



# The Reconstruction of Gaza

A Guidance Note for Palestinian & International Stakeholders

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**RHSC**

REGIONAL HUMAN SECURITY CENTRE

المركز الإقليمي للأمن الإنساني



POST-WAR  
RECONSTRUCTION &  
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## Foreword by HRH Prince El Hassan bin Talal

The tragedy which continues to unfold in Gaza once again demonstrates the failure of force to bring peace to one of the world's most protracted conflicts. More than 1,100 Palestinians have been killed and 4,000 injured, and the ceasefires enacted in the recent days comprise more a pause than a solution.

The Israeli-Palestinian conflict is a woeful tale of missed opportunities and broken promises, and moments of hope are consistently shattered by renewed acts of aggression which entrench zero-sum mentalities. The politics of fear must give way to the politics of hope, and the reconstruction of Gaza, which this document addresses, possesses immediate potential to initiate this transition.

A peace dividend must arrive swiftly to show that the plight of Gazans is recognised and abhorred by countries in the region and beyond. Yet reconstruction must be viewed as only a first step towards the long-term aim of improving conditions on the ground through attention to issues such as water and energy, arms control and, above all, economic development. The seeds of peace cannot be sown where people live in constant deprivation, and an end to the underlying cycle of violence must be pursued through genuine economic empowerment.

Such empowerment has never been prioritised by a region and an international community rife with the sorts of divisions which prevent consensus-based action. Short-term and short-sighted approaches have, thus, proliferated, and I am increasingly convinced of the need to develop a new mechanism that can withstand political volatility and ensure that external rivalries and political agendas no longer jeopardise genuine dialogue and development.

The authors of this document conclude much the same in calling for a representative Gaza Reconstruction Council to set priorities around technical rather than political agendas. Such a mechanism represents a promising first step towards the sort of temporary international stabilisation agency which I believe is needed to develop democratic Palestinian institutions, to restore basic services and the reconstitution of the now-decimated Gazan police force and, eventually, to manage negotiations with Israel towards a lasting peace.

Such an institution should be developed carefully and through Track II negotiations involving all Palestinian stakeholders, regional representatives, civil society, academics and international leaders who have shown a commitment to transforming protracted conflicts. This body must take into account best practices and lessons learned from the West Bank, Gaza, Lebanon and beyond.

In essence, this body must continue asking the sorts of questions which are posed in this document and which the authors address with evident concern for, above all else, the wellbeing of the Palestinian people. I commend this contribution and its authors and urge you to consider its findings and recommendations carefully.

Sincerely,

**HRH Prince El Hassan bin Talal of Jordan**  
*President, Arab Thought Forum*  
*President Emeritus, World Conference of Religions for Peace*

## Table of Contents

THE POST-WAR RECONSTRUCTION & DEVELOPMENT UNIT	IV
THE REGIONAL HUMAN SECURITY CENTRE	IV
ABOUT THE AUTHORS	IV
ACRONYMS & ABBREVIATIONS	V
<b>EXECUTIVE SUMMARY</b>	<b>VI</b>
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. THE CONTEXT OF RECONSTRUCTION</b>	<b>3</b>
2.1. A Brief Overview	3
2.2. Palestinian Politics	4
2.3. Civil Administration	5
2.4. The Economy	5
2.5. The Human Costs	6
2.6. Relation to Reconstruction	7
<b>3. LESSONS LEARNED</b>	<b>10</b>
3.1. Donor Conferences	10
3.2. Timing of Assistance	10
3.3. Elite Pacts	10
3.4. Coordination	11
3.5. Recipient Capacity	12
3.6. Accountability, Transparency & Integrity	13
3.7. Israel	14
<b>4. STRATEGIES &amp; OPTIONS</b>	<b>16</b>
4.1. Foundational Recommendations	16
4.2. Operational Considerations	18
4.3. Ensuring Local Capacity & Ownership	19
4.4. Link Infrastructure & Economic Growth	20
4.5. Other Considerations	23
<b>5. CONCLUSION</b>	<b>25</b>
REFERENCES	26

## The Post-war Reconstruction & Development Unit

Established in 1993, the Post-war Reconstruction and Development Unit (PRDU), based within the University of York, UK, has pioneered the study of war-torn societies and their recovery. The PRDU's core staff reflects expertise related to peace processes, conflict analysis and transformation, humanitarian intervention, civil-military cooperation, security sector reform, public administration, shelter, programme development, research methodologies in conflict-affected contexts, policy development and civil service capacity building, among other areas.

The PRDU provides three post-graduate programmes, including a Master's and a PhD in Post-war Recovery Studies, and PRDU staff members regularly engage in evaluation, training and strategic advisory services around the world for major donors institutions and implementing agencies. Recent projects have included a strategic conflict analysis of Afghanistan on behalf of the British government and an in-depth study of reconstruction in South Lebanon following the 2006 "July War" on behalf of the Norwegian Refugee Council.

## The Regional Human Security Centre

Established in 2000, the Regional Human Security Centre (RHSC) is a non-profit, independent institution in Amman, Jordan that seeks to advance the human security agenda through applied research, training, and the facilitation of dialogue around practical policy recommendations. Geographically the RHSC focuses upon the Middle East and North Africa as well as upon Afghanistan and Pakistan. Within this region the Centre examines issues pertaining to its four research clusters: Armed Conflict, Forced Migration, Reconstruction, and State Sovereignty and Civil Society.

In promoting this comprehensive human security agenda, the RHSC raises awareness among academics, practitioners and policymakers through its practically-oriented research, through region-wide forums, through trainings and, finally, through various forms of assistance to governmental, non-governmental and scholarly institutions within the region and beyond.

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## Acronyms & Abbreviations

AHLC	-	Ad Hoc Liaison Committee
AMA	-	Agreement on Movement and Access
AMC	-	Directorate General for Aid Management and Coordination
CfP	-	Call for Proposals
CSIS	-	Centre for Strategic and International Studies
DFID	-	UK Department for International Development
EU	-	European Union
FDI	-	Foreign Direct Investment
GRTF	-	Gaza Reconstruction Trust Fund
ICG	-	International Crisis Group
IDF	-	Israeli Defence Forces
JLC	-	Joint Liaison Committee
LACC	-	Local Aid Coordination Committee
MDTF	-	Multi-Donor Trust Fund
MIGA	-	Multilateral Investment Guarantee Agency
MOF	-	Ministry of Finance
MOP	-	Ministry of Planning
MOPIC	-	Ministry of Planning and International Cooperation
NGO	-	Non-Governmental Organisation
OPIC	-	Overseas Private Investment Corporation
PA	-	Palestinian Authority
PAPF	-	Palestinian Expatriate Professional Fund
PCBS	-	Palestinian Central Bureau of Statistics
PECDAR	-	Palestinian Economic Council for Development and Reconstruction
PEPF	-	Palestinian Expatriate Professional Fund
PFI	-	Palestinian Federation of Industries
PLC	-	Palestinian Legislative Council
PRDP	-	Palestinian Reform and Development Plan
SWG	-	Sectoral Working Group
TAP	-	Tripartite Action Plan
TATF	-	Technical Assistance Trust Fund
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNRWA	-	United Nations Relief and Works Agency
UNSCO	-	Office of the UN Special Coordinator
US	-	United States
USAID	-	United States Agency for International Development
UXO	-	Unexploded Ordnance

## Executive Summary

International calls for the reconstruction of the Gaza Strip began just shortly after the recent conflict erupted on 27 December, and, during the upcoming weeks, hundreds of millions of dollars will be mobilised in support of Gaza's rebuilding and recovery. This document provides guidance for ensuring that those funds are spent effectively and that those involved build upon lessons learned from previous reconstruction efforts in Gaza and elsewhere in the region. While it is difficult at times to move beyond the scale of the suffering, both that preceding and resulting from the recently ended conflict, the authors feel a document such as this is their best way of contributing to both Gaza's recovery and the prevention of future a reversion to violence.

The 'Guidance Note' begins by addressing the contextual features of contemporary Gaza which will move heavily influence the reconstruction process before outlining a series of key lessons learned and providing strategies and options.

### Context

Reconstruction must account for a context which has evolved dramatically and overwhelmingly for the worse since 2005. In particular, the contextual features and developments described below must be taken into consideration.

- Israel's unilateral withdrawal from Gaza in 2005 maintained many aspects of a de facto occupation and resulted in curtailed freedom of movement for people, goods and finances, thus resulting a severe economic downturn.
- The ascension of Hamas in Gaza since mid-2007 has resulted in near-complete border closures with both Israel and Egypt, a substantial loss of international assistance for the Strip and some donors' abandonment of accountability systems established within the Palestinian Authority (PA).
- Political as well as physical conflict between Hamas, which controls Gaza, and Fatah makes governmental involvement challenging and laden with conflict-causing potential. Leadership or "ownership" of the reconstruction process will be vigorously contested by Palestinian factions as well as by members of the international community, with some attempting to use the opportunity to strengthen Fatah's role in Gaza.
- Service delivery and local governance by municipal officials has been substantially weakened by factional disputes as well as by the loss of resources from international donors and tax revenues collected by the Israeli government on behalf of the PA.
- Conflict and contested political control have contributed to an economic decline, with unemployment rates greater than 50 percent and the decimation of private-sector activity.
- The economic decline, donors' waning support for Gaza and Israeli restrictions on the import of humanitarian supplies have led to skyrocketing rates of poverty, estimated by some measures as higher than 70 percent prior to this recently concluded conflict.
- Medical services and educational opportunities have withered, bringing particularly hardship for Gaza's elderly (among others) as well as for the Territory's exceptionally large youth population.
- These factors may all contribute to a lack of widely recognised governmental counterparts for reconstruction, a dearth of Gazan or Palestinian private-sector partners, unpredictable access to materials needed for reconstruction and delays in the relief-to-reconstruction transition.

## Lessons Learned

A variety of lessons have been learned from, in particular, the post-Oslo Agreement reconstruction effort. These pertain most notably to the governance, coordination and administration of reconstruction rather than to sector-specific activities.

- Reconstruction and development in Gaza must be understood as benefiting Israel's security and as supporting renewed Palestinian unity, two outcomes critical for establishing peace. Using reconstruction to support security, recent international experience has shown, is best pursued through the involvement – not exclusion – of armed elements and factions opposed by large segments of the international community.
- Donor conferences will be able to mobilise large assistance pledges, though these will only be partially met by donors unless follow up pressure is applied. Commitments are also likely to fall off over time, as donor attention drifts elsewhere, unless tangible gains are seen in reconstruction (or on related conditionalities).
- Coordination has been heavily politicised and overly complex, thus leading to a deficit of actual, programmatic and policy-oriented collaboration and joint-planning. Past mistakes will need to be addressed, and the coordination structure will require streamlining.
- The absorptive capacity of recipients is likely to be weak given damage resulting from conflict, the loss of international financing and a past tendency to focus upon the importing of short-term expertise from Palestinian expatriates. Rapid and intensive, rather than mainstreamed, capacity development activities will need to be implemented from the beginning.
- Donors' post-June 2007 abandonment of Palestinian Authority (PA) aid management bodies in the Ministry of Planning (MOP), in preference for the President's Office, has created an institutional vacuum and weakened accountability and anti-corruption efforts. Such a development is unfortunate given the occurrence and perception of extensive corruption among the PA and certain civil society actors.
- Israeli security concerns and impediments to reconstruction and development in Gaza have historically complicated the process, and agreements to allow free access of materials have routinely been violated. Approaches to prevent impediments to reconstruction, while providing security assurances to Israel, must be developed.

## Strategies & Options

A wide variety of recommendations are included in this report. The 'foundational' steps are described below, though many more are offered throughout this guidance note.

- Needs, opportunities and constraints must be assessed by experts from the Palestinian Authority and international and regional organisations and research centres. A separate assessment of strengths and weaknesses evident in earlier rounds of reconstruction must also be conducted by donors and other key stakeholders to learn from previous mistakes.
- An investigation of war crimes potentially committed by both sides during the recently concluded conflict should be initiated in order to demonstrate respect for the law, for human life and for the suffering experienced by, in particular, the Gazan population.
- Israeli influence upon the reconstruction process must be removed by developing and, critically, enforcing a new agreement on movement and access. Given the past weaknesses of such documents and the high likelihood of Israeli non-compliance, basing reconstruction efforts in Rafah, Egypt and importing materials via Egypt and a to-be-rebuilt Gaza seaport will help to avoid external impediments.



- Given the factional tensions and contested governance which exists in Gaza, a representative body, the Gaza Reconstruction Commission, must be established to act as the ultimate and quasi-public counterpart for international donors. This Commission, which should involve representatives of all factions as well as key international actors such as the United Nations, should set the reconstruction agenda and provide overarching coordination to the process.
- While the Commission would manage on-the-ground and technical matters, such as the prioritisation of sectoral interventions, an international Reconstruction Chief should be appointed by the United Nations to ensure donor compliance with best practices and to tackle external impediments, such as border closures or excessive conditionalities.
- A Gaza Reconstruction Trust Fund, into which all donors would commit funds, should be established in order to promote coordination, accountability and transparency. Major donors should oversee and manage this multi-donor trust fund in collaboration with the Gaza Reconstruction Commission.

These recommendations can allow reconstruction to begin as an inclusive partnership between groups, countries and institutions which commonly perceive one another with mistrust and suspicion. Doing so can contribute to the development of a lasting peace in the Palestinian Territories as well as to enhanced regional cooperation.

## 1. Introduction

The recently ceased, though not necessarily ended, conflict between Israel and Hamas resulted in significant casualties, particularly on the Palestinian side. The Palestinian Central Bureau of Statistics (PCBS) reports that 1,305 Palestinians have been killed and another 5,400 injured.<sup>1</sup> Though figures have yet to be confirmed, it appears that 40 percent of those killed and half of those injured have been women and children with many adult male victims also likely to have been civilians.<sup>2</sup> Three Israeli civilians were also killed during the conflict, as were 14 member of the Israeli Defence Forces (IDF). Substantial damage to property and infrastructure also resulted.

**TABLE 1. Damage, Level and Value, from the 22-Day Conflict**

Type of Damage	Number	Value (in million US\$)
Housing Buildings (Destroyed)	4,100	200
Housing Buildings (Damaged)	17,000	82
Mosques	20	2.2
Education and Health Buildings	25	8.4
Security Headquarters	31	6.3
Ministry Compounds	1	25
Ministry Buildings	16	23.5
Bridges	2	3
Municipality and Local Authority Headquarters	5	2.3
Fuel Stations	4	2
Water and Wastewater Networks	10	2.4
Destroyed Ambulances and Civil Defence Vehicles	20	1.5
Electric Power Distribution Facilities	10	0.4
Road (in km)	50	2
Factories, shops and other commercial facilities	1500	19
Rubble removal	-	600

**Source:** Palestinian Central Bureau of Statistics, Damage Assessment, 19 Jan. 2009.

The current estimated value of all damage, including some not cited in the table above, is US\$1.1 billion, thus necessitating a substantial investment in reconstruction.<sup>3</sup> This need was recognised, and international calls for the reconstruction of Gaza began, nearly two weeks before a ceasefire had been announced by either Israel or Hamas. UN Secretary-General Ban Ki-moon stated on 8 January that 'we need to turn quickly to the process of rebuilding what has been destroyed in the fighting' and pledged financial support for this process.<sup>4</sup> Two days earlier, US Secretary of State Condoleezza Rice had told the UN Security Council that 'the international community

1 Official figures provided by the PCBS, 19 Jan. 2009.

2 Prior to the end of the conflict, the BBC had reported that 391 of the 1,010 Palestinian deaths to that point, or 38.7 percent, had been women or children. Subsequent events do not draw this general statistical finding into question. See BBC, "More than 1,000 Killed in Gaza", BBC online, 14 Jan. 2009, <[http://news.bbc.co.uk/1/hi/world/middle\\_east/7828884.stm](http://news.bbc.co.uk/1/hi/world/middle_east/7828884.stm)> (15 Jan. 2009). While neither confirmed nor confirmable, it should also be noted that Hamas claims to have lost 84 members during the conflict, thus implying that more than 93 percent of all Palestinian fatalities occurred among civilians.

3 See note 1.

4 Ban Ki-moon, 'Secretary-General's statement to the Security Council following the adoption of a resolution on Gaza' (New York, 8 Jan. 2009), <<http://www.un.org/apps/sg/sgstats.asp>> (10 Jan. 2009).

should adopt an intensive reconstruction initiative, perhaps through a donors conference, that would complement the efforts of the Palestinian Authority (PA) in Gaza.<sup>5</sup>

Such statements belie practical as well as political challenges for reconstruction. The Secretary-General's statement regarding re-building what has been destroyed suggests a continuation of the sorts of scaled-up relief efforts the Territory has seen in the past, thus returning Gaza to its protracted pre-December 2008 humanitarian crisis. With a more strategic agenda seemingly in mind, the US Secretary of State's comments reflect hopes in some corners that Gaza's recovery will allow the PA, and its Fatah controllers, to extend their reach into the Strip. In both statements, which were among the first to tackle the question of reconstruction, it is apparent that past mistakes and politics threaten to impede an effective reconstruction effort which takes the wellbeing of the Gazan population as its primary if not sole objective.

This document attempts to address several of the practical as well as political impediments to Gaza's reconstruction in order to ensure that it helps to end the human tragedy which has developed in the Strip since 2005 while contributing to genuine Palestinian unification and the ultimate goal of peace in the region. The goal in doing so is to promote a technical, collaborative process removed from the political arena. Such a process will allow Palestinian factions to cooperate free from Israeli interference and will empower moderate, pro-unification elements by developing, over the course of years rather than days, weeks or months, appropriate infrastructure and at least a moderate level of economic growth. Nothing is more advantageous to radicalism than desperation, and nothing is more soothing to the impoverished and immobile than a cause and an enemy. While peace talks can provide an institutional framework, genuine stabilisation is a long-term process which, nonetheless, must begin now.

As the reader will note, the authors overwhelmingly focus upon the process of reconstruction – its governance, financing, coordination and implementation – rather than specific activities and interventions. Such matters are best left to technical experts from the PA, the United Nations, the World Bank, Palestinian civil society and international non-governmental organisations (NGOs) rather than to political scientists. This document, following a description of the Gazan context in relation to anticipated reconstruction efforts, attempts to present lessons learned from, in particular, the post-Oslo recovery efforts of the mid-to-late-1990s. It concludes with a series of recommendations which will strengthen the reconstruction process by, most notably, helping to remove the influence of political interests and the historical impediments imposed by Israel.

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5 Condoleezza Rice, 'Remarks at the United Nations Security Council Session on the Situation in Gaza' (New York, 6 Jan. 2009), <<http://www.state.gov/secretary/rm/2009/01/113629.htm>> (10 Jan. 2009).

## 2. The Context of Reconstruction

The Gazan context has been shaped by the recently ended conflict as well as by the legacies of Israeli containment, factional divisions between Palestinian political parties and the reductions in international assistance which followed the events of June 2007. The most recent confrontation with Israel took place amid a pre-existing humanitarian crisis with economic decline, a near-cessation of formal private-sector activity and the erosion of basic social services. This section aims to provide a brief overview of some of the significant contextual challenges facing the reconstruction and recovery of the Gaza Strip.

### 2.1. A Brief Overview

The Gaza Strip occupies an area of 140 square miles wedged between Israel and Egypt along the Mediterranean coast. Its population, estimated at 1.5 million, included just short of 480,000 registered refugees prior to this recent conflict according to the United Nations Relief and Works Agency (UNRWA), which has been charged with the welfare of Palestinian refugees in eight camps since 1949.<sup>6</sup> Established in the armistice which concluded the 1948 Arab-Israeli war, the Gaza Strip was administered by Egypt until it was re-captured by Israel in 1967. Israel ceased its nearly four-decade occupation, which included several conflicts and political developments too numerous to explore here, with a unilateral withdrawal in 2005 in hopes of gaining security in exchange for a portion of its control over the Territory. An accompanying 'Agreement on Movement and Access' (AMA) signed by Israel and the PA sought to ensure that the Gazan population would remain able to access the West Bank and freely engage in commercial activities, though Israeli security concerns led to a clamping down on both movement and access. A one-year review of the AMA by the United Nations concluded that 'the ability of Palestinian residents of the Gaza Strip to access either the West Bank or the outside world remains extremely limited and the flow of commercial trade is negligible'.<sup>7</sup>

A resulting decline in living standards coupled with widespread concerns about corruption among the Fatah-dominated PA resulted in Hamas victories in Palestinian Legislative Council (PLC) elections in early 2006. The United States and European Union, both of which consider Hamas a terrorist group, condemned the election, and Israel further clamped down on access to Gaza. The situation came to a head with the dissolution of the PLC by PA President Mahmoud Abbas, reportedly under foreign pressure, in order to remove Hamas influence. Hamas rejected this move and took control of Gaza and the PA institutions there in a short but intense factional conflict.<sup>8</sup> Since mid-2007, the Palestinian Territories have remained divided with Hamas controlling Gaza and Fatah the West Bank, and small bouts of factional fighting have erupted between Hamas and Fatah supporters since, including during this most recent conflict with Israel.<sup>9</sup>

6 UNRWA, *Gaza refugee camp profiles* < <http://www.unrwa.org/unrwa/refugees/gaza.html> > (10 Jan. 2009).

7 UN-OCHA, *Agreement on Movement and Access On Year On* (Ramallah: United Nations Office for the Coordination of Humanitarian Assistance, Nov. 2006), p. 1.

8 AMAN, *Reconstruction National Integrity System Survey* (Ramallah, AMAN Coalition for Integrity and Accountability, 2007).

9 ICG, *Palestine Divided* (Brussels, International Crisis Group, 17 Dec. 2008).

On the humanitarian front, the rise of Hamas in Gaza drew a number of damaging responses from external actors, particularly prolonged and near-total border closures by both Israel and Egypt.<sup>10</sup> Major international humanitarian donors such as the United States and European Union ceased funding to the PA, and back-door approaches to aid financing through independent local organisations proved inadequate.<sup>11</sup> A resulting humanitarian crisis developed in the year and a half prior to this most recent conflict, and the reconstruction process will have to address the gradual decline of the Palestinian economy and general quality of life since 2005 and, in particular, since 2007 in addition to the recent war damage.

## 2.2. Palestinian Politics

While, as stated in this report's introduction, the authors advocate a de-politicised approach to reconstruction, achieving this goal requires an awareness of the complex political context in the Palestinian Territories. The aforementioned intra-Palestinian fracture between Hamas and Fatah has persisted with both sides doing "well enough" to maintain power.<sup>12</sup>

While the recently ended conflict was reportedly viewed as deserved comeuppance for Hamas by select factions during the early days of Israeli attacks, the duration, intensity and destructiveness of the Israeli military action has turned its Palestinian (and broader Arab) opponents into its sympathizers if not necessarily its allies. The reconstruction process will, however, require not just sentiments but on-the-ground leadership, an issue which will flash-freeze the current warm feelings which have developed between the factions.<sup>13</sup>

The office of President Mahmoud Abbas has been the preferred route for, at least, the United States in providing financial assistance to the PA since June 2007. The Bush-led US government had stated its intention to continue doing so during the reconstruction of Gaza, though the upcoming change in American leadership may bring related policy changes. Doing so risks cementing perceptions that Fatah was complicit in the Israeli attacks and would result in deserved accusations of opportunism. Supporting such a conclusion, the *New York Times* recently argued that 'nobody here seems to believe the Abbas-led [Palestinian A]uthority would be in any position to fill the vacuum right now, especially because the [PA] would be perceived in Gaza as having ridden in on a proverbial Israeli tank'.<sup>14</sup>

Yet with many major donors, including some from US-friendly Gulf States, only willing to provide assistance through the PA (and disallowing any Hamas involvement in the use of those funds), it appears as if certain donor countries will, seemingly with full awareness of the consequences, facilitate renewed factional tensions. The situation only becomes complicated by substantial anticipated Iranian and Syrian funding for Hamas-led reconstruction efforts. A proxy donor battle over support, as had been seen in southern Lebanon since 2006, will put factions into conflict with one another and obliterate all hopes for effective, centralised planning and coordination. The upside, of course, will be the a politically-driven deluge of financing not seen since US-USSR

10 World Bank, *Palestinian Economic Prospects: Aid, Access and Reform: Economic Monitoring Report to the Ad Hoc Liaison Committee* (Washington, DC, World Bank, 22 Sept. 2008).

11 ICG, *Palestine Divided*.

12 Ibid.

13 Ibid., p. 8.

14 Isabel Kershner, 'War on Hamas Saps Palestinian Leaders', *New York Times* (15 Jan. 2009).

competition in the developing world, though it will come at the cost of Palestinian security and unity.

### 2.3. Civil Administration

In addition to the challenges posed by factional disharmony, basic infrastructure for public administration and service-delivery has eroded or been destroyed. Even before the conflict began, the ability to providing public services had all but collapsed. Municipal services such as the provision of potable water, wastewater treatment and solid waste disposal were largely cut following the post-2005 economic decline, thus resulting in increased health risks.<sup>15</sup> Other services are also believed to have atrophied due to the withholding of Israeli-collected tax revenues and PA-mediated international assistance since 2007.<sup>16</sup>

*The Guardian*, a British newspaper, reported on 7 January that any authority's 'ability to govern [has been] all but destroyed' by strikes against its infrastructure and personnel.<sup>17</sup> The PA has suffered considerable blows as well with the ministries of interior, foreign affairs, finance, public works, justice, education, labour and culture having been demolished alongside the presidential compound the prime minister's office, the parliament building and every police installation.<sup>18</sup> This destruction of premises and, presumably, much of the information and documentation included therein will complicate informed, data-based planning and make it difficult for remaining officials to carry out their duties.

### 2.4. The Economy

Gaza currently suffers not only from economic decline but from what could only be termed economic collapse. Agricultural output and industrial productivity have been declining since the mid-1990s. Agricultural output declined by 19 percent the decade leading up to 2006.<sup>19</sup> According to the Palestinian Federation of Industries (PFI), all but 23 of Gaza's 3,900 industrial enterprises have closed or become inactive, though such figures may be shaded by political concerns.<sup>20</sup> Unemployment, which has become one of the few trans-generational inheritances, rose from only approximately 10 percent in 1999 to 38 percent in 2005.<sup>21</sup> Following the Israeli withdrawal in 2005 and the subsequent tightening of border crossings, which has limited opportunities for Gazans to work in Israel and which has hindered commercial activity, unemployment rose by 12 percent, to half, in 2006.<sup>22</sup> Even this meagre level of employment was sustained primarily by the constant invention of public-sector jobs, with the government eventually employing up to 45 percent of the Palestinian working population.<sup>23</sup> Subsequent estimates, which may be subject to political and humanitarian motives, have been even higher. Compounding the skyrocketing unemployment, monthly wage income had been reduced by 37.4

15 World Bank, *Palestinian Economic Prospects*, p. 7.

16 Beverley Milton-Edwards, ' Hamas: Victory with Ballots and Bullets', *Global Change, Peace and Security* vol. 19, no. 3 (2007), pp. 301-316.

17 Jonathan Freeland, 'Gaza after a Hamas rout will be an even greater threat to Israel', *The Guardian* (7 Jan. 2009).

18 ICG, *Ending the War in Gaza* (Brussels, International Crisis Group, 5 Jan. 2009), p. 7.

19 Mahmoud K. Okasha, 'The Gaza Economy: Current Status and Future Prospects', *Palestine-Israel Journal of Politics, Economics & Culture* vol. 14, no. 3 (2007), p. 29.

20 World Bank, *Palestinian Economic Prospects*, p. 7.

21 Ministry of National Economy, *Gaza Strip Economic Development Strategy* (Ramallah, MoNE, 2005), p. 3.

22 Ibid.

23 Okasha, 'The Gaza Economy: Current Status and Future Prospects', p. 30.

percent between 2000 and 2007, and 71 percent of public-sector employees made wages which put them below the poverty line.<sup>24</sup>

Following the recently ended war with Israel, unemployment will likely be far higher and near universal for several months until aid funding generates jobs among civil society, public agencies and the construction industry. The ongoing conflict has worsened long-term economic prospects for Gaza, already approaching nil, by destroying infrastructure and revealing once again the pervasive insecurity and uncertainty in the Territory. Foreign direct investment (FDI) is, thus, likely to keep its distance in the short- to mid-term.<sup>25</sup>

Investments in economic development during the reconstruction-to-development transition will further provide opportunities for agriculture and small business, in particular, though donors have historically shown little willingness to invest these sectors across the Palestinian Territories. Economic or private-sector development is not tracked as a specific category by the MOP's Directorate General for Aid Management and Coordination (AMC), though related sectors received only eight-tenths of one percent of all assistance to the Palestinian Territories for 2008.<sup>26</sup>

## 2.5. The Human Costs

Conflict and economic decline have had massive human costs. A recent report released by eight international NGOs demonstrated that 1.1 million of Gaza's population of 1.5 million are dependent on food aid and that between June and September 2007, largely as a result of the Israeli and Egyptian isolation of Gaza, the number of households earning less than US\$1.20 per day 'soared from 55% to 70%'.<sup>27</sup> The Palestinian Central Bureau of Statistics (PCBS) indicates that 84.6 percent of the population is below the poverty line, and the World Bank reports that 69.9 percent would be below the 'deep poverty line' if not for remittances and international assistance. While, prior to June 2007, relief operations managed to keep consumption poverty to below a third, this number has certainly risen in the past year and a half alongside malnutrition and food insecurity as a result of conflict, Israeli border closures, the decline of public-sector employment and wages and the 28 percent rise in the price of basic foodstuffs between 2007 and 2008.

This situation has been made far worse due to conflict. In addition to the more than 1,100 people killed during the fighting, at least four thousand were injured, including many who may ultimately die as a result of their injuries. An uncertain number of others, particularly the elderly, have suffered due to a lack of basic medical care, which had already been reduced to near-nothing outside of UNRWA camps due to Israeli-imposed power cuts and the inability to import needed

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24 Ibid.

25 Ibid.

26 Information calculated from the AMC database (PAMS), 9 Jan. 2008. The total estimated spending on economic development comes to US\$18 million out of total donor disbursements of US\$2.2 billion. This figure includes spending on banking, financial services, business, agriculture, fishing, industry, mineral resources, trade policy, construction and tourism. Other funding for economic development activities may have been provided but was not categorized as such by the MOP.

27 Amnesty International, Christian Aid, CAFOD, CARE, Medecins du Monde UK, Oxfam, Save the Children UK and Trocaire, *The Gaza Strip: A Humanitarian Implosion* (2008), p. 7.

medicines or supplies.<sup>28</sup> The number of disabled is set to increase from its already high level estimated at between 7 and 10 percent by Handicap International.<sup>29</sup> Children have gone without schooling since the conflict began and many more will not have resumed access to education for several months, thus adding to the long-coming decline in primary and secondary school enrolment, from 96.8 to at most 91.2 percent, since 2001.<sup>30</sup> Pre-conflict school attendance rates, it must be noted, are only part of the story given that a lack of funding and electricity resulted in shortened school days and highly restrictive offerings.<sup>31</sup> Gaza's young population, over half of it being below the age of 17, will suffer from the loss of educational opportunities, just as they have suffered from psychological damage.<sup>32</sup> Such features not only affect individuals' wellbeing but also result in vastly lowered economic productivity, in added burdens on social service systems and to heightened potential for conflict. Psychosocial trauma has been linked to the trans-generational transfer of ethno-centrism, for instance, in the Balkans and may contribute to a prolonged cycle of animosity and violence in the Middle East.<sup>33</sup>

## 2.6. Relation to Reconstruction

This section analyses a selection of the most critical challenges that the aforementioned contextual features will pose to the reconstruction of the Gaza Strip. The following is by no means exhaustive and primarily focuses upon overarching issues which are already evident and which must be considered in the assessment of needs and planning and implementation of interventions.

- **A Lack of Commonly Recognised Governmental Counterparts.** Best practice reviews commonly cite the importance of involving recipient governments in the distribution of assistance. The classification of Hamas as a terrorist organisation, however, by many major donors means that providing assistance to the existing power-holders in Hamas will be difficult for "traditional" bi-lateral and multi-lateral donors. This situation is compounded, for those donors inclined to working with and through Hamas, by the destruction of the organisation's infrastructure and erosion of its leadership. Political and security concerns are likely to dominate Hamas's agenda in the short term. The PA, while increasingly capable due to interventions from the UN, World Bank, European Union and others, is mistrusted by Hamas and by many in the Gaza Strip who view its Fatah leadership, at best, as an indirect

28 Ibid., p. 10. Both the Gaza-wide power supply and the backup generators employed by many hospitals (as well as schools, businesses and homes) are hindered by the insufficient supply of EU-supplied diesel fuel, which Israel has capped at 2.2 million liters per week.

29 Handicap International, Palestinian Territories (website), < [http://www.handicap-international.org.uk/page\\_200.php](http://www.handicap-international.org.uk/page_200.php)> (12 Jan. 2009).

30 UNICEF, *Gaza blockade threatens educational crisis* (New York, UNICEF, 2007), <[http://afp.google.com/article/ALeqM5IEB-\\_umrZiu\\_TprxVWkQ5Mzsf2dA](http://afp.google.com/article/ALeqM5IEB-_umrZiu_TprxVWkQ5Mzsf2dA)> (8 Jan. 2009).

31 Amnesty International et al, *The Gaza Strip: A Humanitarian Implosion*, p. 12.

32 Gazan residents, prior to this most recent bout of violence, had demonstrated some of the highest levels of psychosocial trauma of any population in the world. World Vision recently reported that 16 percent of Gazan children (ages 5-15) suffer nightmares primarily due to fear, and rigorous psychological studies have shown high levels of post-traumatic stress disorder (68.9 percent), moderate to severe depression (40.0 percent) and severe anxiety (94.9 percent). See: World Vision, e-mail updated on the situation in Gaza, 8 Jan 2009; Salman Elbedour, Anthony J. Onwuegbuzie, Jess Ghannam, Janine A. Whitcome and Fadel Abu Hein, 'Post-traumatic stress disorder, depression and anxiety among Gaza Strip adolescents in the wake of the second Uprising (Intifada)', *Child Abuse and Neglect* vol. 31 (2007), pp. 719-729; A. Thabet, A. Abu Tawahina, E. El Sarraj, A. Salloum and P. Vostanis, 'The effect of political violence on the mental health of children in the Gaza Strip' (Feb. 2008), pp. 1-26.

33 B. Weyermann, 'Overcoming fragmentation: Links between income generation and psychosocial counseling in Gaza', *Critical Half*, Summer (2006), pp. 35-39; A. Garrod, S. Zyck, C. Beal, J. Cross, K. Szilagyi and H. Burzynski, *Sociomoral development and moral orientation among Bosnian and American children* (unpublished paper, Dartmouth College, NH, 2004).



beneficiary of the recent Israeli attacks. Providing it with a substantial role in the reconstruction process will contribute to the perception that Fatah intends to take advantage of the recently ended conflict and raise tensions to such an extent that internal, factional conflict becomes a palpable concern.

Municipal counterparts, who may constitute the best hope for initial governmental engagement, have experienced reductions in operations and capacity due to the destruction of their infrastructure and equipment and as a result the fall off in revenue collection since 2005.

- **A Lack of Private-Sector Partners.** The economic decline within Gaza since 2005 has led to the closure or withdrawal of many private-sector firms. While the private sector has the capacity to reconstitute itself quickly in order to apply for tenders for, in particular, infrastructure activities, its present weakness in Gaza raises two primary concerns. First, firms which will be most likely to enter into the Gazan context following the conflict will primarily be external, whether multi-national or owned by members of the Palestinian Diaspora based outside of the Gaza Strip or Palestinian Territories. As such, much of the profits generated through infrastructure rehabilitation may leave the country, though employment will certainly be generated in the short term. Second, firms entering quickly into Gaza may lack existing staff members, and the time required to mobilise and train staff may result in delays or results of questionable quality. As in all post-conflict context, these firms will include the reputable as well as the profiteering, and substantial amounts of money may be lost through a chain of sub-contractors as firms with limited on-the-ground implementation capacity devolve responsibility to local companies with non-existent or minimal track records.
- **Unpredictable Access to Necessary Materials, Personnel and Finances.** As in the relief operations which took place during hostilities, access to necessary materials for reconstruction will be subject to Israeli security concerns and the closure of border crossings. Delays in the arrival of materials will defer progress on reconstruction, and, as a result, inflation will reduce the effectiveness of aid provided. Alternative delivery routes are less attractive. Gaza's already decrepit seaport and airport cannot sustain large-scale deliveries, the former being controlled by Israel. Israel's targeting of these facilities during the conflict has rendered them unviable supply routes during the initial phase of reconstruction. Imports through Egypt are possible, though border crossings between Gaza and the Sinai have also been subject to persistent closure and experienced intense attacks by Israel. Only a minute percentage of Gaza's licit imports arrive via Egypt, though smuggling of humanitarian materials, then to be sold at a significant mark up to those firms and organisations engaged in reconstruction, is possible if not likely.
- **Delays in the Relief-to-Reconstruction Transition.** The dire needs of the Gazan population for basic services, particularly health and education, coupled with a legacy of aid dependency may lead to a protracted period of humanitarian relief. The fact that two previous rounds of reconstruction have taken place may lead actors to question the need for a large-scale reconstruction intervention. Further delays are likely to occur given the challenge of "handing over" interventions to governmental authorities in a context of contested governance. NGOs and humanitarian agencies may, thus, hesitate to begin

engaging in reconstruction activities predicated on a sustainable peace and a stable politico-institutional environment.

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These factors will impede the reconstruction and development process and will contribute to the sorts of challenges, addressed in the following section, which have historically impeded reconstruction from being implemented in a highly effective manner.

### 3. Lessons Learned

Gaza has most notably undergone reconstruction following the 1993 Oslo Agreement and prior to the 2000 Second Intifada. This time period provides a number of lessons learned for the post-conflict reconstruction process, and this section will primarily focus upon issues of governance, management, financing, coordination and de-politicisation.

#### 3.1. Donor Conferences

Donor conferences such as the one which launched the post-Oslo Agreement phase of reconstruction and the more recent Palestinian Reform and Development Plan (PRDP) are invaluable in attracting assistance. The first post-Oslo resulted in more than US\$2 billion in pledges while the more recent conference, in 2007, drew almost three times as much, at US\$7.7 billion. Pledges made at such conferences, frequently of greater symbolic than financial value, will rarely be completely fulfilled, thus creating problems for planning and for managing public expectations. Mechanisms to track donor pledges, commitments and disbursements is critical in ensuring that, to the degree possible, pledges are fulfilled. This mechanism must be empowered to publicly pressure donors into delivering promised assistance. While the MOP may presently have the infrastructure in place to do so, it is not an ideal advocate for the fulfilment of pledges given its financial interest in remaining on good terms with major donors.

#### 3.2. Timing of Assistance

A second risk related to financing is that assistance will be provided early on in the reconstruction process but quickly fall off once international attention has shifted to the next global hot spot or once inflated initial expectations are confronted with the realities of implementation. In the Palestinian Territories, for instance, the amounts committed by donors fell by 15 percent between 1994, shortly after Oslo, and 1998, and the amounts of annual committed funds actually disbursed during that time period fell from almost 70 percent to only 50.<sup>34</sup>

In order to confront this challenge, multi-donor trust funds (MDTFs) have become one of donors' preferred aid modalities. Best practices dictate that funds in a trust fund are deposited in advance for use once needs have been identified and absorptive capacity has been developed. While frequently subverted in reality, particularly in contemporary Iraq, by short timeframes and limited recipient ownership, MDTFs provide one option to ensure optimal timing of assistance. They must, however, be untied from disbursement deadlines, donor conditionalities and bureaucratic procedures for accessing funds in order to be most effective.

#### 3.3. Elite Pacts

The international community has time and time again witnessed the unintended negative consequences of failing to include all stakeholders due to political motives. In Iraq, disbanding the Ba'ath Party is widely credited with precipitating widespread chaos and insecurity given that

<sup>34</sup> MOPIC, *Fourth Quarterly Monitoring Report of Donor Assistance, 1997* (Ramallah, Ministry of Planning and International Cooperation, 31 Dec. 1997); MOPIC, *First and Second Quarterly Monitoring Report of Donor Assistance* (Ramallah, Ministry of Planning and International Cooperation, 30 June 1999).

the most skilled technocrats, even those without the Party's ideology, had possessed critical skills necessary for civil administration and policing. In Afghanistan, failing to include the Taliban early on has resulted not in its decimation, as intended, but in its resurgence. Now, seven years later, the international community is beginning to recognise this error and take steps towards engaging with the Taliban. Of greatest relevance, however, is the attempt to exclude Hezbollah from the reconstruction of southern Lebanon following the 2006 "July War". Rather than being recognised as a key stakeholder, formal, state-led reconstruction efforts ignored the non-state entity. Hezbollah and its implementing partners, forced into a parallel reconstruction effort with funding primarily from Iran, proved far more effective than the internationally-supported, central-government-led process and exacerbated tensions between the South and the centre. Within the scope of housing assistance, 47 percent of the population came to see Hezbollah-associated NGOs more favourably (and only 19 percent less favourably) while a majority of the population in the South (57 percent) came to see the central government less favourably for its involvement (and only 4 percent more).<sup>35</sup>

The evident conclusion is that the presence of an "unofficial" reconstruction process led by a locally favoured but internationally marginalised group (and one with international financial support) will foster unhelpful competition. Given the flexibility and, in most cases, cash-based nature of the "informal" or better termed "unsanctioned" reconstruction process, the internationally marginalised group will gain far more local support; the formal process, in contrast, will appear weak, thus helping to discredit many of those institutions involved in it. Any goal of strengthening the state, whether the central government in Lebanon or a Fatah-controlled PA, will not only be neutralised but, in fact, thrown decisively into reverse. A far better solution, both from the perspective of coordination and public diplomacy, is a single process which involves all stakeholders and prevents competing reconstruction efforts.

### **3.4. Coordination**

Two critical challenges for coordination lie at the extremes, its lack and its over-abundance. According to past experience, the latter issue has been far more relevant to reconstruction in the Palestinian Territories. The number of coordination meetings and bodies meant that information sharing and planning was overly decentralised, thus inhibiting local and international organisations from collaborating and reducing the potential for multi-sectoral interventions.

During reconstruction efforts in the 1990s, for instance, the following coordination bodies were in operation: the Joint Liaison Committee (JLC) and its Task Force on Project Implementation, the Consultative Group, the Ad Hoc Liaison Committee (AHLC), the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO), the Local Aid Coordination Committee (LACC), five multi-lateral working groups and 19 sectoral working groups (SWGs) or sub-sectoral working groups.<sup>36</sup> An additional level of coordination was attempted by two governmental bodies, the Ministry for Planning and International Cooperation (MOPIC) and the Palestinian Economic Council for Development and Reconstruction (PECDAR), which were frequently competing.<sup>37</sup>

35 Sultan Barakat and Steven A. Zyck with Jenny Hunt, *Housing Compensation and Disaster Preparedness in the Aftermath of the July 2006 War in South Lebanon* (York and Beirut, Post-war Reconstruction and Development Unit, on behalf of the Norwegian Refugee Council, Dec. 2008), p. 36.

36 Rex Brynen, *A Very Political Economy: Peacebuilding and Foreign Aid in the West Bank and Gaza* (Washington, DC, United States Institute of Peace Press, 2000), p. 88.

37 Ibid., p. 135.

These 32 formal coordination mechanisms were further undercut by political interests, with various coordination bodies and international actors attempting to gain overarching leadership of the reconstruction process.

While the AHLC proved somewhat effective in coordinating major donors, the Consultative Group proved too large and overly politicised to yield effective results. The JLC was considered relatively more effective in bringing multiple stakeholders together, and the LACC managed to provide a forum for local NGOs. That said, few opportunities for coordination and information-sharing between donors and implementers, particularly local NGOs, were established. Political and strategic interests of particular donors were found to colour coordination events and to reduce attention to key technical concerns. Such issues found their greatest voice in the SWGs and their sub-groups, though the sheer number of sector and sub-sector-specific meetings proved labour intensive. Donor entities, as elsewhere in the world, were reported to have used coordination meetings more as opportunities for public diplomacy, sharing past accomplishments and disbursement figures, rather than engaging in practical planning or seeking feedback on future strategies and activities.

Such concerns regarding coordination should be addressed, and the coordination architecture must be simplified. The goal of establishing any single, leading coordination body charged with developing an overall plan for reconstruction is attractive but not feasible. Donors such as Syria and Iran will likely engage with Hamas, while the United States and potentially the European Union will work through the President's Office of the PA. Others will focus upon MOP, PECNDAR, the World Bank or the United Nations for ultimate authority and coordination. Given the extent of elite competition and politicisation, efforts at coordination should be focused upon the sectoral level and between implementing agencies, and a lead donor will need to emerge in order to ensure that low-level coordination is provided with sufficient resources to be effective.

### **3.5. Recipient Capacity**

Post-conflict reconstruction requires local partners with whom institutions and capacities may be developed in order to allow international actors to hand over responsibilities and activities. The Palestinian Territories have, however, historically lacked the requisite capacity to serve as suitable partners during previous reconstruction attempts, and the international community had tended to marginalise capacity development. This situation mirrors a common one in post-conflict and developing contexts whereby limited recipient capacity is used as a justification for bypassing, in particular, public institutions. The resulting lack of public-sector or local involvement in reconstruction and development, thus, enshrines the lack of capacity and allows external firms and international NGOs to “capture” technical assistance, accountability and service delivery functions. In places such as Afghanistan, the substitution of international NGOs for core governmental functions has persisted and remains more than seven years after the start of the conflict.

Since 1994, the World Bank has operated a Technical Assistance Trust Fund (TATF) in the Palestinian Territories which has made some gains. However, much of the technical assistance delivered has not come through capacity-development activities but through capacity-compensation activities such as UNDP's TOKTEN programme and the World Bank's Palestinian Expatriate Professional Fund (PEPF). Both interventions brought members of the Diaspora to

Gaza and the West Bank in order to provide short-term technical assistance. While such programmes doubtless resulted in some capacity gains, population movements, the changing intra-PA arrangements for managing aid and the current division between the West Bank and Gaza makes it unclear to what extent such capacity will be available to the upcoming reconstruction effort.

More recently, the establishment of the PRDP for 2008-10, which includes a wide-ranging approach to capacity development at multiple levels of government and with regard to security, border control, enterprise development, public financial management and other sectors, bodes well.<sup>38</sup> Yet, the remaining control of Gaza by Hamas and the need to engage in substantial humanitarian and reconstruction operations means that the West Bank may benefit far more from the US\$7.7 billion pledged for the World Bank-administered PRDP Trust Fund.

Yet, this recent blossoming of attention to institutional reform and capacity development in the Palestinian Territories may be wisely shifted towards Gaza. Given the limited ability of Gaza to participate in the pre-existing development plans, there exists a genuine possibility that the two Territories may grow further apart with regard to economic growth, employment, poverty, civil administration and governance. While the theory that development in one part of a country will inspire the remainder to follow suit, this has rarely if ever been the case. The development of urban centres in places such as Afghanistan and Yemen, with Soviet support, had historically entrenched socio-cultural and political differences with the rural periphery, thus resulting in various strains of civil conflict and the creation of “enclave states”. The Palestinian Territories may not mirror such outcomes, but it remains evident that uneven growth will only harm Palestinian unity and hopes for a resolution to the Arab-Israeli conflict.

### **3.6. Accountability, Transparency & Integrity**

Ensuring accountability and transparency within the reconstruction process will be critical. Perceptions of high rates of corruption among certain Palestinian factions and the PA was one of the central issues which motivated Hamas’s electoral landslide in 2006, and lack of transparency among the PA and others in the Territories has long remained a concern for international donors.<sup>39</sup> Both Israelis and Palestinians have been implicated in corruption, with the pre-Oslo imposition of regulations by Israel having created opportunities for Israeli officials to impose unofficial and illegal fees and taxes. Since the mid-1990s, however, the profile of corruption in the Territories has changed, with the PA providing tax cuts, contracts and public positions on the basis of nepotism or bribery. In other cases, regulatory regimes appear to have been used to provide monopolies to companies which benefit PA officials. “Petty corruption” has also been reported as well as the pervasive influence of *wasta*, the obtainment of advancement through personal or familial connections.<sup>40</sup> A tendency to view corruption as “integrative” or as part of a cultural system has allowed it flourish in other post-conflict contexts. Doing so in Gaza would be a mistake, particularly given that the *wasta* system, in particular, is a key concern

38 Palestinian National Authority, *Building a Palestinian State: Towards peace and prosperity* (Paris and Ramallah, 2007), 17 Dec.

39 Khalil Shikaki, *Shikaki: Since Israeli Withdrawal from Gaza, Palestinians Now Give Top Priority to Improving Living Standards, Not End to Occupation* (New York, Council on Foreign Relations), <<http://www.cfr.org/publication/9055/shikaki.html>> (13 Jan. 2009). This document refers to Hama’s ‘reputation of incorruptibility’ as the backbone of its popularity in Gaza as well as in the West Bank.

40 AMAN, *Reconstruction National Integrity System Survey*, p. 25.

among the unemployed in the Territories. International organisations may find themselves rapidly discredited in their rush to expand in or near Gaza if their recruitment process is seen to be driven by factors other than merit.

Numerous reforms implemented in the post-Arafat period have helped to tackle corruption. The centralisation of all data regarding development contributions in 2003 and 2004 helped to provide a greater degree of transparency while laws addressing taxation, customs, procurement and 'illegal earnings' have ensured a more appropriate legal framework.<sup>41</sup> Still, public funding for private projects and the lack of donor coordination in tracking funds – thus enabling NGOs to charge two donors for a single set of activities, as in the LAW case<sup>42</sup> – are highlighted by the AMAN Coalition for Integrity and Accountability, a Transparency International partner, as remaining weak points in the fight against corruption.

Despite the level of corruption, the critical lesson learned is not necessarily to mandate stricter reporting requirements and auditing procedures early in the reconstruction process. The decision to do so since 2002 has resulted in added expenses and, at the request of some donors, the hiring of costly expatriate personnel. Others appear to have lost financing completely. A more appropriate lesson learned is that corruption must be controlled but that doing so is best done by gradually introducing requirements as well as the administrative capacities necessary to meet them. Coupled with high-profile prosecutions of offenders and the involvement of trusted leaders in denouncing misappropriation of all forms, corruption can be better controlled at the institutional and individual levels.

### **3.7. Israel**

The deeply rooted animosity which exists between Israel and the Palestinian populations has frequently made the existing interdependency with regard to reconstruction activities a source of friction. Israeli security concerns will, in such cases, predominate, frequently sacrificing Palestinian development and wellbeing in the process. At other times, as with the unwillingness to provide telephone lines to PECDAR in 1994, Israeli impediments seem less oriented around security than around imposing under-development upon the Palestinians.<sup>43</sup> No amount of money, coordination or Palestinian capacity will be able to overcome these impediments. The Tripartite Action Plan (TAP), signed by Israel, Norway and the PA, sought a number of goals, including Israeli cooperation in facilitating the transport of good between the West Bank and Gaza and from the Territories to international markets.<sup>44</sup> Israeli border closures, based on security concerns, persisted, and the US State Department refused to pressure Israel to fulfil its commitments under the TAP despite requests from the US Agency for International Development (USAID) and various European and multi-lateral stakeholders.<sup>45</sup> The same story can be repeated with startling little variation following the 2005 Agreement on Access and Movement (AMA) signed between the Palestinian Authority and Israel.

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41 AMAN, *Reconstruction Survey*, p. 25.

42 In this case, it appears that a major human rights organization in the Palestinian Territories, LAW, received funding from several donors for a single set of outputs proposed to each. The organization was, essentially, paid several times for the same work. See AMAN, *Reconstruction Survey*, p. 27.

43 Brynen, *A Very Political Economy*, p. 128.

44 Ibid., pp. 107-108.

45 Ibid., p. 125.

Regardless of the limited success of the TAP and AMA, it remains evident that Israeli facilitation (or at least non-interference) will be beneficial and in some ways necessary for reconstruction in Gaza. Without engaging Israel in negotiations and gaining their support for an agreement such as the AMA, there will be little statutory justification for pressure to open borders and facilitate reconstruction and development. The arrival of a new US presidential administration may also mean that, once signed, the American government may be more inclined to pressuring Israel into meeting its commitments to the Palestinians and to the international community.

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The reconstruction of Gaza must take into account the sorts of lessons examined above. The process must, in sum, adapt to competing forces such the international and regional tensions and the need for a unified approach or the dual imperatives for the involvement of potentially weak local partners and rigorous accountability. Doing so will be challenging and will require that those individuals and institutions involved temporarily detach themselves from parochial and symbolic politics or, put another way, begin to recognise that their political interests are best served through the suppression of those very same interests. A variety of strategies and options for depoliticising reconstruction and for ensuring an effective process are offered in the following section of this Guidance Note.



## 4. Strategies & Options

A number of strategies and options can be identified based upon previous attempts at reconstruction in Gaza and also upon international best practices. The most important recommendation, however, is to avoid simply rushing in and beginning reconstruction out of a desire to be seen as “doing something”. The process must be front-loaded with assessments and studies to ensure that reconstruction addresses the greatest needs and mitigates, rather than exacerbates, conflict-causing tensions. Primary among these must be a multi-stakeholder study of lessons learned which results in a major conference or workshop to plan the next phase of reconstruction. This study and concluding workshop should bring together Palestinian officials and civil society representatives, leaders of international organisations, donors and experts from academia to review past successes and failures with regard to reconstruction and development. Participants in the final conference should not only discuss best practices but also commit to a series of principles and guidelines which each will reflect as the reconstruction moves forward this next, and hopefully last, time.

Such an approach, the authors believe, should note the need not just to rebuild ‘what has been destroyed in the fighting’, as the UN Secretary-General has proposed.<sup>46</sup> Doing so will enshrine the humanitarian emergency that has persisted in Gaza for decades and re-create sorts of conditions which have led to violence and the radicalisation of portions of the population. With the attention and resources likely to be dedicated to reconstruction, the international community and Palestinian stakeholders should aim to short-cut the Territory’s development and aim to establish an area which is viably connected to international markets in order to achieve substantial viability.

### 4.1. Foundational Recommendations

The following recommendations are viewed as being foundational. Their implementation, though perhaps with slight modifications, is necessary (though not sufficient) for the success of the reconstruction process.

**Launch an Investigation of War Crimes.** The preceding conflict and particular attacks included within it may constitute war crimes. These must be investigated in order to allow, in particular, the Palestinian people to feel that their suffering has been recognised, though Hamas would also certainly be subject to accusations that its rocket attacks did not meet international standards of “discrimination”.<sup>47</sup> Without receiving a sense that some semblance of justice will be applied to their plight, it will be difficult to gain substantial Palestinian involvement in the reconstruction process. A war crimes investigation will create a psychological space whereby the Gazan population can begin to move forward. The same lesson has held true for populations in places such as South Africa, Rwanda and the former Yugoslavia.

<sup>46</sup> Ki-moon, “Secretary-General’s statement”.

<sup>47</sup> By “discrimination” we refer to the fact that many Hamas attacks, particularly its firing of rockets into Israel, failed to specifically target military installations and had a far greater likelihood of resulting in civilian instead of military fatalities. Attention to such matters should not, however, draw attention away from similar accusation, on a much larger scale, against Israel.

**Remove Israel from the Equation to the Degree Possible.** Aside from the challenges posed by having a population's war-time enemies mediate its reconstruction, there are several historical concerns which speak to the need to limit Israeli involvement in Gaza's reconstruction. Agreements on movement and access, in which Israel has pledged to allow free movement of humanitarian supplies, have routinely failed to produce their desired outcomes. Power cuts, significant delays in importing urgently needed materials and other impediments have hindered reconstruction and development in Gaza and the West Bank since the 1993 Oslo Agreement, and they must not be allowed to do so again. Instead, humanitarian materials must be imported via two routes, Egypt and the Mediterranean Sea. While both the Egyptian border and Gaza seaport were heavily bombarded during the recent conflict, they must be quickly rebuilt and used, under international supervision, to allow for the importing of reconstruction materials. Monitors and rigorous inspection regimes may be used in order to allay Israeli security concerns.

**Base All Reconstruction Activities in Rafah, Egypt.** The massive influx of humanitarian organisations attempting to assist the Gazan population should establish a base of operations in Rafah, an Egyptian city along the border with Gaza. Doing so will help to increase the transit of needed supplies and will provide, in the long-term, a neutral base from which to provide medical care and humanitarian assistance in the event of a future crisis. Attempting "remote" reconstruction from a site such as Amman, as has been done in the case of Iraq, will reduce the effectiveness of reconstruction and leave humanitarian activities vulnerable to border closures in the event of future crises. A maintained presence must be established.

**Establish a Representative Commission to Guide Reconstruction.** With the fragmentation and factionalisation of the Palestinian Authority, with a history of competition between donor institutions and with international concerns regarding terrorism likely to taint reconstruction, the process must be depoliticised to the degree possible. Despite being far more administratively developed and having better relations with Israel, Fatah would not be likely to 'win support through aid' as Anthony Cordesman of the Centre for Strategic and International Studies (CSIS) has suggested.<sup>48</sup> A commission including representatives of all major Palestinian political groups, including independents, alongside individuals from the United Nations and other major humanitarian organisations should provide ultimate direction to the process. Members nominated for inclusion should be competent in necessary fields and prepared to focus upon technical rather than political issues. This body, potentially named the Gaza Reconstruction Commission, should be recognised as the sole arbiter of reconstruction priorities. In the process, it will not only lead to a better coordinated and locally appropriate process but also contribute to Palestinian political unification, a necessary step for peace talks to move forward.

**Appoint a Reconstruction Chief.** International actors involved in the reconstruction process will require an equal degree of coordination and direction to avoid overlap and cross-purposes. A Gaza Reconstruction Chief should be appointed to facilitate the work of the Gaza Reconstruction Commission, to advocate for the alignment of donor activities and to block external impediments to the reconstruction process. While involved in the Commission, this individual will primarily focus upon external actors and, as such, should be an international leader with substantial experience with mediation and reconstruction. Lord Paddy Ashdown, an effective and strong-willed leader of

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48 Anthony H. Cordesman, *The Fighting in Gaza: How Does It End? (And, Will It?)* (Washington, DC, Centre for Strategic and International Studies), p. 4.

Bosnia's recovery as the UN High Representative, may be one viable option. Leading figures from Turkey and Norway, countries with solid reputations in both the Palestinian Territories and Israel, should be explored as alternatives. Such an individual may be appointed as the Special Representative of the UN Secretary-General. However, the Security Council approval process has the potential to either produce a consensus-building figure or one stripped of all legitimacy and authority.

**Establish a Reconstruction Trust Fund.** The Gaza Reconstruction Commission and Reconstruction Chief should serve as overseers and trustees of a Reconstruction Trust Fund, an institution which should accept, centralise, coordinate and account for the hundreds of millions of dollars likely to be committed by donors. This Fund will ensure that international funding will be available when it is needed rather than when it is offered and will allow international actors, who should be included upon its board of directors, to track the use of their money while allaying concerns that funds are supporting conflict or arms. Donors must be encouraged to provide funds up-front rather than, as in places such as Iraq and Afghanistan, being spent on credit and only later reimbursed.

#### **4.2. Operational Considerations**

The following recommendations concern pragmatic steps which must be pursued in the first couple months of post-conflict reconstruction efforts.

**Organise a Donor Conference.** A donor conference should be organised, as various international representatives have already suggested, as soon as possible. This conference should be organised within either Turkey, which has been closely involved in ceasefire negotiations and is trusted by the Palestinians and, though to a lesser extent, Israel. Alternatively, organising such a conference in Lebanon could help to remind donors to learn best practices from the last reconstruction effort resulting from Israeli attacks. This conference should not only include pledges of assistance but also the establishment of an institution to follow up pledges and ensure that they are converted into commitments and, eventually, disbursements.

#### **Conduct a Conflict Assessment to Link Reconstruction and Stabilisation.**

Reconstruction processes may exacerbate conflict-causing tensions, particularly between Israel and Hamas and between Hamas and Fatah. Strategies for conflict-sensitive programming, while abundant, are reliant upon an accurate and up-to-date understanding of the sources of conflict and conflict vulnerability. As such, a team of international and Palestinian experts, including members of the Diaspora, should conduct a conflict analysis which accounts for the influence of both the June 2007 Hamas takeover of Gaza and the recently ceased conflict with Israel.<sup>49</sup> This analysis should be shared among all donors and integrated into their strategies and the activities of their implementing partners. This conflict analysis should, finally, be joined by the development of guidelines for assessing the impact of reconstruction efforts upon conflict vulnerability.<sup>50</sup>

49 The UK Department for International Development's (DFID) 'Strategic Conflict Assessment' methodology is particularly applicable in the context of intervention planning. See DFID, *Strategic Conflict Assessment Guidance Notes* (London, DFID, 2002). Additional insights regarding conflict analysis may be sought in Ho-Won Jeong, *Understanding Conflict and Conflict Analysis* (Thousand Oaks, CA, Sage, 2008).

50 See, for instance, Evan Hoffman, *Peace and Conflict Impact Assessment Methodology* (Berlin, Berghof Centre for Constructive Conflict Management, 2001).

Without such evaluations, which should be regularly conducted by donors, conflict vulnerability risks becoming a buzzword rather than a critical concern.

**Develop a Coordinated, Unified Reconstruction Plan.** The Palestinian Territories have traditionally been and currently appear to be awash with development plans. In the post-Oslo reconstruction effort, a multitude of plans competed with one another for pre-eminence, and all reportedly failed to achieve it. In recognition of this fact, a centrally coordinated planning process led by the Gaza Reconstruction Commission. Donor agencies, other stakeholders and international centres of excellence should be invited to submit briefs, strategies, assessment reports and other materials to influence the deliberations. Ultimately, however, the final product should primarily be based upon in-depth assessment of needs which will presumably be organised by the World Bank and the United Nations Development Programme (UNDP) shortly after the conflict.

**Establish Effective, Accessible Coordination Mechanisms.** The multitude of past coordination mechanisms have resulted in insufficient coordination. To a significant extent, the Gaza Reconstruction Commission and the use of a single MDTF to centralise all funds will enable a great degree of coordination. However, donors have tended to resist the complete centralisation of funds and will maintain bilateral aid arrangements which will need to be coordinated. Given the stagnation which is likely to occur amid high-level coordination bodies as the United States, European Union, World Bank and United Nations jockey for dominance, the most important coordination bodies will be sectoral and conducted among and between implementing agencies. One donor, likely a European bilateral institution, should assume financing for these sectoral meetings and related electronic coordination systems.<sup>51</sup>

**Limit the Role of the PA President's Office.**<sup>52</sup> During the past half decade, donor funding and political will have helped establish a modern and effective aid-tracking system within the MOP. Since the ascension of Hamas in Gaza, however, many donors have circumvented this system and begun to channel support through the President's Office. This decision has undermined process made on accountability and anti-corruption. Furthermore, it has resulted in a significant loss of funds for the Gaza Strip. If the President's Office, controlled by Fatah, is used as the primary governmental counterpart, there exists a strong possibility that Hamas will reject much of the assistance and accuse Fatah of attempting to use reconstruction to control Hamas and the Gaza Strip in much the same manner as Israel historically has. Factional violence may erupt as a result of this funding arrangement, and the goal of Palestinian unity will be deferred further into the future.

#### **4.3. Ensuring Local Capacity & Ownership**

As previously indicated, Gaza presently lacks fully constituted and functioning municipal, non-governmental and private-sector partners for international stakeholders. Ensuring that capacity is quickly developed and that suitable partners exist will be key to implementing locally appropriate

51 For additional discussion of coordination in Gaza, see chapter 4, 'Coordinating Assistance', in Brynen, *A Very Political Economy*.

52 AMAN, *Reconstruction National Integrity System Survey*.

interventions and in avoiding the “capture” of the reconstruction process by foreign contractors, by international NGOs and by development consulting firms.

**Support Rapid-Onset Capacity Building for Local NGOs and Municipal Officials.**

The belief that capacity building should or can only be integrated across multi-year interventions has become a truism of post-conflict reconstruction and international development. As such, it is integrated in programmes and pursued through long-term strategies in the same way as is, for instance, women’s empowerment. This need not be the case, and capacity building for local NGOs and municipal officials must be implemented quickly and purposefully (rather than as a smaller portion of larger programmes). Initial efforts should focus upon needs assessments, accountable financial management, procurement, logistics, project design, grant writing, monitoring and evaluation and anti-corruption. Trainings must be provided quickly, and international NGOs with a long-term presence in Gaza (rather than the dozens which will enter in the coming weeks) should receive assistance for providing both short-term capacity building and longer-term mentoring to local partners.<sup>53</sup>

**Simplify Tender Processes to Ensure Involvement of Local Entities, and Limit the Number of Contracts for Non-Gazan Entities.**

Given the disarray which currently exists among non-governmental organisations in the Gaza Strip, complex tender procedures or donor protocols may result in the exclusion of local NGOs with ties to the Strip. International NGOs will, instead, establish a monopoly given their experience with and knowledge of donors’ procedures and requirements. Such a situation will result in decreasingly appropriate interventions and the export of funds from Gaza back to NGO headquarters. To avoid this situation, donors must allow for relaxed procedures during initial tenders and calls for proposals (CfPs). With regard to NGO, grant-funded projects, donors should develop a joint application process with standardised forms which may be used, with the addition of donor-specific appendices, when applying for grants. Trainings on the use of this application procedure should be held for local NGOs, thus ensuring access to all organisations regardless of their immediate capacities.

**Engage Islamic Organisations.** Islamic non-governmental organisations must play a strong role in reconstruction. Such organisations, including international ones such as Islamic Relief and local NGOs, will have the greatest ability to ensure that interventions are culturally appropriate. Allowing a role for religion and local traditions will, furthermore, help to establish a sense of normalcy following devastating conflict. Finally, supporting such organisations, when not affiliated with violent, political or “radical” movements, will help to bolster the role of moderate Islam in Gaza.

#### **4.4. Link Infrastructure & Economic Growth**

Infrastructure, though increasingly out of favour as institution building, democratisation, governance, gender and other intangible sectors rise in prominence, provides the greatest opportunities for short-term employment generation. It must be promoted while, simultaneously, progress is made towards linking Gaza with international markets. Doing so is critical given that past surveys, though prior to Israeli’s unilateral withdrawal in 2005 and its subsequent

<sup>53</sup> Sultan Barakat and Margaret Chard, ‘Building Post-war Capacity: Where to Start?’, in: S. Barakat, ed., *After the Conflict: Reconstruction and Development in the Aftermath of War* (London, IB Tauris, 2005), pp. 173-190.

containment of the population, have shown that Gazan's viewed economic growth, not an end to the occupation, as their first priority.<sup>54</sup>

**Prime Private-Sector Growth and Increase Employment through Infrastructure Rehabilitation.** Infrastructure rehabilitation will provide an excellent opportunity for engaging the private sector and for generating at least short-term employment. Opportunities should, however, remain within Gaza, and outside companies and labourers should be restricted. Tender procedures should prioritise local firms, and employment-generation should be considered an output of infrastructure rehabilitation for the purpose of assessing bids. Furthermore, infrastructure projects should be implemented quickly in order to demonstrate a peace dividend, with technically complex projects being delayed until fully prepared. As previously noted, the failure to initiate infrastructure rehabilitation quickly after the signing of the Oslo Agreement was perceived negatively by Palestinians and may have reduced optimism regarding the post-Oslo prospects of stability and development. For instance, as of late 1997, only 49 percent of infrastructure funding pledged in 1993 had been disbursed by donors as opposed to 92 percent of budgetary support and 73 percent of NGO project financing.<sup>55</sup>

**Mix Small and Large Infrastructure Interventions.** In order to simplify administration of interventions, donors have increasingly turned towards large interventions rather than numerous smaller projects. Doing so helps to overcome the fragmentation which had been the hallmark of reconstruction and development activities in many countries. However, in highly politicised contexts with legacies of corruption and nepotism, such as Afghanistan or the Palestinian Territories, large interventions can be easily co-opted by political groups and existing elites. The international community cannot allow this trend to continue in Gaza, particularly given that it would likely result in Fatah-associated or international firms and organisations dominating the process. The first outcome would enhance conflict vulnerability, and the latter would prevent the development of the domestic private sector and civil society. Instead, large and small grants programmes should be established so that companies and organisations of all sizes are able to engage. Where, as previously mentioned, concerns exist regarding the capacity of local organisations, capacity building or mentoring relationships may be established to develop the required skills and systems.

**Prioritise Palestinian, Particularly Gazan, Firms.** While a mixture of project sizes will help to facilitate the involvement of Palestinian firms, additional steps may be necessary. While competitive, international bidding procedures are critical in preventing waste and corruption within reconstruction, their unmitigated application early in the reconstruction process can frequently leave local companies competing with much larger and powerful foreign firms. Conditionalities which mandate or give preference to suppliers from the donor's country have an even more deleterious effect upon the private sector in the target country. In the procurement of materials as well as services, procurement procedures should give preference to local, Palestinian firms and, to the degree possible, Gazan companies. A key priority for the Gaza Reconstruction Chief will be the removal of conditionalities pertaining to procurement and the inclusion of pro-Gazan criteria within the assessment of bids.

54 Shikaki, *Shikaki: Since Israeli Withdrawal from Gaza, Palestinians Now Give Top Priority to Improving Living Standards, Not End to Occupation*. Interestingly, ending corruption was the second priority, with an end to the occupation coming in as the third.

55 Brynen, *A Very Political Economy*, p. 155.

**Develop Incentives for FDI through Investment or Political Risk Insurance.** The high rates of conflict reversion in post-conflict countries, assessed between 20 and 40 percent, provide an unattractive and risk-laden environment for FDI. The violence, political uncertainty, administrative complexity and restrictive movement of people and goods in Gaza make it all the more uninviting. While various market-based insurance products have been proposed for challenging environments for investment, Gaza will require far more. Instead, international financing should be mobilised in order to insure a portion of private-sector investments which fail due to conflict rather than due to poor management or a weak business model. Investment risk insurance does just this by mitigating 'non-commercial risks, including deprivation of ownership or control by governmental actions, breach of contract...where there is no judicial recourse, and loss from military action or civil disturbance'.<sup>56</sup> The World Bank's Multilateral Investment Guarantee Agency (MIGA) and its West Bank and Gaza Investment Guarantee Trust Fund provide one viable model which should be expanded.<sup>57</sup> While previous political risk insurance programmes, such as the US Government's Overseas Private Investment Corporation (OPIC), have had a rather unsuccessful history in the Palestinian Territories, failing to attract the anticipated level of private-sector interest, such guarantees must remain in place so that they are available once investor interest finally does return.<sup>58</sup>

**Expand International Trade Routes and Opportunities.** As the World Bank has consistently concluded, economic growth in Gaza will be driven by the private sector and, in particular, by international trade.<sup>59</sup> At present, an anaemic proportion of Gazan products are exported to other Arab countries or the EU, according to the MOP.<sup>60</sup> The economic reliance upon Israel is heavily influenced and constricted by Israeli security concerns and the delays imposed on exports coming from Gaza. (It must, however, be noted that remarkably few exports have been allowed from Gaza since mid-2007 and none since June 2008.<sup>61</sup>) Expansion beyond the Israeli market will benefit from favourable, duty-free trade arrangements with the European Union, though transportation will continue to pose major challenges. Two solutions seem most appropriate. The first, as recommended by the World Bank, is to establish an international agreement whereby Gazan businesses have access to the Sinai port and the Cairo airport.<sup>62</sup> Concerns over smuggling between Gaza and Egypt may, however, complicate such a logical solution. As such, a second option, developing Gaza's port facilities under international supervision, must be pursued in the medium term.

**Promote Import of Gazan Products among EU and Arab States.** At present, the Palestinian Territories remain economically wed to Israel. More than 92 percent of Palestinian exports in 2000, the most recent year for which data appears to be publicly available, went to (or, though the data is not clear, though) Israel while only 7 percent was exported to other Arab

56 Richard A. Mann and Barry S. Roberts, *Smith and Robertson's Business Law, Thirteenth Edition* (Mason, OH, Thomson/South-Western, 2006), p. 963.

57 Multilateral Investment Guarantee Agency, *West Bank and Gaza Investment Guarantee Trust Fund* (Washington, DC, World Bank Group, undated), <<http://www.miga.org/documents/westbank08.pdf>> (7 Jan. 2009).

58 Brynen, *A Very Political Economy*, p. 156.

59 World Bank, *Palestinian Economic Prospects*.

60 Ministry of Planning, *Foreign Trade Indicators, 1997-2000* (Ramallah, Palestinian National Authority, 2003), <<http://www.mop.gov.ps/en/facts/Foreign%20Trade.asp>> (5 Jan. 2009).

61 World Bank, *Palestinian Economic Prospects*, p. 23.

62 Ibid.

countries, primarily Egypt.<sup>63</sup> Trade agreements, where existing, should be enforced, though the greater need appears to be a commitment by countries in the MENA region and Europe, in particular, to promote and facilitate trade with Gaza as well as with the West Bank. Specific products required by these countries and which the Territories have a reliable ability to produce should be identified, and international financing should be targeted to address these industries, including but not limited to agriculture.

**Enable Labour Migration and Remittances to Spur Short-Term Growth.** While Labour migration is common throughout much of the world, Palestinian populations, particularly in Gaza, have had little freedom of movement. As a result, they have failed to develop the sorts of remittance-derived income from which many other developing countries have benefited. Arrangements with other countries in the MENA region should be investigated in order to enable short-term labour migration with, critically, the right to return to Gaza and to transfer assets there guaranteed by the Israeli government. Doing so would not only help to inject much-needed cash into the Palestinian economy but would also lessen the socio-economic pressure which builds up due to the presence of a large and unemployed youth population.

#### 4.5. Other Considerations

A wide variety of other activities and considerations should be accounted for during the reconstruction process. The following are a handful of recommendations and considerations which should receive additional attention.

**Focus upon Food-Security-Linked Agriculture.** Gazan agriculture has frequently been caught between a desire to link high-value products, such as carnations and strawberries, with international markets and a need to ensure basic food security. A trend towards the former has been partly reversed as a result of rising prices for basic foodstuffs and the financial losses recently suffered by those exporting high-value products, and reconstruction should aim to ensure that basic, on-the-ground food security is prioritised over export crops.<sup>64</sup> International trade, while critical, should not endanger basic food security or increase reliance upon external food aid (particularly during a global economic crisis which will result in vastly reduced humanitarian aid spending by major donors).

**Diversify and Decentralise Energy Supply through Reconstruction.** The recently ended conflict resulted in the loss of energy to nearly two-thirds of Gaza's population, thus exacerbating the humanitarian crisis.<sup>65</sup> The unpredictable and dramatically fluctuating cost of fuel likewise makes Gaza energy insecure even during times of relative calm. The region would be far more secure, at all times, if energy sources were diversified and decentralised. Solar, wind and tidal energy are all viable, to varying degrees, within Gaza and should be pursued.<sup>66</sup> For example,

63 Ministry of Planning, *Foreign Trade Indicators, 1997-2000*.

64 UNCTAD, *Report on UNCTAD Assistance to the Palestinian People* (Geneva, UN Conference on Trade and Development, 2008), p. 7. According to this publication, in 2007, Palestinian carnation-growers were able to export only 20 percent of their produce, with the remaining four-fifths of flowers having been turned into animal feed. Similarly, strawberry exporters lost US\$7 million in 2007, thus undercutting the notion that high-value agricultural exports are critical to economic development in the Palestinian Territories.

65 Office for the Coordination of Humanitarian Aid, *Electricity Shortages in the Gaza Strip: Situation Report* (Ramallah, UN-OCHA, 8 Jan. 2009), <[http://www.ochaopt.org/documents/Gaza%20Feb\\_08\\_2008.pdf](http://www.ochaopt.org/documents/Gaza%20Feb_08_2008.pdf)>, (9 Jan. 2009).

66 Lubna K. Hamdan, Maryam Zarei, Russell R. Chianelli and Elizabeth Gardner, 'Sustainable water and energy in Gaza Strip', *Renewable Energy* 33 (2008), pp. 1137-1146.



solar panels generating electricity for hospitals could allow them to maintain a proportion of their services even when primary and secondary sources are no longer producing.

**Protect Cultural Heritage and Identity, Particularly with Regard to Housing.**

Previous rounds of reconstruction in Palestine, particularly following the Oslo Agreement, have tended to provide sound but architecturally and culturally inappropriate structures. The result has been a loss of cultural identity and the creation of a sterile, functional environment which contributes to the population's sense of being, for lack of a better word, imprisoned. Housing, in particular, must be designed with adequate attention to open spaces and the tendency for multiple generations to live within a single dwelling. Past housing construction efforts have been built with little attention to green open spaces and according to a Western notion of a nuclear family domicile.<sup>67</sup> Owner-driven reconstruction, while increasingly popular, presents an interesting opportunity to ensure cultural and individual appropriateness, though only if the international community is able to provide extensive technical assistance to ensure compliance with technical standards.

**Integrate Emergency Preparedness in Reconstruction.**<sup>68</sup> Despite the authors' hopes and wishes, there is little reason to believe that Gaza will be immune to future violence and suffering. As such it will be critical to integrate emergency preparedness into the reconstruction process. Buildings, particularly homes, should be designed to survive an indirect strike as well as, for good measure, the type of earthquakes for which many experts indicate the region is presently overdue. Furthermore, humanitarian corridors and safe havens should be established and agreed upon by all relevant actors to avoid attacks against ad hoc safe havens and the sorts of delays in humanitarian assistance delivery seen in this most recent conflict.<sup>69</sup>

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The strategies and options above should be discussed and debated, most imperatively where they verge close to technical fields in which various international institutions have decades worth of experience. The foundational recommendations, the authors would like to reiterate, are imperative in starting the reconstruction process from a position of strength. Though Gaza's recovery may never be "lost", a substantial amount of its promise and potential certainly will be if international and Gazan stakeholders use the process to demonstrate rather than overcome existing animosities and parochial agendas.

67 Sultan Barakat, Ghasan Elkahlout and Tim Jacoby, 'The Reconstruction of Housing in Palestine 1993-2000: A Case Study from the Gaza Strip', *Housing Studies* vol. 19, no. 2, pp.175-192.

68 Sultan Barakat and Ian Davis, 'Disaster Preparedness for Palestine', in A.B. Zahlan, ed., *The Reconstruction of Palestine: Urban and Rural Development* (London, Kegan Paul International, 1997), pp. 287-303.

69 Information regarding the integration of emergency preparedness into reconstruction can be found in a soon-to-be-released report, Sultan Barakat and Steven A. Zyck with Jenny Hunt, *Housing Compensation and Disaster Preparedness in the Aftermath of the July 2006 War in South Lebanon* (York and Beirut, Post-war Reconstruction and Development Unit, on behalf of the Norwegian Refugee Council, Dec. 2008).

## 5. Conclusion

The aforementioned lessons and recommendations should help strengthen the reconstruction process and result in a Gaza Strip that is stronger and more prosperous than before the recently ceased conflict. Despite the potential for such improvements, progress on recovery and development should not sanitise or be used to rationalise away the horrors of the conflict. Nor should international involvement absolve Israel of its moral responsibility to finance reconstruction in the Territories, land over which it claims ultimate authority yet has so often deferred responsibility.

Nor should Hamas consider its belligerence in the face of Israeli attacks a mandate for continuation of its past policies and practices. While large segments of the international community have been short-signed and narrow-minded in simply labelling Hamas, a political movement with an ideology shared by hundreds of thousands of Palestinians, a terrorist organisation, it has recently led Gaza into a political and economic quagmire. The flight of foreign investment, economic decline, closure of civil society organisations and atrophy in municipal services have resulted in increased suffering and weakened hopes for Palestinian statehood and a resolution to the Arab-Israeli conflict.

This upcoming reconstruction presents an immense opportunity to get Gaza back on the track to development, to ensure that reconstruction supports peace and Palestinian unity and to, more fundamentally, tackle the suffering which has afflicted the Gazan population. For the sake of Gaza and the region in which it sits, we hope it will not prove another missed opportunity.

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