Written evidence submitted by Friends of Al-Aqsa

Executive Summary

• The Palestinian Authority lacks power and de jure and de facto sovereignty.
• Aid is being used to sustain a failed peace process and the occupation itself
• Aid, especially in the case of the West Bank, treats the Israeli occupation as a temporary condition which is masking the nature and status of the occupation as a permanent fixture and thus it can be argued that aid is not assisting the Palestinians in the long term¹.
• The reliance on aid is a direct result of the Israeli occupation.
• The political basis for the humanitarian crisis that generates conditions of aid remains unchallenged²
• As a result of the occupation, the wall, restrictions by Israel and ‘land grabs’, they are now unable to access their lands and therefore now reliant on aid³
• Aid to OPT can be significantly reduced, saving millions, if Israel ended its illegal occupation of Palestine.

Friends of Al-Aqsa

Friends of Al-Aqsa is a UK based non-profit making NGO concerned with defending the human rights of Palestinians and protecting the sacred al-Aqsa Sanctuary in Jerusalem. It is part of the United Nations network of organisations active on the question of Palestine.

It makes these recommendations as part of its work to help bring an end to the Israeli occupation of Palestinian land.

² Calis (n8) p23
³ Calis (n8) p12-16.
1. Effectiveness of Programmes

Ibrahim and Beaudet in Table 1 highlight how the actions of the donor community (we include DFID) do not meet any of the six principles for effective engagement.4

Table 1. Assessment of Fragile States Principles in the OPT5

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<tr>
<th>Principles</th>
<th>Reality in the OPT</th>
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<tr>
<td>Take context as the starting point</td>
<td>Major donors (the United States in particular) do not agree that the core problem of the OPT is occupation. The starting point remains a series of social and economic problems related to governance issues while, in reality, the perpetuation of the occupation remains the core problem.</td>
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<tr>
<td>Do no harm</td>
<td>Donors have done harm by not opposing physical destruction, human rights violations and disrespect for international law perpetrated by the Israeli occupation. They have also enhanced Palestinian divisions and opposed attempts to reconcile the different factions.</td>
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<tr>
<td>Focus on state-building</td>
<td>Palestinians so far have been unable to build their state. Moreover, the PNA is often neglected by donors who prefer quick-impact projects either under their own direct control or through private Palestinian or foreign entities.</td>
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<td>Prioritise prevention</td>
<td>Little preventive action was taken despite the predictability of recurring conflicts. The intensive clashes since 2000 were the result of the non-resolution of fundamental issues including the creation of an independent Palestinian state. Donors have many times focused on the consequences rather than the causes of the impasse.</td>
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5 Ibrahim and Beaudet (n16) p495-496.
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<tr>
<th><strong>Recognise links between political, security and development objectives</strong></th>
<th>Development objectives are usually secondary to political and security goals of Israel. A large part of the aid programme has been directed to security forces whose mandate is to police the Palestinian population rather than to defend their rights. Closures and illegal repression by Israel have been justified by some donors even if they are in contradiction with the aid programme.</th>
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<tr>
<td><strong>Promote non-discrimination for inclusive and stable societies</strong></td>
<td>There is clear-cut discrimination against Gaza and other parts of the OPT where local authorities or population disagree with PNA’s policies. (In Gaza, development cooperation has been frozen, leaving only emergency aid programmes in place).</td>
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<tr>
<td><strong>Align with local priorities</strong></td>
<td>Palestinian actors (not only PNA) have been repeating that the priority is to end the occupation and, in the meantime, to improve social and economic conditions. Yet this priority has not been respected by donors.</td>
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<tr>
<td><strong>Practical coordination</strong></td>
<td>Coordination with Palestinians has been minimal and erratic, even with the PNA. Coordination amongst donors is not systematic and does not cover some of the main actors, such as USAID.</td>
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<tr>
<td><strong>Act fast and stay engaged</strong></td>
<td>Responses to crises have been ambiguous, especially with Gaza. Long-term commitments are unclear. Currently, aid commitments are being reduced.</td>
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<tr>
<td><strong>Avoid pockets of exclusion</strong></td>
<td>Many areas and sectors in the OPT, particularly in Gaza, have been excluded by donors.</td>
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Ibrahim and Beaudet’s analysis highlights that “…as long as the occupation continues and the Israeli closure policy decimates the Palestinian economy, foreign aid can only address short-term humanitarian needs rather than long-term development goals that remain the priority of the Palestinians and the international donor community”\(^6\). This is due to the underlying root causes of the conflict not being addressed, namely the occupation of Palestine by Israel.

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2. **Relieving Israel of its responsibilities**

\(^6\) Judy Barsalou, ‘Missing the mark: Foreign aid to the Palestinians’ (2003) X Middle East Policy 48, p48/49
Since the blockade of the Gaza strip in June 2007 a humanitarian crisis has enveloped the Gaza strip with nearly 34% of the population being unemployed in 2012 including over half its youth. 44% of Palestinians in Gaza are food insecure and nearly 80% are aid recipients. 35% of Gaza’s farmland and 85% of its fishing waters are totally or partially inaccessible due to Israeli imposed restrictions. Furthermore a severe fuel and electricity shortage results in outages of up to 12 hours a day. Some 90 million litres of untreated and partially treated sewage are deposited illegally in the sea each day and finally over 90% of the water from the Gaza aquifer is unsafe for human consumption without treatment7 due to the above actions of Israel. Although under the disengagement plan of 2004, Israel made clear it no longer held responsibility for those living within the Gaza strip, this is contrary to IHL.

Under Article 42 of the 1907 Hague Regulations Respecting the Laws and Customs of War on Land8 it is clear that responsibility is determined based on ‘effective control’. As Al Haq illustrates, Israel continues to directly exercise control over parts of the Gaza strip. Israel’s control of the Gaza strip includes controlling goods and services on land and air via the Gazan airspace (i.e: blocking the delivery of gas and electricity, controlling border points which control people and goods into Gazan territory), right through to its control over areas that would traditionally be under the ruling authorities control such as population registry to military duties (by conducting raids within the Gaza strip9).

Israel’s control has not relinquished since its disengagement from Gaza but has rather tightened over the years.

Therefore regardless of Israel’s biased interpretation it must still assume full responsibility for the needs of those not only in Gaza but the West Bank and East Jerusalem as provided for by the Geneva Conventions discussed earlier.

Taghdisi Rad argues that by subsidising the PA, (in the form of official development assistance (ODA), it has allowed Israel to sustain the occupation without taking responsibility for the basic humanitarian needs of the people under this occupation. The understanding of the international community is on the premise that the PA is responsible for the welfare of

8 Convention (IV) respecting the Laws and Customs of War on Land and its Annex: Regulations concerning the Laws and Customs of War on Land (adopted 18th October 1907, entry into force 26th January 1910) 187 CTS 227
those in the West Bank and Gaza yet it is clear the PA does not have real control in order for it to assume such responsibilities.

A similar understanding can be reached of humanitarian aid in the Gaza strip given this was the main reason that the ICRC decided to withdraw from the oPT’s. It reiterated in 2004 when terminating two major humanitarian programs

“that the obligation to take care of the basic needs of any civilian population living under occupation does not lie with humanitarian organisations”\(^\text{10}\)

and that humanitarian aid

“is never more than an exceptional and temporary measure designed to help the most vulnerable members of a society facing an acute humanitarian crisis. Under no circumstances should such aid become a substitute for the long-term measures necessary to ensure economic stability”.\(^\text{11}\)

What is visible is that the occupation of the oPT’s and its consequences has now led to a shift in the perception of the government and the public of being a humanitarian crisis rather one of being an illegal occupation which has led to humanitarian crisis.

Under the Fourth Geneva Convention Israel is engaged as the occupying power thereby also placing responsibility on Israel to rectify the situation (i.e to rebuild the demolished houses, where it has illegally caused damaged to properties\(^\text{12}\)).

The international community has abstained from holding Israel accountable for its actions and therefore the donor community needs to ensure that Israel either compensates the owners of the houses demolished or that it pays compensation to the donor community for the repairs it has to make\(^\text{13}\), as well as ensuring that assistance is provided to those living in oPT’s. The donor community needs to do so urgently as by simply providing funds to rebuild infrastructure or humanitarian aid, the donor community is implicitly encouraging violations of international law and indirectly permitting Israel to continue to operate outside the framework of its legal responsibilities\(^\text{14}\).

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\(^{10}\) Electronic Intifada, ‘Assistance is not a long term solution’ (Electronic Intifada, 31\(^{st}\) January 2004) <http://electronicintifada.net/content/assistance-not-long-term-solution/5010> accessed 6\(^{th}\) December 2013.

\(^{11}\) Electronic Intifada (n45)

\(^{12}\) Harvard University (n48)

\(^{13}\) Euro-Mediterranean Human Rights Network (n47) p33.

\(^{14}\) Palestinian and Israeli Human Rights Organisations, ‘Call for an end to international donor complicity in Israeli violations of International law – 4 Mat 2009 (excerpts)’ (2009) 38 Journal of Palestine Studies 208, p209
3. Funding the Administration of the Palestinian Authority (PA) and its effects

The flagship development of the PA has been universally recognised as the cornerstone of the donor community’s vision for providing aid to the oPT’s. The donor community from the time of the Oslo accords have made their investments with the belief that they were helping to build a future Palestinian state that was politically and economically self-sufficient\textsuperscript{15}.

One of DFID’s main objective has been that of state building. There recurrent aid donations have been with the view of supporting the PA on the path to self-sufficiency, however a number of problems have emerged along the way.

The PA’s inability to generate sufficient economic growth means they have suffered permanent budgetary problems\textsuperscript{16}.

The underlying reasons for the PA’s lack of economic growth stem from its lack of real economic base. Clearance revenue during 2013 continued to be the main source of Palestinian public revenue and accounted for 70 per cent of total revenue covering 84 per cent of the public wage bill and 45 per cent of current expenditure\textsuperscript{17}. As part of the Paris Economic Protocol a clause was set allowing Israel to collect revenue on behalf of the PA which was subsequently transferred to the PA. This revenue was generated from VAT and Import taxes Israel levied on Palestinian imports transiting Israel\textsuperscript{18}.

However “this arrangement gives Israel leverage over the Palestinian Authority, leaving it hostage to political pressure”\textsuperscript{19}. On a number of occasions Israel has withheld such clearance revenue, most recently in the aftermath of Palestine becoming a non-member observer state of the United Nations in 2012\textsuperscript{20}. This leverage has left the PA at the mercy of Israel thereby leaving them unable to pay the salaries of the 170,000 civil servants in the West Bank and Gaza\textsuperscript{21}.

\textsuperscript{15} Barsalou, (n20) p53.
\textsuperscript{16} CIDSE, ‘The EU’s aid to the Occupied Palestinian Territory (II) – The deepening crisis in Gaza’ (CIDSE, June 2009) p12.
\textsuperscript{17} UNCTAD (2013) (n66) p8.
\textsuperscript{18} Protocol on Economic Relations between the Government of the State of Israel and the P.L.O representing the Palestinian People (n60)
\textsuperscript{19} UNCTAD (2013) (n66) p8
\textsuperscript{20} UNCTAD (2013) (n66) p8.
Clearance revenue remains the main source of income due to Israel’s continued control over the oPT’s, which has stifled the economy of the oPT’s. Israel’s closure policy which includes its restrictions on free movement of people, goods and services via its checkpoints, roadblocks, separation wall and its external and internal border control, prevents workers from accessing their places of work. Israel’s expansion of settlements means that many Palestinians have been dispossessed of fertile agricultural land. Many previously grew produce that they subsequently exported. Furthermore Israel’s security restrictions since 2000 means that certain products which Israel regards as dual use are restricted or delayed in entering the West Bank and in particular Gaza, causing widespread difficulties for businesses within the oPT’s.

Without a functioning economy the PA, as a result of its inability to generate income, remains highly dependent on international aid for budgetary assistance. “The Palestinian economy would have robust growth under better political and security conditions”, namely Israel bringing an “end to its border closures, roadblocks, curfews, and travel restrictions” and therefore ultimately its occupation of the oPT’s.

Le More therefore highlights how aid amidst the total collapse of the PA and the economy has created an environment where “aid [is being used] to keep the PA alive (rather than build institutions) and pay for its running costs and the salaries of its civil servants”. 2008. This is in addition to “humanitarian aid which almost doubled, from $491m in 2005 to $885m in 2008” The statistics therefore highlight that official aid assistance is predominantly spent on budgetary support, emergency assistance and humanitarian relief.

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22 Micheal Keating, Anne Le More and Robert Lowe (eds) Aid, Diplomacy and Facts on the ground : The case of Palestine (Chatham House, 2005)
24 Palestinian Authority Monitor (n77) p3
25 Anne le More, ‘Killing with kindness: funding the demise of a Palestinian state’ 2005 81 International Affairs 981, p982.
27 Portland Trust (n79) p2
This is in contradiction to the original purpose of the PA which was to help create an economy that was able to generate sufficient income and to create an economically prosperous Palestinian state. It is important to remember that the role of Aid is not to prop up a government but rather help it to achieve its goals, which currently the PA is not doing. It is in fact doing the opposite in maintaining the status quo within the oPT’s, thereby disguising the true effect of the occupation on the oPT’s. The PA ultimately lacks sovereignty to influence and create its own policies.

Sayigh similarly argues that the donor community is “locked into policies that are bringing about the very humanitarian crisis it seeks to alleviate, while generating long-term dependence on external funding”\(^29\). Qarmout and Beland advocate further that not only is this bringing about the humanitarian crisis but in fact aid has helped to perpetrate the humanitarian crisis by supporting the international aid community to take over the responsibilities of a dysfunctional government and by assisting the government to meet the needs of its people where it has limited autonomy. They argue this has created greater instability\(^30\) and ultimately reinforces the lack of sovereignty that the PA currently has.

A 2013 World Bank report has highlighted how if Israeli restrictions were lifted this would ensure an increase in GDP, which in turn would significantly help the oPT’s fiscal position with an increase in revenue of $800 million dollars. It would reduce the fiscal deficit of the PA by almost half, which would then reduce the need for donor recurrent budget support. To conclude it is extremely important the international community places a greater emphasis on encouraging Israel to lift its restrictions which are currently stifling the Palestinian economy, as opposed to simply providing ever increasing amounts of aid to the PA which is not assisting the Palestinians in the long term\(^31\) nor is it allowing the PA to perform its designated role.

4. Recommendations

\(^{29}\) Sayigh (n81) p8
\(^{30}\) Qarmout and Beland (n7) p37
Based on the information detailed above, Friends of Al-Aqsa make the following recommendations:

1. Aid given to the Palestinian Authority should be made dependent on improvements to the system of governance and routing out corruption.

2. Aid should be structured in a manner that enables Palestinian society to progress towards independence with achievable targets put in place. Thus, it should build independence and not dependence.

3. The British government should promote an end to Israeli occupation, and recognize that the continuing Palestinian need for aid is a result of occupation policies such as land confiscations which deprive families of sustainable incomes.