered a loss of 120,000 jobs, leaving 40% of the workforce unemployed (PaTrade, 2009). Since 2009, this number has only increased, and the current unemployment level is 41.6% (World Bank, 2015b).

Since 2007, Israel has removed some of these restrictions as a result of international pressure and, more recently, after the last war in Gaza, as part of a more genuine understanding that this policy has only contributed to the instability of the situation in Gaza.

Hence, following the May 2010 incident with the Turkish ship “Marmara”, Israel’s cabinet decided that Israel must shift from permitting only a limited list of goods into and out of Gaza towards a new policy authorizing any items that were not considered dual-use or construction materials (Israel Ministry of Foreign Affairs, 2010). These were permitted only for PA-authorized international projects. Later, and within the framework of the Gaza ceasefire that was agreed upon on November 21, 2012, Israel partially removed the ban on import of construction materials to the Palestinian private sector by authorizing the transfer of 20 trucks a day of aggregates for the Palestinian private sector (Reid Weiner, 2015).

In addition, Israel agreed to extend access to the Gaza fishing zone from three to six miles. This expansion enabled greater access to sardines located in Gaza water, but still prevented access to high value bottom fishes that are not available until 12 nautical miles from the shore (FAO, 2012).

While these measures were a vast improvement, their impact on Gaza economic development remained marginal in term of economic opportunities given the Israeli restrictions on export and the limited volume of construction materials authorized for the Gaza private sector.

b. Implications

- A setback for the Palestinian private sector and workforce
Prior to the imposition of restrictions on export and movement in 2007, 85% of goods from Gaza that were marketed outside of the Gaza Strip were sold in Israel and the West Bank (Gisha, 2007), and 14% of Gaza’s workforce was employed in Israel (IMF, 2012). In the

summer following the imposition of restrictions, 85% of factories shut down or were operating at less than 20% capacity (Gisha, 2007). As of the second quarter of 2015, 90% have closed (Association of International Development Agencies, 2015). Since 2007, no work permits were granted to Palestinians from Gaza to work in Israel. In order to bypass the ban, Gazans have been using permits granted to Palestinian traders to work in Israel (Hana Salah, 2015).¹ As of June 2015, there are up to 800 traders that may enter Israel from Gaza, subject to security clearance (Gisha, 2015c).

- Food insecurity:

The main cause of food insecurity in Gaza is the lack of a steady income for the majority of the population in Gaza, rather than a shortage of food. As of 2009, two thirds of the population was considered to be food insecure by international aid agencies (OCHA, 2009). By 2012, while the situation had improved, the estimated rate of food insecurity was still relatively high at 44% (UN Country Team oPt, 2012). This situation is also largely the result of restrictions imposed on Gaza border crossings — as these restrictions have increased, so too has the unemployment rate in Gaza.

3. Impact of the closure of the tunnels

To circumvent the closure, Gaza started developing a shadow economy through the construction of hundreds of smuggling tunnels between Gaza and Sinai (El-khodary, 2009). For a time, these tunnels kept the Gazan economy alive (World Bank, 2014a) and allowed the Hamas government to raise taxes. This situation lasted until June 2013, when, as part of the harshening position of Egypt towards Hamas, the Egyptian authorities started acting for the destruction of the tunnel infrastructure between Gaza and Egypt (Bar’el, 2014) and for the prevention of smuggling upstream.²

Until this point, tunnels were a large source of construction materials for the Gaza private sector, which is a major contributor to economic growth in Gaza (World Bank, 2014a). Consequently, one of the most notable impacts of the closure of the tunnels was on the construction sector, which inevitably impacted the entirety of Gaza’s economy.

- The flow of construction materials

The impact of the tunnels closure on Gaza construction sector was very significant and further complicated by the decision of Israel to halt the transfer of construction materials to the Gaza private sector following the discovery of a tunnel under the border of Gaza-Israel on October 7, 2013.

The most worrisome implication of the ban on construction materials was the spike in the unemployment rate of the Gaza Strip - it increased from 32.5% in the 3rd quarter 2013 to 38.5% in the 4th quarter 2013, which brought

1 Interview of Israeli official, July 2015.

2 Interview of Egyptian officials, August 2013.

the number of unemployed persons in Gaza to 180,900, which is 24,200 more than in April-June (PCBS, 2014). As of 2015, the unemployment rate has risen to 41.6% (World Bank, 2015b). Construction activity decreased more than 70% between the second quarter of 2013 and the first quarter of 2014 (World Bank, 2014a). The crisis in the construction sector has ramifications on sectors such as the manufacturing and transportation sectors, which respectively lost 4,700 and 3,900 jobs (OCHA, 2014a).

- The flow of fuel

Tunnels were also used extensively for the smuggling of Egyptian subsidized fuel to Gaza (Booth, 2013). As a result of the closure of the tunnels, fuel then became scarce in Gaza. This was further complicated by the PA-Hamas disagreement over the payment of VAT for fuel imported from Israel, and which has resulted in a total halt of fuel supply to Gaza from Israel.

The Gaza Power Plant (GPP) has been operating at approximately half of its capacity (60 out of 120 MW) or below since July of 2013, due to severe fuel shortages, and has been forced to shut down on several occasions (OCHA, 2015a). These fuel shortages have often been caused by Fatah-Hamas disputes over the payment of fuel tax demanded by the PA. Besides the resulting 12 daily hours of power failure, the shortage of electricity has caused Gaza sewage pumping stations to overflow into Gaza streets during the 2013-2014 winter.

On April 1, 2015, after a month-long shut down of the Gaza Power Plant, the PA agreed to exempt the plant from the payment of fuel taxes for a period of three months (UNRWA, 2015b). In mid-July, the power plant was again forced to shut down for a week. Hamas claimed that the shortage of fuel was due to the PA's decision to reintroduce the tax fuel, while the PA announced that the tax collection would not be resumed until August (Anadolu Agency, 2015).³ The Gaza Power Plant came back online, thanks to the donation by Qatar of one million liters that will allow the Gaza power plant to operate for 45 days (Ma'an News Agency, 2015).

- Hamas's financial situation

Reportedly, Hamas' income from tunnel trade taxing used to amount to about \$435 million per year (Barzak & Laub, 2014). The closure of the tunnels had therefore direct and drastic financial repercussions on Hamas.

In addition, as the deputy head of Hamas politburo, Mousa Abu Marzouq, himself acknowledged, Iran has stopped all cash transfers to Hamas because Hamas has refused to side with the Syrian regime (Issacharoff, 2015c).

4. Recurrent electricity and water crisis

The shortage of electricity in Gaza, which has remained at unprecedented levels since operation Protective Edge, has been chronically affecting the already-vulnerable living conditions of the Gaza population, and has caused a dramatic disruption in the provision of water and services.

Prior to Operation Protective Edge, the Gaza electricity and water crisis had already reached a dangerous level with up to 16 hours of scheduled blackouts in March 2014 (OCHA, 2015). As further detailed in the relevant sections below, this is the result of poor infrastructure, repeated damages caused to the Gaza power plant, and a shortage of fuel to the Gaza power plant.

Similarly, water shortage in Gaza was already very problematic prior the 2014 war, with more than 30% of households in Gaza supplied with running water for only 6-8 hours once every four days (OCHA, 2015a).

II. Current challenges

1. Reconstruction efforts

a. Damages

During Operation Protective Edge, the Gaza Strip sustained levels of destruction far surpass those of any previous conflict in the region. According to the Detailed Needs Assessment prepared with the support of the United Nations, damages to structures, assets and contents of buildings have been estimated at \$1.4 billion while economic losses, which comprises lost revenue and unexpected operational costs have been estimated at \$1.7 billion (UNSCO, 2015).

According to the OCHA Internal Displace Report (2014), "12,620 housing units were totally destroyed over the course of the 2014 summer hostilities and 6,455 were severely damaged, displacing 17,670 families or about 100,000 persons" (OCHA, 2015c). In total, 138,000 housing units were damaged, the vast majority requiring minor repairs that were addressed well by the Gaza Reconstruction Mechanism (GRM). However, as of the end of April 2015, reconstruction of totally destroyed or severely damaged housing units in the hostilities had yet to start. The agreement reached at the end of June 2015 for the creation of a simplified mechanism within the GRM, called residential stream, for the reconstruction of totally destroyed residential homes has enabled some progress on that matter (see the section on GRM below). As of September 2015, 2611 requests have been approved among the 2818 beneficiaries who are participating at this point in time in this residential stream (GRM website, 2015).

The water network, dilapidated prior to OPE, was also greatly affected. 20,000 meters of water network pipes were damaged, as well as 15,000 meters of sewage networks and carrier lines. 11 water reservoirs were

³ Interview of Arnon Regular, Israeli expert on Palestinian affairs, July 2015.



partially damaged, five tanks were completely destroyed, twelve sewage pumping stations were partially damaged, and sewage flooded fields and villages (Association for International Development Agencies, 2015).

In addition, fourteen health facilities were destroyed, 50 primary health clinics and 17 hospitals currently have “urgent infrastructure needs,” as a result of the destruction. The education system also was hit hard, as eight schools were destroyed, 250 were damaged, and three institutions of higher education were demolished and another three suffered severe damage. Over 550,000 students have been affected by this damage, and their schools have either been destroyed, are hosting IDPs, or are forced to function in shifts as they host multiple schools (Association for International Development Agencies, 2015).

With 35 percent of Gaza’s agricultural lands already lost to the Access Restricted Area (OCHA, 2010), 30 percent of the remaining agricultural lands were damaged. Over \$550M in agricultural assets, such as agricultural machinery, produce, and livestock, were lost (Abou Jalal, 2014). 128 businesses and workshops were completely destroyed, and another 419 were damaged (OCHA, 2014b). Even the primary fuel tank at the Gaza Power Plant was totally destroyed (Association for International Development Agencies, 2015).

b. GRM: The need to balance between prevention of rearmament and reconstruction needs

The Gaza Reconstruction Mechanism (GRM) was established in September 2014. Brokered by the UN, this agreement between the Israeli and Palestinian governments was created in order to facilitate both small repairs and the large-scale reconstruction needed in Gaza, while simultaneously preventing the deviation of construction materials to terrorist activities or to Hamas tunnel network.

According to the GRM, the PA is to have a leading role in the rehabilitation process, which is the same principle that is guiding the international reconstruction efforts in Gaza.

In order to mitigate the misuse of imported materials, the Palestinian Authority was tasked with establishing a central database to “track the material required and delivered to the Gaza Strip.” (UNSCO, 2014b). Once projects submitted through the database have been approved by Israeli authorities, materials can be procured through PA certified vendors. A special unit of the UN Office for Project Services (UNOPS), the Material Monitoring Unit (MMU), in collaboration with international monitors, is responsible for monitoring construction via random checkups of ongoing projects.

The GRM is composed of four streams: 1. Repair of damaged homes/properties; 2. Projects (including large scale public works, private sector works and international donors led projects and works; 3. A Residential Stream, to

allow for the construction of totally destroyed houses ; 4. Unfinished properties (applies to property that could not be completed as a result of the closure of the smuggling tunnels from Egypt)⁴. Thanks to the GRM, the Gaza private sector is therefore now allowed to import construction materials, which was not possible before the war.

So far, progress has been made mainly in the reconstruction works that rely on the first stream and in international donors led projects. The first stream is considered to be functioning well (UNRWA, 2015b), although progress has been affected by the lack of funding and by the slow pace by which the PA processes requests.⁵ Similarly, progress has been made in regard to UN-led works that rely on the second stream. Since the establishment of the GRM, the pace of Israeli approval for international projects has been considerably improving, in comparison to the very long delays experienced before the war by all aid organizations present in Gaza.⁶

However, there was almost no progress in large-scale public works, since the establishment of the mechanism and until the creation of the residential stream in July 2015, not a single unit of the totally destroyed homes has been rebuilt in Gaza (UNRWA, 2015c). The establishment of the residential stream of the GRM in July 2015 (UNRWA, 2015d), has simplified the process of reconstruction of totally destroyed residential units, since the submission of a Bill of Quantity and a Design will no longer be required.⁷ It should enable to some extent the reconstruction of properties in the destroyed neighborhoods but in a limited way as long as no Palestinian authorities, whether local or governmental, take the lead in re-planning these neighborhoods. The lack of proper planning process is also one of the factors which has discouraged potential donors to engage⁸.

The humanitarian distress in Gaza has led many of the beneficiaries to sell the materials that they were allocated on the black market (Gisha, 2015a). Beyond the concerns that these materials could be used for the reconstruction of tunnels, it will also continue to perpetuate precarious living conditions.

Although the GRM is only providing a framework and regulations for the import of construction materials, whereas COGAT and the PA are the ones that actually determine the pace of the approval and implementation process, the GRM faces much criticism and is seen as responsible for the lack of progress in the reconstruction process. However, international aid agencies involved in the reconstruction process, as well as Palestinian experts located in Gaza, do not hesitate to say in closed-doors

4 Interview of UN officials, September 2015.

5 Interview of UN official, February 2015.

6 Interviews of UN agencies located in Gaza, October 2014 and February 2015.

7 Interview of UN official, May 2015.

8 Interview of UN official, July 2015.

meetings that the main player responsible for the deadlock is Ramallah, who lacks the capacity and, most apparently, also the will to improve the situation (Zilber, 2015).

c. Lack of funds

The Cairo Conference on Palestine was hosted on October 12, 2014 by Egypt, Norway and Palestine. Abbas requested 4.030 billion USD from the international donors, based on the PA's own needs assessment, accounting for \$414M needed for humanitarian relief, \$1.184B for early recovery and \$2.432B for reconstruction (State of Palestine, 2014b).⁹ \$5B was pledged in total, with \$3.5B earmarked for Gaza and the remainder categorized as "total support" for Palestine (Gordon, 2014). Out of total support to Gaza (\$3.5B), \$2.5B was new funding pledged at the Cairo Conference for the recovery and reconstruction of Gaza and \$194M was already disbursed as humanitarian assistance during the conflict. \$314M is the existing commitment, while \$ 477M was re-allocation of funds to support Gaza (World Bank, 2015b). It is also worth mentioning that a fair amount was pledged in the form of in-kind assistance, i.e. food, technical assistance, loans, etc.

No one thought that the \$5B would be available immediately, but rather a pledge was made to provide it within three years (by October 2017). Still, the lowly 27.5% percent of total commitments disbursed as of May 2015 has been underwhelming, particularly considering that over 40 percent was needed for humanitarian relief and early recovery, which is defined by the PA as the first six months and year following conflict, respectively (World Bank, 2015b).

Qatar has disbursed 10 percent of the \$1B it pledged to Gaza. Saudi Arabia has given 10 percent of the \$500M it pledged, and the EU has given 40 percent of its nearly \$350M pledged. Rounding out the top seven are Turkey, Kuwait, and the UAE, all of which pledged \$200M and have disbursed absolutely nothing (World Bank, 2015a).

This lack of funds has complicated and delayed the work of the aid agencies, and more particularly of UNRWA, who was forced several times to suspend its self-help repair program as well as the provision of rent subsidies (UNRWA, 2015a).

d. Lack of a functioning administration in Gaza

The signing of the Shati agreement, and the formation of the Palestinian consensus government that followed on June 2, 2014, has provided the necessary groundwork for the Palestinian Authority to return to Gaza and be a legitimate source of authority.

One of the main challenges of the reconstruction process has been the fact that, in practice, the PA is in no hurry to take over the responsibility of Gaza affairs and pay the bills associated with it (ICG, 2014).

Paradoxically, the signing of the Shati reconciliation agreement between Fatah and Hamas on April 23, 2014 and the formation of the consensus government that followed on June 2, 2014, have created a governance vacuum in Gaza as Hamas freed itself from the burden of managing Gaza affairs (ICG, 2014). In fact, government services to the inhabitants of Gaza are essentially blocked. This is due to the deadlocked dialogue between Hamas and the PA government, which should have enabled Ramallah to take over responsibilities for providing services to the Gaza population.¹⁰

Hence, a year after the formation of the consensus government, Hamas and the PA have still failed to overcome their differences and define the responsibilities and role of the Palestinian consensus government in Gaza, both in regard to the Gaza reconstruction process and the administration of Gaza civilian affairs. This has slowed the reconstruction process, caused the sole Gaza power plant to shut down due to a dispute over the payment of fuel tax (causing 18 hour daily outages), prevented the reopening of Rafah border crossing, and undermined the merging of the PA's and Hamas' former employees under the authority of the Palestinian consensus government.

In promulgating the "National Early Recovery and Reconstruction Plan for Gaza" the PA has defined its conditions for its involvement in Gaza as follows:

"Within the period of this Plan, the Government, in parallel to leading and implementing the recovery and reconstruction effort, will need to assume effective authority and sole governmental responsibilities in Gaza; consolidate authority over ministries and Government agencies and reintegrate them with national institutions; harmonize and rationalize the civil service in Gaza; and gradually assume security responsibilities as part of a comprehensive security sector reform, starting with the assumption of policing responsibilities under the authority of the Government to maintain civic law and order" (State of Palestine, 2014b).

So far, Hamas and Fatah have not reached the necessary agreement on these issues and no major effort has been made by the concerned parties to bridge the prevailing gap.

There are two major sources of disagreement that have led to the paralysis of the consensus government: the issue of the merging of PA's and Hamas' former employees in Gaza (further detailed below), and the control over Gaza border crossing (Issacharoff, 2015b). Both issues have been linked one to another by the PA.

⁹ It is important to stress that the Details Needs Assessment supported by the United Nations led to a different estimation, which accounts for \$1.4 billion in damages to structures, assets and damages to building (UNSCO, 2015).

¹⁰ Interviews of international official, September, October and November 2014. Interview of Palestinian former official, September 2014.



- The merging of PA's and Hamas' former employees

This issue remains the most urgent one, as it threatens to undermine both the foundation of the consensus government, its ability to lead the rehabilitation process in Gaza, as well as the ability to maintain minimum law and order in Gaza.

On paper, Hamas and Fatah did agree in the "Shati" reconciliation agreement of April 23, 2014 to the merging of Hamas and PA employees, and to the creation of a unified payroll by ministerial committees. According to the understanding, a committee is to be appointed in each ministry and undertake a selection process of all employees. This understanding does not apply to the civil police, who have not received salaries for months and were not part of the interim arrangement that enabled the one-time payment of \$1,200 to former Hamas government civil servants (facilitated by the UN and financed by Qatar). The non-payment of salaries to the police in Gaza is creating a growing risk of chaos in Gaza.

Switzerland and the UN special envoy have been trying to mediate between the PA and Hamas, in order to bridge their differences over the principles and technicalities necessary to enable a merging process. The outcome of the Swiss mediation efforts was integrated into a roadmap which was endorsed by both President Abu Mazen (Swiss Federal department of Foreign Affairs, 2015a) and Hamas former Prime Minister Ismail Haniyeh (Swiss Federal department of Foreign Affairs, 2015b). Despite their endorsement, no progress has been made so far and the PA has linked this issue to the demand that Hamas should relinquish its control over Gaza border crossings, which it has so far refused to do (Issacharoff, 2015b). A parallel effort to overcome the deadlock on the employees issue is being pursued by the UN special envoy, Nikolay Mladenov.

2. Water and electricity crisis

a. Two Interrelated issues

The shortage of electricity in Gaza, which has remained at unprecedented levels since Operation Protective Edge, has been chronically affecting the already vulnerable living conditions of the Gaza population, and has caused a dramatic disruption in the provision of water, waste and medical services.

To address this situation, viable and durable solutions to the structural problems of the energy sector in Gaza have to be provided. Without this, none of the vital projects required to solve the shortage of water in Gaza could be implemented, since a desalination plant requires approximately 80MW for a desalination station of 100M

m³ per year.¹¹ Likewise, the functioning of water treatment plants might be a challenge, without a sufficient electricity supply, although in that particular case, the use of solar energy may be a viable option¹².

According to OCHA, more than 70% of households in Gaza are supplied with running water for 6-8 hours only once every two to four days, as a result of insufficient and irregular power supply (OCHA, 2015a). The interdependence of both sectors became particularly visible during the last war, when the shortage of electricity caused by the damages to the grid drastically curtailed the pumping of water to households and the treatment of sewage (both of which require electric power).

Therefore, it is difficult, if not impossible, to separate the measures needed to solve the problems of the Gaza energy and water sectors.

Progress on that issue should be a priority, given the dramatic humanitarian impact the current shortages have on Gaza livelihood and health.

b) Electricity

- Background

Gaza consumption needs are estimated at 470 MW of which less than 45% is currently met (OCHA, 2015a) and are expected to rise to 600-800 MW by 2020 (UN Country Team oPt, 2012), which should include about 70MW for desalination facility of 110 MCM per year (UNSCO, 2014a). Currently, Gaza is supplied with approximately 208 MW: Gaza Power Plant (GPP) generally supplies about 60 MW, which is half its full capacity, 120 MW is supplied by IEC and 28 MW is supplied by Egypt (OCHA, 2014c). When the GPP is forced to shut down due to a lack of fuel (as it was the case in March and July 2015), electricity supply to Gaza drops to 148 MW and raises the daily outages from 12 hours daily to 18-20 hours daily.

- The need for a holistic approach

In order to address both immediate needs and provide a viable and sustainable solution to the Gaza energy and water sectors, the following issues should be advanced with the aim of achieving energy and water autonomy for Gaza within 4-6 years:

- improve Palestinian efficiency in fees collection;
- upgrade the grid inside Gaza in order to reduce electricity loss;

¹¹ Estimation based on data published by Prof. Rafi Semiat (Technion Chemical Engineering Faculty) on the quantity of energy required to desalinate water (using reverse osmosis technology): Semiat R. 2008, Energy issues in desalination processes. Environmental Science and Technology. 42 (22): 8193-8201, as quoted in: Ori Lahav and Rafi Semiat, Reflections on water and energy saving desalination era, published in Hebrew in "Ecology and Environment" scientific journal, January 2010, Volume 1, p. 76-77.

¹² Interview of an engineer involved in the rehabilitation of Gaza water treatment plant, March 2014.

- increase the capacity of Gaza Power Plant so as to meet current and future demands;
- connect Gaza Power Plant to gas in order to provide a more viable and cheaper source of energy to Gaza

Any shortcut in that process would affect its success and viability.

The following stages are recommended to achieve these goals:

- Reaching a Fatah-Hamas understanding to guarantee the uninterrupted supply of diesel to Gaza Power Plant.
- Provisionally increase Israel's electricity supply until the connection to gas is completed. This could be done gradually. The most significant phase would be the installation of a new 161 kV voltage line that could supply about 100/150 additional MW. The installation of the line could take between one (UNSCO, 2014a) and two years.¹³
- The connection of the Gaza Power Plant to Israeli gas would provide a durable, cheaper and reliable source of energy to Gaza. In regard to the timeline for implementation, there is a serious gap between the Israeli official evaluation (five years) and various experts' evaluation (one year and half – UNSCO, 2014a).¹⁴

Relevant authorities within the government of Israel are inclined to authorize both the construction of one 161 kV line and the connection to gas. Both the international community and Israel are in the process of examining the measures required to advance both stages. Still, the Government of Israel has not adopted an official position on that matter and no serious bilateral discussions have started between the IEC and relevant Palestinian authorities.¹⁵

c. Water

• Background

More than 90 percent (UN Country Team oPt, 2012) of the water of the Gaza Coastal Aquifer (GCA) (this being the only source of fresh water in the Strip) is undrinkable (Cordesman, 2014). Unregulated fertilizer use and a broken sewage system have led to nitrate levels that are significantly beyond acceptable rates, as designated by WHO. Encroachment of seawater has led to similarly dangerous levels of chloride presence (Cordesman, 2014). Absolutely no water pumped from the aquifer meets all WHO drinking water standards (Abbas, Medhat et al., 2012). With an estimated sustainable yield of 60 MCM/year (PWA, 2014), and current abstraction rates exceeding 180 MCM (PWA, 2014), yearly over-abstraction easily exceeds 100 MCM. Every year of over abstraction

shrinks the aquifer's capacity to safely store fresh water, and unfortunately, the damage may be irreversible as soon as 2020. And by then, water demand is expected to rise to 260 MCM per year (Cordesman, 2014).

97 MCM are abstracted via municipal wells every year (PWA, 2013). The Gazan population relies on a number of treatment solutions to make this water drinkable. As there are only four low-volume public desalination plants, the private sector involvement in water treatment is high. In 2005, there were 40 private-sector desalination plants, 20 of which were approved by the Palestinian Water Authority. Additionally, 20,000 homes relied on home desalination units (World Bank, 2009).

Agricultural wells abstract 80 MCM per year (PWA, 2013). Water used for irrigation is not treated and damage to crops as a result of the salinity present in the water is a regular occurrence (EWASH, 2011). As welcomed as this measure is, it should in no way be seen as a complete solution to the very pressing and large issue of energy and water shortages within Gaza.

In 2012, Gaza was producing roughly 44 MCM of wastewater each year (UN Country Team oPt, 2012). Despite 70 percent of the Gaza population being connected to sewage collection systems, rates of treatment are reported to be as low as 25 percent (PWA, 2014). Then, regardless of its treatment level, most wastewater is dumped into the Mediterranean Sea (with the remainder returning to the aquifer).

Both municipal water and the sewage system suffer significant network inefficiency. Spare parts to repair the network are not available, due to restrictions on Gaza-Israeli borders, and the systems suffer from gross network inefficiency. Prior to the 2014 conflict, 48.5 percent of water pumped was lost to network distribution inefficiency (State of Palestine, 2014a).

Even before the conflict in 2014, over 30 percent of households had access to running water for only 6-8 hours once every four days (OCHA, 2015a). Following the conflict, 20 to 30 percent of the Gaza population was not able to access municipal water at all, due to damage to the system compounded with the electricity crisis that continues to plague the system (OCHA, 2014b).

The Palestinian Water Authority's Master Plan for Desalination (Attili, 2015) calls for a regional saltwater reverse osmosis plant and complementary infrastructure (including necessary power generation) that would produce 55 MCM per year and cost \$455M. The plan focuses also on the renovation and construction of a number of much smaller short-term, low-volume plants that would produce a total of 13 MCM per year and cost \$28M-\$40M in total. The EU and UNICEF have initiated construction on one such project that will cost \$10M (UNICEF, 2015), and will be complete by the end of 2015. Nearly all plants mentioned above will treat salt water, avoiding further taxation of the aquifer.

¹³ Interview of international and Israeli experts, July 2015.

¹⁴ Interview with Israeli experts, July 2015.

¹⁵ Interview of both international officials and Israeli experts, July 2015.



The plan also calls for network repairs to reduce non-revenue water up to 10 MCM per year, as well as the reuse of wastewater. Currently, collection rates are at 25 percent (Cordesman, 2014). The plan calls for an increase of 55 percent, ultimately restoring pre-closure levels. This money could potentially go towards the purchasing of water from the national Israeli water company “Mekorot,” which has increased the annual quantity of water supplied to Gaza from 4.7 MCM to 10 MCM this year (UNSCO, 2015).

Increased wastewater treatment is also essential. A \$58 treatment plant has secured international funding and will double the current amount of 9 MCM per year of treated wastewater (UNDP, 2014). But infrastructure is needed to allow for this water to be recharged into the aquifer or used for agricultural purposes.

3. Opening Gaza crossings as a condition for sustainable economic development

a. Trade as a prerequisite to generate employment and incomes to Gazans

On November 6, 2014, for the first time since 2007, Israel allowed the export of Gaza products to the West Bank. This decision was initially limited to agricultural products but was then extended to all types of goods (Gisha Graphs, 2015).

On March 12, 2015, Israel continued the process by permitting export from Gaza into Israel despite harsh political opposition. Israel's ministry of agriculture led this opposition alongside Israel's agricultural lobby (Today's Zaman, 2015). The pressure of Israel's religious communities that observe the “Shmita”, sabbatical agricultural year during which all agricultural activity is forbidden in Israel by Halakha (Jewish religious law), is what ultimately led to the decision to permit export of agricultural products to Israel. This decision was initially limited to eggplants and tomatoes and was expanded to zucchini and cucumbers.

As described in the 1st section, the limitations placed upon the economy of Gaza since 2006 have caused a dramatic slowdown of economic activities in Gaza. This economic downturn has affected the Gaza private sector most strongly, and has caused Gaza unemployment rate to rise to unprecedented level. The impact on Gaza unemployment rate is easy to understand, given that prior to the imposition of restrictions on export, 85 percent of goods from Gaza marketed outside the Strip were sold to Israel and the West Bank (Gisha, 2011).

The World Bank, the IMF and other international agencies involved in the Palestinian territories have stated repeatedly that the ability to promote sustainable economic development in the Palestinian territories, and

even more particularly in Gaza, depends upon its capacity to increase trade (World Bank, 2012).¹⁶

Although Israel's decision to remove some of its restrictions on export from Gaza is welcomed, the current measures are still too limited to enable the recovery of the Palestinian private sector and to generate the needed growth.

As further detailed below, Israel should expand the export of vegetables from Gaza to Israel and enable export to other sectors, particularly to the textile and furniture sectors. Given that the wide ban on export has been removed, there is little logic in partially maintaining it. Moreover, if the Gaza situation stabilizes, export overseas should be further developed so that the necessary investments can be made.

Relevant authorities within the government of Israel are inclined to remove additional restrictions on export. Expanding export of agricultural goods to Israel is the measure that would create the greatest economic impact. But Israel's agricultural lobby, with the support of the ministry of agriculture, opposes it. Export of garment and furniture to Israel is currently stalled over the issue of Palestinian VAT invoices to be issued by the PA (OCHA, 2015b) as per the arrangement set in the 1994 Israeli-Palestinian protocol on economic relations between Israel and the PLO, that is, Annex IV of the Gaza-Jericho agreement (frequently referred to as the Paris Protocol). While Israel has apparently displayed some good will and flexibility to find technical solutions to this issue (that will enable the PA to issue these invoices from Ramallah), the PA has been reluctant to cooperate, apparently due to domestic Palestinian political considerations.¹⁷

The conditions required for the development of Palestinian export and import and potential impact for relevant sectors are further detailed below.

- **Export of agricultural goods to Europe**

In the long term, agricultural export to Europe would be economically the most profitable for Gaza (Sadan, 2006), under two conditions. First, farmers within Gaza need to acquire professional training and modern technology in order to be able to meet European and American standards. Secondly, and no less importantly, this economic development requires that Gaza border crossings remain open in a steady and reliable manner, and enable the technical arrangements required for the export of agricultural produce overseas (in terms of refrigeration and timely expediency).

Hence, while the development of agricultural export to Europe should remain a priority objective in the long term, the risks are currently too high to justify the massive investments required.

¹⁶ The World Bank, *Towards Economic Sustainability of a Future Palestinian State: promoting private sector led growth*, April 2012.

¹⁷ Interview of international official, July 2015.

- **Export of vegetables to Israel**

From a strictly economic point of view, the impact of agricultural export from Gaza to the West Bank is much smaller than the potential economic impact of export to Israel, since the loss of the Israeli market is the main factor that caused the reduction of Palestinian agricultural production in Gaza.

According to Israeli official figures, there were 160,000 dunams¹⁸ of cultivated lands in Gaza in 2001-2002 that produced about 530,000 tons of vegetables, and exports of vegetables to Israel amounted to 64,960 tons in 2001. This gradually reduced since the tightening of restrictions on Gaza crossings by Israel in 2007, until it completely stopped in 2008.

As of 2014, there are 90,000 dunams of cultivated land in Gaza, which included 40,000 dunams allocated for vegetable cultivation, and which produces 24,000 tons of vegetables¹⁹. Professionals who deal closely with Gaza agricultural sector estimate that it is possible to increase the surface of land used for vegetable cultivation by 50% (20,000 additional dunams). Finally, this could have a significant economic impact on Gaza by creating 60,000 additional jobs (based on a calculation of three workers employed per dunam).

- **Export of textile to Israel**

Israel is the most profitable market for the garment and sewing industry within Gaza. Overseas, Gazan products are not very competitive in an industry that is dominated by Chinese manufacturers.

Before the June 2007 closure, the garment sector in Gaza involved about 550 firms employing around 10,000 workers in various activities ranging from home textiles to fabric and garments production (PalTrade, 2007).

Allowing Palestinian garment export to Israel could have a significant and beneficial impact for Gaza small sewing workshops, and return the market to what it once was.

- **Export of furniture to Israel**

The most profitable markets for Gazan furniture are Israel and the West Bank, because the transportation conditions fit the characteristics of the Gazan furniture's industry. Before the closure of 2007, the Gaza furniture industry consisted of over 600 establishments and employed more than 5,500 labors (PalTrade, 2006). Allowing Palestinian furniture export to Israel and the West Bank could therefore have a significant impact on both production and number of available jobs.

¹⁸ Dunam is a measure of land area used in parts of the former Turkish empire, including Israel (where it is equal to about 1000 square metres).

¹⁹ Interview of Israeli expert on Gaza agricultural sector, April 2015.

- **Removal of additional restrictions**

In addition to the removal of the ban on export, Israel should undertake the following measures:

- Alleviate restriction on pallet height:
- The current limitations imposed at Kerem Shalom border crossing, in regard to the maximal height of pallets, should be eased to the point that they meet the same standards imposed in the West Bank. Current restrictions significantly reduce the profitability of the trade from Gaza to the West Bank and Israel (Gisha, 2015b).
- Removing ban on containers for import to Gaza:
- Importing goods in sealed containers from Ashdod to Kerem Shalom would help speed up the checking process, as goods checked in Ashdod would not have to be checked a second time in Kerem Shalom. Transporting containers directly from Ashdod to Gaza would prevent the multiple handlings of goods and therefore enable a subsequent gain of time and money.
- Opening an additional cargo crossing between Gaza and Israel:
- Kerem Shalom crossing will not be able to handle a significant increase of import of construction materials in addition to a larger volume of goods for export. Therefore, the measures recommended above will necessitate the opening of a second cargo crossing between Israel and Gaza.

- b. The Palestinian demand for free access to the sea**

The demand for Gaza to have free access to the sea is not a new one, but has been raised ever since the Israeli disengagement from Gaza. Recently, it has gained international support, especially after the disastrous incident with the Turkish Marmara flotilla (which ended with the death of nine activists following confrontations with the IDF).

During Gaza ceasefire negotiations and as part of their proposed "Hudna", Hamas also raised this demand, which in their view became even more critical because of the continued closure of the Rafah crossing. From Hamas's point of view, the main objective is to provide Gaza with an independent gateway, rather than a significant commercial access point that would provide an alternative to Israeli crossings.²⁰

Such a gateway could take the form of a seaport, which would take years to build, or of floating piers and a transit port which could be located in Cyprus. As long as Hamas controls Gaza and no broad political agreement with the PA and Israel is being reached, the second option is more realistic to envisage, both politically and practically.

²⁰ Informal report provided by a foreign expert who has direct access to Hamas leadership in Gaza and Doha, March 2015.



In any case, the opening of a sea route to Gaza cannot, in the short or midterm, provide a complete and viable alternative to Gaza-Israeli land crossings and Israeli seaport for the transit of significant volumes of goods from and to Gaza.

c. Reopening Rafah crossing

Following the formation of the Palestinian consensus government, Egypt has imposed strict conditions for the reopening of the Rafah crossing, essentially requiring Palestinian Authority forces to control and manage the Rafah crossing and deploy along the Gaza-Egypt border. Fatah and Hamas have failed so far to agree on how to meet these conditions, which has fueled the PA concerns that any deployment there will be impossible without compromising their security.

Under any scenario, the reopening of the Rafah crossing will be mostly limited to the movement of passengers, except for minor exceptions, as Egypt has always rejected the possibility to use Rafah as a cargo crossing and to open a trade route between Gaza and Egypt.

The Egyptians fear massive movement of Gazan Palestinians into Egypt, and they are also suspicious of Israel's intentions to put the responsibility for Gaza onto Egypt's shoulders. The full opening of more than one cargo crossing by Israel (in addition to Kerem Shalom) could be one step to reassure Egypt of Israel's intentions.

III. Conclusions and recommendations

In accordance with the vision of the two-state solution, the hope of the international community has been that the Palestinian Consensus Government would take the lead in reuniting the West Bank and Gaza under one single authority. The hope, following the formation of the Palestinian consensus government, was also that the PA would take up its governance responsibilities in the Gaza strip, in line with the intra-Palestinian unity agreement of 23 April 2014, with the political and financial support of the international community (UNSCO, 2015). Within that framework, the PA has been regarded as the legitimate authority to channel funds for Gaza reconstruction and to plan the measures necessary to advance reconstruction and development in Gaza²¹ (AHLC, 2014). However, international and regional players, as well as Palestinian experts, have all acknowledged the limit of this aspiration. They repeatedly expressed the difficulty for the PA to take a leadership role in Gaza, when Gaza is not under its control and when its legitimacy is weakened by the continued failure to establish a credible political horizon through a genuine bilateral political process or through recognition in international institutions²².

²¹ Interview of UN official, July 2015.

²² Interviews with European and American diplomats, September 2014; interview of Palestinian experts, August 2014; interview of Egyptian experts, March 2015.

This point is crucial in order to understand the difficulty in advancing specific solutions to the situation in Gaza, without considering the situation in the West Bank and the broader Israeli-Palestinian political process. More concretely, these considerations reduce significantly the ability to fulfill some of the recommendations outlined below without a broader political effort that will advance Palestinian state-building aspirations and strengthen the PA legitimacy in both the West Bank and Gaza.

Keeping this in mind, the following measures are required in order to hasten the reconstruction process and generate significant improvements in the daily life of the citizens of Gaza, and are key to Gaza stabilization. These measures will require that both Israel and the PA act for the well-being of Gaza population.

1. Outlining a concrete operational plan to solve the Gaza electricity and water crisis

In order to advance the various measures outlined above under the subsection 2 of chapter II dedicated to the electricity sector, two parallel steps should be undertaken.

First, the PA needs to articulate an action plan to solve the electricity and water crisis. This plan should not only point out the funds required for specific projects, but also provide a comprehensive plan for all future measures by relevant Palestinian agencies. This plan should address immediate needs in addition to more structural problems, and define the steps to be undertaken by the various Palestinian agencies involved in this sector. It should also clarify the Palestinian demands towards Israel, so that there might be some basis for the donor community to engage with Israel.

Outlining the measures required to solve the Gaza energy crisis should be regarded as a prerequisite for all requested funding that relates to infrastructures that require a viable and continued source of energy (e.g. desalination plants).

Secondly, Israel should define and express more clearly its conditions and requirements under which it would consider increasing electricity supply to Gaza, and connecting the Gaza power plant to Israeli gas. These conditions could of course include the requirement that the PA would provide financial guarantees in regard to its ability to fulfill its payment obligations in this sector. It could also define the provision of additional electricity as a provisional measure that will be implemented until the connection to gas is completed. Such an approach would be extremely beneficial. It would serve Israel vis-à-vis the donors, and it would also demonstrate Israel's goodwill and enable the donors to engage with the PA.

2. Planning the reconstruction of totally destroyed neighborhoods

Whereas progress has been made in the repair of damaged homes and properties, the planning, and consequently the reconstruction, of totally destroyed neighborhoods has been almost completely stalled, mostly due to the lack of a functioning administration in Gaza. Neither Palestinian local authorities nor the Palestinian Consensus Government have been willing to take the lead in the planning process, which does not only require the preparation of a design for destroyed properties but also planning for the water, electricity and road infrastructure of these neighborhoods.

This issue is therefore profoundly linked to the inability of the Hamas and Fatah to bridge their differences in regard to the responsibilities and authorities of the Palestinian Consensus Government in Gaza (see subsection d) of section 1) under chapter II).

Obviously, this situation has far-reaching consequences for the livelihood of the displaced families that were living in these areas. This deadlock has also affected donors' confidence and their willingness to financially engage in these projects.

Under such circumstances, the reconstruction of properties in destroyed neighborhoods will be done in an ad-hoc manner, at the own initiative of the residence owners who will seek support from the Gaza Reconstruction Mechanism (GRM), without the ability to plan the needed infrastructure. This will lead to additional costs and to poor living standards that cannot answer to the needs of the population in an appropriate manner.

To tackle this issue, there is a need to address the issues that have caused the governance vacuum in Gaza, and primarily the lack of understanding in regard to the reintegration of Gaza public sector toward the assumption of the Palestinian Consensus Government's governance responsibilities in Gaza.

Only two international players have been actively engaged in assisting the PA and Hamas to reach a compromise on these issues, namely the Swiss representative office in Ramallah and the UN special envoy. In order to be successful, both need the support of regional players, especially Egypt.

3. Reducing Gaza unemployment rate and empowering the Gaza private sector

While the reconstruction of Gaza receives much attention, we must also focus on the steps necessary for fostering sustainable economic development in Gaza. As discussed earlier under section II, these steps consist primarily of the opening of Gaza crossings for export to Israel, and outsourcing manufacturing of textile and furniture products to Gaza. Simply put, expanding export to Israel and abroad should be regarded as a priority by both Israel and the Palestinians in order to enhance Gaza market

growth. This issue does not depend only on Israel's good will, but also on the PA, since the PA's involvement is required to advance some of the required measures:

Israel should expand export of agricultural goods beyond the Shmita year, which will end with the Jewish New Year on September 2015.

- The PA should be more strongly encouraged to solve the issue of the VAT invoices, required for the export of garment and furniture to Israel according to the Paris Protocol. Since this issue has contributed to stall the expansion of export from Gaza, the PA should be encouraged to insulate its resolution from political consideration of internal Palestinian rivalry between Ramallah and Gaza.
- Israel should act to further facilitate the import of materials into Gaza by removing restrictions at Kerem Shalom (such as the one imposed on the height of pallets or the ban on the use of containers for imports). These measures are critical to make transactions out of Gaza cost-effective. And, if volumes transiting through land Israeli border crossings increase, Israel should consider opening an additional cargo border crossing (most preferably in Erez, where the land has already been potentially allocated for this purpose).
- Finally, in order to reduce the unemployment rate in Gaza, Israel should issue work permits to allow Palestinians from Gaza to work in Israel. This measure would have the most direct and immediate effect on Gaza economy.

4. The need for Egyptian leadership

Egypt is in a unique position to get the parties talking, bridge gaps of mistrust, and initiate a unification process. Their leverage could be extremely effective in addressing most of the challenges outlined in this article, and they have already served as a key mediator in both the 2012 and 2014 ceasefire negotiations

While Egypt is Israel's most trusted mediator to handle the truce talks, it is also the regional actor with the most effective leverage on Hamas. In addition, as a critical ally of Abu Mazen and as the most predominant mediator in Palestinian internal affairs, Egypt's involvement could bridge some of the differences between Hamas and Fatah, encourage both sides to reach a compromise for the merging of Gaza civilian employees, and encourage the consensus government to act more efficiently in Gaza.

All of the above would combine to reduce the risk of another round of violence, and the collapse of the Palestinian consensus government. And a more stable situation would serve the interests of not only the Egyptians, but also of the PA, Israel, neighboring states, and the broader international community.



5. Reinforcing the ceasefire

Thirty days after the conclusion of the ceasefire on August 26, 2014, Israel and the various Palestinian factions were to continue indirect negotiations of the terms of the ceasefire with the aid of Egyptian mediation. However, Cairo never convened the parties and the talks never took place, which has only added to a sense of instability.

Since then, given the fact that none of the underlying causes of the last war have been addressed, both Gazans and Israelis are under the assumption that another war in Gaza is eminent and only a question of time. Still, they understand that this would not help address the difficult challenges that continue to threaten stability on both sides.

As a result of this deadlock, Hamas has informally expressed an interest in reaching an understanding with Israel that would guarantee a long-term ceasefire in exchange for the opening of a seaport in Gaza and the full opening of Israeli crossings in Gaza.

Such a proposal is problematic for several reasons. First, the proposed deal, (Issacharoff, 2015a) seen by Hamas

as a solution to its inability to reach an understanding with Fatah, would gravely undermine Abu Mazen and the Palestinian Authority and would grant legitimacy to Hamas rule within Gaza. And by doing so, it would reinforce the divide between Gaza and the West Bank and further challenge the ability to for either Israel or the PA to advance the two-state solution. In addition, such deal would leave most of the challenges described in this article unsolved.

Still, the idea of the talks that were to take place a month after the truce should not be abandoned, as they might strengthen Gaza ceasefire. In this context, one could indeed consider opening access to the sea to the population of Gaza. If the PA agrees, it should, to the furthest extent possible, be involved in such arrangement via involvement in the inspection process in the transit port. In return, the ceasefire should include a much clearer commitment in regard to the cessation of military activities both above and below ground, as suggested by former UN envoy Robert Serry in his statement of March 2, 2015 regarding the prevention of rearmament.

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Access & Movement: An Enduring Obstacle to Gaza's Rehabilitation and Development

Dov Sedeka & Anat Kaufmann

Introduction

The monitoring of movement of goods and people is a globally accepted measure for the safe facilitation of cross-border trade and migration, with ever-evolving mechanisms – or reduction there of – chiefly aimed at ensuring economic activity is made efficient, predictable and open to global market access. However, in the Israeli-Palestinian context the notion of access and movement is more often associated with Israel's restrictive measures of monitoring than of opening-up to a globalized economy. Both in Gaza and in the West Bank, an elaborate system of movement measures and permit allocations, albeit rooted in legitimate security concerns, is viewed and used as an effective political tool for maintaining Israel's control over the Palestinian Territories.

The harsh economic and humanitarian reality in Gaza should not be confined to a technical analysis of access and movement measures alone, but be cognizant of the overwhelming difficulties faced daily by the people of Gaza and the social and personal consequences it carries. A recent World Bank report to the Ad Hoc Liaison Committee (AHLIC) meeting of May 2015 clearly raises warning signs by concluding that the “Gaza economy is on the verge of collapse” with unemployment rates now the highest in the world at 43 percent¹. In addition, youth unemployment has reached 60%, a very worrisome figure. This fact, coupled with ongoing confinement in a small and densely populated territory, means the next generation of Gazans has very little future prospects.

The international community, aid and advocacy organizations and, notably, since operation Protective Edge, Israel's security chiefs have been consistent in their message to the political and diplomatic echelons; namely that Gaza should be opened both to its traditional markets in Israel and West Bank as well as to the outside world, in order to substantially alleviate the lives and livelihoods of its residents. Even before the 2014 operation, in their dire assessment of Gaza's prospects for the year 2020, a UN report highlighted the fact that a crowded, urban and poor Gaza Strip will always depend on trade, services and worker movement (Gaza in 2020 report).

The following article follows these three prerequisites to viable economic activity – trade, services and movement of labor and goods. It presents a general overview of the development of access and movement restrictions pertaining to the Gaza Strip, by way of comparison between three main periods of time: the pre-Hamas era, the post-Hamas closure

and most importantly, since operation Protective Edge in the summer of 2014. We shall demonstrate how Gaza has essentially endured two decades of economic stagnation, exacerbated by each round of violent conflict, culminating in the current unprecedented devastation and overwhelming need for rehabilitation. We then examine the key access and movement measures required to bring about real and lasting change in Gaza.

Background

Formed during the 1948 war by the Egyptian invasion of the south coastal plain, the Gaza Strip comprises a narrow shoreline, measuring a mere 36km in length from south to north with a width ranging from 5km in the north 12km in the south-east, it totals 363 square kilometers (Efrat, 2011). According to 2014 figures by the Palestine Central Bureau of Statistics, Gaza's population reached 1.76 million people – 43.2% of which are children aged between 0 and 14 –and it already has one of the highest population densities in the world. These challenging demographics are further exacerbated by the fact that 71.9% of Gaza's residents are registered refugees (UNRWA 2014). Following the 1994 Gaza-Jericho Agreement, Israel withdrew its forces from most of the Strip and Yasser Arafat returned from exile to Gaza. The Gaza Strip, together with Jericho, became the first autonomous areas of the newly-formed Palestinian Authority (PA). In the first post-Oslo years the PA set up a governance base in Gaza. Commercial and other connections were maintained with Gaza and the West Bank, Arafat based his Muqataa compound in Gaza, in addition to the one in Ramallah, and was routinely escorted by the Israeli Air Force on his frequent helicopter return journeys between the two. The Palestinian Preventive Security forces, led by Mohammad Dahlan, were in control of the territory with Hamas largely under control at this stage. All this gradually came to a halt with the onset of the second intifada in 2000.

The failure of Camp David, and the bloodiest round of violence between Israelis and Palestinians since 1948 that followed, had a most profound impact on Israeli thinking and Israeli-Palestinian relations in general (Susser, 2012). In the context of ongoing violence and underlined by a similar security prism that led to the construction of the Security Barrier in the West Bank at the same period of time, prime minister Sharon presented in 2003 his unilateral solution for Gaza: the Disengagement Plan. This included the evacuation of Gush Katif (comprising the entire Jewish population residing in Gaza) as well as an additional relocation of four small settlements in the northern West Bank nearby the

¹ In comparison, in 2013 the highest measured unemployment rate of any country was in Mauritania at 31 percent, World Bank report 2015.



city of Jenin. Sharon argued the move would lower friction between Israelis and Palestinians and stressed that all of the evacuated settlements are not expected to be a part of any future negotiations on state borders (Arbel & 2011).

Although the last Israeli soldier left the Gaza Strip on September 12, 2005, neither Israel nor the PA had created the necessary preconditions to ensure stability [or economic viability] in Gaza post-Israeli withdrawal (Hirschfeld, 2014). In the context of access and movement, while Israel's disengagement plan from Gaza left the strip settlement-free with no Israeli presence inside the territory, Efrat (2011) defines the implementation of the plan as the creation of a unique geographical phenomenon of a "trapped state", locked-in from all sides.

The pre-Hamas conditions

In the last decade, perhaps the most visible difference in access and movement facilitation in and out of Gaza has been the gradual yet unambiguous reduction in the number of operational crossing points between Israel and Gaza. Prior to Hamas takeover in 2007 the following crossings – in geographical order from north to south - were in operation, although periodic closures following terror attacks and security considerations also occurred throughout the years of operation:

Erez Crossing – situated in the northern part of the Strip, the crossing handled the movement of people, Palestinian workers and perishable agricultural goods such as strawberries and flowers. During Fatah's rule, the crossing also served on-going travels of PA officials, which is crucial today as it was then, for the daily management of governance and exercise of Palestinian sovereignty.

Nahal-Oz Crossing – used for the transfer of fuel, diesel and gas through a pipe system, the crossing was closed in 2008.

Karni Crossing – handling of goods² through back-to-back procedure which entails the off-loading from a Palestinian truck and subsequent up-loading onto an Israeli truck and forwarder. Closed since 2007 excluding a conveyor for grains which remained operational until 2011 (Gisha, 2011).

Sufa Crossing – used both for people crossing e.g. Gazan agricultural workers (employed in neighboring Israeli kibbutzim) and for the handling of aggregates and other materials imported for use by Gaza's construction sector. Until the Gaza disengagement it also served as a key crossing point for the supply of goods and movement of people to and from the Jewish settlements of Gush-Katif. It has been closed since 2008.

Kerem Shalom – based in the southwest tip of the Gaza Strip, the crossing was not originally intended for the handling of goods. Due to its location, adjacent to the border triangle between Israel, Gaza and Egypt and Rafah crossing, it

was primarily intended to serve regional activities. With the closing of the other crossings, this has posed infrastructural obstacles with Israel and international donors having to invest in the upgrade and expansion of crossing facilities to be able to somewhat compensate for the loss of pre-2007 crossing capacity.

In addition to the official crossing points detailed above, other supporting infrastructure was used to facilitate trade with Gaza, such as the escort of convoys directly to the port of Ashdod or Ben-Gurion Airport as well as the use of storage facilities at nearby Israeli communities such as Mavki'im.

Today, there remain only two operational Israeli-controlled crossings – Erez and Kerem Shalom – with Erez's capacity limited to the access of authorized personnel crossings such as international employees, diplomats and journalists and for humanitarian cases such as patients in need of medical care in Israel or the West Bank. Kerem Shalom is currently the only crossing dedicated to the movement of commercial goods. This has substantially increased the cost of shipping goods³ for both the private sector and humanitarian agencies. In addition to added fuel costs because of the longer distance, Kerem Shalom crossing handles palletized goods only (as opposed to bulk transfers via conveyor belts) which has also raised handling and storage costs.

Gaza closure

Following Israel's disengagement, the impact of two major developments on the Palestinian side played a role in increasingly transforming the Gaza disengagement into isolation. In January 2006⁴ elections were held for the PA Legislative Assembly which resulted in Hamas' electoral victory and pushed the Palestinian political system into disarray. The anarchy that followed led to a violent Hamas takeover of Gaza in June 2007. Since then, there has been both a geographic and political-ideological Palestinian split with Hamas in control of Gaza and the West Bank under Fatah and the PLO (Hirschfeld, 2014). The process of rising security threats and tightening control which began during the Al-Aqsa intifada accelerated significantly with Hamas' rise to power.

Successive rounds of violent conflict between Hamas and Israel particularly aggravated an already strained economic and humanitarian situation: "...between 2005 and 2008, Gaza's gross domestic output was reduced by a third, first primarily as a result of a drastic drop in government consumption and investment and then after 2007 also a substantial drop in private consumption and investment, but

2 At the height of its operational capacity, 145,000 trucks crossed through Karni annually. 2011 article in wWalla nNews <http://news.walla.co.il/item/1864179>.

3 The same Oxfam report estimates Kerem-Shalom impact on the total added costs of import/export at 30%, having an impact on commodity prices inside Gaza too.

4 The first elections were held in 1996, which Hamas boycotted since in its view, they were being held under the illegitimate auspices of the Oslo Accords. But in 2006, sensing a chance to do well, Hamas chose to participate in the elections, although, it still represented only the WBG and not all of Palestine (Susser, 2012).

also a virtual elimination of an already ebbed export sector” (World Bank, 2015:19). Operation Cast Lead (2008-2009), Operation Pillar of Defense (2012), and Operation Protective Edge in 2014 were all followed by further tightening of Israel’s restrictions on movement and access, both in land and at sea, to and from Gaza.

Among international aid organizations and actors there is a consensus that the inability of Gaza’s economy to recover to pre-2000 levels remains rooted in the closure of the Strip. While Israel views its withdrawal from Gaza as reducing its responsibility towards it, the international community views it as a different form of occupation “from outside”.

A final aspect to consider in the post-2007 context is the illegal tunnel trade, or “tunnel economy” which developed and thrived between Gaza and Egypt, and served as key counter-balance to mounting access and movement restrictions. Smuggling of anything from cars, fuel and farm animals to cigarettes and weapons, the tunnels provided a lucrative source of income for Hamas who taxed the commodities passing through. At the height of the tunnel industry, before Egypt began dismantling it in 2012, there were about 1,500 underground routes of supply between Gaza and Egypt.⁵ According to an IMF report (2014) construction materials in particular, imported to Gaza through the tunnels were three times higher than via official Israeli crossings.

Post-Protective Edge

The 2014 Israel-Gaza conflict lasted 50 violent days during July and August and resulted in unprecedented destruction both in human lives and in infrastructural damage. In addition, the incomplete ceasefire negotiations focused on the Palestinian demand to dismantle the closure and open-up Gaza to the outside world; most notably, the demand for a seaport was supposed to be negotiated in the follow-up talks to be held in Cairo, which never materialized. The international community rallied in Cairo to meet the urgent need for reconstruction by pledging \$5.4 billion but it was clear that the issue of Israel’s access policy would be critical to the deliverance of assistance and reconstruction efforts. The experience of the post-Cast Lead operation (2008/9) shows that without lifting, or at least significantly easing the blockade, especially the restrictions on construction materials, rebuilding efforts are likely to remain un-fulfilled (IMF, 2014).

In the immediate post-conflict context, tough Israeli rhetoric against Hamas began to shift towards the reality of misery of the people of Gaza: Minister of Defense Ya’alon acknowledged that following the operation there are 120,000 homeless people in Gaza who have paid a heavy price. Stating they should be able to earn a decent living and it’s in Israel’s interests to enable it.⁶ Similarly, the IDF Chief of

5 Reuters Exclusive, August 2014: <http://www.reuters.com/article/2014/08/21/us-egypt-gaza-tunnels-idUSKBN0GL1LC20140821>.

6 October 2014 <http://news.walla.co.il/item/2793231> (author’s translation).

Staff at the time, Benny Gantz, made the correlation between stability and economic prospects identifying the need for economic growth and rehabilitation as an opportunity that Israel should seize.⁷ Crucially, senior officers in the Israeli security apparatus quietly admit that under current severe living conditions in the Strip, the enduring security needs vs. reconstruction needs paradigm has to be decisively tilted towards reconstruction needs.⁸

Rafah closure impact

An important development since Protective Edge has been the effective closure of the Rafah crossing point, connecting Gaza and Egypt, long dependent on as an almost sole outlet to the outside world for Gaza’s residents. Between January and June 2015 Rafah was open for a total of eight days only.⁹ Even before the 2014 war, for over two years the Rafah border crossing has been closed most year round, with occasional sporadic openings hardly meeting the needs of Gaza’s residents to access and travel to the outside world. On May 26, 2015 the Egyptian authorities opened the crossing after two months of continuous closure but the direction of movement was one-way; from Egypt into Gaza only. The outbound sealing of Rafah effectively completes an absolute closure of the Gaza Strip, excluding the limited access granted through the Israeli-controlled Erez crossing.¹⁰

Since their close involvement in previous rounds of ceasefire negotiations – most notably during the 2012 Pillar of Defense (under President Morsi) and 2014 Protective Edge (President al-Sisi) – the Egyptian authorities have been steadily withdrawing their involvement in Gaza’s affairs in parallel with a most active tunnels-clearing operation on the Egyptian side of Rafah. Historically, Egypt has no interest in shouldering the burden of managing and providing relief for Gaza’s citizens (Brawer, 1988). Moreover, the effects of the clampdown on the tunnel industry between Egypt and Gaza have had a significant impact on Gaza’s economic activity even before the July-August 2014 war:

While the precise fiscal impact on the de facto authority in Gaza is not known, it is clear that the crack-down on the tunnel trade has drastically reduced its revenues as a consequence of which at least 70,000 [Hamas] civil servants and security staff on its payroll were not paid for several months (World Bank, 2015).

Egypt’s tough stance towards Gaza is officially rooted in its national security interests; Egypt accuses the Islamist Hamas of supporting the Sinai insurgents, which Hamas denies. While for Israel this is a welcome move, since it

7 October 2014 <http://www.maariv.co.il/news/new.aspx?pn6Vq=E&0r9VQ=GGDDJ> (author’s translation).

8 Discussions with senior military officer, March 2015

9 Jacky Khoury, “No Exit”, June 5 2015: <http://www.haaretz.co.il/news/politics/.premium-1.2652718>.

10 Jacky Khoury, Ha’aretz May 27 2015: <http://www.haaretz.co.il/news/politics/.premium-1.2645614>.



has long wanted Egypt to end arms smuggling from Sinai to Gaza militants¹¹.

Although in June 2015, there seems to be some early indication of a change in Rafah opening policy in all likelihood, Egypt will continue to make any changes at the Rafah crossing subject to its national security considerations, and it has long stated that it will greatly reduce restrictions once the PA's security forces have begun working at the crossing and along the Gaza-Egypt border (ICG, 2014).

Shift in Israel's policy of separation?

Another important characteristic of post-Protective Edge is the fact that Israel has re-opened access between Gaza and the West Bank, following more than seven years of a de facto policy of separation between the two Palestinian territories. This change began by authorizing the travel of PA officials to Gaza¹² – which also marked a significant change in policy by acknowledging the Palestinian consensus government, declared in June 2014, as part of the reconciliation agreement between Hamas and Fatah. Second, it involved opening Kerem-Shalom for the first truck-loads of agricultural goods out of Gaza and onto the West Bank in November 2014. These are two examples of change, small in volume but nevertheless significant symbolically, in Israel's policy toward Gaza and perhaps the realization “without a change in the border regime, a lasting recovery cannot be achieved” (IMF, 2014). The following sections consider further potential and recommendations for the alleviation of access and movement restrictions.

Required measures

When the population of Gaza was significantly smaller than it is today, geographer Brawer (1988) pointed out the inability of Gazans to sustain themselves due to a lack in sources of livelihood in the Strip. There is no doubt that in order for Gaza to develop, it must be open to the outside world, both for trade and travelling purposes. This is a necessary starting point for Gaza's acute reconstruction needs and it is also a necessary long-term means of securing the socio-economic future of the people of Gaza.

Movement of People

Given that Gaza has the highest unemployment rate in the world, with an estimated 70% to 80% of residents being aid-dependent, exacerbated by huge population growth (230% in the past two decades)¹³, there is a real and urgent need to expand employment opportunities. Gaza's limited market and severely under-performing manufacturing sector will take years to meet ever-growing demographic

and accompanying employment needs. During the post-Oslo years, unemployment dropped considerably, due to the employment opportunities which opened up through access to the Israeli market (World Bank, 2015). Up until the outbreak of the second intifada in 2000, half a million of Gaza's residents entered Israel every month, with over 20,000 workers crossing on a daily basis, for employment purposes. Gazan employees offered diverse professional skills and they were employed in sectors in the Israeli market ranging from agriculture and construction, to industry and services.

Since 2000, the number of Palestinian workers began to decrease dramatically and the number of foreign workers to increase until the Government of Israel (GOI) made the decision in 2002 to shift policy and reduce progressively the number of foreign workers and Palestinian workers altogether. Later, within the framework of the Disengagement Plan and as a general policy, the GOI planned to reduce the number of Palestinian workers in Israel to zero by 2008.¹⁴ Nevertheless, in certain sectors, particularly the construction industry, there are counter-pressures. In 2014 the government approved – and the new minister of finance strongly supports this step – the increase of quotas for foreign employees in the sector to 8,000 and then 15,000 in order to speed-up construction outputs and thereby decrease housing costs which have become a hugely important political issue in Israel.¹⁵

In regards to having some of these quotas filled through the renewal of work permits for Gaza residents, there are different positions within Israel and among Palestinians. From the security perspective, there is a great understanding within the relevant authorities that allowing for Palestinian employment in Israel would contribute to Palestinian economic growth and stability. Local residents from Israeli communities neighboring Gaza have expressed interest in renewing work permits for Gazan agricultural works, due to economic needs but also as a factor that could contribute to greater stabilization in their region. In the Israeli construction sector,¹⁶ there is potential and demand with several companies responding positively to the idea of hiring Gazan workers. In fact, COGAT has already begun exploring the implementation of a pilot for Gazan construction workers but the next day it reached an initial agreement with the builders' association, Erez crossing was closed following a rocket launch by Salafi factions. This is the main obstacle for implementation; namely the uncertainty for employers over the uninterrupted availability of workers. On the other hand, measures could potentially be put in place to mitigate such uncertainty by for example, ensuring “immunity” from closure for certain employees in certain sectors.

From the Palestinian perspective, in the long-term, in order to develop an independent economy and reduce dependence on the Israeli market, the Palestinians share an interest

11 Reuters Exclusive, August 2014:
<http://www.reuters.com/article/2014/08/21/us-egypt-gaza-tunnels-idUSKBN0GL1LC20140821>.

12 Palestinian PM Rami Hamdallah's first visit to Gaza in October 2014, to convene “consensus government” meeting.

13 UNRWA estimates quoted in World Bank report, May 2015.

14 Decision of the Government of Israel No. 1996, June 6, 2004.

15 Arlozorov, M. Meirav Arlosoroff, The Marker article June 7 2015:
<http://www.themarker.com/news/1.2653398>.

16 Interview with senior construction sector representative, June 2015.

in reducing the number of Palestinians working in Israel and creating instead alternative sources of employment within the Palestinian territories towards the creation of a self-sustainable Palestinian economy. However, this will be conceivable only once the question of access will be resolved so that the Palestinians will be able to develop commercial capacities and attract foreign and local investors. In the short-term, while there might be some objections both from Hamas and some Gaza residents themselves,¹⁷ there is little alternative to employment in Israel and many would welcome the opportunity. Moreover, many Gazans still have positive memories of and ties to former Israeli employers and if the GOI takes a bold move to authorize significant numbers of workers from Gaza, this could be a real game-changer for Gaza's employment market and economy.¹⁸

In terms of the Israeli market's absorbing capacity, a recent Bank of Israel report¹⁹ on Palestinian employment from the West Bank offers insights also relevant for Gaza:

- In the past four years, the number of Palestinians residing in the West Bank and working in the Israeli economy has doubled, reaching around 92,000 in 2014. This increase includes both workers with a permit and those without a permit.
- The number of employee posts filled by Palestinians in the construction industry doubled in the past two years, reaching about 15.3 percent of employee posts in the industry. This increase accounts for most of the growth in employment in the industry, as the number of posts held by Israeli and foreign workers were virtually unchanged.
- Notably, employment of Palestinians without work permits also increased, which indicates that Palestinian demand for employment in Israel is greater than the number of permits, and that there is considerable demand in Israel for Palestinian workers. The size of Palestinian employment in the Israeli economy is therefore expected to continue to grow in the foreseeable future.

In February 2015, Israel announced that it would allow 800 merchants to exit through the Erez Crossing every day. In practice, during the month of February, only 350 exits of merchants were recorded every day on average. One of the conditions for receiving a merchant permit is proof that the applicant imports goods to Gaza through the Kerem Shalom Crossing and sells 100,000 NIS worth of goods per year (Gisha, 2015). This condition poses a serious obstacle for a productive sector attempting to recover from years of commercial isolation.

In addition to work and merchant permits, there are broader, more immediate, issues of movement of people to consider. Since Protective Edge, 15,000 residents have applied for permits to exit Gaza for study, medical and family reunification

17 Discussion with local Gaza resident employed by an international organization, May 2015.

18 Discussion with UN employee based in Gaza, June 2015.

19 Bank of Israel Press Release, March 2015, Expansion of Palestinian employment in Israel and its characteristics.

purposes. One of the changes introduced by Israel following last year's conflict was its announcement in November 2014 that every week, 30 students from Gaza would be allowed access through Erez crossing to Jordan through Allenby/King Hussein crossing between the West Bank and Jordan. Without diminishing the significance of such a policy change, in practice, the impact has been minor: Less than 100 Gazan students, out of 350 who applied, have been successful in utilizing this change, the implication being the rest have missed the academic year, lost scholarships, visas and academic placements.²⁰ Particularly given the Rafah closure impact, there should be no reason for students who have families abroad and residents with urgent medical problems not to receive more efficient treatment by the Israeli authorities.

Movement of goods - Expansion of cargo facilitation

Although volume of (particularly imported) cargo has risen since an agreement between Israel, the UN and the PA was reached on the establishment of the Gaza Reconstruction Mechanism (GRM) in September 2014 and particularly since rehabilitation efforts have increasingly gained pace, the sole crossing point facilitating the transfer of commodities between Gaza and the outside world remains Kerem-Shalom. Only in March 2015, Israeli authorities allowed 1,000 tons of cement paid for by Qatar to enter the Gaza Strip which was the biggest quantity of construction material in a single shipment to come into Gaza since fighting ended in August 2014.²¹ Similarly, UN officials admit the GRM is functioning but not efficiently enough to meet the reconstruction demand.²² According to up-to-date figures, there has been a steady increase in the volume of goods, most notably construction materials, entering Gaza in recent months. On average,²³ up to 700 truck-loads of goods are handled daily which includes at least 120 trucks carrying food products (processed food as well as fresh produce such as milk) and large amounts of cement (2,000 to 3,000 tons a day according to crossing officials, up to 5,000 tons a week according to Israeli private sector actors using the crossing) and aggregates. Petrol and cooking gas also enter in large quantities.

In spite of serious Israeli security concerns, a major effort is presently being undertaken to expand the crossing capacity to permit the movement of 1,000 trucks a day. This necessitates a further upgrade of infrastructure. A leading Israeli company²⁴ that brings in materials for Gaza's construction sector argues that even with the current volume of goods, Kerem Shalom is overstretched and highly crowded with transport companies having to pay in time and money due to the resulting delays. In addition, the fact that the crossing is located in the southern tip of the Strip while the vast majority of commodities, especially construction

20 Jacky Khoury, Ha'aretz May 27 2015: <http://www.haaretz.co.il/news/politics/.premium-1.2645614>

21 Israel allows 1,000 tons of cement for Gaza reconstruction; <http://www.ynetnews.com/articles/0,7340,L-4639011,00.html>.

22 Discussion with UN officials, June 2015.

23 Field visit to Kerem-Shalom, June 2015.

24 Discussions with senior Israeli private sector actor, June 2015.



materials, are subsequently shipped back inside Gaza towards the northern areas highlights the lack of economic rationale in a complete reliance on Kerem Shalom, although the extension of Kerem Shalom offers a clear compromise between the need to reduce economic costs on one hand, and taking care of Israel's security needs, on the other.

In contrast to the view taken by the relevant security authorities, namely that Kerem Shalom with certain planned upgrades will remain the only goods crossing, many Israeli private sector actors support the opening of additional crossings. Erez crossing in particular, due to its location and potential space for expansion, should be considered positively for cargo handling.²⁵ Concerns over the need to ensure the security of the crossing and ability to confront the threat of tunneling entails that budgetary, personnel and other consideration add to security-related calculations. International actors have requested the reopening of the Karni crossing. However, the existence of a complex system of tunnels which has been built by the Hamas military wing has motivated the Israeli military authorities to oppose the option of reopening the Karni crossing point. In order to balance between security concerns and development interests, it will be essential to expand the crossings' capacity in a step by step approach, demanding the Gaza led Hamas government to assure stability and security for the Israeli side, while promoting most substantially the economic viability of Gaza.

We would recommend preliminary steps be taken by the Israeli authorities, without compromising upgrade and expansion plans at Kerem-Shalom, to begin exploring the possibility of additional crossings. For example, (re) utilizing Erez crossing for specific types of cargo handling, as was once the case, could be a feasible option. In cases of certain sensitive goods such as agricultural perishables or humanitarian supplies like medicines, it would be a positive move to consider which would at the very least substantially reduce transaction costs associated with the added travelling distance and shipping time of Kerem-Shalom.

Exports & Outsourcing from Gaza

In addition to the movement of labor, exports and movement of goods are pre-requisites to any functioning economy. Only by increasing its own capacity of production, will the Palestinian economy be able to generate new sources of income and employment. This equation is well known by all sides, international, Palestinian and Israeli. While exports to the global market ultimately offer the most lucrative potential, Gaza's current economy is too poor to invest the means necessary to upgrade its capacities accordingly and its access to the outside world remains precarious at best. This does not mean however, that international initiatives – such as the ongoing Food and Agricultural Organization (FAO) project supported by the Dutch government, facilitating the export of high-standard strawberries and tomatoes – should not be expanded and implemented further.

²⁵ Ibid.

In November 2014 Kerem-Shalom crossing handled the shipment of 10 tons of cucumbers exiting Gaza and headed to Hebron (Gisha, 2015). In March 2015 export of vegetables from Gaza to Israel were similarly permitted. These renewed trade links, which have since expanded to include additional types of products to the West Bank and wider variety of agricultural produce to Israel, mark an important development to reconnect Gaza to its traditional, competitive markets after years of a complete ban. However, at the same time this also demonstrates the slow pace of economic rehabilitation, almost a year after the 2014 destruction. Outgoing volume of cargo remains small with 10 to 15 truck-loads exported out of Gaza on a daily basis. These are comprised almost entirely of agricultural produce (tomatoes, strawberries) and are destined mainly to the West Bank market,²⁶ a smaller and less economically viable market compared with the Israeli one. In the Israeli market, the 2014-15 Jewish year of shmita provided a well-timed window of opportunity for outlet of agricultural produce from Gaza – particularly among orthodox Jewish communities – but in all probability this window has since closed and with the end of shmita, the Israeli agricultural lobby is expected to renew its pressures against the added competition from Gazan farmers.²⁷

Agriculture remains a traditionally strong economic sector comprising 17,000 acres of farmland (IMF, 2014). According to data from the Israeli Ministry of Agriculture, prior to the closure Gaza farmers sold a monthly average of 2,000 tons of fruit and vegetables to Israel, and an additional 680 tons a month to the West Bank (Gisha, 2015). Operation Protective Edge had a substantial negative impact on the sector with crops either directly destroyed or indirectly due to lack of irrigation and damaged infrastructure, but the sector proved resilient and well-organized through the local agricultural associations²⁸. Nevertheless, the agricultural sector alone cannot propel the Gaza economy forward and other sectors, such as textile and furniture, should be equally targeted. It should be noted that prior to Gaza's closure, 90% of garments, 76% of furniture products compared with 20% percent of food products produced in Gaza were marketed to the West Bank and Israel (Oxfam, 2011). In addition to direct sales which should be renewed, requiring that the Israeli authorities enable Gaza merchants to network with potential customers even when no formal purchase order is guaranteed, outsourcing is another potential avenue for Gaza's development which should be explored.

In the 1980s and 1990s the textile industry in Gaza provided patterns and designs ordered by Israeli companies, which were well-regarded for their high quality output, and in 2005, the number of workers in the industry was estimated at 25,000 (Gisha, 2015). Similarly, prior to the second intifada, Israel outsourced wood work and furniture manufacturing to Gaza-based companies, which should also be a measure

²⁶ Field visit to Kerem-Shalom, June 2015.

²⁷ Discussion with senior Israeli officials, May 2015.

²⁸ Discussions with senior technical advisor to international organizations, September 2014.

re-introduced to support Gaza's reconstruction through private-sector initiatives. Finally, for such changes to be considered seriously, corresponding access and movement measures need to be implemented at the border crossing. Pallet height for example is an additional trade barrier which currently exists at Kerem-Shalom crossing with maximum pallet height limited to 1m only, for reasons relating to security checks requirements. This should be at least matched with same inspection standards that exist in the West Bank crossings – 1.6m.

Gaza-West Bank connection; Access to a “safe passage”

A crucial link for any future agreement between Israel and the Palestinians, the notion of a safe and sustainable passage connecting Gaza and the West Bank, remains un-realized, although in the 1978 Camp David Accords and the 1993 Declaration of Principles (DOP), Israel accepted the principle of Gaza and the West Bank as a single territorial unit (Reut, 2005). Any discussion of access and movement policies must consider the fact that there is no territorial contiguity between the two parts of a future Palestine, between the people of Gaza and their fellow Palestinians residing in the West Bank. This further raises serious difficulties for the spatial and economic reconstruction potential of the Strip (Brawer, 1988).

“The Protocol Concerning Safe Passage between the West Bank and the Gaza Strip”, signed on October 1999,²⁹ pursuant to the Wye River Memorandum, specifies the various logistical solutions and means of travel. From the use of (Palestinian) privately-owned vehicles and the related Israeli road safety standards necessary and “sterile” (security-wise) public transport vehicles, to Palestinians shuttle-buses escorted by Israeli security forces. With the exception of a couple of individual cases, implemented during Shaul Mofaz's tenure as IDF Chief of Staff, in which Palestinian passengers and goods were allowed access from Gaza through Tarqumiya crossing to Hebron in the West Bank, implementation quickly terminated with the outbreak of the second intifada. Whether through the utilization of existing road connection by escorted convoys, or via a dedicated elevated road, sunken road or railroad, as in many other arrangements stipulated under the 1995 Interim Agreement and subsequent protocols, the Safe Passage has not been implemented. Moreover, Efrat (2011) argues any purpose-built infrastructural solution will require expansive land use, cut-off existing north-south transportation links in Israel and have a negative environmental impact on a unique area. A railway is particularly difficult to construct in this case, due to topographical differences and challenging terrains; artificially connecting diverging geographical areas, one flat and coastal, the other mountainous (550 meters above sea-level).

However, in the context of movement and access in preparation of permanent status arrangements, direct connection between Gaza and the West Bank, for both goods and people, can and should be implemented in the

29 https://www.knesset.gov.il/process/docs/safe_passage_eng.htm.

immediate to short term. In fact, as a direct extension of export expansion discussed above, the use of existing road links, either through Tarqumiya or Bituniya crossing points into the West Bank can be further utilized. Finally it remains to point out that while Israel would have to ensure a safe passage and ongoing access, Fatah and Hamas would ultimately have to enable the unification of Gaza and the West Bank into one territorial unit (Susser, 2012).

The security barrier “buffer zone”

Following Israel's disengagement from the Strip a security fence was erected along 54km from Erez crossing to Kerem Shalom which extends up to several hundred meters inside Gaza, aimed to prevent infiltrations into Israel (Efrat, 2011). Restricted access to land near border areas, many of which are agricultural, meaning approximately 35 percent of Gaza's farmland³⁰ remain uncultivated. During Protective Edge an enlarged security buffer zone around the border made most of Gaza's arable land inaccessible with an estimated 80% drop in agricultural output (IMF, 2014). Earlier, following the Pillar of Defense ceasefire understanding in 2012 there has been some easing of the access restrictions imposed by the Israeli military on land and at sea. On land, Gazans were able to access areas up to 300 meters from the fence for the first time in years, however in practice, a “no-go zone” was enforced up to 500m from the fence, with a “high risk zone” extending sometimes up to 1,500m from the fence.³¹ In the longer term, in order to accommodate growing demands, these Access Restricted Areas (ARAs) would also need to be re-considered with access granted to Palestinian farmers who own and cultivate border-adjacent plots. If and when the necessary political decision to limit ARAs will be taken, the IDF has the necessary means and surveillance capacity to implement such measures.

Maritime Movement; Access to sea

The second type of ARA relates to the Gaza shoreline and the frequent changes in nautical border demarcation imposed by Israel throughout the years. According to a 2011 Oxfam report, 85 percent of maritime areas for fishing remain restricted by the buffer zone, with devastating impact on the economy. Furthermore, as an economy with little room for further growth, the Palestinian territory in its entire requires access to the Mediterranean (Gaza 2020 report).

1. Fishing limit

From twenty nautical miles defined under the Oslo Agreements, to twelve, then six and three miles, fishing was banned completely during the 2014 conflict and has since been reopened to six miles. These recurring fishing restrictions have severely damaged a once thriving sector. The 2010 annual fishing catch in Gaza decreased by 45 % as compared to the 2008 fishing catch before fishing space was restricted to three nautical miles (Oxfam,

30 Figures from Oxfam 2011 report.

31 OCHA January 2014 bulletin: https://www.ochaopt.org/documents/ocha_opt_the_humanitarian_monitor_2014_02_19_english.pdf.



2011). Even under current limitations, the catch remains relatively poor in terms of quality and quantity, because larger schools of fish are only accessible from 10 miles offshore.³² Non-maritime access restrictions also have an impact on input availability, such as motors and spare parts for fishing boats.³³

Some alternative solutions are being promoted by international organizations and experts. Chief among these is the issue of aquaculture, a growing industry both globally and in Israel. In Gaza, the option of fish farming offers a solution both to shrinking supply as well as to growing import dependency. There are various methods of aquaculture³⁴ such as off-shore cages or in land fish pools and the specific technical method should be further studied for feasibility and commercial potential, but there is little doubt they offer both a welcomed opportunity for much-needed employment, and an important complementary step to sea fishing.

2. Seaport – A maritime access route for Gaza?

The fact that Gaza rests on an open shore line, in comparison to the land-locked West Bank, provides a crucial potential for Palestinian trade relations with other countries, as well as import prospects all of which would create employment opportunities in the Strip.

As part of the 1993 Oslo Accords, the Dutch and French governments committed \$42.8m to the reconstruction of the Gaza seaport and to the training of port personnel. A Dutch-French consortium that specializes in seaports signed a construction contract in July 2000 with the Palestinian Authority. The work was scheduled to be completed by August 2002; the contractor began mobilizing, but all construction activities were halted due to the outbreak of the Second Intifada in September 2000.³⁵ In 2005, the “agreement on movement and access” (AMA) in Gaza stated construction could start anew, and that Israel would “undertake to assure donors that it will not interfere with operation of the port.” Instead, Hamas won elections the next year, kidnapped an Israeli soldier, and later ousted the Palestinian Authority from Gaza, leading to a clampdown by Israel access and movement facilitation (Rudorn, 2014).

The notion of constructing the port of Gaza remained generally absent from political or even media discussions, until ceasefire negotiations during Protective Edge placed it back on the agenda. Gaza’s seaport — or at least an interim proposal for a floating pier near the Gaza

shoreline under international supervision of Gaza and Cyprus — has won some backing from Europe, Egypt and the United Nations (Rudorn, 2014). However, Israel has also insisted that for a “permanent” seaport of Gaza to be reconstructed and made operational, Hamas would have to disarm, which remains highly unlikely under current political conditions.

An alternative option to either a permanent port or floating pier – utilizing existing Israeli infrastructure – merits further attention. Under Israeli security scrutiny, the potential for opening up a maritime outlet through the Port of Ashdod, located 40km from the northern Gaza strip, may indeed seem more feasible in the short term. In fact, some senior officials at relevant Israeli authorities have expressed their support for such a solution years ago and since then, the logistical solutions and capacity at Ashdod have increased:³⁶ First, the Port has substantially increased in size with plans for further construction in the new private port well under way. Second, the recent extension of the Israeli railroad to Sderot (adjacent to Erez crossing) further expands freight transfer opportunities and reduces costs. On other hand, as discussed above, the Erez infrastructure serves people crossing and is not expected to be upgraded into a commercial crossing while there are no plans to open other goods-handling crossings in addition to Kerem Shalom,³⁷ which is much further south of Ashdod port, making it less financially-viable.

Access to currency; a requisite for a functioning economy

Finally, we must consider a measure not usually regarded as having access and movement impact: the ability to pay for goods and services. In a bid to combat Israel’s growing “shadow economy”, the Committee to Examine Reducing the Use of Cash, known as the Locker Committee, recommended in July 2014 to limit the use of cash transactions to amounts ranging from NIS 10,000 to 15,000 (Bank of Israel report, 2014). The Committee’s recommendations will go into force within two years and are expected to have serious consequences on Gaza’s cash-economy. Today, all Israeli banks are restricted from transferring money to any Gaza-based bank branch considered as “hostile territory” and Gaza importers pay for their goods mainly in cash hand-delivered through Erez crossing.³⁸

This means that any revenue generating measures recommended above, whether in trade, services or workers movement would have to take care of basic financial aspects, i.e. the ability to actually get paid in exchange for legitimate commercial activity.

32 June 2015, Margareta Wahlstroem, Assistant Secretary General for Humanitarian Affairs quoted in <https://electronicintifada.net/content/restrictions-threaten-gaza-fishermens-livelihoods/3214>.

33 Discussions with senior technical advisor to international organizations, September 2014.

34 Ibid.

35 Al-Jazeera opinion article, May 2014. Open Gaza’s seaport, end the blockade: <http://www.aljazeera.com/indepth/opinion/2014/05/open-gaza-seaport-end-blockade-20145141533315444.html>.

36 Author interview with former port authority senior official, May 2015.

37 Author interview with senior security official, May 2015.

38 Discussion with relevant Israeli official, March 2013.

Conclusions

There is no doubt the outbreak of violence between Israel and Gaza during the long 50 days of the summer of 2014 has resulted in unprecedented damage to an extremely harsh reality. Gaza's economic deterioration is rooted much earlier than recent rounds of armed conflict and even predates the almost decade-long blockade. In fact, for the past twenty years there has been almost no economic growth with Gaza's total GDP a mere 2 percent higher today than it was in 1994 (World Bank, 2015). Brawer (1988) identifies what he terms "the Gaza Strip predicament" even earlier as comprising "a population of refugees who have been expecting and waiting for rehabilitation for decades". Enduring conflict and violence, particularly since Hamas-rule has established itself in Gaza, have been countered by mounting Israeli (and Egyptian) isolation measures. Aid organizations have been consistent in the message that ongoing restriction on movement of people and goods is the principal cause for Gaza so-called "de-development".³⁹

Determined not to reward acts of terror, Israel may have aimed to address growing security threat and marginalize Hamas, but those who have paid the price of the de-development are not Hamas leaders but the people of Gaza. The fact that Israel and Hamas have fought their third war in six years perhaps best demonstrates that Israel's security has not improved as a result of Gaza's closure.

Israeli society and psyche too remain scarred by the unprecedented scale – both in volume and geographic reach – of rocket attacks and particularly by the exposed reality of an "underground Gaza" with tunnels reaching Israeli families and homes residing nearby the Strip. Witness the recent reaction to the Ministry of Education announcement of terminating, for lack of funding, psychological counseling for children residing in the Gaza Envelope. The immediate public and parliamentary outcry against the program introduced less than a year ago led to the intervention of the Prime Minister who reversed the decision within that same day. This illustrates the degree of lasting public sensitivity to last year's conflict. Admittedly this also hinders the ability of the political and security echelons to initiate dramatic gestures in access and movement policies towards Gaza, most notably how to facilitate the import of construction materials, which is immediately perceived as facilitating directly Hamas' re-arming efforts.

³⁹ UNRWA 2014 oPt emergency appeal, Annual Report.

The Israeli security authorities have understood that there is an inherent need to assist the economic rehabilitation of Gaza. Whereas the need to balance security interests with the promotion of economic stability is well understood by the Government of Israel, less attention has been given to the long-term interest and need of creating a political horizon that will provide the people of Gaza as well as the Israelis with a sense of hope, instead of fear and despair.

Accordingly we suggest applying the following recommendations:

1. Under present conditions, expand the capacity of the Kerem Shalom Crossing to enable the movement of 1,000 trucks a day and create the necessary infrastructure on both sides of the crossing, to ease the traffic at minimal economic costs;
2. Plan for the reopening of other crossings, conditional on the maintenance of stability and quiet. Particularly the expansion of the Erez crossing for movement of people and specific goods should be planned and implemented.
3. Permit the movement of Palestinian labor from Gaza into Israel on a daily basis. A first trial effort is being made in order to permit 5,000 workers to come to Israel even under present conditions.
4. Work together with the Palestinian Authority, regional actors, particularly Egypt, and the international community in order to create a long term political horizon.

Only when an agreed political horizon will be obtained and accepted by all relevant stakeholders, will it be possible to seek an optimal balance between Israel's security needs on one hand, and the needs of social and economic development of the people of Gaza and their co-patriots in the West Bank, on the other.

The only long-term answer to a destructive militant group like Hamas is to empower moderates and give Palestinians hope of a constructive future that could, in time, include a comprehensive peace settlement leading to an independent state (NYT, 2014). Indeed, Israeli decision-making towards the Gaza Strip is rooted in its security interests, but assuming a substantial policy shift is taken to enable movement of trade, services and labor, the IDF will be able to provide the appropriate security measures to enable such a shift. In essence, Israel's policy on Gaza requires in the words of US President Obama, a shift from the politics of fear to the politics of hope. This is both a Palestinian interest and an Israeli one.



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Health and Health Services in Gaza

Miriam J. Hirschfeld

Introduction

The objective of this paper is to gain an understanding how concerted collaboration among all stakeholders could bring both relief to the health-related suffering of the population, as well as an initial step toward the rehabilitation of the health system. I shall review the main problems facing the Gaza health system today while identifying the barriers that need to be tackled in order to facilitate the functioning of the health system and ultimately improve the health of the Gaza population. I base my analysis upon assessments by the international community (primarily the World Health Organization) and the literature. My main focus is steps Israel can take to alleviate the situation. This does not imply that serious political impediments between the PA and Hamas and other stakeholders must not be dealt with.

While issues of security, poverty alleviation, employment, available electricity and housing are beyond the scope of this paper, it must be understood that major improvement in all these fields, is a sine qua non precondition for improving health and rehabilitating/developing health services.

A WHO health sector assessment summarizes the situation after Operation 'Protective Edge' as follows: "Large-scale population displacement, shortages of water and electricity, environmental health hazards, loss of income...increased drastically the vulnerability of the majority of the population at a time when the siege on Gaza and the financial crisis of the government had already left the system on the brink of collapse" (Health Cluster, September 2014, p.3).

As our main purpose is to see how the situation could be ameliorated and the Gaza population get the health care it needs, I shall focus on the data through three critical lenses: 1.) Availability of services and resources; 2.) Accessibility of services and resources; and 3.) Affordability of services and resources. The challenge for all stakeholders involved is to find a short – middle and long-term strategy to vastly improve availability, accessibility and affordability for all in need of quality health services.

According to recent WHO and Gaza: Palestinian Authority Ministry of Health assessments (de Ville de Goyet et al, 2015; Abu Hamad, 2015) there are critical chronic issues, in addition to the destruction caused by the last war: severe infrastructure damage and a chronic shortage of pharmaceuticals, equipment, supplies, spare parts and poor general maintenance that led already earlier, to a deterioration of quality of services in Gaza. One of the main problems are the severe challenges to the health work force (to be also dealt with below) and (non available) lacking services, requiring referrals of patients with the multiple inherent problems of affordability and accessibility. In addition to the siege, political disagreements between the political parties

remain a challenge in spite of the May 2014 reconciliation between the PA and Hamas. The pending progress in consensus building and participative decision-making is hindering collaboration and an integrated approach.

The availability of health care services largely depends on the affordability of creating the necessary facilities, as well as the freedom of movement necessary to gain the required skills abroad.

Affordability

The total cost of providing needs in the relief, early recovery and reconstruction phases in the health sector following the Gaza crisis is estimated to be USD 383 million (and \$4 billion for Gaza as a whole). Only 20% of the \$4 billion has been raised so far (WHO, July 2015a).

The increasing poverty is the most pervasive barrier to access to specialized health services. Access to tertiary health care, i.e. the major (hopefully) well-equipped hospitals, as in many countries, is subject to availability of funding. Social security insurance coverage (Government, UNRWA or private) normally covers only part of the costs (70% or up in West Bank and 100% in Gaza). Co-payment by the patient for their care and accommodation of an accompanying relative and full payment for transportation and incidental medical costs can represent a serious burden. (de Ville de Goyet et al., 2015, p.8)

As affordability is crucial to all the challenges described below, I just highlight some of the crucial issues without going into any detail. There is no doubt that the dire situation of the Palestinian economy, caused by conflict, political developments and the resulting siege is at the source of the present predicament. However, our immediate challenge is to consider some of the measures that could be taken to ease the situation, short of the desirable second-degree change of peace and open borders.

Some of the recommendations include:

- The timely referral of Palestinian tax monies: The PA budgetary support depends largely on tax clearances withheld by Israel, which should be transferred monthly to the PA, but which is often unilaterally delayed. The most recent stoppage occurred in January 2015 after Palestine applied to join the International Criminal Court; the funds transfers were resumed only in April after Israeli elections.
- Pro-poor financing schemes to mitigate the negative impact of the recurrent health shocks affecting Palestinian households; healthcare payment is considered catastrophic if it exceeds 10% of household resources,



or 40% of resources net of food expenditures – in 1998 due to healthcare payments, 12.5% of households entered deep poverty (Mataria et al, 2010) and since the situation has become much worse.

- Examine existing agreements, as for instance, the Paris Protocols for options to exempt the procurement of pharmaceuticals to ensure affordable prices and reduce cost for the PA and donors.

Human resources – the workforce

According to the May 2015 WHO report, (de Ville de Goyet et al., 2015, p.7) salaries represent 44% of the budget of the Ministry of Health (MoH). However, there continues a 'strange' situation which is caused by the rivalry between the PA and Hamas, where those who actually work, are not receiving their salaries, while those who do not work any longer in the health sector, get paid. For the 4,508 workers recruited by the Hamas controlled Ministry of Health since 2007 and the 530 workers employed by the PA, who remained working after 2007, a solution for regular salary payment is still pending. As a result, health workers and maintenance staff carried out or planned several strikes. At the same time, 2,163 health workers, who no longer work in the health sector, as they stood down from their jobs in 2007 at the request of the Palestinian Authority, have continued to receive their pay. The Swiss Government made an effort to overcome the difficulties and seek a compromise for health workers re-integration and remuneration – in the context of re-integration for all public sectors – but apparently failed. Instead UNSCO is now engaged in seeking to overcome the PA-Hamas deadlocked situation (see Hirschfeld, 2015), while the World Bank is planning to cover the salary gaps of the cleaning/maintenance workers.

Another severe problem is the strictly limited opportunity for health professionals in Gaza to attend continuing education and academic conferences outside Gaza. This compromises the quality of care and impedes improvements in developing health care services. Physicians, nurses and other health personnel, who do not have the opportunity to update their knowledge, not only miss out on new developments, but tend to deteriorate in their performance, repeating mistakes they are not aware of.

In addition to the above problems, the severe workload and under-staffing are a serious obstacle to quality services. 91% of nurses believed that they are overloaded (Diab & Abu Hamad, 2015). Severe understaffing of midwives and failure to license, supervise and support them jeopardizes safe childbirth (Abdul Rahim et al, 2009), and Palestinian patients express overall dissatisfaction with services provided by primary care physicians (Abu Mourad et al., 2007).

Some of the recommendations are:

- Make sure that everyone who works in the health system gets paid a living wage (i.e. sort out the abnormality described above).
- Lift movement restrictions on all health-related personnel.
- Capacity building opportunities for health professionals should be expanded and supported by resources from donors and facilitated by Israeli authorities through easing travel permit procedures for health professionals.
- Workloads of nurses and midwives, in particular, should be re-assessed and measures taken to add positions, license, as well as supervise and support staff.
- One of the challenges is the creation of a unified and fully integrated information management system, sharing up to date information among all the stakeholders.

The need to repair damaged health facilities

UNDP, the Ministry of Health and UNWRA jointly assessed the damage caused by the 51 days of fighting to 86 health care facilities. 17 hospitals and 56 Primary health care centers (PHCs) were damaged. One hospital and 5 PHCs were completely destroyed. Thus the remaining health care facilities need to deal with the population prior served by the destroyed facilities. As these services were already stretched, this is detrimental to the quality of care. In addition, distance causes an additional hardship of accessibility for the patients, who now need transport to access care. The damage to private health care facilities is not yet known (Health Cluster, September 2014, pp 9-10).

For reconstructing these damaged health facilities the supply of cement is crucial, while proper maintenance remains also an important issue. Although the Israeli authorities fear that imported cement will be used to build offensive tunnels aimed at attacking Israeli villages on the border, the import of cement has been eased, (over 1,400,000 tons of cement have been imported to Gaza between September 2014 and June 2015). Alas, in order to enable the reconstruction of damaged facilities and rebuild housing far more cement and other materials are needed (Enshassi & El Shorafa, 2014; Touboul, 2015).

Another crucial matter is the availability of fuel and electricity.

Access to:

- A stable, predictable power supply is crucial for a functioning health system.
- 'Whatever is needed' to re-construct the infrastructure and develop the power infrastructure and supply.

For the supply of electricity a three-phased plan is being initiated starting with constructing two KV electricity lines of each 160 Megawatt from Israel to Gaza, one in the north and the other in the south, and constructing a 640 Megawatt power station. The difficulty is that his plan will need a two to five years implementation period and it is essential that immediate provisional relief will be created (see Touboul, 2015).

Water & waste

Access to water is a long-standing issue. The repeated violent conflicts, the demographic growth and the expansion of settlements in the West Bank have only made the problem more urgent and more difficult to deal with in a fair and negotiated manner. Access to water is crucial for the health, wellbeing and economic development of both sides. This leads to an unequal war of conflicting statistics between Israel and Palestine on water rights and use.

Over the years, the over-pumping of well-water has nearly completely depleted water sources within the Gaza Strip. Thus, 95% of the Gaza population now relies on desalinated water from commercial sources. This is an especial hardship for the poor that they cannot afford. In addition there is a concern related to the bacteriological quality of commercial water. More so, water storage at home is problematic and poses health hazards. Worse, the destruction and deterioration of the sewage system is a serious threat to health with a high risk of water borne diseases, as 'simple' diarrheas and worse. To date there are no epidemiological data on the health effects, documenting either disease outbreaks, or chemical contamination of water with its long-term effects. The absence of data, however, does not lessen the urgency of getting water quality to acceptable safety levels (de Ville de Goyet et al, 2015, p 13).

As a result of the repeated armed conflicts, management of the physical environment in the Gaza Strip has been severely neglected. Waste management faces specific constraints as limited national and local legislation, limited funding, inadequate infrastructure, limited communication among stakeholders and lack of information sharing, as well as lack of technical expertise. Only a small part of the health-care waste is segregated and properly treated (Caniato, Tudor & Vaccari, 2015). In order to rehabilitate health services, water and waste concerns need to be addressed and barriers to improvement removed. This is of prime importance to the health of people living in Gaza, as well as those in Israel, as water and waste born diseases do not respect the blockade.

An overall plan for stabilizing the water supply and wastewater management is being developed by COGAT. This plan would require a coordinated international effort and significant international investment in a de-salinization plant and a new pipeline.

Drugs, supplies, and equipment

Nearly 50 per cent of Gaza's medical equipment is outdated and the average wait for spare parts is approximately 6 months. Such equipment include x-ray machines, needed for even simple diagnosis of a fracture or a pneumonia, and hemodialysis units, essential for the survival of many kidney patients. In addition, MRI and CT equipment is needed for the provision of quality medical care (WHO, 2015a).

Over the past 5 years the PA financial crisis and the closure of Rafah that stopped the medical donations, led to a chronic

shortage of essential medicines and medical disposals. Such medicines include antibiotics and pain medications and drugs for chronic diseases, as for instance, cancer, diabetes, heart disease and neurological illnesses. There is also a serious shortage of medical disposables needed even for simple surgery or wound care (WHO, 2015a).

While the lack of medicines, equipment and disposables constitute the major barrier to providing basic health care services, there are additional obstacles related to the lack of continuing education for physicians and other health personnel. Appropriate drug prescription, for instance (Fattough & Abu Hamad, 2010) and good dispensing procedures in hospitals and pharmacies (Al Adham & Abu Hamad, 2011) remain educational issues to be addressed.

The following is a list of recommendations to improve access to drugs, supplies, and equipment:

- Remove health-related materials and equipment from the dual-use list.
- Facilitate import of all essential medical equipment.
- Facilitate exit of medical equipment that requires maintenance outside of Gaza.
- Facilitate unimpeded movement of pharmaceuticals between Gaza and the West Bank.
- Lift restrictions on Palestinian pharmaceutical producers for the import of raw material needed for the production of local medicines.
- Streamline procedures at Israeli border crossings for transport of medicines and medical disposables.
- Provide the Ministry of Health with essential drug stock pile.
- Provide funding for emergency stocks (drugs, supplies & equipment) at central level and in each health facility.
- Provide individual patients with a 2-month drug supply at a time for cardiovascular diseases, cancers, chronic respiratory disease, diabetes mellitus & other chronic diseases.
- Encourage Egypt to normalize the Border Crossing at Rafah to allow a re- opening of the Rafah Border crossing for the entry of medical supplies/equipment into Gaza (while respecting Egypt's legitimate security concerns).

With respect to these recommendations, the Israeli security authorities have made progress on certain issues, while others have not seen progress. COGAT has indicated little flexibility on the dual use issue, as medical equipment has been dismembered and used for military activity. Furthermore, Egypt has shown little readiness to re-open the Rafah border crossing on a regular basis, and only opens the crossing for specific humanitarian situations. Conversely, COGAT has taken great strides to facilitate the entry of essential pharmaceuticals to Gaza and there has been a marked improvement in the drug stock supply.



Features of the public health care system in Gaza

Basic primary health care services for disease prevention and care of common diseases and complaints give almost universal health care coverage to the Gaza population. The Ministry of Health (MoH), UNWRA and different NGOs, as well as private physicians provide for these services, while the chronic shortage of drugs and disposables is of particular severity in the MoH facilities. A remarkable achievement of the entire system is the very high vaccination coverage.

The secondary health care level provides free hospitalization for 83% - 100% of families, who are insured by the MoH. This includes free hospital referral treatment to the West Bank or Israel for all Gaza residents, though families still have to cover the cost of transportation, some medicines and tests and the cost for the accompanying relative. A major problem is the system's financial sustainability: Both the MoH and UNWRA rely on heavy donor support to provide services. In addition, it relies on the PA to give in kind support of drugs, disposables and personnel to the MoH (WHO, 2015a).

While communicable diseases are largely controlled by the primary health care system and despite the very high vaccination coverage, nosocomial infections, (infections caused by factors within the health care system itself), remain a significant burden for both patients and the healthcare system. The most important reasons for non-compliance with the Infection Prevention and Control Protocol are the absence of an education program (61.5%), lack of knowledge (52.4%) and the scarcity of required supplies (46.9%). Low levels of compliance in hand washing (45.9%), wearing gloves (40.7%) and using antiseptics/disinfectants (49.16%) (Eljedi & Dalo, 2014; Al Laham, 2012).

The difficult economic conditions and the associated adverse effects on the environment in Gaza strip are major factors in the spread and transmission of infectious organisms, including intestinal parasites (Hindi, 2014).

The main problem, however, facing the Gaza health care system is **the availability, affordability and accessibility of tertiary** care for persons with non-communicable diseases, as cancer, cardio-vascular disease, diabetes and other chronic diseases. There are other severe health problems, for which the Gaza health system is, to date, not equipped.

Recommendations include:

- Train local medical teams. For many years Gaza health personnel received continuing education in Israel and abroad. Alas, the blockage of the last years stopped this option. There are few visits of foreign medical teams and the Israeli Physicians for Human Rights, who may provide for urgently needed services and share their expertise with local teams. Alas, this is a drop in the sea of need.
- Develop appropriate local services. The main challenge is to develop tertiary services, able to give appropriate care to severely and chronically ill persons in Gaza. This includes creating and constantly updating the needed expertise of doctors, nurses and all the other

health professionals/technicians. It also includes making sophisticated diagnostic and treatment equipment available, while rehabilitating and developing the infrastructure of tertiary facilities (hospitals and staff equipped to deal with complex health problems).

- Enable access of foreign medical teams & develop clear guidelines on the management of their roles and responsibilities for large backlog of elective surgery and redo's in secondary and tertiary hospitals.

As establishing local quality services for non-communicable diseases and other complex health problems remains the long-term objective, access to essential services and their affordability need to be facilitated in the short and medium term by addressing the issue of referrals.

Referral of patients

Resulting from the deficient availability of essential medical services described above, referrals of patients outside Gaza became the chosen solution.

- Rafah to Egypt: Due to the closure of Rafah border (since July 2013) only 2328 patients (MoH referrals and a few other patients) were able to access health care in Egypt in 2014. The number of patients seeking health care in Egypt has been reduced by 85% since 2011. In 2015, the access situation worsened with only 42 patients able to travel to Egypt in the first five months. The border was shut completely in February and April. In May 2015 only patients returning to Gaza could travel across Rafah.
- Erez to Israel and West Bank: 18,126 patients sought access through Erez crossing in 2014, mostly to Palestinian hospitals in the West Bank including East Jerusalem, but also to Israeli hospitals. However, 3,260 patients experienced problems in access; they were either denied a permit or delayed by the permit procedures, which can include long interviews by security personnel, and patients thus missed their medical appointments although it should be noted that in spite of the conflict situation 14,866 Gaza patients were treated in Israel (WHO, 2015a, p 6).

While the long-term objective needs to aim at increasing the availability of essential medical services locally, there is in the short-term much that can be done to alleviate suffering and ensure timely care.

Recommendations include:

- Provide written protocols of eligibility for permits and written reasons when denied.
- Create a clear and effective appeal process.
- Ensure that all applications are processed well prior to hospital appointment dates.
- The Israeli Health Coordination office should strengthen and expand the support provided in facilitating permits for referrals and developing the capacity of their Palestinian

counterparts. Budget and staff should be assigned for this purpose.

- Ensure that both parents of children who are patients can accompany the child to hospital.
- Facilitate ambulance transport of patients. This should not present additional risks or delay for patients and therefore back-to-back procedures should be halted. (While Israelis remember the incidents when Palestinian ambulances transported explosives/weapons during the Second Intifada, it seems that the security forces can today find other solutions to legitimate security concerns than requiring back to back ambulances, a practice that causes additional suffering and delays for severely ill patients.
- Facilitate access for patients without ID (including newborns).
- Open Erez 24 hours/7 days per week for humanitarian access for patients.
- Facilitate 'safe passage' for referral patients in a manner that is predictable, efficient, safe and dignified.
- Encourage Egypt to normalize the Border Crossing at Rafah by applying 24 hour/7 days per week opening for all health-related travel and consider developing a special mechanism to allow a re- opening of the Rafah Border crossing for medical referral of patients from Gaza and for the entry of humanitarian foreign personnel into Gaza (while respecting Egypt's legitimate security concerns).
- Ensure timely, unimpeded and safe passage for all patients between Gaza and West Bank.
- Lift movement restrictions on family members of patients.

Other essential health services

While essential services, as Mental Health, Maternal and Child Services, Services for Adolescents, Services for Disabled Persons and for the Elderly warrant special attention, I shall not specifically address them here, as beyond the need to facilitate extensive professional education/training of local staff, the short-term solutions are not immediately influenced by Israel. (Alas, it is clear that the physical and mental health of all in the region is dependent upon quiet and a peaceful development and thus also dependent upon Israeli politics and policies.)

Just in short, rising poverty, increasing frustration and lost hopes have serious mental health implications for persons living in Gaza. There is a high prevalence rate of common mental disorders and overall quality of life is severely affected by the situation. WHO is working closely with the relevant governmental departments and coordinating with NGOs to further develop an effective and comprehensive community mental health care system (de Ville de Goyet et al. 2015, pp 11-12).

The most common complaints, as reported by patients attending Palestinian health care facilities were stress-related

and could be attributed to the ongoing conflict and high level of violence and uncertainty (Abu Mourad et al., 2010). In a study on the prevalence of psychosomatic symptoms among adolescents Abdelaziz et al. (2015) concluded an urgent need for establishing school-based programs to help adolescents and a need for training of teachers and school counselors to increase their knowledge and recognition of mental health problems within schools, and ways of managing the more simple presentations. Other research also showed a high prevalence of posttraumatic stress disorder (PTSD), depressive, and somatic disorders in children (Punamäki et al, 2015).

Recommendations include:

- Develop short-term mental health training courses for nurses, doctors, social workers, occupational therapists, teachers and school counselors and extensive specialization training for doctors and nurses.
- Create a six month buffer stock of essential psychotropic drugs.
- Maternal and child services need to be improved with special attention to the nutritional needs of mothers and children.
- The severe understaffing of services, as well as the scope of practice of midwives must also be addressed (Abdul Rahim et al, 2009).
- The special needs of displaced women, children and orphans who are of specific risk are an additional concern (Health Cluster, 2014).
- Another vulnerable population is 'old persons' who need special attention in the health sector.

Last, but not least, persons with disabilities are particularly vulnerable during any crisis situation. Rehabilitation centers and facilities for people living with disabilities, already insufficient for the needs, were destroyed during the last conflict of the summer 2014. This includes an ambulance station and a total of 45 ambulances.

Recommendations include:

- Develop a comprehensive strategy to the health needs of persons with injuries and disabilities to prevent complications and permanent impairments.
- Mainstream disability and vulnerability issues in the overall humanitarian response.
- Create rehabilitation outreach services to people with new and old disabilities and injuries.
- Develop Community Based Rehabilitation (CBR) centers and train rehab staff.
- Fund Prosthetic and Orthotic center and develop expertise to assess, manufacture follow-up, repair and replace devices.

In summary, all stakeholders, including Israel can do much in the short, medium and long-term to alleviate suffering and ill health of the Gaza population by addressing the availability, affordability and accessibility of all essential services.



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About the Authors

Prof. Miriam J. Hirschfeld

Miriam Hirschfeld graduated from a nursing diploma program in Vienna, Austria before she immigrated to Israel in 1966. Her B.A. is from Tel-Aviv University and her Master's of Science and her Doctor of Nursing Science degrees are from the University of California San Francisco. In 1989 she was selected as the Chief Scientist for Nursing of the World Health Organization (WHO) in Geneva and held this position for nine years, when she was nominated Director of Human Resources for Health. After becoming Acting Director of Health Systems she established a new WHO Initiative on Long-term care. Upon retirement from WHO, she returned to Israel in 2003, where she joined the faculty of the Emek Yezreel College, as Professor in the Department of Health Systems Management, and since 2007 she headed the new academic nursing program in the Emek Yezreel College. The University of Nottingham awarded Miriam Hirschfeld an honorary medical degree and the Oregon Health Sciences University an honorary doctorate in science. Austria gave her the highest presidential medal for her contributions to Austrian nursing.

Dr. Yair Hirschfeld

Dr. Hirschfeld, Academic Director of the S. Daniel Abraham Center for Strategic Dialogue is world-known due to his leading role in preparing and negotiating the Oslo Accord between Israel and the PLO, of September 13, 1993. In the early 1980s, Hirschfeld organized the confidential dialogue between Shimon Peres and Yossi Beilin and the Palestinian leadership from the West Bank and Gaza. In 1991 he prepared a strategic study which defined the principles and structure of what would become the Oslo Accord, and in January 1993 Hirschfeld led the track-two negotiations with the Palestinian leadership, and later became an official member of the Israeli negotiating team with the PLO. Dr. Hirschfeld has founded, together with Dr. Beilin the Economic Cooperation Foundation, which has served all Israeli governments and prepared strategy concepts for promoting the Israeli-Palestinian and the wider Israeli-Arab peace-finding process. Dr. Hirschfeld is a professor of Middle Eastern History, and a leading expert on Conflict Resolution and the technique of track-two negotiations.

Ms. Anat Kaufmann

Anat Kaufmann is a Project Director at the Economic Cooperation Foundation (ECF). Her work focuses on cross-border trade and Israeli-Palestinian economic ventures, as well as related policy-planning issues and non-trade barriers in the West Bank. As part of her work, Anat meets with Israeli, Palestinian and international officials and former officials on the relevant issues. Her background is in political science and development; she holds a BA (Cum Laude) in Politics from

the University of London, MSc in NGOs and Development from the London School of Economics & Political Science (LSE), and has worked as a researcher for several London-based development organizations.

Brigadier General (ret.) Dov Sedaka

Dov Sedaka served as a career officer and commander of Elite Commando and Intelligence Units in the Israel Defense Forces, reaching the rank of Brigadier General. He has served as the manager of wide-scale military and civil authorities of various natures. Brig. Gen. Sedaka was the head of Civil Administration for the West Bank and the Head of the District Civil Liaison Office in the Gaza Strip. Prior to that, he was Commander of the Intelligence and Reconnaissance Center, in the Central Military Field Units Training Base. Today, he serves as a Senior Advisor at the Economic Cooperation Foundation and a Senior Strategic Consultant for major corporations. He is a member of the Peace and Security Association and a member of the Israeli-Palestinian Chamber of Commerce.

Brig. Gen. (ret.) Dr. Ephraim Sneh

Ephraim Sneh, doctor, military figure and statesman serves as Chair of the S. Daniel Abraham Center for Strategic Dialogue, following a career of military and political service in which he acted in all of Israel's critical junctions of the past thirty-six years. In 1985 he was appointed by Defense Minister Yitzhak Rabin to serve as head of the Civil Administration in the West Bank. When he received his discharge from the IDF with the rank of General in late 1987, he turned to political service within the Labor Party. Owing to his wide familiarity with the Palestinian issue and the great personal regard in which he was held by Shimon Peres and Yitzhak Rabin, Ephraim Sneh was sent, in the summer of 1988, to conduct the first secret talks with the PLO in Paris. In June 1992, Ephraim Sneh was elected as a Member of the Knesset for the first time. He served as Health Minister, Transportation Minister, and twice as Deputy Minister of Defense, leaving a significant mark on each ministry.

Adv. Celine Touboul

Celine Touboul is Deputy Director-General and senior researcher at the Economic Cooperation Foundation (ECF), where she also leads the organization's work regarding all policy, economic, and security issues related to the Gaza strip. Mrs. Touboul is a former research fellow at the NATO Defense College. She started her professional training as a lawyer specialized in international public law. She holds an M.A. degree in International Public Law from the University of Paris-Sud and an M.A. in International Relations from the Hebrew University of Jerusalem.

Promoting a Coordinated Strategy for the Reconstruction of Gaza

**S. Daniel Abraham Center for Strategic Dialogue
Netanya Academic College**

Tel: +972-9-860-7400 Fax: +972-9-860-7401

1 University Street, Kiriat Yitzhak Rabin, Netanya 42365

Mail: strategic-dialogue@netanya.ac.il

Web: www.netanya.ac.il

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