

Congressional Hunger Center

POLICIES FOR SUCCESSFUL US FOREIGN AID IN THE GAZA STRIP

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"On the logo of USAID, it says 'From the American people', but our work has to be seen as 'for the American people'" Rajiv Shah. USAID Administrator

"Development is a fundamental part of our national security. It is extreme poverty – the realities of access to water and food – which creates the long-term drivers of our insecurity." Rajiv Shah. USAID Administrator

EXECUTIVE SUMMARY

Restrictions by the Israeli government and Hamas on beneficiaries' livelihoods in Gaza are decreasing the long-term impact of US foreign assistance. A close look at humanitarian operations in Gaza shows that the Israeli government and Hamas have cut or are systematically cutting off all livelihood strategies, rendering development assistance futile.

This paper uses a Sustainable Livelihoods Framework based on the concept of occupation/Hamas "chokepoints" to support the argument above. It then outlines three policies that are likely to improve the situation.

In Gaza, roadblocks to development are roadblocks to peace. The USG can take another step towards peace with a US State Department policy that includes pushing on three fronts:

- I. **Accountability Enforcement Measures:** Economic restrictions on actors that hamper the effectiveness of US foreign aid to Gaza.
- II. **Strengthening Performance Planning:** Improving performance-based planning to reflect information that is useful for policy-making.
- III. **Increased public debate on impact of US Foreign Aid, specifically in Gaza:** The House Committee on Foreign Affairs and the Senate Committee on Foreign Relations should foster hearings, policy papers, and other public debates involving NGOs, academics, government officials, through funding opportunities and institutional backing.

Early in 2011, FATAH and HAMAS, formed a unity government. Since then, members of Congress have repeatedly asked the President and State Department to consider restricting all aid to the Palestinian Authority after the formation of the unity Government.¹

As further restrictions are imposed on Palestinian livelihoods by the new unity government, taxpayers in the US should ask themselves whether their money is making a difference in the Gaza strip or whether it is merely financing assistance to keep Palestinians above the poverty line while the Israeli government and Hamas continue to erode their livelihoods.

This paper does not argue that the US Government should stop assisting Gaza. It does argue that it should consider the above policies in order to push for reforms in Gaza that will allow US aid to achieve its goal of peacebuilding and prosperity for Gazans.

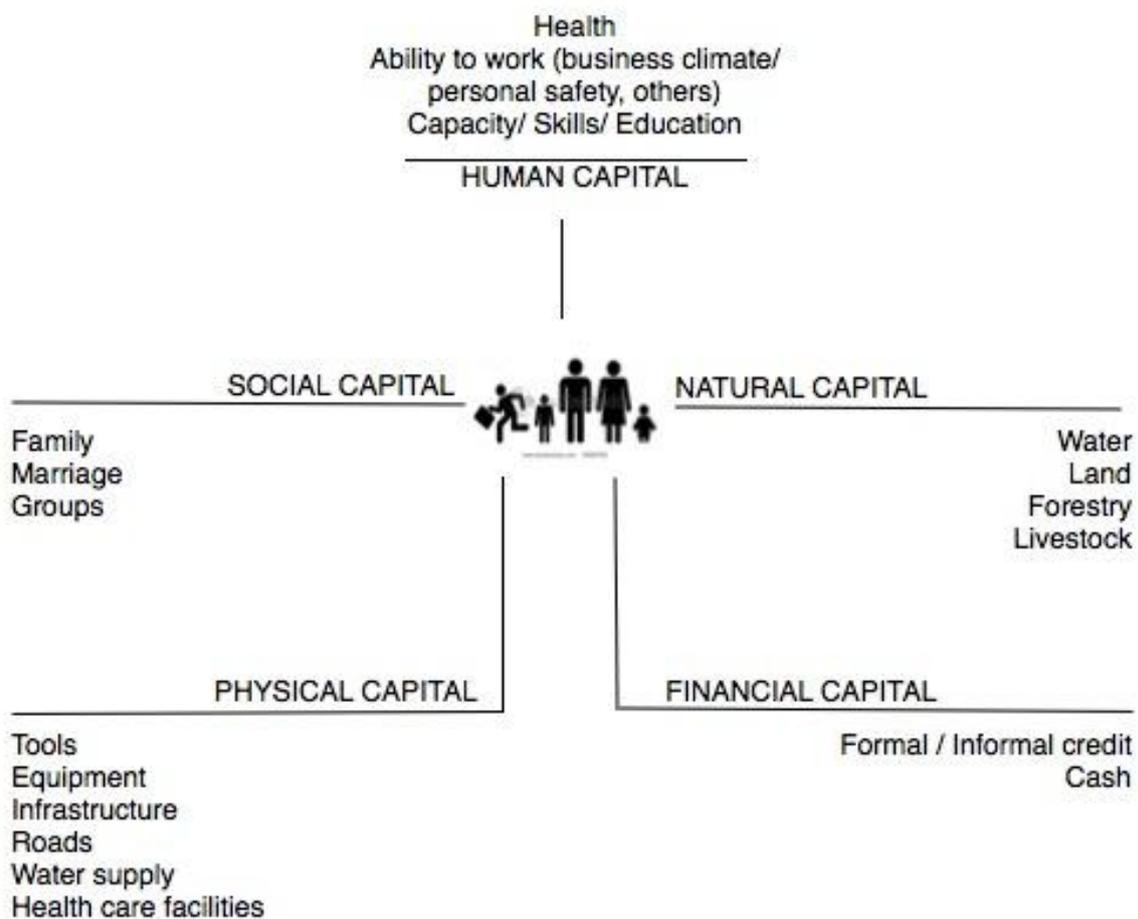
¹ The State Department considers HAMAS a terrorist organization.

SUSTAINABLE LIVELIHOODS & CHOKEPOINTS

The Department for International Development (DFID)'s Sustainable Livelihoods approach as a tool for analysis focuses on livelihood resources, strategies and outcomes. For example, whether people have access to a vegetable garden, how they make the garden benefit them and what they wish to do with what they produce.

In order to understand, in broad terms, how the Israeli government and Hamas are choking Palestinian livelihood strategies in Gaza a sustainable livelihoods lens is used. Specifically, this information should show what² needs to improve and how the policy recommendations made in this paper would be effective in addressing the problems identified.

SUSTAINABLE LIVELIHOODS FRAMEWORK



Based on DFID's Sustainable Livelihoods Framework

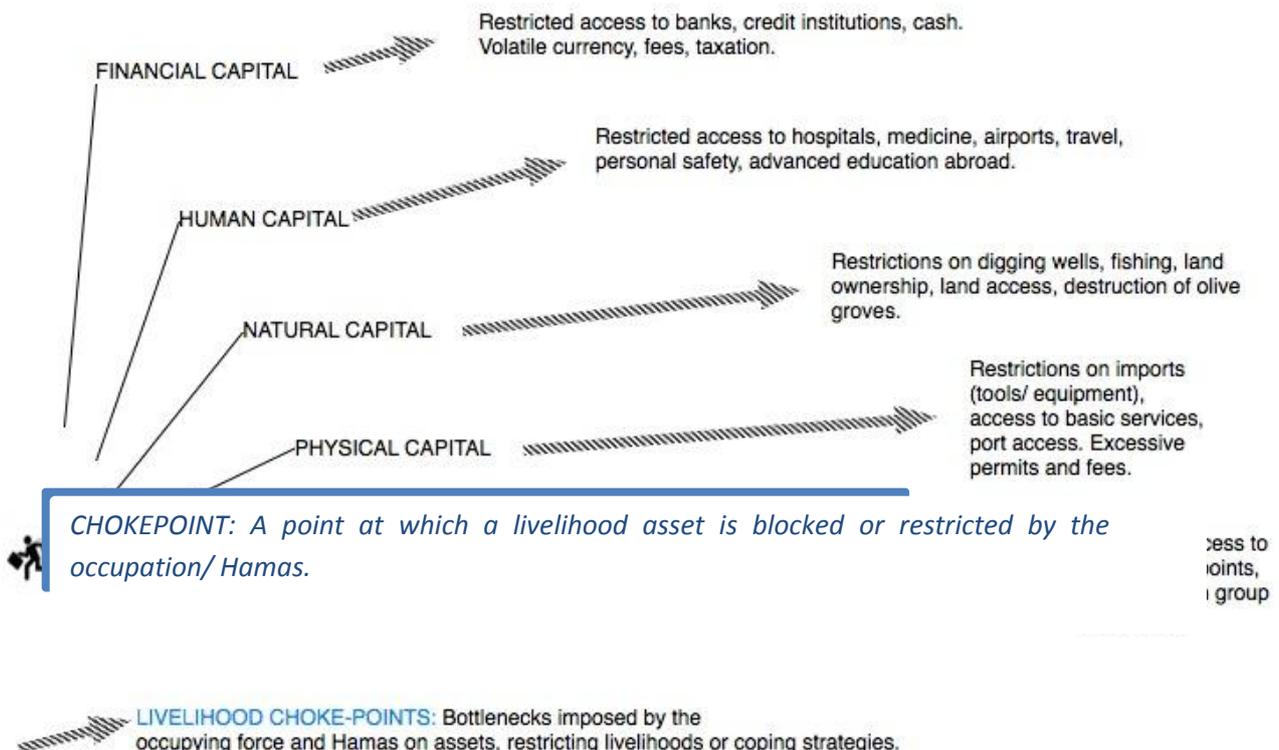
² See "FROM GAZA (OCHA-WFP August 2010)" in this paper.

A sustainable livelihoods approach in situations of chronic conflict encompasses all the above assets. During chronic conflict, restrictions on beneficiaries' coping strategies increase their vulnerability. For example, a farmer who is coping with restrictions to fishing in Gaza may want to invest in a horticulture project in his land. However, the restricted access to agriculture tools makes it impossible for him to plant anything in large enough quantities for him to sell. I define this as a **CHOKEPOINT**.

If the above livelihoods framework for analysis is understood as a holistic approach to human development (one that includes the basic requirements for Palestinians to develop their normal lives), then showing that all livelihood assets in Gaza are blocked or restricted brings up two questions: Are Palestinians' livelihoods being systematically restricted by the occupation and Hamas, effectively choking every coping strategy available to them? How are humanitarian livelihood-based interventions supposed to have any impact on beneficiaries' lives?

The diagram below shows some of the chokepoints enforced by the occupation and Hamas on Palestinians' assets in Gaza. While Hamas has also restricted Palestinian security and engagement with the West Bank in the past, the new unity government may show that the biggest impediments to strengthened livelihoods in Gaza are Israeli government restrictions.

ISRAELI / HAMAS CHOKEPOINTS IN GAZA



It is important to note that social capital is the one asset that cannot be easily restricted. It is a result of oppressive living conditions, which prompt Palestinians to rely on each other for credit, food, and healthcare among other things. Under a common threat, danger or risk, members of a community will usually turn to each other for help in order to have a better chance at mitigating the negative impact of the shock. It is similar to how communities in Ethiopia build resilience to natural disasters by building soil and water conservation

In Gaza, Palestinians have been under an occupation that restricts all their means of living. As time goes by while the Israelis and the Palestinians stall peace talks, the Palestinian people find their space to maneuver is dwindling, hanging by a thread of patience and the will to survive. The neighbour they used to rely on is either heavily indebted by now or cannot afford to lend more money out because a family member is sick and health care has been severely restricted, causing costs to shoot up. The same family may have to risk getting shot at while off the coast of Gaza, trying to fish, or sail to Egyptian waters, some 4-6 hours away.

FROM GAZA (Organization for the Coordination of Humanitarian Affairs- World Food Programme. August, 2010)³

To better understand how chokepoints are restricting livelihood strategies for Gaza's residents, the below testimonies show the case of Fayyadh Al-Sumeiri, a farmer who has seen his financial, social and natural capitals directly affected by Israeli government restrictions and the negative impact of the Cast Lead offensive. The following case is about a rubble collector who was working on a shallow pit. This case exemplifies the human, natural and financial capital (through job loss) chokepoints.

Fayyadh Al-Sumeiri

Farmer

Fayyadh Al-Sumeiri, 47, heads a farming household of 10 people in the Al Qarara area of Khan Yunis. He owns a plot of land of 12 dunums⁴ located 150 meters from the fence, which in the past was planted with almonds, olives and cactus. In 2003 the area was leveled by the Israeli military and has since remained inaccessible due to warning fire opened from a nearby watch tower at any person attempting to reach the area.

A second plot of six dunums, located 1.5km west of the fence, was cultivated with olive trees and leveled in late 2008. This plot has subsequently been replanted with wheat, which was consumed by the family, or bartered with two day laborers. To help offset financial losses, the family rented a 3-dunum plot of land in the area of Suq Mazen, which it planted with zucchini. Both areas were bulldozed during the Israeli 'Cast Lead' offensive. An irrigation network he installed in the rented plot with the assistance of the European Union was also totally destroyed. The loss of income pushed the family into a state of dire poverty and 14,000 NIS in debt.

³ "Between the Fence and a Hard Place" OCHA/ WFP. August, 2010.

⁴ 10 Dunams = 1 hectare

“Every day I pass by shops and see people that I owe money to, and I lower my head. I don’t know what to do because I have no income. Everything we earned was from the land, and every meter we planted was destroyed... Every day I pray that I will be able to return to my land and bring it back to the state it was in.”

Mohammed Abu Wardeh
Rubble Collector

Mohammed Abu Wardeh, 22, has been collecting rubble since March 2010 to provide an income for his wife and three children, while supporting his extended family which relies upon him as the main bread winner. Prior to that, he was unemployed and worked in a temporary poverty alleviation project at Gaza Municipality. Every morning, at approximately 6 am, he and his 16 year old brother depart from their home in Beit Lahiya with a donkey-cart to the former Erez industrial area. On 15 May, 2010 Mohammed arrived at the site at 7am and 200-300 workers were already on site; many of them displayed a white cloth to indicate their presence and civilian status to the Israeli troops.

Despite intermittent warning fire, Abu Wardeh began working in a shallow pit, approximately 400m from the fence. Later on, when he tried to exit the pit, he was hit by a bullet, which penetrated his right leg and exited from the other side. His cousin called an ambulance; however the latter refused to access the restricted area. Therefore, he was put on a donkey cart and transported to an area half an hour away, where the ambulance was waiting and brought him to the hospital. Abu Wardeh suffered from multiple leg fractures and underwent external fixation surgery.

USG DEVELOPMENT ASSISTANCE IN GAZA

USG assistance to Gaza is restricted by security concerns and the recent negative impact of the Cast Lead invasion⁵ on the Gaza strip by Israeli forces.

The *Congressional Budget Justification for Operations* “reflects the continuing process to provide improved strategic focus, data quality, and information on topics of greater Congressional interest.”⁶(2011) This is the USG’s document that provides the justification for the Administration’s foreign aid budget request to be approved by Congress. More important for this paper, it shows “how performance information is used to inform budget and planning process and to manage for results.” This is where the U.S. President justifies continued assistance in Gaza and assistance to Israel.

Book II of the FY 2010 justification, states:

“All assistance programs for Gaza funded under this request will, consistent with legislative requirements, work through vetted non-governmental or international organizations to meet U.S. Government objectives in Gaza. Beyond immediate humanitarian relief, **successful implementation of programs in Gaza is dependent on the establishment of a durable ceasefire, the creation of an operating**

⁵ Operation Cast Lead: In response to rocket attacks from Gaza, Israeli forces launch a 22-day campaign in December, 2008. Some 1,500 Palestinians and about 15 Israelis died.

⁶ Congressional Budget Justification for Operations. Foreign Operations. Fiscal Year 2011

See <http://www.state.gov/documents/organization/137936.pdf>

environment in which Hamas does not interfere with U.S.-funded programs and activities and greater access for essential materials and commodities to Gaza.⁷

Of the five requested disbursements for Gaza included in the 2009 Budget Justification, two of them specifically rebuild what the Cast Lead offensive destroyed:

- “Some \$54 million for basic human needs and job creation programs to provide immediate livelihoods support,” which suggests that most of the funds will go towards reconstruction of infrastructure destroyed by the Israeli military whereby “an estimated 60% of agricultural land...damaged or destroyed; 700 private sector production facilities were damaged or destroyed...”
- Another \$20 million for household level economic recovery, to reduce food insecurity and support micro-enterprises, which have all been affected by the Cast Lead offensive.

It’s particularly interesting to note that Israel is not mentioned when the State Department 2009 Budget Justification states that the:

“...implementation of programs in Gaza is dependent on the establishment of a durable ceasefire, the creation of an operating environment in which **Hamas** does not interfere with USG-funded programs and activities, and the ability to move essential materials and commodities into Gaza.”

The United Nations and its agencies working on the ground have repeatedly complained that livelihood support programs in Gaza are almost impossible because Israel does not provide the operating environment for it and interferes systematically with the ability to move essential materials and commodities.⁸ More specifically, the World Food Programme’s Protection unit (one of the US-funded agencies in Gaza), said in a 2010 report: “Regarding the Gaza Strip, shifting to some form of livelihoods support, namely Food For Work (FFW) activities (examples: carpentry, painting, agriculture) is hampered by the ongoing blockade, which makes it almost impossible to bring in FFW tools as well as to export products.”

For the USG to continue a steady peacebuilding process, it must also consider sanctioning Israel in the case that it too interferes “with USG-funded programs and activities, and the

7 Emphasis by author

8 On May, 2011 UN humanitarian coordinator for the West Bank and Gaza, Max Gaylard said “Delays in the movement of staff that are guiding, monitoring and executing programs mean delays in implementation and rising costs,” and added “Services to beneficiaries may be delayed and their quality reduced.” Furthermore, Gaylard said “We are working for the OPT, but Israel has full control in the West Bank and Gaza,” says Gaylard, and “Nothing and no-one goes in or out of the West Bank or Gaza for UN purposes without approval from the Israeli government.” See IRIN News “Israel hindering delivery of aid” May 12, 2011.

“The situation in the Gaza Strip in particular presents severe impediments to humanitarian operations. Severe import restrictions imposed since June 2007 have either prevented the implementation of planned humanitarian projects or resulted in significant delays. Additionally, the ‘no contact’ policy of some donors, which prohibits contact with the Hamas authorities, is narrowing the operational space of many organizations.” “OCHA in Occupied Palestinian Territory” OCHA. 2011.

ability to move essential materials and commodities into Gaza”, as mentioned above, in reference to Hamas.

An example of a US-funded project that was hampered by Israel and Hamas was the Emergency Jobs Program (EJP), which was intended to provide emergency employment opportunities through collaboration with the public and private sectors, focusing on infrastructure projects that benefit the West Bank and Gaza:

“In Gaza, EJP has focused its activities on rubble removal projects in targeted, non-Foreign Terrorist Organization controlled governorates. To complete EJP projects, significant person-days of employment are required. By reducing the number of unemployed individuals, EJP reduces dependence on social programs and stimulates the local economy, thereby **creating potential long-term employment opportunities as well.**”⁹

However, the EJP failed to start in Gaza after the Hamas coup in late 2007. The Office of the Inspector General’s Audit (2010) of the program showed that just one rubble-clearing project worth \$15,709 was completed, “Because of the ongoing security and political situation in Gaza. [*sic*] [The implementing organization] could not conduct any additional projects there. Consequently, in April 2010, the mission approved the use of the Gaza funds for projects in the West Bank.”¹⁰

Gaza’s unemployment rate continues to rise and is now one of the worst in the world at 42%. Under the current situation, USG efforts reduce the number of unemployed individuals in Gaza is at best a show of goodwill from the American people, especially if the projects fail to start.

Furthermore, despite extensive implementation in the West Bank emergency water and sanitation projects are not being implemented in Gaza by the USG due to security constraints.

Additionally, the *Palestinian Community Assistance Program (PCAP)*:

“Is a \$100 million initiative to rebuild and improve community infrastructure and housing in the Gaza Strip. The PCAP strategy for economic recovery focuses on identifying and **developing feasible economic opportunities to provide employment and income,**¹¹ while preparing resident youth and businesses to respond to future opportunities through skill building, training and assistance.”¹²

With the following goals:

⁹Factsheet: Water resources and infrastructure programs (EJP). Page 1. USAID. January, 2011.. Emphasis by author.

¹⁰ “AUDIT OF USAID/WEST BANK AND GAZA’S EMERGENCY JOBS PROGRAM”. USAID. October, 2010.

¹¹ Emphasis by author.

¹² The Palestinian Community Assistance Program – PCAP. Rapid Multi-Sectoral Needs Assessment Program. USAID/ Mercy Corps. January, 2011.

- I. Address the infrastructure recovery needs of residents through tangible improvements in community infrastructure and housing.
- II. Support economic recovery and development in the Gaza Strip through the creation of income generation and business opportunities.
- III. Address the social recovery needs of citizens through measured improvements in food security, education, health and psychosocial services

However, given the current situation in which livelihoods are restricted, it is **hard to see how this \$100 million can meet its long term objectives without a real commitment to peace by the Israeli government and Hamas.**

The implementing partner for the project, Mercy Corps, conducted a needs assessment (2011) where consistent restrictions on people's livelihoods were evident. For example, it is impossible to promote fishing, which used to be a staple in Gaza's diet, because "schools of sardine pass beyond the three nautical mile (nm) mark currently imposed by Israel as part of the closure restriction on Gaza" Furthermore, an OCHA report (2010) on farming and livelihoods in Gaza states that "adult fish are mostly found beyond the 3 nm limits and therefore fishing within the current zone rapidly depletes new generations of fish, with severe implications for fish life cycles and therefore long term fishing livelihoods."

In terms of agriculture, Hamas' takeover diminished the number of agricultural extension workers in the region "many of these professionals stopped working in the public sector"¹³ either because of fiscal constraints or because there was less land to treat after incursions by the Israeli army demarcated new security areas. Additionally, most other needs result from destroyed housing and infrastructure after the Cast Lead offensive, prompting the question whether taxpayer's money should be funding the reconstruction of houses destroyed by a government that continues to receive unsanctioned aid from the USG.

The State Department should consider economic sanctions on the Israeli government if it continues to undermine US efforts to build a democratic, peaceful Palestinian state and ensure security in the region. This would enable an entry point for new peace negotiations by increasing US and Palestinian political leverage. Before imposing sanctions, the State Department must modify its current performance evaluation method to include periodical impact evaluations of US development assistance in Gaza as impact evaluations would provide a better perspective on whether the situation is changing as a result of US development assistance or because of other factors (security situation, restrictions, opening of Rafah crossing etc).

Currently, State Department and USAID use the World Bank governance indicators for the West Bank and Gaza, in the Congressional Budget Justification. While this indicator is reliable for most countries, it is based solely on government performance, rendering it nearly useless for measuring livelihood development. A household-based survey would be more appropriate for this context and a combination of both is likely to provide better performance information for policymakers.

¹³ The Economic Effects of Restricted Access to Land in the West Bank. The World Bank. October, 2008.

Nonetheless, adding a couple of indicators is not enough to improve performance monitoring. The USG should develop new indicators tailored to measure peace and security, specific to Gaza. It could sponsor joint initiatives to create a pilot with one of several think tanks or research institutions based in the US that currently carry out this type of work (ie: US Institute of Peace, the Center for International Conflict Resolution, UNDP, International Crisis Group).

POLICY RECOMMENDATIONS

The USG needs to improve how it uses taxpayers' money for foreign assistance in Gaza. It can do this by creating inclusive policy whereby the USG involves the unity government of Hamas and Fatah and the Israeli government in the long-term goals of foreign assistance to provide a sustainable livelihood to the citizens of Gaza.

As mentioned in the introduction, the State Department faces a clear opportunity to create an entry point for the process of building two peaceful states, living side by side. Especially effective could be considering economic sanctions to Israel, Hamas and any other actors that continue to undermine US security interests by derailing the peace process and its implied development of the livelihoods of the people of Gaza. The other policy recommendations in this paper point to practical changes that are likely to positively affect the peacebuilding process.

Plenty of progress remains to be made in Gaza, but only if pre-conditions for development assistance goals exist can the State Department ensure that security and prosperity for its allies and the American people is possible.

Policy recommendations to overcome development blocks:

I. Accountability Enforcement Measures

- a. USG consideration of restricting aid to Israel if implementation of military aid is used in violation of bilateral agreements and international law (financing illegal settlements or non-defensive military aid) and found to undermine US goals for peace in the region.
- b. A peace negotiation strategy that includes the possibility of imposing economic sanctions on Israel and Hamas (already sanctioned), depending on the evaluation of negative impacts of both parties on US foreign aid to Gaza.

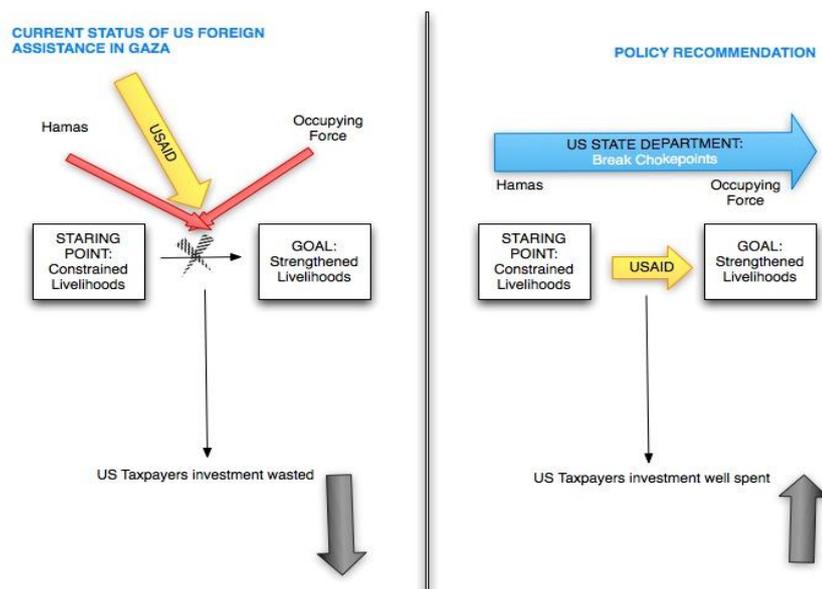
II. Strengthening Performance Planning

- a. Develop monitoring mechanisms that show whether foreign aid investments from the international community in shallow wells, reclaimed degraded land, olive groves, etc are being destroyed by Israel and/or Hamas.

- b. Conduct a study that outlines the amount of foreign aid delivered to Gaza in contrast to how much money is lost as a result of Israel and/or Hamas' restrictions on Palestinian livelihoods.
 - i. With the above study, reinforce monitoring of USG aid by adding an aid-sustainability component that focuses on the cost of assets or development projects built with USG funding when factoring in the amount of funds lost as a result of restrictions imposed by Israel and/or Hamas.¹⁴
- c. Design USAID and USAID-funded projects in Gaza with a people-driven livelihoods analysis in a chronic-conflict setting as opposed to the current standard development approach. Focusing on social assets and how people will cope with the assistance provided.

III. Increased public debate on impact of US Foreign Aid, specifically in Gaza

- a. Increase the number of Congressional hearings specifically dedicated to discussing the impact of development assistance on the long-term goals of peace and stability in the Middle East as it relates to Gaza.



¹⁴ Implementing development partners are required to monitor the state of the structures built with development assistance. The US should require implementing partners to report when structures, financed with US aid, are destroyed by force.