1. Introduction and Executive Summary

2. Oxfam GB (Oxfam) has been working in the Middle East for over 50 years. We currently have programmes in the occupied Palestinian territory (OPT) and Israel, and a Syria crisis programme operating in Syria, Lebanon, and Jordan. Oxfam also has programmes in Yemen and gender programmes operating across the Middle East and North Africa. We support the programmes of other national Oxfam’s across the region including those working in Egypt, Tunisia and Morocco.

3. Oxfam is very encouraged with DFID response to the Syria crisis. The UK has demonstrated effective leadership to ensure the timely and appropriate delivery of international assistance by itself and other donors.

4. Oxfam believes the Israeli occupation of the West Bank, East Jerusalem and Gaza is the root cause of Palestinian poverty and suffering. In Gaza alone, 80 percent of people continue to need international assistance; 57 percent of households are food insecure and exports are virtually non-existent. Many basic services are barely functioning and unemployment stands at 38 percent. In the West Bank, the continued building of illegal Israeli settlements, the demolition of Palestinian homes and essential infrastructure, movement restrictions all severely undermine Palestinian development. The Palestinian Authority estimated that the occupation cost Palestinians $6.9 billion in 2010, and that if Israeli restrictions were to end Palestinians would not require international assistance.

5. The effectiveness of DFID’s work should be judged against its impact in dealing with the root causes of poverty in the OPT, namely addressing the occupation and the associated illegal practices, which entrench poverty and undermine development.

6. This submission focuses on the effectiveness of DFID aid in Gaza and Area C of the West Bank as well as the sectors DFID should be focussing. Oxfam proposes that a bolder approach from DFID and the Foreign and Commonwealth Office could help transform Palestinian lives. The current peace process is not the time to backtrack on commitments, but is an opportunity for the UK to show renewed political will and leadership to resolve the issues that are preventing peace and development in the occupied Palestinian territory.

7. Oxfam’s overall assessment of DFID’s effectiveness is that:

   - DFID’s aid programme, while generous and vital for Palestinian development, could have a far greater impact if were backed up by additional political measures that challenge the policies that negatively affect development and entrench poverty in Palestine. At the higher political levels the UK has failed to demonstrate the necessary will to effectively address the fundamental issues of the occupation, and thereby help lift Palestinians out of poverty.

   - DFID has, in many ways, led the way for donors to engage and promote development outside of areas directly under the control of the Palestinian Authority in Ramallah. However, DFID’s programmes have not gone far enough. DFID’s work in Gaza and Area C provide clear examples of this. These cases are explained further below.

   - DFID’s support to Palestinian state-building and assistance to help Palestinians stay on their land in Area C and East Jerusalem is a direct contribution to ensuring the viability of a two state solution. This work is particularly important in the context of the current peace negotiations and should be strengthened further. It is critical that DFID’s work be allowed to continue regardless of the outcomes of the current round of talks.
8. The effectiveness of DFID’s aid to promote development in Area C of the West Bank

9. Area C constitutes 61 percent of the West Bank including most of the Jordan Valley, the ‘bread basket’ of the occupied Palestinian territory. It is the most fertile, water-rich and only contiguous land in the West Bank, connecting 227 smaller separate and heavily residential areas. The 1995 Oslo II Accords gave Israel total control over development and planning for 5 years in the areas declared as Area C, but the transfer of planning authority to the Palestinian Authority has never taken place.\(^x\)

10. The current Israeli planning and permit system is discriminatory and unlawful.\(^vi\) Building permits are almost never granted to Palestinians resulting in Palestinian structures being demolished. From 2009-2012, a total of 1,640 applications for building permits were submitted by Palestinians, but only 37, under 2.3 percent of the total, were given approval. In 2013, 663 structures, including 259 residential units, were demolished. A total of 1,813 Palestinians were affected by these demolitions through the loss of non-residential and essential livelihood structures.\(^viii\)

11. The World Bank has recently estimated that if businesses and farms were permitted to develop in Area C, this would add as much as 35 percent to the Palestinian GDP, or about US$3.4 billion. The World Bank called for urgent action by the international community as “the longer the current, restrictive situation persists, the more costly and time-consuming it will be to restore the productive capacity of the Palestinian economy”.\(^ix\)

12. DFID and the Foreign Office should be commended for having led international efforts to address some of these issues in Area C. DFID has funded a legal advocacy programme helping Palestinians bring cases to suspend and sometimes stop demolitions of their properties.

13. Since 2009 the UK Government has also funded Palestinian planners at the International Peace Cooperation Centre to submit community-planning applications known as master-plans to the Israeli authorities.\(^x\) Master-plans, while a good short term protection measure,\(^xi\) cannot provide development solutions for Palestinians while the current Israeli systems and policies are in place. For months, DFID ministers have reported to Parliament that some UK-funded master-plans have been granted technical authorisation by the Israeli Government. However, these have now been published for public review and have become in practice effectively subject to approval by Israeli settlers, a situation which Oxfam deems to be unacceptable. Without definitive action from the UK in taking construction in these areas forward now, the UK’s investment in the master-planning project will not be effective.\(^xii\)

14. There is also a serious risk that unless more support, especially political support, is given to regional and national spatial planning processes, donor assistance to fund the development of local master-plans may become counterproductive. The absence of agreed national spatial plans risks creating a two-tiered hierarchy of Palestinian villages in Area C and giving the Israeli Government the authority to determine which Palestinian communities are allowed to receive development assistance and which should be scaled back in order to support settlement expansion.

15. Following the visit of DFID’s Minister of State Alan Duncan MP in May 2013, a business case was agreed which enabled the UK to begin funding the United Nations to build water infrastructure in Area C; the first such programme in Area C in a number of years. This is a very important step. Unfortunately, Oxfam understands that DFID will still make their support to Palestinian development contingent on the approval of projects by the Israeli government and in effect the settlers. It remains unclear what action the UK will take if building permits and/or approvals for master-plans are not forthcoming. Some donors have
decided not to request approval at all for certain projects. Donors have said they intend to move ahead with construction after a certain period of time even if authorisation has not been received or if the grounds for rejection of building permit applications are not consistent with international law (for example if a Palestinian structure is located too close to an illegal Israeli settlement). This approach has allowed thousands of Palestinians to stay on their land and access basic services. The UK has thus far been reluctant to take this approach.

16. Recommendations on ensuring effective aid programmes in Area C:

17. In Area C, DFID should focus its activities on helping Palestinians to stay on their land by stopping destruction of Palestinian property, supporting the Palestinian Authority to gain control over planning, and promoting development.

18. Given that more than 97 per cent of Palestinian permit applications have been rejected in recent years and less than 1 per cent of Area C has been planned for Palestinian development by the Israeli authorities, the UK Government needs to directly challenge the Israeli government policies on permit and master-plan approvals.

19. In localities where master plans and permits have not yet been requested, DFID should adopt a standardized approach to development activities, which should include seeking approval of activities from relevant Palestinian communities and authorities and coordinating construction with relevant Israeli authorities on behalf of aid agencies and Palestinian communities. If there is no response from the Israeli authorities within six months of notification, or if objections are not related to minimal technical standards or legitimate security concerns, as stipulated under international law, the UK should proceed with the project. xiii

20. In the absence of an Israeli planning regime which seeks to alleviate poverty amongst the Palestinian population, DFID needs to move ahead and initiate and support development projects in the Jordan Valley and other parts of Area C, including building new schools, community centres, clinics, municipal buildings, roads, irrigation, and other infrastructure projects.

21. DFID needs to move away from a localised ad hoc approach to planning, and increase its support, particularly political support, to regional and national Palestinian spatial plans which incorporates all of the OPT.xiv

22. The effectiveness of DFID’s aid to promote development in Gaza

23. The Israeli blockade of Gaza is undermining development of Gaza, increasing poverty and reducing the effectiveness of aid to Gaza. Since June 2007, when Israeli intensified its movement and access restrictions on Gaza, nearly 60 per cent of Gaza’s businesses have closed. A further quarter has laid-off 80 per cent of their staff. Exports from Gaza remain at 3 per cent of pre June 2007 levels with the Israeli Government allowing only 111 truckloads of exports in the first ten months of 2013, which was a significant decline on previous years. This blockade has led to a situation where 80 per cent of Gaza’s population are aid recipients.xv

24. Movement remains restricted. UN Security Council Resolution 1860 (2009) called on Member States to ‘intensify’ efforts to provide arrangements and guarantees to ensure the sustained re-opening of the crossing points, however this has not taken place. In the second half of 2013 an average of 250 Palestinians were able to transit through Gaza from the Erez crossing each day, compared to the 26,000 Palestinians a day who used to travel to the West Bank and Israel in 2000 for everything from jobs, education, trade, family and religious visits.xvi
25. Although Israel remains the occupying power, Egypt has compounded the problem by also denying access including in the last few months when it destroyed tunnels supplying Gaza. Currently, DFID and Oxfam are providing food vouchers to thousands of families in Gaza, many of whom have lost their incomes as a result of the blockade. This however is only a short-term solution, and political engagement is required to address the main cause of Palestinian poverty in Gaza, namely the blockade, is required.

26. Programmatically, DFID has supported initiatives to alleviate poverty and promote development through encouraging exports of Gaza produced goods. For example, in 2012, with DFID support, Ashour, a Palestinian knit-wear producer was able to export garments from Gaza, the first time this has happened since 2007. This was an excellent achievement for Ashour and for DFID. These and other projects aimed at helping Palestinian firms to gain access to local and international markets, should be supported and expanded, however the success of such individual projects clearly depends on strong political engagement by the UK Government to press the Israeli authorities to allow shipments out.xvii

27. The UK Government has also tried to find other ways to address issues around the blockade. In 2008, the Foreign Office took the initiative to organise a diplomatic conference to deliver an end to the blockade as part of the London Quartet and Ad Hoc Liaison Committee meetings. The conversations that ensued were positive and produced ideas for renewed efforts to bring an end to the blockade. Unfortunately there have been no similar initiatives since then.

28. Strong statements signalling the UK’s opposition to the blockade would help to push for improvements of the situation in Gaza. Unfortunately, UK language has instead been weakening in the context of Gaza. UK ministers are now calling for the ‘easing’ of the blockade rather than the ‘lifting’ of it as previously. Lifting the blockade does not mean ending all security restrictions on entry and exit from Gaza but ensuring free movement of goods and people in accordance with international law. The European Commission, French and Slovenian presidencies of the EU, the ICRC and UN have all declared the blockade of Gaza to represent “collective punishment”. However the UK has failed to do the same. Such a statement would send a powerful signal that the UK also views the blockade as unlawful. xviii

29. Recommendations on ensuring the effectiveness of DFID’s aid programme in Gaza

30. DFID should continue to focus on development of economic opportunities and enabling exports of goods from Gaza. In order to be effective, however, all such initiatives need to be accompanied by strong political engagement from the UK and other states.

31. DFID should consider bolder initiativesxix aimed at promoting implementation Israel’s existing international agreements to enable Palestinians to travel between Gaza and the West Bank and to enable movement of goods. This could include launching existing plans to open the port or similarly develop plans for a corridor for travel between Gaza and the West Bank.

---

i OCHA, ‘Five Years of Blockade: the humanitarian situation in the Gaza strip.’ June 2012 ::

ii Households in Gaza spend more than 50 percent of their income on food, with some households spending one third of their income to purchase water. According to UNRWA, “Households are spending more money on less food. In 2012, Palestinian households spent half of their budget on food compared with 2011 when it was 47 percent. This trend is due to the increase in the share of food expenditure in the Gaza Strip. Food insecure households allocated a full 55 percent of their expenditure to food against the national average of 50 percent. UNRWA, Socio-Economic & Food Security Survey, West Bank and Gaza Strip, Palestine 2012,

iv In the West Bank, settlement building increased 70% in first six-months of 2013. Peace Now, Bibi’s Settlement Boom, 7 November 2013 at http://peacenow.org/Bibis%20Settlements%20Boom%20-%20March-November%202013%20-%20%20FINAL.pdf


vii Expropriating land for purposes other than military exigencies and the transfer of the occupier’s civilian citizens to settlements breach Articles 49 & 53 of the 4th Geneva Convention and articles 46 & 52 of the Hague Regulations. Failure to respect pre-existing legislation breaches article 43 of the Hague Regulations


x DFID has funded the submission of 32 master-plan applications to the Israeli government since 2009, covering 0.6% of Area C.

xi In master-planned areas demolition rates appear to have been effectively frozen in comparison to other parts of Area C.


There are good examples of recent bold initiatives by other donors: The Dutch Prime Minister recently led efforts to install a scanner at the Kerem Shalom crossing which, if Israel had agreed, could significantly increase the capacity of the crossing while meeting security needs. Thus far however, this initiative has not met the intended goals.