



Palestinian National Authority



The Palestinian National Early Recovery  
and Reconstruction Plan for  
**Gaza**  
2009 - 2010

**International Conference**  
**in Support of the Palestinian Economy for the Reconstruction of Gaza**  
Sharm El-Sheikh, Arab Republic of Egypt  
March 2, 2009



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Palestinian National Authority

## Foreword

*This document represents the coordinated response of the Palestinian National Authority and its local and international partners to the devastation recently inflicted on the Gaza Strip. In December and January, Palestinians living in Gaza suffered the worst assault since they were forced from their homes over 60 years ago, leaving thousands dead and injured and hundreds of thousands without sustenance, shelter or basic services. With the economy already crippled by years of suffocating siege, and four out of five Gaza residents already dependent on handouts, Israel's massive use of firepower against one of the most crowded places in the world has deepened the humanitarian crisis.*

*The Gaza Strip is an integral and inalienable part of the future Palestinian state, and our people there now urgently require help. While the human cost of Israel's offensive is incalculable and largely irreparable, the plan presented here is the first step towards recovering from the onslaught and constructing a better existence for our citizens in Gaza. The goal is not just to turn the clock back two months, or even to June 2007, but to make a qualitative change to the socio-economic situation. Thus, once the immediate emergency needs are met, the plan sets out prioritized early recovery actions and longer-term interventions designed to have a permanent, positive impact on the lives of 1.5 million people.*

*There are several prerequisites for the success of this ambitious program. As well as the international community continuing to offer its cooperation and support, the political situation must be stabilized, and the crossings must be permanently opened for the normal movement of people and goods, in line with previous agreements reached with Israel. These are necessities, but they need not be obstacles. Out of this tragedy, we have the opportunity to repair the divisions of the past and speak again with one voice, as Palestinians struggling to emerge from occupation and working together to realize our dream of freedom and statehood. When we reconnect Gaza to the outside world, the resourcefulness and dynamism of our people there will swiftly transform it from an open-air prison to a flourishing part of the Palestinian economy. It is unacceptable that this fertile and productive place, so rich in human resources, should remain continually impoverished. All Palestinians are entitled to more than just survival – we are entitled to a normal life and to thrive and prosper.*

*I hope that this dark hour will prove to be the turning point for Gaza and the rest of Palestine. This recovery and reconstruction plan has the potential not only to rebuild Gaza, but to build it back better, and I hope that all those with an interest in doing so will unite behind it.*

**Salam Fayyad**  
**Prime Minister**





## Acknowledgements

The Palestinian National Authority would like to express its appreciation to the institutions which contributed to the development of this plan and the early recovery rapid damage and needs assessment which underpins it. The Ministry of Planning coordinated and spearheaded these efforts with the PNA line ministries and agencies, the United Nations, the World Bank, USAID, the private sector, and international and national NGOs. Special appreciation goes to our main partners: the UN Early Recovery Multi-Partner Cluster and the European Commission.

We also extend our gratitude to those institutions which continued to provide basic services, such as shelter, food and health care, to our people in Gaza during the three-week military assault. In particular, the work of UNRWA and the Red Crescent is noted with thanks. We are also very grateful to the government of Egypt, whose hosting of the international pledging conference on March 2nd is only one example of its steadfast friendship and support.

Finally, special mention should be made of our citizens in Gaza who opened the doors to their lives, homes, and workplaces to provide details of the damage and destruction and specific information on how they would like their lives and environment to be rebuilt. This plan identifies the tools and resources that are needed in order to afford our people the opportunities to rebuild their lives in the ways they see fit. We offer this plan to our people in Gaza and we hope it brings stability, prosperity and a sense of normalcy to their lives in the near future.



# Executive Summary

This document has been prepared by the Palestinian National Authority's Ministry of Planning with support from all line ministries, UN agencies, the EC, the World Bank and other partners. This plan will be used to consolidate resources and responses to help the Palestinian people in Gaza rebuild their lives and livelihoods, and as such will form the basis for mobilizing resources and efforts at the international conference in Egypt on March 2, 2009 and provide the guiding framework for all early recovery and reconstruction interventions.

The first section of the document provides an overview of the situation in Gaza after Israel's three-week military offensive, and sets out how the plan to address it was formulated. The plan is the result of consultations and coordination with government institutions and numerous local and international partners, and it delineates responsibility for following up the planning and coordination processes in the implementation phase. The Early Recovery and Reconstruction Plan will be explicitly linked to the key national policy priorities as outlined in the Palestinian Reform and Development Plan (PRDP), and will consequently be complementary to the Palestinian National Authority's existing efforts to alleviate poverty through increasing employment and revitalizing the economy.

The Gaza Early Recovery Rapid Needs Assessment forms the backbone of the plan, underpinning both the early recovery projects and the medium-to- longer term reconstruction interventions. Conducted by PNA Ministries and Agencies with the support of local and international partners, it uses the situation prior to 27th December 2008 as a baseline but contextualizes it within the experience of Israel's long and continuing blockade of Gaza. It is worth noting that while the PNA views as urgent the need to assist our people to rebuild their lives as quickly and efficiently as possible, and we look to the world to help us, we hold Israel responsible for the injury and damage it has caused in Gaza.

In the social sector, the plan documents how Gaza's emergency and primary health care systems were overstretched and under-supported during the Israeli offensive, and many medical facilities sustained severe damage. Border closures have prevented the flow of crucial medical supplies and the transfer of high risk medical cases, and the capacity to respond rapidly to emergency cases has been significantly diminished. Numerous education establishments, from kindergarten to university level, also suffered extensive damage. Primary caregivers have had trouble providing the most basic human security even for themselves, and many were killed or injured in the offensive. The lack of access to basic commodities further compounds





the problems facing vulnerable people, particularly children and young people, whose psychosocial wellbeing was also considerably worsened by the Israeli assault. The social safety sector has been particularly affected, and a number of orphanages, disability centers and service centers for vulnerable persons have been damaged. More importantly, the number of poor, unsheltered persons, disabled, orphans, and female headed households has increased, which places additional burdens on the remaining social safety network. Mosques, cultural institutions and historic buildings also suffered extensive damage in the indiscriminate bombardment. Total needs in the social sector arising from the Israeli assault amount to \$315 million.

Essential infrastructure sustained severe damage during the Israeli bombardment and invasion, and \$502 million is required to repair it. The assault severely impacted the provision of basic services, and humanitarian and recovery assistance to the affected population. Large areas have been reduced to rubble, with 15,000 houses damaged or destroyed, and extensive disruption caused to water and sanitation networks, energy supplies and facilities, roads and bridges, and the telecommunications system.

The plan documents the severe effects of the Israeli attack on Gaza's already-weakened economy. The agriculture sector was severely affected, with the widespread destruction of cultivated land, greenhouses, livestock and poultry farms, water wells, irrigation networks and other productive assets. 14.6% of the total cultivated area was completely destroyed, and with many families also losing their homes and livelihoods, this will have a negative impact on food security. Much of the remaining capital stock and employment opportunities were also destroyed, and the economy will only be able to recover after the blockade is lifted, liquidity returns to the financial system, and the overall macroeconomic environment is stabilized. The plan requests \$412 million in support for the private sector in Gaza.

In terms of governance, the plan documents how the majority of citizens in Gaza witnessed a breakdown in channels for public decision-making, protection, and human rights. The civil society sector was also severely damaged, leading to social fragmentation and a collapse of civilian structures. In addition, many families were displaced, household bread-winners were killed, and people were imprisoned without recourse to legal aid. The assault also resulted in the destruction of physical infrastructure used by local authorities for public administration purposes, as well as the displacement or death of civil servants. As a result, normal governmental functions such as administering social services have been considerably retarded or entirely disrupted, and \$68 million is required for improvements in this sector.





Finally the Rapid Needs Assessment details the destruction Israeli army caused to natural resources and the environment. Fragile ground-water resources were severely compromised, particularly from the destruction of the waste-water infrastructure, which released hundreds of thousands of cubic meters of raw sewage into the environment. Additionally, this contaminated productive land was also damaged by heavy-tracked military vehicles and Israeli chemical munitions. The inaccessibility of waste disposal sites overwhelmed the solid waste management sector, and resulted in the creation of numerous informal dumping grounds and indiscriminate burning of rubbish, with potentially severe impacts on the environment and public health. Much of the rubble resulting from the bombardment is contaminated with asbestos, and unexploded ordnance remains a significant threat to life. Cleaning up Israel's mess is projected to cost \$29 million.

The guiding principles for recovery and reconstruction in all these sectors include Palestinian ownership of the process through the leadership of the PNA, effective and efficient use of resources, building back better to ensure permanent qualitative improvements, and the promotion of local capacities to ensure that all benefits of reconstruction accrue to Palestinian citizens. In order to address the needs of people in Gaza in an integrated and coordinated way, early recovery priority interventions must ensure that sectoral and sub-sectoral needs are considered in relation to each other. For example, housing is linked to the water and sanitation needs of affected families, which in turn is linked to issues of availability of parts and equipment.

The Flash Appeal launched in February 2009 addresses the immediate humanitarian needs of the Palestinian people in Gaza, and also includes time critical early recovery components. This plan, by building and expanding on a number of these interventions, provides the bridge between short-term relief and medium and longer-term development. The ultimate goal is to integrate the reconstruction of Gaza within the Palestinian Reform and Development Plan (PRDP) and its planning and budgeting processes. Further analysis of the situation in Gaza will be undertaken in the coming months by relevant Ministries, in close consultation with UN Agencies, the World Bank, the EC, and other partners to refine and develop this plan.

Donors should be guided by Paris Principles on Aid Effectiveness and are encouraged to use existing national systems, such as financing, procurement and auditing, in implementing the Plan. We are encouraging donors first and foremost to channel assistance for the Palestinian Early Recovery and Reconstruction Plan for Gaza through the Single Treasury Account, as direct, un-earmarked budget support.





In addition, donors can provide support through existing mechanisms such as PEGASE, the PRDP Trust Fund and other World Bank program co-financing mechanisms, Arab and Islamic development funds, and other established channels such as UN Agencies which can facilitate swift and effective recovery and reconstruction activities guided by this plan. The PNA will coordinate all these financing mechanisms and channels in order to ensure full coverage of needs, prevent redundancy, and promote mutual accountability and responsibility during implementation. The PNA will use the existing PRDP system of monitoring and evaluation, in line with World Bank and IMF quarterly reporting requirements, to ensure transparent, efficient and accountable implementation.

Government expenditure has always played a vital role in the economy of Gaza, and has become a lifeline for people there since June 2007. Recurrent expenditure has amounted to around \$120 million per month, mainly spent on salaries, social hardship cases, medical referrals, and Gaza's electricity, fuel and water imports. The projected shortfall in recurrent expenditure in the 2009 budget is \$1.15 billion, but the additional needs in Gaza created by the Israeli siege and military assault will increase the financial burden on the PNA by an estimated \$300 million during 2009 alone to cover emergency shelter, fuel and electricity bills, and medical and social needs. Therefore, as well as the \$1.326 billion in early recovery and reconstruction interventions, donors are being asked to provide \$1.45 billion in budget support and supplementary emergency budget support for Gaza in 2009.

It will be important that political risk does not jeopardize the security of the renewed investment we are calling for, and we will work towards reconciliation and national unity. Ultimately, however, for the plan to succeed it will be vital that access to Gaza is opened up, and Israel's merciless siege of 1.5 million Palestinians is lifted.





**Table 1: Summary of the Cost of Early Recovery & Reconstruction Interventions**

Sector / Subsector	Total Cost Per Subsector (millions of US \$)
<b>Social Sector</b>	
Health and Nutrition	35.720
Education	55.351
Social Protection and Safety Nets and Psychosocial Wellbeing	202.500
Culture, Heritage and Faith-Based Institutions	21.588
Social Sector Cost (Subtotal)	315.159
<b>Infrastructure Sector</b>	
Water, Sanitation & Hygiene (WaSH)	6.279
Transitional Shelter & Housing	347.890
Energy (electricity, fuel & gas)	15.462
Transportation	118.832
Telecommunications	13.310
Infrastructure Sector Cost (Subtotal)	501.773
<b>Economic Sector</b>	
Agriculture & Food Security	265.791
Industry & Other Private Sector Establishments	146.413
Economic Sector Cost (Subtotal)	412.204
<b>Governance Sector</b>	
Local Authorities & Public Administration	25.422
Civil Society & Community Based Organizations	1.000
Safety & Security Including Civil Defense	41.271
Governance Sector Cost (Subtotal)	67.693
<b>Natural Resources &amp; the Environment</b>	
Water Quality	15.400
Air Pollution	0.500
Land, Soil and Biodiversity	0.330
Solid Waste Management	13.000
Natural Resources and & Environment Sector Cost (Subtotal)	29.230
<b>Total Early Recovery and Reconstruction Intervention Cost</b>	<b>1,326.06</b>

**Summary Table of Requested Support**

Item	Cost (US \$)
Early Recovery and Reconstruction 2009/2010	1,326,059,000
Baseline Budget Support for 2009	1.150,000,000
Supplementary Emergency Budget Support 2009	300,000,000
<b>Total</b>	<b>2,776,059,000</b>





## SECTION A: OVERVIEW

### 1. The Gaza Crisis: Impact and Response

Israel's recent bombardment and invasion of the Gaza Strip have caused extensive damage to Palestinian lives and livelihoods in the occupied coastal territory. Eighteen months of strict blockade – the harshest sanctions regime currently in force anywhere in the world – had already left Gaza's economy crippled and 80% of its inhabitants dependent on assistance, but the subsequent military offensive caused destruction on an unprecedented scale.

The 22-day assault, which began on December 27<sup>th</sup> 2008, killed at least 1,314 Palestinians and wounded four times as many. More than 100,000 people were displaced, and over 15,000 homes have been damaged or destroyed. Public infrastructure and utilities, including water, sanitation, electricity and transportation networks, have been severely damaged, and Israeli strikes on numerous government, municipal and United Nations facilities have further handicapped the provision of basic public services. The leveling of businesses, factories and farmland has contributed to the near-total collapse of the local economy, and the vast majority of Palestinians living in Gaza have been left unable to meet even their basic needs.

“  
I  
can only think  
of my school bag  
that is buried under  
the rubble, as is my  
home!”

Yasmeen, 15 years old from Jabaliya Camp

Containing the humanitarian crisis is only the first step on a long road to rebuilding the shattered lives of Gaza's residents. Rubble and unexploded ordnance can be cleared, land decontaminated, and homes and mosques reconstructed, but the human cost of the crisis will be felt for generations. The Gaza Strip is an integral part of the future Palestinian State, and it is the first priority of the Palestinian National Authority to ensure that everything possible is done to assist its 1.5 million inhabitants. This means not only alleviating the suffering and repairing the physical damage, but also dealing with the chronic challenges of poverty, unemployment, and stagnation and bringing about fundamental improvements to the social and economic situation. A mere reversion to the status quo ante will not suffice; we must set the population of Gaza on an upward trajectory towards lasting prosperity and wellbeing, creating an enabling environment for their enterprises and industries to flourish, and for people to live in dignity.





To this end, in cooperation with UN Agencies, the EC, the World Bank, civil society and the private sector, we have formulated a Palestinian National Early Recovery and Reconstruction Plan for Gaza, which aims to alleviate the suffering and tie short-term rehabilitation measures with longer-term reconstruction and development interventions. We have assessed the impact of the crisis on all aspects of life, and formulated responses designed to have a permanent beneficial impact – to ‘build back better’. Where a school or a clinic was flattened, we will build a more modern one in its place. The goal is not to turn back the clock, but to wind it forward.

This plan benefits from the advances in the planning and budgeting capacities of the PNA, and the improved aid coordination mechanisms between ministries, donors and implementing partners. Furthermore, we are confident and extremely appreciative of the tremendous international goodwill that exists towards our people in Gaza, and the desire to remedy the effects of the horrendous Israeli assault. However, we are aware that these alone are not enough. In order to succeed in its totality, this plan must be implemented in a stable environment where people and goods can move freely to and from Gaza, and where there is a realistic expectation that public and private investments will not once again be reduced to rubble.

Reducing the political risk is important to facilitate recovery and reconstruction, and it must be our objective to remove the specter of war from Gaza once and for all. We understand that there will be little incentive for donors or private firms to commit resources to longer-term projects if a situation of chronic instability looks likely to persist, and we must extend our hand to all willing partners in the search for reconciliation and national unity.

Overall, however, the essential condition for success is that all Gaza crossing points be opened and kept open. The 2005 Agreement on Movement and Access should serve as the framework for allowing much-needed supplies and expertise into the Gaza Strip and exports out. The siege of Gaza was one of the main factors which led to the current tragedy, and lifting it will be the single most important boost to the recovery process.





## 2. Planning and Coordination

Overall coordination and oversight of the early recovery and reconstruction process rests with the Palestinian National Authority, which will ensure that initiatives are embedded in national priorities and the best use is made of available resources. Given the scale and scope of the destruction, the implementation of early recovery and reconstruction efforts will involve all key PNA ministries and bodies, working across all levels of government and in close cooperation with numerous partners, including national development agencies, local and international NGOs and the private sector. Within the framework of the international assistance community, the UN and Partners Early Recovery Cluster Network represents an enabling coordination mechanism to facilitate a smooth interface for the international response to the early recovery component of this plan.

With so many actors involved it is vital that responses complement each other and that waste and duplication are avoided. Our collaborative efforts should be guided by the Paris Principles on Aid Effectiveness: Ownership, Alignment, Harmonization, Managing for Results, and Mutual Accountability. An information system designed to keep track of all early recovery efforts will be established to ensure that all needs are systematically met and accomplishments or obstacles are monitored and communicated to the public. PNA systems of aid management, procurement, and monitoring and evaluation should be utilized and supported in order to promote the long-term development of these vital functions. The established aid coordination architecture, including the various sectoral working groups of donors, NGOs and PNA bodies, provides a suitable platform for coordinating the response. Most importantly, however, in order to ensure Palestinian ownership and facilitate effective coordination, this document should be considered the blueprint for early recovery and reconstruction interventions in the Gaza Strip.

## 3. Guiding Principles

The strategic response is designed to build on humanitarian relief efforts, develop exit strategies from dependency on humanitarian assistance, and address the early recovery needs of our people in Gaza, while putting in place the foundations for longer-term reconstruction, sustainable development and equitable growth. The following principles guide the formulation and implementation of the National Early Recovery and Reconstruction Plan for Gaza:

- **Building back better**, to ensure that early recovery and reconstruction interventions do not simply replicate the conditions prior to the three week military incursion but that they result in improved and more sustainable standards of living, and opportunities for a better life than before. The plan therefore takes into consideration the deterioration



of socio-economic conditions over several years of blockade, and seeks to address the accumulated economic and social challenges of poverty, unemployment and stagnation.

- **Revitalizing the private sector**, civil society and the local economy, by facilitating the conditions for local economic development, including employment creation, and building local capacities to ensure that Palestinians in Gaza are not just beneficiaries but are actors in the early recovery and reconstruction process. The plan relies on Palestinians themselves to own and lead the process to transform their social and economic situation. It is designed to promote recovery initiatives by the affected communities and equip them with the resources and tools to be at the forefront of this effort. The private sector and a wide range of civil society organizations will be mobilized as both recipients of assistance and 'managers' of early recovery and reconstruction interventions. This will mean, in particular, that those interventions will make use, whenever possible, of local labor, products and services. This will not be at the price of delay – where necessary, contractors from the West Bank and elsewhere should be used to ensure that vital work is undertaken as quickly as possible. However, adherence to this principle will provide an immediate stimulus to the local economy by supporting job creation, income generation and demand. It will also ensure that external assistance can serve to reinforce rather than replace capacities for self-reliance.
- **Promoting equity and broad-based participation** from all segments of the Palestinian population, including and particularly from women and vulnerable groups. The plan is based on a commitment to ensuring that early recovery and reconstruction efforts are as inclusive and participatory as possible, and that their results benefit all Palestinians in Gaza, and the most vulnerable and needy in particular. Throughout the assessment process, particular attention has been given to the situation of those who have traditionally been the most vulnerable and disadvantaged, and who have suffered the most during this latest assault. Within acute time constraints, the design of priority interventions is informed by accurate and disaggregated information on the needs of women, children and groups that are under-served, such as people with disabilities.
- **Efficient coordination and information sharing** with stakeholders in the early recovery process to avoid duplication, identify gaps and optimize the resources available for sustainable recovery and development. Success requires that each input, be it human, financial or technical, is carefully calibrated and targeted, to ensure a brighter future for those who have suffered so much. It is therefore essential that all actors involved agree to share information, coordinate their interventions in a mutually reinforcing





and transparent manner, and that their activities be undertaken within the priorities, principles and parameters of this Plan.

- **Ensuring local ownership** through the leadership of the PNA in the planning, execution, and monitoring of the Plan, in cooperation with international and local partners. The plan is grounded in the fundamental principle of Palestinian ownership of the development process.
- **Ensuring that interventions link with, reinforce, and facilitate the PRDP process**, to promote coherent long-term planning, budgeting and programming as the basis for sustainable reform and development.

The Plan targets all sectors, geographic areas and institutions affected by the recent Israeli assault on Gaza. There will be no distinction between government institutions or private or non-profit institutions. It will be implemented by a variety of bodies (public, private, non-profit, regional and international), each according to its area of expertise and coordinated by the PNA. Support will be on the basis of rights and needs, and delivery on the basis of efficiency and effectiveness.

#### 4. Methodology

As stated above, it is intended that the priority interventions outlined in this plan not only restore the Gaza Strip to its previous condition, but form the nucleus of a concerted effort to fundamentally improve all aspects of life there. With this in mind, we have estimated the scale of destruction and the magnitude of needs in all sectors, and set about defining the Palestinian priorities for overcoming them. Immediate priority will be given to repairing the water and electricity networks, providing shelter to the dispossessed, repairing schools and hospitals, rehabilitating education and health services, and providing the appropriate conditions to return to normal life. The major humanitarian effort focusing on life-saving activities will continue to be delivered through UN agencies, international organizations and NGOs in cooperation with line ministries. Coordination of all activities with the PNA is stressed in order to ensure that there is no replication or redundancy of efforts between parties.





Rapid assessments of damage and needs within the social sector utilized a variety of approaches, including telephone surveys, focus group interviews, desk reviews, site visits and participant observation. The infrastructure assessment was undertaken in the five Governorates of the Gaza Strip using site visits and a standard DNA tool to assess damages and needs at the household and community levels. Within the context of the economic sector, assessments were conducted of the major productive sectors and financial system.

The governance sector used the following composite methodologies in conducting the damage and needs assessment: mapping and valuation of physical and human damage and loss suffered to public sector institutions and non-state resources; appraisal of the consequences of damages on the recovery of public institutions, service delivery mechanisms, social cohesion and public participation; identification of priority early recovery interventions both at the immediate level as well as the mid/long term levels; and structured interviews with a number of NGOs, including women's groups.

In the context of assessing the damage and needs in the environment and natural resources sector, interviews and field surveys were conducted, and soil, water and plant samples were collected for laboratory analysis to determine the environmental impact of the military incursion.

## 5. Enabling Environment for Recovery and Reconstruction

The PNA is acutely aware of the challenges and constraints facing the early recovery and reconstruction efforts. We are aware of the political sensitivity, and the fact that implementing many of the interventions will be much facilitated by progress being made towards healing the internal divisions which have plagued Palestine since 2007. However, the main obstacle confronting the success of the plan is Israel's continued siege of Gaza. Without access to materials, expertise and cash, it will be impossible even to alleviate the immediate suffering, let alone lay the foundations for longer-term development.

It is vital that the following enabling steps be facilitated for the efficient and successful implementation program.

1. Full and unfettered freedom of movement for people, goods and money into the Gaza Strip is restored for all relief, recovery and construction materials, in accordance with the 2005 Agreement on Movement and Access.





2. Internal divisions are overcome, cooperation is restored, and political risk is reduced.
3. Donors support the national plan for Gaza, including recurrent expenditure and emergency budget support for salaries, social payments and energy bills.

## 6. Financing Mechanisms

The PNA and donor community have made notable progress in improving the effectiveness of international assistance, including the establishment of a Single Treasury Account, transparent and efficient systems of public financial management, and effective national mechanisms for procurement, monitoring and independent auditing. A key factor in the success of improvements to the planning and budgeting processes – and a tenet of the Paris Principles on Aid Effectiveness – has been the utilization of such national systems by donors. This has allowed a more coherent, programmatic and long-term approach to development, and much greater Palestinian ownership of the process.

We therefore ask that donors channel assistance first and foremost through the Single Treasury Account, as an efficient, cost effective and transparent mechanism through which to provide direct un-earmarked budget support. This will help us build on our achievements, guarantee Palestinian ownership, and allow the integration of this Plan with the Palestinian Reform and Development Plan and national policy agenda.

However, in recognition of some donors' constraints, a number of other well-established channels can be used to support the plan. These include the EU's PEGASE, the World Bank PRDP Trust Fund and other World Bank program co-financing mechanisms, and Arab and Islamic development funds. In addition, support can be directed to international organizations,





including UN Agencies, involved in the effort to assist the people of Gaza in this time of great need. In order to ensure the most effective use of assistance, this Plan should be used as the framework for all these funding mechanisms. Coordination with the PNA is essential to ensure that the timing, targeting and sequencing of funding support an optimal response to the needs in Gaza.

While funding requests and options are considered, the PNA has already taken measures to provide relief and recovery opportunities to our people in Gaza. These include an immediate transfer of \$50 million to provide temporary shelter solutions, \$11 million for electricity repairs, and \$6 million for urgent restoration of water pipelines and wells. Additionally, we have designed and signed agreements to provide compensation to owners of damaged or destroyed houses in Gaza through local banks. An international technical institution (CHF) will advise banks on the assessments of damage, and follow up on the progress of reconstruction. In cooperation with the European Commission, similar compensation facilities are being prepared for the industrial, tourism, commercial and agricultural sectors, and donors are encouraged to contribute to these mechanisms.

The PNA already spends large portion of its recurrent expenditure on the Gaza Strip, with over \$2.2 billion (\$120 million per month) transferred since June 2007 in the form of salaries and payments for social and hardships cases, utilities and basic services. The coming recovery and reconstruction period will see even greater need for this, and we are urging donors to consider providing additional budget support alongside their support for the specific interventions set out in the Gaza plan.

## 7. Monitoring and Evaluation

The suggested Monitoring and Evaluation (M & E) mechanism is one of the key measures to be used to achieve efficiency and effectiveness in the process of recovery and reconstruction of Gaza. The M & E mechanism is based on the following set of criteria and indicators, which will be used to assess progress of the work undertaken in Gaza:

- The percentage of the population with adequate shelter and access to resources to rebuild their homes;
- The percentage of the population with access to potable water and sanitation services;
- The percentage of the population with access to electricity, telecommunications and transportation services;





- The percentage of the population who are not food aid dependent;
- The number of businesses operating in different sectors;
- The extent of remaining environmental hazards;
- The percentage of the population with access to counseling/psychosocial services, disability services, treatment of chronic illnesses, and social safety nets;
- The percentage of employed persons and number of new jobs created;
- The percentage of the population with access to, and using, pre-existing basic infrastructure and social services;
- The value of exports and imports.

“any cease-fire must include the opening of crossings to end the unjust siege on **Gaza**”  
President Abbas



■ SECTION A: OVERVIEW

The Plan includes four periodic reviews to monitor progress and identify outstanding needs. These reviews will focus on quantitative and qualitative data about the affected population, and will be conducted according to World Bank and IMF reporting standards.

In order to ensure that early recovery needs are met, it will be identified which organizations (Who) are carrying out what activities (What) in which locations (Where) and how they are being implemented (How). “Who does What, Where and How” will be used as a coordination tool, which seeks to identify duplication and/or gaps in activities and ensure a developmental approach. It will list activities that are ongoing, planned, completed, and funded. Medium- to longer-term reconstruction efforts that are aligned to PRDP programs will be monitored through the existing Monitoring and Evaluation set-up to support implementation of the PRDP.





## SECTION B: IMPACT OF THE CRISIS

### 1. Social Sector

The Israeli bombardment and invasion have resulted in the severe deterioration of the already precarious living conditions of the people in Gaza. 1,314 Palestinians were killed, of whom 417 were children and 108 women. Over 5,380 were physically injured, including 1,872 children and 800 women.

This section describes how the widespread Israeli destruction to all aspects of existence in Gaza has created a highly-stressed social environment, severely compromising the physical, psychological, social and emotional wellbeing and development of children, young people and adults.<sup>1</sup> The findings presented here give a focused account of those aspects of the damage which can be accurately calculated and suggest measures that can be taken immediately to stabilize the social structure, an essential basis for all other investments in Gaza's early recovery. However, because of the complexity of factors that need to be considered in determining collective wellbeing, the overall social impacts of the Israeli assault and the extent to which its effects can be overcome are still being determined. To date, many of the impacts are still unquantified, and to some extent the lasting damage to individuals and communities is immeasurable.

In this ongoing crisis, characterized by extreme social, economic and physical insecurity, individual and shared resilience have been systematically undermined. Yet, as this document describes, the impacts are felt in diverse ways. For example, men and women do not face exactly the same challenges; they have different capacities and access to support systems through which to manage their distress. The elderly, people with disabilities and people with chronic illnesses face additional obstacles to full recovery. Children and adolescents, who represent the majority of the population, are particularly affected because the protective environment usually provided by caregivers has been overwhelmed by the scale of the destruction. Children tend to be the most vulnerable group since they do not have access to, or control over, the limited resources within their communities. However, they bear the full brunt of disruption to services and schooling, and continued military attacks on their homes and neighborhoods. In addition, the deterioration of the health and environmental conditions in Gaza may result in chronic illness and malnutrition, which are often irreversible.

<sup>1</sup> Surveys include UNFPA, 8 February 2009 Gaza Crisis: Psychosocial Consequences for Women; Culture and Free Thought Association (CFTA); UNDP/PAPP, February 2009, Inside Gaza: Attitudes and perceptions of the Gaza Strip residents in the aftermath of the Israeli military attacks.

### a) Health and Nutrition

Access to materials needed for building and rehabilitating health facilities was already limited during the Israeli siege, supplies were running low and medical equipment was often unavailable due to a lack of spare parts for maintenance. However, the already-weakened state of health services deteriorated even further as a result of Israel's military offensive. Health staff and facilities were seriously affected, with 16 health workers killed and 25 injured while on duty, and five hospitals, 41 public health clinics, and 29 ambulances were either damaged or destroyed.<sup>2</sup> Treatment for an estimated 40% of chronically ill patients was interrupted during the attack, and referrals of ordinary patients outside Gaza virtually stopped as life-threatening injuries took higher priority in an overwhelmed system. Maternal and pediatric health services were also badly disrupted, with enduring effects on women and infants.<sup>3</sup>

#### The health risks still facing Gaza's population include:

- Permanent disability and death for patients with traumatic injuries because of the lack of appropriate follow-up care and rehabilitation;
- Diarrhea outbreaks from water- and food-borne diseases resulting from lack of access to clean water and sanitation and a weak public health monitoring system;
- Increased incidence and severity of mental health problems resulting from insecurity, trauma and personal loss. More patients are presenting a wide range of mental health problems, including depression, anxiety disorder, post-traumatic stress disorders and somatoform/psychosomatic disorders;
- Deterioration of health and nutritional status, including in the already-high levels of micronutrient deficiencies in women and children, which may lead to increased morbidity and mortality; and
- Complications due to a lack of access to specialized tertiary care.

### b) Education

The quality of education in terms of teaching processes, planning and management, educational resources and the provision of services to students needed significant improvement even before the Israeli assault, and the 22-day offensive took a heavy toll on the system. One hundred and sixty four students and 12 teachers were killed, and 454 students and 5 teachers were injured. Of the 407 public and private schools in Gaza prior to the military incursion, a total of 180 were affected. Eight public and two private schools were destroyed, and a further 156 public and



2 Map UK, WHO, Rapid health facility survey, Jan 2009; UNDP damage needs assessment.

3 UNFPA Reproductive health summary report (2009)



12 private schools were damaged.<sup>4</sup> Five kindergartens were destroyed and 60 were partially damaged, while seven universities and colleges were also affected, with six buildings totally destroyed and 16 partially damaged.

At this juncture, rubble removal is a top priority. Additionally, all structures at the heavier end of the damage scale will require a full educational infrastructure support package to include school furniture, computers, blackboards, learning materials, books, etc. Damage to schools is exacerbating an already profound delivery problem: 56% of the Gaza population is under the age of 18, and even before the conflict most schools were operating on a double or triple shift basis to meet the needs of students. Urgent measures are needed to address increased overcrowding, as many schools which were not totally destroyed are accommodating displaced pupils and the overflow from the ones that were.

All schools in Gaza were closed from December 27 until January 24, causing students to miss almost one month of classes. Most children, young people and teachers have now returned to school, although in North Gaza, which was one of the areas worst affected by the Israeli assault, attendance is still only around 80%. In all areas, the movement of students and teachers to and from schools remains dangerous due to unexploded ordnance, piles of rubble, inaccessible roads and other environmental hazards.

Many children have lost school materials, including textbooks, notebooks and other learning materials, which will need to be replaced. The Israeli offensive resulted in a large number of children suffering injuries, some of which will result in life-long impairments and require special measures to ensure educational inclusion. Likewise, the mental health and psychosocial conditions of children and educational personnel have deteriorated and need to be addressed through psychosocial support.

### c) Social Protection and Social Safety Nets

Vulnerable people and caregivers in Gaza were already suffering from an insufficiency of basic support services before the Israeli attack. Social protection structures, including those for women, were weak, and child protection systems were minimal. However, the situation has now been immeasurably worsened, with a military assault on an unprecedented scale leading to widespread insecurity and exposing Palestinians of all ages to previously unseen levels of aggression and fear. The weakening or destruction of already-fragile protection mechanisms is likely to increase the vulnerability of children and adolescents, frail elderly people, and those living with disabilities. Additionally, domestic and community violence is reportedly increasing.



When women's centers reopened after the assault, there was an increase in the number of clients: women dealing with the usual issues such as divorce and custody battles, but also an entirely new set of challenges, including the inability of widows to resolve inheritance disputes, especially when they are unable to prove their husband's death or retrieve his body from the rubble. There have been problems with a backlog in certifying deaths, which in turn delays inheritance processes. Women reported a higher rate of divorce after the offensive, often caused by disputes with their husbands over where to flee to safety. Previously divorced women also reported a significant increase in problems related to child custody, including disputes over access to children to whom they were denied access at the height of the bombardment.

While no hard data has yet been collected on increased family violence during the Israeli offensive, experience from the first and second Intifadas indicate that the incidence is likely to increase. According to structured interviews, women did not feel adequately prepared to understand, record, explain or report various human rights violations. Similar sentiments were expressed in terms of their response to escalations in family violence.

The protracted conflict, the closure policy and the recent military offensive have paralysed economic development, leading to high levels of unemployment, poverty, and food insecurity. The inability to buy sufficient food has been compounded by poor access to cooking facilities (including cooking gas) and the destruction of land and water resources. Official safety net mechanisms that previously constituted a secondary source of income or food will become increasingly important, while many of the informal coping mechanisms on which households previously relied have been exhausted. Due to the scale of the needs, existing safety net mechanisms may not be able to serve their entire caseload, yet the military incursion has created new vulnerable groups which do not currently figure in any beneficiary lists.

While many are currently being reached by immediate humanitarian interventions, a more sustainable solution will need to be found. Unless the economy recovers quickly and Gaza's borders are opened permanently, it is likely that poverty will prevail, forcing Palestinians living in Gaza to depend on food aid, cash assistance and emergency job creation schemes for their income and consumption into the foreseeable future.





#### d) Psychosocial Wellbeing

The population of Gaza had already been living in a highly stressful environment due to frequent military operations, denial of access to the outside world, periods of internal violence and lack of access to resources. This situation was severely compounded by the recent Israeli assault, which has had profound effects on mental health and psychosocial wellbeing. Many individuals experienced separation, injury or death of family members and friends. Still more suffered severe and indiscriminate violence, the destruction of homes, schools and property, a lack of food and healthcare, and other fears and stresses associated with the conflict, which ongoing deprivation exacerbates.

As a result, feelings of insecurity and hopelessness are common. While many women in Gaza have received training on how to offer psychosocial support to their children, they report that the scale of the latest violence is beyond their capacity to help. They describe increased fear, sadness and crying, and over-reaction to ordinary daily stresses in the household. The disruption to family and individual lives caused by the crisis, ongoing constraints on access to basic resources, loss of school time, lack of opportunities for recreational activities, increased violence in families brought about by unmanaged stress, and stresses related to displacement, have deprived children, young people and their parents of any sense of routine, safety, security and normality.

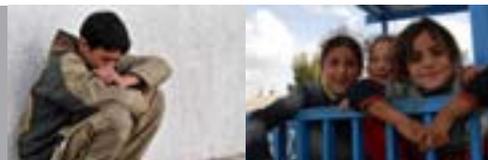
In children, anxiety is exhibited through symptoms such as nightmares, lack of concentration, withdrawal, and the need to cling to caregivers. In adults, surveys reveal that distress is displayed in symptoms such as depression, withdrawal, and loss of confidence in a previously secure role as head of household or as the family's primary nurturer. Although families do their best, an increased level of stress in adults means that primary caregivers feel unable to protect children, the elderly, people with disabilities and other vulnerable family members.

The extreme situation has also put a strain on health, education and social service providers, who are unable to access sufficient support or debriefing mechanisms

**“I do not feel safe  
even when I am in the shelter  
but my family and I  
do not have a place to go.  
The sound of shelling from all  
directions makes me scared  
all the time”**

Ahlam, 42 years old from Abasan Aljadeeda area

but are continuing to provide psychological and psychosocial assistance to the affected population. Numerous studies have been conducted which highlight the chronic and repetitive nature of trauma and mental health issues within the population. Gaza does have psychosocial and mental health systems within UNRWA, MOH, MOEHE and NGOs, but the recent assault has overwhelmed their capacity to deliver services in a systematic and comprehensive manner to the ever-increasing number of persons seeking assistance.



### e) Culture, Heritage and Faith-Based Institutions

Three sites within the Gaza Strip were included in the 'Inventory of cultural and natural heritage sites of potential outstanding universal value in Palestine' (Ministry of Tourism and Antiquities, 2005), namely the Byzantine complex of St. Hilarion (Tell Umm Amer) near Nuseirat, Anthedon Harbour - the ancient seaport of Gaza - and the cultural landscape of Wadi Gaza, encompassing archaeological sites as Tell Ajjul and Tell es-Sakan. A rapid damage assessment following Israel's bombardment confirmed that the Roman masonry at Anthedon was partially damaged and that several historical buildings were completely destroyed, including the Governor's House, the Sarai Building and the Old Gaza Municipality. However, access constraints meant that not all sites could be visited.

In addition to the destruction of priceless historical monuments, 14 mosques were totally destroyed. Thirty-eight other mosques were damaged in the Israeli attack, as were two churches and a cemetery. Public recreation facilities suffered more than \$6 million of damage, including the destruction of the Red Crescent Cultural Center and damage to two others.



The structural inadequacy of the institutions mandated to safeguard Gaza's cultural heritage, and the meager budgets allocated to research, conservation, rehabilitation and management of cultural sites, result in ineffective levels of protection, including the definition of boundaries, land acquisition, fences, guards, and buffer zones. Cultural heritage in the Gaza Strip also suffers from outdated legislation, lack of conservation planning and site management, insufficiency of cultural heritage-focused educational programs, and poor awareness of the strategic importance of cultural heritage as an economic resource.

## 2. Infrastructure Sector

Destruction of the built environment has significant and long-term effects not only on the economy but on the social fabric of society, given its importance to so many aspects of a secure, dignified and 'normal' life for individuals, households, and communities. Gaza's essential infrastructure sustained severe and extensive damage from both the aerial onslaught and Israel's ground actions. Affected areas include: (i) water, sanitation and hygiene; (ii) housing and shelter; (iii) energy (fuel, electricity and gas) networks and facilities; (iv) transportation networks such as roads and bridges; and (v) telecommunications networks and structures. The widespread





destruction has severely impacted the provision of basic services and assistance to the affected population. Large areas were reduced to rubble in the indiscriminate bombardment, and the Attatrah neighborhood in Beit Lahia (North Gaza), the Abed Rabbo neighborhood in Jabalia (North Gaza), and the Philadelphia neighborhood in Rafah (South Gaza) were totally destroyed.

The situation regarding the infrastructure sector in the wake of Israel's attack on Gaza is still evolving. This analysis does not purport to be conclusive, but serves as an initial attempt to quantify the damage and loss resulting from the three-week offensive and identify the needs for early recovery. It should be noted that the tight siege of Gaza for over 18 months before the recent assault meant that strategic reserves of spare parts and materials needed to maintain and develop infrastructure were severely or totally depleted. In consequence, much of the essential infrastructure was already considerably run down and under-maintained even before Israel's offensive, and repairing the latest damage and restoring key services will prove extremely difficult until the crossings are opened.

#### a) Water, Sanitation and Hygiene (WaSH)

Prior to the Israeli offensive, it was estimated that 97% of the 1.5 million people in Gaza had access to water supply networks. However, at 80 liters per person per day,<sup>5</sup> per-capita consumption was below acceptable international standards (minimum guidelines 150 l/c/d). In addition, services were intermittent, and the groundwater is highly saline and often outside international water quality guideline figures. Furthermore, only an estimated 64% of Gazans had access to sewage collection systems.<sup>6</sup>

The Israeli attack caused widespread destruction. The following highlights the key findings of the damage and needs assessment conducted by the Coastal Municipalities Water Utility in Gaza:

- Eleven wells were either partially damaged or totally destroyed, including two in Beit Hanoun, two in Beit Lahiya, two in Jabalia and five in Gaza;
- Four water reservoirs, located in Jabalia, Johr Deek, Mogruga and Wadi Salqa, were damaged;
- A total of 19,920 meters of pipes<sup>7</sup> were damaged: 11,140 m from North Gaza, 3,200m from Gaza City, 230m in Mid-Gaza, 1,020m in Khan Younis and 4,330m in Rafah Governorate;
- Sewage networks and pumping stations at four locations - Beit Hanoun, Beit Lahiya, Gaza and the Gaza Waste Water Treatment Plant - were damaged;
- North Gaza Emergency Sewage Treatment (NGEST) plant was damaged, including the service room, control room, and piping system; and
- Other water utility premises, including offices and warehouses, were damaged.

5 (WaSH MP, 2006)

6 Water Sector Update, World Bank, 2007. Such networks use pumping stations to pump to either sewage treatment plants, sewage lagoons, or they discharge directly into the sea. Only 30% of the total sewage volume is treated, the rest being discharged with little or no treatment.

7 Type PE, UPVC and Steel, sizes 50 mm to 315 mm.



At the household level, there is severe damage to water and sanitation infrastructure, including roof water-storage tanks, solar water heaters and sanitary installations in apartments and houses. The information collected to date shows that 5,708 roof storage tanks were destroyed and 2,985 damaged; 2,204 solar heaters were destroyed and 1,762 damaged; and 500 household connections were destroyed. Electrical water pumps have been destroyed and electrical installations have also been affected. A preliminary survey conducted by the Palestinian Hydrology Group (PHG) indicates that Al Attara and Ezbet Abed Rabbo are the worst-affected areas, with half of the water networks being damaged. Al Salateen Al Twam, Juhor ad Dik Al Mughraqa, Khuza'a and Al Fukhari all lost 30 - 35% of their water networks, and many areas now rely on water tankers for their water supply.

Internally Displaced Persons who have lost their homes have placed additional strains on the WASH facilities of host families. The destruction of household infrastructure will affect the ability to practice good hygiene, and have a particularly heavy impact on women, children, the elderly and those living with disabilities. Because of the damage to sewage treatment facilities, wastewater is contaminating a number of areas in Gaza. It is also feared that the aquifer will have been contaminated. The use of white phosphorus and other toxic munitions has also raised concerns about the long-term impact on water quality, and requires an immediate, in-depth assessment be conducted.

#### b) Transitional Shelter and Housing

Information collected to date indicates that the housing situation of over 100,000 persons has been affected by the Israeli attack. Over 4,000 housing units have been totally destroyed, leaving more than 26,000 people without homes, and over 11,500 housing units were damaged, resulting in a further 75,000 people either displaced or living in very difficult conditions<sup>8</sup>.

**Table 2: Destroyed and Damaged Homes in Gaza, by Governorate**

No.	Governorate	Completely Destroyed Housing Units	Partially Damaged Housing Units	Total
1.	North	2,118	3,240	<b>5,358</b>
2.	Gaza	675	2,268	<b>2,943</b>
3.	Middle	435	2,874	<b>3,309</b>
4.	Khan Younis	396	1,161	<b>1,557</b>
5.	Rafah	412	1,971	<b>2,383</b>
<b>Grand Total</b>		<b>4,036</b>	<b>11,514</b>	<b>15,550</b>

8 Figures based on UN Agencies' assessments, and an average of 6.5 people per household (PCBS 2007 Census)



Emergency shelters were set up in school buildings, but most of the displaced are now staying with host families and receiving rental subsidies. This is putting considerable strain on the already limited housing stock in Gaza, whose development had anyway been stifled by the inability to import building materials under the Israeli blockade. While the siege remains in place, and now with several local factories destroyed during the recent aggression, it is impossible to obtain the necessary supplies to begin early recovery or reconstruction activities.

**Table 3: Estimation of losses and costs for totally destroyed houses**

Governorate	Estimated reconstruction cost (millions of US \$)	Number of units	Total area (m <sup>2</sup> )
Gaza City	44,555	675	127,300
Khan Younis	22,572	396	64,491
Middle	21,631	435	61,802
North Gaza	123,382	2,118	352,520
Rafah	20,853	412	59,580
<b>Grand Total</b>	<b>232,993</b>	<b>4,036</b>	<b>665,693</b>

For partially destroyed houses, emergency weatherization using mostly plastic sheets and tape is ongoing. However, since structural damage is not always immediately evident, it is important that thorough structural surveys are conducted to ensure that resources are not wasted on buildings at great risk of collapse, and – most importantly – that people still living in dangerous structures are evacuated.

### c) Energy (Electricity, Fuel, Gas)

During the Israeli offensive the residents of the Gaza Strip suffered continuous shortages of electricity, fuel and gas. Electrical infrastructure (transmission and distribution lines, cabling, electricity poles, transformers, street lighting networks etc.) was completely destroyed in many areas, as was the main feeder line from Israel west of Gaza City. Immediately after the assault, 35-45% of the total population had no access to electricity, although by 19<sup>th</sup> February this figure had fallen to 5%, with the remaining population receiving only an intermittent supply. North Gaza was still suffering thrice-weekly power cuts for eight hours each time, while the middle region was experiencing blackouts for two days each week.



Reconnection efforts have been impaired due to the lack of necessary materials and spare parts resulting from the border closures. Because of this, in many cases electricity is being reconnected using un-conventional means that do not follow accepted international standards. Commercial and industrial areas have limited or no electricity supply, significantly diminishing the ability of businesses to operate. Furthermore, the disruption of a continuous supply to essential facilities such as hospitals, water pumping and waste-water processing stations clearly poses health and environmental risks.

Even before Israel's offensive, power supplies were well below the market demand of 240 MW, even with the second turbine functioning at the Gaza Power Plant<sup>9</sup>. Furthermore, only around 20% of the population paid their electricity bills, and it is anticipated that this figure will decrease due to the worsening economic crisis. This revenue loss will further diminish the Gaza Electricity Distribution Company (GEDCO)'s ability to purchase spare parts and materials, reconnect areas, and deliver services. Additionally, it puts further strain on Palestinian public finances, which pay for electricity supplied from Israel through the 'net lending' item of the budget, and for which this plan seeks supplementary emergency support.

Although the Petroleum Company's administrative offices at the Nahal Oz crossing were damaged during the offensive, fuel supplies continue to enter the Gaza Strip sporadically through the crossing, which is the only terminal capable of transferring supplies sufficient for the territory. Smaller quantities of fuel had been transported through the Egypt-Gaza tunnels before the bombardment, but these suffered significant damage from airstrikes. Currently, all fuel supplies entering Gaza are utilized for essential and humanitarian purposes, such as by the Gaza Power Plant, water and sewage pumping stations, and hospitals.

Propane gas supplies continue to be scarce in the Gaza Strip.<sup>10</sup> The daily demand is approximately 350 tons/day, with the main users being households, bakeries, restaurants, and hospitals, but the current supply is less than 70-80 tons per day, and that only when the crossings are open. The scarcity of cooking gas has seen the price of small household propane gas tanks increase to NIS 400<sup>11</sup>. Bearing in mind households' extremely limited financial resources, families have cut back on hot meals, which reduces nutritional intake and increases the risk of malnutrition in children and lactating women. The severe shortages in gas supply have also led to use of other fuels for cooking, such as diesel and white diesel, which have high potential for pollution, accidents and health risks. Likewise, due to the lack of fuel for vehicles, alternative fuels such as cooking oil are being used in cars, which is contributing to environmental hazards.

9 Gaza received approximately 200 MW of power supply from three sources: the National Electricity Power Company in Egypt (17 MW); the Israel Electric Corporation (120 MW); and the Gaza Power Plant (60 – 65 MW).

10 Prior to the war, most cooking gas was supplied through Nahal Oz crossing in Eastern Gaza (when the border crossing was open) and via tunnels from Egypt. At the Nahal Oz crossing, gas is pumped through underground pipes from the Israeli side to a storage tank on the Palestinian side. The gas is then transported by special tanks to gas stations in the Gaza Strip. Gas from Egypt is transported in 14 kg bottles. Pre-war, roughly 17,000 bottles of Egyptian gas were transported daily through the tunnels between Egypt and Gaza.

11 By comparison, the cost in the West Bank is around NIS 50





#### d) Transportation

The movement of people and goods in North Gaza and the Rafah Governorate remains difficult as a result of the massive destruction caused by the Israeli bombardment, in particular to border areas such as Atattra, Abed Rabbo and Pheladelfia. In total, approximately 57 km of asphalted roads were destroyed throughout the Gaza Strip, resulting in approximately \$78 million of physical damage which needs to be repaired. Beit Lahia (18.5km), Jabalia (3.9km) and Rafah (20.5km) suffered the highest degree of destruction. In addition, two bridges were destroyed, bringing to three the number which still need to be repaired after Israeli military assault, at a cost of \$6.5 million.

Many key roads were shredded either by Israeli bulldozers or heavy military vehicles such as tanks. Roads built with interlocking tiles suffered substantial partial destruction during the military incursion, and in the aftermath tiles have been removed from the roads by residents. Most damaged roads have been reopened in a primitive, unpaved state, and debris obstructing the flow of traffic through residential neighborhoods has been removed by Municipalities and the Ministry of Public Works and Housing. However, several roads in Gaza City remain closed to traffic because of the hazardous condition of severely damaged facilities nearby such as the Legislative Council Building, which is located on a busy intersection in the middle of the City.

The destruction of roads throughout the Gaza Strip, coupled with the fact that many basic utility services such as water, electricity, sewage and communication lines built under the roads are now destroyed, have resulted in the loss of basic services by scores of thousands of Palestinians. With the destruction of sewage lines, many of the roads have become sewage ponds, causing environmental and health hazards to the population. Everyday travel is difficult and hazardous for residents, humanitarian and recovery work is impeded, and the commercial and industrial sectors have severe difficulty conducting business operations.

In terms of other transportation infrastructure, fishing ports remain blocked with debris, thus preventing fishermen from earning a livelihood and providing a major staple food item to the residents of Gaza. Furthermore, Israel's ongoing occupation prevents access to the Strip by sea. It will be vital for Gaza's eventual recovery that it is reconnected with the West Bank, the region and the wider world as soon as possible. However, the airport also remains out of action, with the recent assault causing further damage to the runway and control tower. Already devastated by previous airstrikes, making the airport fully operational will require around \$80 million.



### e) Telecommunications<sup>12</sup>

At the time of writing of this report, 7,700 Paltel customers were without access to landline communications, leaving many households unable to communicate with family and friends within and outside Gaza. In addition to disruption to social lives, continued disruption of telecommunications services will negatively impact the population's ability to communicate with emergency services such as ambulances and medical facilities. The commercial and industrial sectors will also experience difficulty conducting business operations, and the logistics of the recovery effort may be impeded.

During the first stage of the bombardment, Paltel's main switchboard and associated data equipment in North Gaza were destroyed, as were the Multi-Service Access Node (MSAN) and Paltel's warehouse in Zawayda. Transmission networks and fiber-optic cables were damaged in locations across the Strip, which widely affected terrestrial and mobile transmissions, and the demolition of Paltel's warehouse means that spare parts and materials are no longer available inside the Gaza Strip to effect the necessary repairs.

The mobile operator Jawwal suffered extensive damage to its transmission network, with eight aerials in open areas and 12 on roof-top locations affected. In addition, Jawwal's headquarters and two of its showrooms were damaged. The total value of the damage amounts to \$4,460,000, of which Paltel's losses comprise 77%. According to the Palestinian Ministry of Telecommunication and Information Technology, Paltel and Jawwal are ready to assume responsibility for purchasing, transporting and installing spare parts, as long as entry of these materials is facilitated through the Rafah or Kerem Abu Salam crossings. However, it is not currently possible to obtain the required materials due to the blockade.

## 3. Economic Sector

The once-promising economy of the Gaza Strip has been devastated by years of Israeli restrictions and attacks. These stretch back way beyond the recent blockade, but the period since June 2007 saw the near strangulation of economic life. The list of items allowed into Gaza dwindled to a few basic commodities (such as flour, salt, cooking oil, nappies), and apart from some limited consignments of agricultural produce, nothing at all was allowed out. This is a more comprehensive embargo than any of the 11 sanctions regimes currently imposed by the UN Security Council, including those on North Korea<sup>12</sup>, and also harsher than recent EU measures against Burma<sup>13</sup>. It left Gaza almost completely dependent on the salaries and transfers paid by the PNA and on humanitarian assistance.



12. Paltel Group, Gaza Directorate. 'Losses and Damage Report of the Paltel Group Infrastructure: Full Losses and Damage Report of Paltel Group's Companies in Gaza Strip due to Israeli War from December 27, 2008 to January 18, 2009.' 25<sup>th</sup> January 2009.



With much of the remaining capital stock destroyed by the recent Israeli offensive, the economy will take years to recover and require significant assistance to do so. However, if the crossing points are not opened for free access for people and goods, outside help will merely slow down a terminal decline. The following sections describe in detail the status of key economic sub-sectors following Israel's onslaught.

### a) Agriculture and Food Security

During the 1990s, the agriculture sector produced mostly for the domestic Palestinian market, with a small but thriving export industry providing high-value agricultural products to Israel and beyond. However, the halt in exports and the prohibition on importing fertilizer, pesticides, packaging materials and other inputs led to the loss of more than 40,000 jobs in the sector. PalTrade estimates total agricultural export losses at \$30 million in the 2007/2008 season. For example, only 109 out of 2,500 tons of strawberries produced were allowed out, resulting in losses of about \$7 million. About 17% of cut flower production was exported, which led to losses of around US\$6.5 million, while the remainder of the crop was used for animal feed. In addition, no cherry tomatoes were exported, resulting in a loss of approximately US\$1.5 million.

Already severely hampered by border closures, the sector was extensively damaged by the recent Israeli assault, which resulted in widespread destruction of cultivated lands, greenhouses, livestock and poultry farms, water wells, irrigation networks and other productive agricultural assets. A thorough but preliminary damage assessment of the various subsectors put direct losses caused by the military assault at over \$180 million, and the assault and prolonged closure mean the sector will likely be impacted for years to come.





**Table 4: Estimated Agricultural Damages in the Gaza Strip**

Sector	Final Estimation (millions of US \$)
<b>Plant Production</b>	
Fruit Trees	65.064
Irrigated Crops	14.280
Rain-Fed Crops	1.138
Strawberry	4.304
<b>Sub Total</b>	<b>84.786</b>
<b>Animal Production</b>	
Cattle	3.746
Sheep & Goats	11.300
Broilers	0.394
Layers	0.572
Bee Hives	0.929
Other Animals & Birds	0.124
Animal Feed	1.068
<b>Sub Total</b>	<b>18.133</b>
<b>Infrastructure</b>	
Wells	11.041
Green Houses	22.950
Nurseries	1.254
Water Pounds	2.250
Agricultural Equipments	2.254
Agricultural Roads	1.200
Marketing Infrastructure	1.140
Fisheries	1.520
Animal Farms	4.191
Inputs and Materials	0.200
Irrigation Networks	5.600
Main Pipelines	2,200
Agricultural Stores	0.200
Ministry of Agriculture Losses	20.000
<b>Sub Total</b>	<b>77.800</b>
<b>Grand Total</b>	<b>180.719</b>
<b>Total Direct Losses</b>	<b>180.719</b>
<b>Total Indirect Losses</b>	<b>88.242</b>
<b>Total Agricultural Losses</b>	<b>268.961</b>





Farmers' abilities to produce food and secure income for their households have been reduced to an alarming level. Agricultural activities were halted for almost a month, and access to both inputs and agricultural areas is highly restricted. The Buffer Zone,<sup>13</sup> which took up 30% of Gaza's arable land, was inaccessible during the fighting. Meanwhile, fishermen continue to be restricted to 3-6 nautical miles off the coast, causing overfishing and loss in productivity.

The recent heavy damages to the sector, which accounts for 11-12% of employment in Gaza<sup>14</sup>, has placed many people out of work, and direct access to vegetables and other fresh foods, particularly animal protein, has been affected for many households. Even though the prices of fruits, vegetables and dairy products have largely returned to pre-war levels, the prices of fresh meat and eggs have increased. Palestinians living in Gaza spend the majority of their income on food,<sup>15</sup> and increased unemployment and poverty, coupled with reduced local production, will have a negative short- and medium-term impact on food security<sup>16</sup>.

#### **b) Industrial and other Private Sector Establishments**

Gazan manufacturers import 95% of their inputs, and are heavily dependent on exports.<sup>17</sup> The strict Israeli blockade had thus almost completely destroyed this sector, even before the air and ground offensive. Gaza business associations estimate that industrial employment fell from about 35,000 before the Israeli withdrawal in 2005 to around 860 at the end of June 2008. In addition, they estimated that another 70,000 workers had been laid off from other sectors. Following the truce (or calm) in June 2008, output picked up slightly as more goods were allowed through the crossings and the tunnel operations expanded, but the recent assault destroyed a significant amount of the remaining capital stock and resulted in the closure of the few enterprises that had been able to continue operating.

The damage will not easily be reversed. Investors have lost confidence and exporters have lost hard-won market share. Unlike after shorter previous periods of closure, when sectors such as textiles and furniture rebounded quite quickly as foreign companies took advantage of Gaza's skilled and relatively low-cost labor force, the prolonged blockade meant such firms have had to look elsewhere for other partners to fill their orders. Furthermore, although much of the physical damage was sustained by already closed businesses, their destruction ensures that they will not be able to quickly recover once conditions improve.

A preliminary assessment by the Private Sector Coordination Council recorded \$140 million of damages to Gazan businesses during the three-week Israeli assault.

13 The Buffer Zone area is 1 km from the eastern border and 2 km from the northern border of the Gaza Strip.

14 See PCBS Q3 2008 Labor Force Survey ([http://www.pcbs.gov.ps/Portals/\\_pcbs/PressRelease/labour\\_e.pdf](http://www.pcbs.gov.ps/Portals/_pcbs/PressRelease/labour_e.pdf))

15 Joint FAO/WFP/UNRWA Rapid Food Security Survey in the Occupied Palestinian Territory, May 2008

16 56% of Gazans are food insecure, according to Joint Rapid Food Security Assessment (FAO/WFP/UNRWA), April 2008, and more than 75% of people are receiving food assistance.

17 World Bank, 'Two Years after London: Restarting Palestinian Economic Recovery' (September 2007) ([www.minfo.gov.ps/English/reports/Restarting%20Palestinian%20economy%20-%20World%20Bank.pdf](http://www.minfo.gov.ps/English/reports/Restarting%20Palestinian%20economy%20-%20World%20Bank.pdf))



**Table 5: Breakdown of Damages to Industrial, Commercial and Services Sectors**

Sector	Sub Sector	Estimated Costs (US \$)			
		Building and Equipment	Goods	Total	
<b>Industrial</b>	Aluminum Workshops	1,163,795	0	1,163,795	
	Construction	36,785,928	100,000	36,885,928	
	Plastics	3,557,276	0	3,557,276	
	Agriculture	4,436,000	0	4,436,000	
	Pharmaceutical	120,000	0	120,000	
	Chemicals	1,445,000	0	1,445,000	
	Fabric	1,684,839	0	1,684,839	
	Furniture	947,751	144,000	1,091,751	
	Carpentry	4,476,044	0	4,476,044	
	Metal workshops	6,682,855	0	6,682,855	
	Tailors	698,929	0	698,929	
	Paper	8,000	0	8,000	
		<b>Industry Total</b>	<b>62,006,417</b>	<b>244,000</b>	<b>62,250,417</b>
	<b>Commercial</b>	Commercial Enterprises	51,937,244	11,842	51,949,086
Commercial Shops		9,798,801	7,632,066	17,430,867	
		<b>Commercial Total</b>	<b>61,736,045</b>	<b>7,643,908</b>	<b>69,379,953</b>
<b>Services</b>	Contractors	2,989,074	0	2,989,074	
	Information	133,000	0	133,000	
	Insurance	67,850	0	67,850	
	Information Technology	340,680	0	340,680	
	Tourist Facilities	4,585,536	650	4,586,186	
	Trucking	10,000	0	10,000	
		<b>Services Total</b>	<b>8,126,140</b>	<b>650</b>	<b>8,126,790</b>
<b>Grand Total</b>		<b>131,868,602</b>	<b>7,888,558</b>	<b>139,757,160</b>	

Some sub-sectors will likely recover more quickly than others<sup>18</sup>. The tourism sector, which accounted for 266 establishments and 1,100 jobs, requires repairs to restaurants and hotels, including the three which were completely destroyed<sup>19</sup>, but the expected influx of outsiders during the early recovery and reconstruction process could provide the previously-moribund sector with a much-needed boost. Construction – so vital to the overall recovery plan – will be able to start almost as soon as the first truckload of cement is allowed in. There are 25 construction companies in Gaza with an annual capacity of over \$10 million, 40 medium-sized ones, and around 120 which can take on projects of up to \$5 million. Overall capacity is estimated at \$380 million, although it is also important that contractors from the West Bank and elsewhere are allowed access to the Strip during the rebuilding process.

18 See Portland Trust Palestine Economic Bulletin (December 2007)

19 The Palestinian Red Crescent Society Guest house, Sh'hap hotel and Al Jazeera hotel



Although buildings and machinery will need to be serviced and repaired, many factories will be able to restart manufacturing soon after the necessary inputs are allowed in. The food industry (some of which is still running), and plastics and packaging firms will likely be among the first to recover. Companies which manufacture products for the domestic market will be at an advantage, so chemicals and metalwork firms should also recover. However, the vital furniture and textiles sectors (which export 76% and 90% of their products to Israel respectively) will need significant assistance if they are ever to re-establish themselves.

The early recovery plan includes two projects, worth \$70 million each on preliminary estimates, to provide compensation for private-sector losses and soft loans to businesses. However, it is worth remembering the World Bank's warning in September 2007 of the 'hollowing out' of the economy, devoid of any residual production potential and driven by public-sector employment and humanitarian assistance<sup>20</sup>. Without concerted assistance to the private sector, the establishment of conditions conducive to investment, and – most critically – the opening of Gaza's borders to the outside world, the recent Israeli offensive will have sounded its death knell.

### c) Employment and Livelihoods

Israel's assault was a severe shock to an already-exhausted and vulnerable society, leading to serious damage to the livelihoods of Gaza's households. Prior to the 18-month blockade, over 54% of employment was generated through the private-sector<sup>21</sup>. Due to the severe restrictions imposed on imports and exports of goods after June 2007, only approximately 2% of industrial establishments were still functioning at the end of 2008, according to estimates by local business associations. Unemployment had exceeded 46% by the third quarter of 2008,<sup>22</sup> and (with the exception of employees of the PNA, UNRWA, and some NGOs) many of those considered employed have not been paid for months.

The Israeli offensive has compounded an extremely grave situation. One week after the ceasefire, a rapid initial assessment of the livelihoods and labor market situation found that approximately 7,700 jobs had been lost as a result of the destruction to small businesses and agricultural establishments. Meanwhile, over 1,700 households lost their main breadwinner due to death or injury. Approximately 10% of the population said they had temporarily lost sources of income as a result of the offensive, and 21% said they had been permanently affected by the destruction of business establishments with which they are associated. Northern and eastern border regions were particularly badly affected, with unemployment reaching as much as 70-80% in some areas, such as Jabalia, one week after the assault finished. Unemployment is also highest among people in the 15-24 years age group, which is a serious threat to socio-economic and political stability. Employment creation must be a top priority for interventions.

20 World Bank, 'Two Years after London'

21 Private Sector Coordination Council (PSCC), Effect on Private Sector in Gaza, July 12, 2007

22 See PCBS Q3 2008 Labor Force Survey ([www.pcbs.gov.ps/Portals/\\_pcbs/PressRelease/labour\\_e.pdf](http://www.pcbs.gov.ps/Portals/_pcbs/PressRelease/labour_e.pdf))



In 2007 UNRWA and the PCBS estimated the number of Palestinians in Gaza living below the consumption poverty line at 51.8%, but this figure is now expected to have climbed to around 65% according to the assessment. Commonly-used informal coping mechanisms will be further stretched by the effects of the assault, and more people, especially those living in deep poverty, will be at risk of becoming aid dependent.

#### d) Banking and Availability of Cash

Over the past year, the Government of Israel has imposed tight restrictions on the entry of cash from West Bank banks to their branches in Gaza. As a result, the cash available to banks has fallen well below what is needed to accommodate demand, including for individuals, businesses, PNA employees' salaries and humanitarian assistance. The cash shortages have had serious economic and social repercussions in several respects:

- Living standards had already been severely eroded in Gaza, and the additional constraint on households' liquidity has further reduced their capacity to cover basic needs, especially given the large pent-up demand following the recent Israeli offensive. The inability of about 77,000 PNA employees to draw their salaries from banks is estimated to have directly affected the livelihood of about half a million of our people in Gaza. This is in addition to the indirect repercussions on other households as a result of the shortage of cash targeting the poor through social safety net programs.
- The steady fall in bank cash reserves has induced the hoarding of cash, and is likely to reduce the public's longer term confidence in its ability to withdraw money from banks. Banks' profitability would steadily decline, and unless restrictions are lifted this could ultimately lead to their closure, with all the attendant chaos this would cause to Gaza's fragile economy.
- By reducing the role of Gaza's banking system and undermining its viability, the cash restrictions have been diverting scarce resources from banks toward unregulated informal channels. This has reduced the relevance and effectiveness of the Palestinian Monetary Authority's prudent framework and its regulations against money-laundering and other illegal activities. Those groups with access to cash from unregulated sources outside Gaza's primary crossing points, and with control over informal non-bank channels, stand to gain most from the cash restrictions.

The Palestinian Monetary Authority estimates that, for 2009, a minimum of NIS 200 million (\$50 million) each month would be needed to meet the banks' minimum liquidity requirements, even with strict bank rationing.





## 4. Governance Sector

During the three-week assault by the Israeli army, the majority of Palestinians living in Gaza witnessed a marked deterioration of security and social cohesion, as well as a breakdown in channels for public decision-making, protection, human rights. The civil society sector was severely damaged, and the offensive also resulted in the destruction of physical infrastructure used by local authorities for public administration purposes, as well as the displacement or death of civil servants. As a result, normal governmental functions have been significantly disrupted.

Issues of governance, security, and protection in conflict situations are often marred by political uncertainties and considered secondary to ensuring that basic human needs are met. While both of these concerns certainly apply to Gaza, the integration of principles and procedures of good governance and security in social, environmental and economic activities is critical to facilitating, sustaining and legitimizing early recovery and thence longer term development.

The future stabilization of Gaza is contingent on several issues: (i) protecting property, people and providing general security; (ii) rehabilitating local authorities and other providers of basic services (e.g. NGOs); (iii) supporting political processes which lead to greater stability; (iv) protecting justice systems and human rights; (v) ensuring information is available to citizens; (vi) securing channels for public participation, organization and oversight; (vii) ensuring transparent fiscal appropriations; and (viii) guaranteeing the security and safety of the population at large. These factors comprise important considerations which must be addressed in the current crisis. As with all interventions, sequencing and integration with other sectors is extremely important.

We are aware of the particular political sensitivity of this aspect of the plan, and the fact that implementing many of the interventions will require progress to be made in healing the internal divisions which have plagued Palestine since 2007. However, it would be remiss not to document the significant damage and needs caused by the Israeli attack, and make sensible preparations so that resources can be mobilized to support this vital sector immediately a solution to the political impasse is found. Therefore, basic quantitative and qualitative data have been collected to provide an evaluation of the effects of Israel's offensive on several important sub-sectors.





#### a) Local Authorities and Public Administration<sup>23</sup>

The Israeli assault on Gaza resulted in widespread destruction of physical infrastructure used for official administrative purposes, as well as the injury or death of civil servants. As a result, normal functions maintained by governing bodies, such as administration of basic social services, have been considerably retarded or entirely disrupted.

During the bombardment the Palestinian Legislative Council was destroyed, seven government institutions were either completely or partially leveled (including the Government Palace, the Archives building, the General Personnel Council, and the Presidential Compound), and the Ministries of Interior, Justice, and Culture were either partially or entirely destroyed, along with their associated compounds. In addition, 19 municipal facilities were damaged and 11 were totally destroyed, including commercial centers such as markets, slaughterhouses and stores.

Civil Affairs operations (population data, death certificates, issuance of passports, NGO registration etc.) have not been functional since the 27<sup>th</sup> December, and facilities of the Ministry were damaged in the bombardment. In addition, and resulting from the physical destruction of premises and the lack of functionality in civil service departments, the legal system ceased working in a systematic way, causing more harm to the safety and security of the people of Gaza.

#### b) Civil Society and Community Based Organizations

NGOs have the potential to be key stakeholders within the early recovery process in Gaza, particularly in promoting active citizenship and local ownership, documentation and information gathering, oversight and implementation functions, and engaging in service delivery to the affected population. However, many NGOs were severely affected by the military operation. An assessment of their premises indicates that seven were partially or totally destroyed, including the Palestinian Red Crescent Society.

Following the cessation of the Israeli hostilities, and based on information gathered from Palestinian NGO networks and other civil society organizations, there appear to be some restrictions on local NGO participation in the process of recovery. NGOs must be reactivated to support local communities based upon a non-partisan needs-based approach

<sup>23</sup> Traditionally, these figures should refer to buildings that housed civil servants for Government functions and should not take into account infrastructure or properties owned by the Government for non-governance functions such as municipal parks, cultural centers, libraries, roads, etc. However, a decision was taken to include markets owned by the public sector, including slaughterhouses and commercial centers.



### c) Safety and Security, including Civil Defense

Security and safety is a pre-requisite for tangible and sustainable improvements in the lives of the people of Gaza. During the military incursion, people's perceptions of their personal security were understandably severely eroded. According to a recent survey<sup>24</sup>, 75% of the population surveyed reported feeling insecure, with 42% of this figure attributing their insecurity to the Israeli attack. In terms of internal security, only 32% of respondents believed that the situation on the street was safe and calm.

The physical infrastructure of the state security apparatus has been significantly damaged. As many as 74 security and civil defense sites were either totally or partially destroyed, and an estimated 167 police officers were killed during the Israeli offensive .

### d) Human Rights and Protection

The major threat for Palestinians in Gaza remains the possibility of further incursions and attacks by the Israeli army. The legitimacy of protection concerns under such circumstances is demonstrated by a recent article in the Lancet: "Survivors describe Israeli tanks arriving in front of homes asking residents to come out. Children, old people and women would come forward and as they were lined up they were fired on and killed. Families have lost tens of their members through such executions. The deliberate targeting of unarmed children and women is well documented by human right groups in the Gaza Strip over the past month."<sup>25</sup>

In addition, the continued closing of the crossings affects people's movements and access, which has a severe negative impact on the economic, social and cultural rights guaranteed under international law. Israel's persistent refusal to allow in basic materials is the main obstacle to a return to a dignified life. If access continues to be restricted, the displacement of homeless households may become protracted, placing severe stress on the host families, putting social cohesion at risk of collapse, and creating a new wave of Palestinian refugees.

During the invasion the Israeli army detained hundreds of persons – almost exclusively men. Many were later released, but some continue to be detained without access to legal assistance. Information on the number of detained persons is not accurate due to: (i) the inability of human rights organizations to establish communication channels with the Israeli authorities; (ii) a policy maintained by the Israelis which prevents family visits to prisoners; and (iii) the inability of families to definitively exclude missing persons from having been killed. In addition, certain areas in Gaza are still inaccessible due to the expansion of the 'buffer zone' and 'no-go-zone' areas. The lack of statistics on numbers of detainees will be a significant challenge to the work of documentation, monitoring, and advocacy.

24 UNDP/PAPP, February 2009, 'Inside Gaza: Attitudes and perceptions of the Gaza Strip residents in the aftermath of the Israeli military attacks.' A phone survey was conducted with a random sample of 1,815 Gazans between the 25<sup>th</sup> January and 1<sup>st</sup> February to assess the perceptions of the population in the Gaza Strip. Total margin error of +/- 2.3%.

25 The Wounds of Gaza by Dr. Ghassan Abu Sittah and Dr. Swee Ang, The Lancet, 2<sup>nd</sup> February, 2009.



## 5. Natural Resources and the Environment

Environmental conditions and access to environmental assets are closely linked to the livelihoods, health and security of the population in Gaza. Yet despite their critical importance and vulnerability, they are being degraded in the Gaza Strip at an alarming rate. The long-term trend of environmental degradation – including desertification, salinization of aquifers, soil and coastal erosion, and loss of biodiversity – is directly linked to the years of conflict with Israel, but the latest military assault on Gaza has significantly exacerbated the worsening situation. Furthermore, the fact that the Gaza Strip is one of the most heavily populated areas in the world means that the environmental impacts of indiscriminate bombardment on its residents were – and will be – particularly severe.

Integrated natural resources management and conservation are essential for the early recovery and sustainable development of the Gaza Strip. However, this is impeded by a number of factors, including an absence of effective environmental management, weak institutional and regulatory frameworks, and a lack of public environmental awareness. The damage and needs assessment conducted after the ceasefire revealed the scale of the mess left by Israel and the challenges ahead.

### a) Water Quality

The recent military assault involved extensive destruction to water and waste-water facilities in the Gaza Strip, and left the state of ground-water resources in an even more precarious condition than before. One of the most serious examples of this was the destruction of the Gaza Wastewater Treatment Plant (GWTP), where both the primary sewer line and one of the main anaerobic lagoons were targeted by the Israelis. As a consequence it is estimated that some 250,000 m<sup>3</sup> of sewage was released. Although the main trunk-line has since been repaired, the effluent inundated approximately 50 dunums (50,000m<sup>2</sup>) of productive agricultural land, which has been taken out of use and its salad crops destroyed.



The recent contamination of water resources and agricultural areas will increase the prevalence of many water-borne diseases such as typhoid, hepatitis A, parasitic infestation and gastrointestinal diseases. Meanwhile, continuous deterioration of the coastal aquifer will increase the prevalence of many diseases associated with high concentrations of chlorides and nitrates in the drinking water, such as kidney stones, renal failure and methemoglobinemia (blue-baby syndrome).





### **b) Air Pollution**

The major cause of air pollution in the Gaza Strip is the open burning of solid waste and the release of toxic gases such as furans and dioxins. Air pollution is normally identified as a low priority in most environmental studies, but as a result of the military incursion there is now serious concern. Widespread destruction of buildings, the razing of fuel storage depots and warehouses, and the use of non-conventional munitions including white phosphorus, have released large amounts of dust, asbestos, dioxins, carbon monoxide, sulphur dioxide, particulates and suspended matter into the atmosphere. These will contribute to air pollution and potentially result in long-term public health hazards.

### **c) Land, Soil and Biodiversity**

The use of munitions and the movement of tanks and military bulldozers resulted in extensive destruction of vegetation and agricultural lands. Numerous trees were uprooted, and heavy-tracked military vehicles cut several meters deep into the topsoil and destroyed vegetation cover. Before December 27, 2008, the total cultivated area in the Gaza Strip was 170,000 dunums (158,000 dunums of open fields and 12,000 dunums of greenhouses). According to the recent damage assessment report of the agriculture sector, 14.6 % of the total cultivated area was completely destroyed.

Gaza's soil faces potential chemical contamination from the munitions used, such as heavy metals from DIME bombs and phosphorous from white phosphorous shells, and bacteriological contamination from the damaged sewage infrastructure. Poor municipal waste management, especially during the Israeli offensive, will compound the situation. Loss of vegetation cover and the large-scale uprooting of trees and crops will decrease infiltration rates and humidity retention of the soil, leading to desertification and soil erosion. In the long term, the continued degradation and pollution of the land and soil will render them unsuitable for cultivation, decreasing the productivity of the agricultural sector and undermining the overall economic development and food security of the Gaza Strip.

### **d) Munitions and Explosive Remnants of War (ERW)**

As well as extensive casualties and fatalities, the destruction of homes, livelihoods, and infrastructure, and significantly-debilitated basic services, the indiscriminate Israeli bombardment resulted in the contamination of the densely-populated Strip with Explosive Remnants of War (ERW). Unexploded Ordnance (UXO) and bombs (UXBs) have left no space safe for civilians.



Although various Palestinian entities have conducted large-scale surface clearance, which has reduced the overall density of the expected threat from unexploded ordnances, there still remains a significant UXO hazard that will hinder the delivery of humanitarian aid and the early recovery response. Explosive Remnants of War are very sensitive to tampering, and are likely to explode if mishandled. In particular, ERW that have remained in the rubble are life threatening for children and people who will be involved in the clean-up operation.

According to the UNMAT assessment<sup>26</sup>, the bombardment by land, sea and air, and incursions into Gaza by Israeli troops, left the following ERW dangers:

- **Aerial Bombs:** Much of the early Israeli bombardment of Gaza was conducted from the air using General Purpose (GP) High Explosive (HE) bombs. UNMAT confirmed the presence of the following un-exploded bombs (UXB):
  - (1) Mk 81 250lb GP HE
  - (2) Mk 82 500lb GP HE
  - (3) Mk 84 2000lb GP HE

Whilst not strictly an air dropped bomb, the presence of the Raphael Thermo-Baric bomb has also been confirmed. An average of 10% of such ordnance fails to function as designed and remains in the ground as a significant explosive hazard.

- **Ground-Launched Artillery:** Israeli Forces maintained a constant delivery of mainly 155mm artillery rounds. The type used is both HE and White Phosphorous (WP)<sup>27</sup>. This White Phosphorous ordnance constitutes the biggest threat to post-ceasefire humanitarian operations, as the White Phosphorous spontaneously ignites when in contact with air.
- **Naval Artillery:** Israeli Forces also bombarded Gaza from the sea. This ordnance constitutes a threat to humanitarian operations, and in general consists of 76mm High Explosive rounds and Harpoon-type missiles.
- **Bulk Demolition Charges:** The Israeli army systematically destroyed numerous buildings using demolition charges. In some cases, these demolition charges were augmented with anti-tank mines. Evidence documents that some of these charges have failed to detonate and remain amongst the rubble.



26 United Nations Mine Action Team, Outline Plan for Emergency UXO/ERW Clearance Gaza, February 2009, Gaza.

27 Other ground artillery included 120mm High Explosive Anti Tank (HEAT) rounds, 120mm heavy mortars, 81 mm medium mortars and TOW missiles



### e) Solid Waste Management

Solid waste management has been of great concern in the Gaza Strip both before and after the military offensive, as its improper management is one of the leading causes of environmental degradation and poor public health. The Israeli assault led to both an increase in the quantity of waste to manage and a sharp decline in the ability to do so properly.

Damage to solid waste collection vehicles, street containers and equipment, estimated at \$650,000, has placed additional burdens on the already outdated and overburdened system. Formal waste disposal facilities are close to the Israeli border, and because service providers could not access the landfills during the three-week bombardment, 22,000 tons accumulated at waste transfer stations. Meanwhile, communities' response to the accumulated waste was an increase in open-air burning and random dumping.

The assessment of all damaged facilities, including housing units, public buildings and private sector industrial, commercial and tourism facilities, estimated that 600,000 tons of rubble was generated during the offensive. In specific locations, such as the refugee camp at Rafah, the rubble is heavily contaminated with asbestos, primarily from broken roofing sheets. Much of the asbestos material was observed lying in the streets, apparently awaiting collection, although it was reported that Rafah municipality is unable to do so due to a lack of vehicles, as many were damaged during the conflict<sup>28</sup>. Moreover, as mentioned above, according to the UNMAT assessment report many of the bombed locations may still contain ERW, and rubble clearance requires extensive awareness training for workers and the presence of a qualified EOD Team.

According to the Palestinian Environment Law and international norms, health care waste is characterized as hazardous and needs special handling, collection, treatment and disposal. The management of health care waste in the Gaza Strip was weak before the Israeli assault, and is now of major concern to health and environmental experts. The large number of injuries and fatalities resulted in excessively high levels of Hazardous Health Care Waste (HHCW), but there is a lack of resources, equipment and procedures for its storage and disposal within hospitals and medical centers. Additionally, volunteer staff are often unfamiliar with the correct procedures for managing HHCW.

Sharp waste such as needles can transmit hepatitis B and HIV, which poses a high risk to children, solid-waste workers and health care personnel. HHCW contains heavy metals such as mercury that can pollute the natural environment, including land and water resources. When burned with municipal waste, HHCW will release toxic gases such as dioxins.

■ SECTION B: IMPACT OF THE CRISIS

As part of the data gathering exercise, a site inspection of the Al-Shifa Hospital in Gaza City was undertaken, and a questionnaire distributed to all other hospitals and health clinics. The results of the survey indicate that due to the emergency situation over the three weeks of the assault, a total of 10 tons of health care waste was disposed of and mixed with domestic waste at the municipal transfer station (located within a residential area), before being transferred to other disposal sites. The survey also found no proper storage and labeling of biohazard and pathological waste, with 50% of hospitals lacking a secure storage area, and few hospitals using incineration as part of on-site treatment.





## SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

In order to address the needs of people in Gaza in an integrated and coordinated way, early recovery priority interventions must ensure that sectoral and sub-sectoral needs are considered in relation to each other. For example, housing is linked to the water and sanitation needs of affected families, which in turn is linked to issues of availability of parts and equipment. In the context of restoring transportation services, the careful prioritization and sequencing of road rehabilitation in relation to the needs of essential services and the activities of utility companies will enable a more cost effective and sustainable recovery.

The connection between water and sanitation, housing, transportation, energy and the provision of health and education services need careful consideration, not only in the sequencing and prioritization of recovery and reconstruction activities but also in terms of training and ensuring appropriate policy development. Interventions in one sector will reinforce those in others. Spatial and urban planning norms, including building codes and regulations, can provide a common framework for coordination and planning.

The original Flash Appeal was intended to address the immediate humanitarian needs of Gaza's population, which also included time-critical Early Recovery interventions.



These interventions, included in the original Flash appeal, have been expanded and included in this Plan to provide the bridge between short-term relief and longer-term development.

Early recovery activities have already started, building on the initial response to the crisis to restore and improve essential services. This is particularly important because of the decline in the quality of services before the crisis. The early recovery and reconstruction activities should be guided by national policy frameworks and priorities set out in the PRDP to ensure coherence and consistency of policy across the occupied Palestinian territory.



■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

## 1. Social

The Social Sector involves Health and Nutrition, Education, Social Protection and Social Safety Nets, Psychosocial Wellbeing, Culture, Heritage, and Faith Based Institutions subsector. Many of the interventions in these subsectors will be implemented through existing Palestinian institutions, and under the philosophy of Early Recovery and the 'build back better' principle. Priority interventions in this area include:

- Restoring damaged and destroyed health facilities;
- Providing essential newborn, child and maternal health care, and treatment to those who were injured and in need of rehabilitation;
- Capacity building of health, nutrition and psychosocial health staff to meet the extraordinary conditions generated by the Israeli military attack;
- Addressing the psychosocial needs of men, women, boys and girls, teachers, doctors, and emergency workers, including through school-based and after-school activities;
- Conducting training courses and workshops in arts and building renovations to involve the young people affected by the military incursion in community-based recovery activities, emphasizing the healing power of culture and creativity;
- Provision of school feeding programs;
- Increasing the capacities of the logistics and management of food reserves/stocks;
- Restoring damaged and destroyed education facilities;
- Replacing and providing teaching and learning materials, including textbooks, notebooks, stationery and blackboards;
- Developing new strategies for remedial learning;
- Capacity building of education staff to meet the extraordinary conditions generated by the Israeli military attack;
- Establishing/strengthening referral mechanisms for children and women, and supporting the education, health, judiciary and police systems' ability to prevent and respond to abuse and domestic violence, and
- Implementing basic protection measures at two potential World Heritage sites: Anthedon Harbour and St. Hilarion.





■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

**Table 6: Summary Assessment, Response and Cost for the Social Sector**

Social Sector	Type of Damage	Early Recovery & Reconstruction Interventions	Estimated Cost of Interventions (millions of US \$)	Total Cost Per Subsector (millions of US \$)
<b>Social Sector</b>				
<b>Health and Nutrition</b>	<ul style="list-style-type: none"> <li>3 totally destroyed clinics including equipment, supplies &amp; furniture</li> <li>19 partially destroyed clinics</li> <li>5 partially destroyed hospitals</li> <li>1900 disabled casualties require medical assistance</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct &amp; rehabilitate totally destroyed clinics</li> <li>Rehabilitate the partially destroyed clinics &amp; hospitals and restore health service delivery</li> <li>Provide medical assistance for disabled casualties</li> </ul>	<p>1.445</p> <p>3.800</p> <p>30.475</p>	35.720
<b>Education</b>	<ul style="list-style-type: none"> <li>5 totally destroyed kindergartens</li> <li>60 partially destroyed kindergartens</li> <li>10 totally destroyed schools, school supplies &amp; furniture</li> <li>171 partially destroyed schools, school supplies and furniture</li> <li>6 totally destroyed university buildings</li> <li>16 partially destroyed university buildings</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct &amp; rehabilitate totally destroyed kindergartens, schools &amp; university buildings, including supplies, safety equipment &amp; furniture</li> <li>Rehabilitate &amp; restore partially destroyed kindergartens, schools, and university buildings, including supplies, safety equipment &amp; furniture</li> </ul>	<p>34.221</p> <p>21.130</p>	55.351
<b>Social Protection and Safety Nets</b>	<ul style="list-style-type: none"> <li>Thousands of wounded, disabled casualties, &amp; affected families require protection, food assistance, &amp; psycho-social &amp; PTSD treatment</li> <li>Damages to orphanages and charitable organizations</li> </ul>	<ul style="list-style-type: none"> <li>Establish special fund for protection and food assistance for affected families &amp; individuals</li> <li>Provide psycho-social &amp; PTSD treatment to affected families &amp; individuals</li> <li>Rehabilitate orphanages, restore and expand services of charitable organizations</li> </ul>	<p>200.000</p> <p>1.050</p> <p>1.450</p>	202.500
<b>Psychosocial Wellbeing</b>				
<b>Culture, Heritage and Faith-Based Institutions</b>	<ul style="list-style-type: none"> <li>2 totally destroyed cultural centers &amp; heritage sites</li> <li>26 partially destroyed cultural centers &amp; heritage sites</li> <li>14 totally destroyed mosques</li> <li>38 partially destroyed mosques</li> <li>2 partially destroyed churches</li> <li>12 partially destroyed Christian historical sites</li> <li>1 partially destroyed cemetery</li> </ul>	<ul style="list-style-type: none"> <li>Reconstruct &amp; rehabilitate totally &amp; partially destroyed cultural centers &amp; heritage sites</li> <li>Reconstruct &amp; rehabilitate totally &amp; partially destroyed mosques and cemetery</li> <li>Reconstruct &amp; rehabilitate partially destroyed churches &amp; Christian sites</li> </ul>	<p>8.500</p> <p>11.458</p> <p>1.630</p>	21.588
<b>Social Sector Cost (Subtotal)</b>				<b>315.159</b>



■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

## 2. Infrastructure

The primary focus of restoring infrastructure includes restoring and repairing essential utilities and residential infrastructure, such as housing, water, sanitation, electricity, fuel, transportation, and telecommunications. In particular, the assessment notes that there is a need to restore and repair:

- Water and wastewater services, and water reservoirs, and
- Transportation and utility networks.

There is a recommendation that road reconstruction should be prioritized in the following order:

- Regional roads
- Roads serving public service sites (such as hospitals, schools, landfill sites, water processing stations)
- Roads serving neighborhoods.

Additionally, the fishing ports should be cleared of debris so that people can resume this vital aspect of their livelihoods.

Since structural damage is not always immediately evident, it is important to carry out a structural security survey of affected buildings. This would help to ensure that emergency repairs are done on housing units that are not at risk of collapse, and that people still at risk can be evacuated. In the case of totally destroyed houses, intermediate support (e.g. rental subsidies, cash assistance, transitional shelter solutions) will be needed by affected families, including those now hosting IDPs. In addition, special attention will have to be given to making housing and public buildings accessible to the disabled.





## Gaza Housing Initiative

- This initiative will provide adequate funding to 15,550 families to enable them to rebuild their destroyed or damaged homes.
  - Banks operating in Gaza will provide direct finance to all eligible households, in stages according to progress made on reconstruction.
- Funds are composed of grants (to rebuild and/or repair the damage) and an optional bank loan (for expansion).
- The Cooperating Housing Foundation (CHF) will be responsible for advising banks on processing applications, assessing the damage and providing estimates for the value of the reconstruction. In addition, CHF will advise on payment of installments to beneficiaries.
- The PNA will work to secure the necessary funding and oversee the process to ensure transparency and efficiency.
- An estimated \$ 348 million will be needed to support the grant portion of this initiative.



■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

**Table 7: Summary Assessment, Response and Cost of the Infrastructure Sector**

Sector / Subsector	Type of Damage	Early Recovery & Reconstruction Interventions	Estimated Cost of Interventions (millions of US \$)	Total Cost Per Subsector (millions of US \$)
<b>Infrastructure Sector</b>				
<b>Water, Sanitation &amp; Hygiene (WaSH)</b>	<ul style="list-style-type: none"> <li>• 11 totally &amp; partially destroyed water wells</li> <li>• 4 totally &amp; partially destroyed water reservoirs</li> <li>• 25.5km of totally destroyed water distribution networks &amp; pipelines</li> <li>• 836 totally destroyed house water connections</li> <li>• Severe damages to the waste water collection networks</li> <li>• Severe damages to water &amp; waste water facilities</li> <li>• Severe damages to basins and inlet pressure pipelines in North Gaza Emergency Sewage Treatment</li> <li>• Severe damages to solid waste containers</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; restore water wells, reservoirs, &amp; waste water collection networks</li> <li>• Restore water pipelines, networks &amp; house connections</li> <li>• Restore solid waste containers</li> <li>• Restore basins &amp; inlet pressure pipelines for Gaza Emergency Sewage Treatment</li> <li>• Reconstruct waste water facilities</li> </ul>	<p>1.018</p> <p>4.835</p> <p>0.108</p> <p>0.184</p> <p>0.134</p>	6.279
<b>Transitional Shelter &amp; Housing</b>	<ul style="list-style-type: none"> <li>• 3628 totally destroyed houses</li> <li>• 10,617 partially destroyed houses</li> <li>• 408 totally destroyed refugee homes</li> <li>• 897 partially destroyed refugee homes.</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate 4,036 houses &amp; refugee homes</li> <li>• Restore &amp; rehabilitate 11,514 houses &amp; refugee homes</li> <li>• Provide rental subsidies for 11,514 families (for 6 months)</li> <li>• Provide rental subsidies for 4,036 families (for 18 months)</li> </ul>	<p>232.750</p> <p>115.140</p> <p>(34.000)</p> <p>(36.000)</p>	347.890
<b>Energy (electricity, fuel &amp; gas)</b>	<ul style="list-style-type: none"> <li>• Severe damage to power generators &amp; electricity grid</li> <li>• Severe damage to 5 gas stations &amp; the General Petroleum Corporation</li> <li>• Massive damages to street lights</li> </ul>	<ul style="list-style-type: none"> <li>• Restore electricity grid &amp; street lights</li> <li>• Restore &amp; rehabilitate 5 gas stations &amp; the General Petroleum Corporation</li> </ul>	<p>13.655</p> <p>1.807</p>	15.462
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Severe damage to municipal &amp; regional roads</li> <li>• 3 totally destroyed bridges</li> <li>• 2 partially destroyed fishing ports</li> <li>• Total destruction of Seaports Authority offices</li> <li>• Severe damages to Rafah International Airport</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate municipal &amp; regional roads, bridges &amp; Seaports Authority offices</li> <li>• Rehabilitate fishing ports &amp; international airport</li> </ul>	<p>84.412</p> <p>34.420</p>	118.832
<b>Telecommunications</b>	<ul style="list-style-type: none"> <li>• Severe damages to landline &amp; mobile networks</li> </ul>	<ul style="list-style-type: none"> <li>• Restore &amp; rehabilitate landline &amp; mobile networks</li> </ul>	<p>13.310</p>	13.310
<b>Infrastructure Sector Cost (Subtotal)</b>				<b>501.773</b>





### 3. Economy

With regard to Early Recovery interventions in the economic sector, large scale job creation should be a priority. Interventions should be directed to sectors that can feed and house the Gazan people and economic benefits should be passed on to the Gazan private sector. The liquidity issue must be resolved, and it is imperative that access to finance by the Gazan private sector is increased.

The coordination and sequencing of the different projects and sectors are essential, as they will enable a more cost effective and sustained recovery. Work is ongoing, and success will depend on the implementation of the 2005 agreement on border crossings, movement and access. The following range from early recovery responses to medium and longer-term interventions:

#### Agriculture and Food Security

- Restoring damaged agricultural assets, including fields, greenhouses, irrigation wells, pumps, farms, fences and fishing boats;
- Exporting ready-to-go, high-yield products e.g. flowers;
- Investing in next year's crops;
- Scaling up local food industries to reduce dependence on imported products by investing in equipment and increasing access to capital;
- Regulating market supplies and prices, and providing agricultural subsidies;

### Gaza Agricultural Initiative

- This initiative aims to compensate farmers for losses incurred to agricultural assets and infrastructure
- Funds are composed of grants to over 6,500 farmers for their losses to agricultural assets and damage to infrastructure. In addition, loans will be available for expansion, development and operational expenses.
  - An executive board consisting of UNDP, FAO, MoA, PMO, and CSOs will oversee the implementation of this initiative to ensure transparency and efficiency.
- Eligible farmers will receive direct cash payments in stages from local banks according to progress made on reconstruction.
- An estimated \$246 million will be needed to support the grant portion of this initiative.



■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

### Construction and Manufacturing

- Repairing and restoring machinery and factories;
- Rebuilding local manufacturing production;
- Increasing access to finance for businesses through grants and soft loans;
- Reconstruction and revitalization program for and by local companies; and
- Supporting education and training programs to develop a highly-skilled workforce.

The creation of productive employment in the short and medium term will gradually be developed into more long term employment intensive investment programs. In the medium and long term Gaza needs to invest in assets and resources that remain relatively fixed within their borders by promoting innovation and technology-based economic growth. For example, policies that focus on investing in people through education and training to develop a highly-skilled workforce, investing in infrastructure to ease the conduct of commerce, and developing a business climate that encourages investment and fosters the private sector's ability to compete.



## Gaza Private Sector Revitalization Initiative

- The aim of this initiative is to restore the central role of the Palestinian private sector in the Gaza strip economic development through the provision of grants and loans.
- Grants through this initiative will be used to cover the rebuilding/repair costs and business losses of 722 damaged private sector establishments. Loans will be directed towards potential business expansion and covering operating costs.
- Management of this initiative will be carried out through a joint public-private management unit, which will include representatives of private sector organizations. The management unit will develop criteria for evaluating, processing, and approving all applications for funding through this initiative.
- Local banks in Gaza are central to the implementation of this initiative. They will channel all grants, and provide PNA-guaranteed loans to cover business expansion and operating costs.
  - The estimated cost of grant provision of this initiative is \$148 million.





■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

**Table 8: Summary Assessment, Response and Cost for the Economic Sector**

Sector / Subsector	Type of Damage	Early Recovery & Reconstruction Interventions	Estimated Cost of Interventions (millions of US \$)	Total Cost Per Subsector (millions of US \$)
<b>Economic Sector</b>				
<b>Agriculture &amp; Food Security</b>	<ul style="list-style-type: none"> <li>• 33,000 dunums of fruit trees totally destroyed</li> <li>• 14,280 dunums of vegetable crops totally destroyed</li> <li>• 14,650 dunums of field crops totally destroyed</li> <li>• 35,750 cattle, sheep &amp; goats killed</li> <li>• Over 1 million birds &amp; chicken killed</li> <li>• 10,300 beehives destroyed</li> <li>• 78 licensed wells totally destroyed</li> <li>• 2712 dunums of green houses &amp; nurseries totally destroyed</li> <li>• 2020 animal shelters &amp; fisheries destroyed</li> <li>• 14,000 dunums of irrigation networks totally destroyed</li> <li>• 450 plastic &amp; concrete pools totally destroyed</li> <li>• 100 km of agricultural roads destroyed</li> <li>• 200 agricultural stores destroyed</li> <li>• Destruction of agricultural equipment</li> <li>• Severe damages to Ministry of Agriculture infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>• Rehabilitate agricultural lands &amp; irrigation networks</li> <li>• Reconstruct and rehabilitate licensed wells &amp; water pipelines, green houses, nurseries, animal shelters &amp; fisheries</li> <li>• Replenish livestock &amp; beehives</li> <li>• Reconstruct agricultural pools &amp; rehabilitate agricultural roads</li> <li>• Reconstruct &amp; rehabilitate Ministry of Agriculture facilities</li> <li>• Compensate farmers, including agricultural stores, equipment, &amp; marketing infrastructure</li> </ul>	90.386	265.791
			40.932	
			16.941	
			3.450	
			20.000	
<b>Industry &amp; Other Private Sector Establishments</b>	<ul style="list-style-type: none"> <li>• 269 totally destroyed establishments in industrial, commercial &amp; service sectors</li> <li>• 432 partially destroyed establishments in industrial, commercial &amp; service sectors</li> <li>• 21 severely damaged guest houses, hotels, restaurants &amp; tourist facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate industrial, commercial &amp; service establishments, including restoration of their service capacity</li> <li>• Reconstruct &amp; rehabilitate tourist facilities</li> <li>• Provide soft loans and compensation fund for private sector enterprises</li> </ul>	70.000	146.413
			6.413	
			70.000	
<b>Economic Sector Cost (Subtotal)</b>				<b>412.204</b>



## 4. Governance

**The key focus in restoring governance includes:**

- Rehabilitating Local Government Units (LGUs) and restoring their service delivery capacity;
- Strengthening civil society organizations and facilitating coordination amongst stakeholders;
- Strengthening capacities of public institutions and courts;
- Supporting governance institutions to enable them to facilitate early recovery interventions, including defining roles and responsibilities; and
- Re-establishing a professional civil police force capable of providing security for Gaza's civilian population.

It is worth noting that support to LGUs has continued through various programs as part of the PRDP, and this would be able to be restarted, through mechanisms such as the Municipal Development and Lending Fund, where it left off when was forced to halt by the Israeli assault.





■ SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

**Table 9: Summary Assessment, Response and Cost for Governance Sector**

Sector / Subsector	Type of Damage	Early Recovery & Reconstruction Interventions	Estimated Cost of Interventions (millions of US \$)	Total Cost Per Subsector (millions of US \$)
<b>Governance Sector</b>				
<b>Local Authorities &amp; Public Administration</b>	<ul style="list-style-type: none"> <li>• 14 totally &amp; partially destroyed municipal buildings</li> <li>• 16 totally &amp; partially destroyed municipal facilities &amp; commercial markets</li> <li>• Severe damage to the Ministry Complex</li> <li>• Severe damage to the:               <ul style="list-style-type: none"> <li>- Palestinian Legislative Council</li> <li>- Ministry of Interior</li> <li>- Ministry of Justice</li> <li>- Ministry of Civil Affairs</li> <li>- Rafah Governorate buildings &amp; facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate municipal buildings, facilities &amp; commercial markets</li> <li>• Rehabilitate &amp; restore ministerial buildings</li> </ul>	<p>5.592</p> <p>19.830</p>	25.422
<b>Civil Society &amp; Community Based Organizations</b>	<ul style="list-style-type: none"> <li>• 2 totally destroyed NGO facilities</li> <li>• 5 partially destroyed NGO facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate NGO facilities</li> </ul>	1.000	1.000
<b>Safety &amp; Security Including Civil Defense</b>	<ul style="list-style-type: none"> <li>• 58 totally destroyed PNA security facilities</li> <li>• 6 partially destroyed PNA security facilities</li> <li>• 7 totally destroyed PNA Civil Defense facilities</li> <li>• 3 partially destroyed PNA Civil Defense facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Reconstruct &amp; rehabilitate PNA security &amp; civil defense facilities</li> </ul>	41.271	41.271
<b>Governance Sector Cost (Subtotal)</b>				<b>67.693</b>



## 5. Natural Resources and the Environment

### Priority interventions include:

- Monitoring the water supply and water resources for microbiological, chemical and physical pollutants;
- Disinfecting the water supply and taking necessary measures to protect public health;
- Taking immediate measures to remove the accumulated solid waste from residential areas and random dumping sites and improve capacities within service providers;
- Decontaminating and restoring the agricultural fields which were affected and polluted;
- Removing rubble. In this respect, it is vital to establish a public information program warning people of the dangers of handling asbestos material contained in rubble, to develop a screening exercise to manually remove all asbestos from the rubble prior to crushing, and to identify and construct temporary storage facilities for asbestos waste;
- Clearing suspected hazardous infrastructure/areas containing Explosive Remnants of War (ERW);
- Building capacities on ways to deal with ERW;
- Deploying EOD Teams and technicians to clear the ERW and training Rubble Removal Program Personnel;
- Conducting ERW Risk Reduction Education Campaigns and publishing related awareness and educational materials; and
- Improving capacities for Hazardous Health Care Waste management through conducting needs assessments, developing guidelines and manuals, procuring equipment, and training health care and municipal staff.





SECTION C: EARLY RECOVERY AND RECONSTRUCTION INTERVENTIONS

**Table 10: Summary Assessment, Response and Cost for the Natural Resources and the Environment Sector**

Sector / Subsector	Type of Damage	Early Recovery & Reconstruction Interventions	Estimated Cost of Interventions (millions of US \$)	Total Cost Per Subsector (millions of US \$)
<b>Natural Resources &amp; the Environment</b>				
<b>Water Quality</b>	<ul style="list-style-type: none"> <li>Contamination of wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Provide emergency monitoring of the quality of water resources &amp; supplies for affected areas in the Gaza Strip</li> </ul>	0.400	15.400
		<ul style="list-style-type: none"> <li>Construct wastewater Treatment Plant in Khan Younis City</li> </ul>	15.000	
<b>Air pollution</b>	<ul style="list-style-type: none"> <li>Air pollution</li> </ul>	<ul style="list-style-type: none"> <li>Build the capacities of EQA &amp; the metrological stations in Gaza to monitor air pollution &amp; provide the necessary equipment to decontaminate air pollution</li> </ul>	0.500	0.500
<b>Land, soil and biodiversity</b>	<ul style="list-style-type: none"> <li>Flooding and</li> <li>Contamination with wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Decontaminate &amp; restore affected agricultural areas</li> </ul>	0.330	0.330
<b>Solid waste management</b>	<ul style="list-style-type: none"> <li>600,000 tons of rubble</li> <li>Accumulation of solid waste &amp; destruction of SWM equipment</li> <li>Landfills reached maximum capacity</li> <li>Accumulation of huge amounts of medical waste with very poor capacity to manage it</li> </ul>	<ul style="list-style-type: none"> <li>Remove the rubble &amp; support solid waste service councils &amp; local authorities to enhance &amp; maintain solid waste management</li> </ul>	6.000	13.000 Flash Appeal covers additional (\$26.750)
		<ul style="list-style-type: none"> <li>Decontaminate medical waste &amp; support health care facilities &amp; service providers to improve management of health care waste in Gaza</li> </ul>	3.000	
		<ul style="list-style-type: none"> <li>Expand and rehabilitate existing landfills</li> </ul>	4.000	
<b>Natural Resources and the Environment Sector Cost (Subtotal)</b>				<b>29,230,000</b>

## SECTION D: BUDGET SUPPORT

In 2008 the PNA spent over \$2.8 billion in disbursements for the wage bill, non-wage bill items and net lending expenditures. The international community contributed over \$1.7 billion to budget support in 2008, which enabled the PNA to meet its responsibilities within the Occupied Palestinian Territory and provide basic services to Palestinians residing within the West Bank and Gaza.

Over half of this recurrent expenditure was made directly to Gaza in the form of payments of salaries for public-sector workers; coverage of non-wage bill items like health referrals, medical supplies, and social assistance to social hardship cases and thousands of pensioners; and coverage of net lending expenses incurred due to non-payment of electricity, water and service bills by Gaza residents. This meant over \$1.44 billion was disbursed to Gaza in 2008, which acted as a lifeline during the protracted siege.

The PNA has recently passed its 2009 budget, which anticipates over \$2.78 billion in recurrent expenditure. While most of this will be financed by domestic revenues, \$1.15 billion will be needed from the donor community to cover the recurrent deficit and enable the PNA to keep providing services to its citizens (see Table 11). Over \$1.4 billion was again projected to be disbursed in Gaza, but the budget was prepared prior to the Israeli bombardment and invasion.

For 2009, \$300 million in supplementary emergency budget support is urgently needed to address additional costs for emergency shelter (\$70 million), health referrals, social transfers, and the cost of fuel, industrial diesel and electricity bill payments.

This emergency recurrent expenditure, in addition to the existing requirement for budget support, is vital for the successful recovery and reconstruction effort in Gaza. Teachers and doctors must continue to be paid, social hardship cases supported, and electricity purchased. We are therefore urging donors to provide budget support of \$1.45 billion for 2009 alongside their funding for the specific interventions set out in the Gaza plan





Table 11: PNA Budget for 2009<sup>29</sup>

	2007 (Actual)	2008 (Budget)	2008 (Actual)	2009 (Budget)
<b>Net Revenue</b>	1,272	1,632	1,568	1,630
<b>Domestic</b>	<b>401</b>	<b>564</b>	<b>562</b>	<b>625</b>
- Tax	202	253	273	273
- Non- Tax	122	166	234	253
- Dividends <sup>(2)</sup>	78	146	55	100
<b>Clearance</b>	<b>896</b>	<b>1,087</b>	<b>1,122</b>	<b>1,123</b>
<b>Tax Refund</b>	<b>25</b>	<b>20</b>	<b>116</b>	<b>118</b>
- VAT	25	20	47	53
- Petroleum	0	0	69	65
<b>Expenditures</b>	<b>2,543</b>	<b>2,845</b>	<b>2,825</b>	<b>2,780</b>
<b>Wages</b>	<b>1,283</b>	<b>1,481</b>	<b>1,453</b>	<b>1,410</b>
<b>% of GDP</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	<b>22%</b>
<b>Non- wages</b>	<b>725</b>	<b>964</b>	<b>925</b>	<b>990</b>
- Operations	239	399	291	432
- Transfers	486	565	634	558
<b>Net lending</b>	<b>535</b>	<b>400</b>	<b>447</b>	<b>380</b>
<b>Rec. Deficit</b>	<b>-1,271</b>	<b>-1,213</b>	<b>-1,257</b>	<b>-1,150</b>
<b>% GDP</b>	<b>25%</b>	<b>20%</b>	<b>20%</b>	<b>18%</b>
<b>Dev. Expenditure</b>	<b>131</b>	<b>492</b>	<b>250</b>	<b>503</b>
<b>Repayment of arrears (net)</b>	<b>-23</b>	<b>-217</b>	<b>-387</b>	<b>0</b>
<b>Total Deficit</b>	<b>-1,426</b>	<b>-1,922</b>	<b>-1,894</b>	<b>-1,653</b>
<b>% of GDP</b>	<b>28%</b>	<b>32%</b>	<b>29%</b>	<b>26%</b>
<b>Financing</b>	<b>1,426</b>	<b>1,922</b>	<b>1,894</b>	<b>1,653</b>
- Budget Support	1,011	1,634	1,763	1,150
- Develop. Finan.	100	492	250	503
- Clearance Revenue released from past collections	421		15	
<b>Bank Financing</b>	<b>-106</b>	<b>-204</b>	<b>-134</b>	
<b>GDP</b>	<b>5,070</b>	<b>6,088</b>	<b>6,425</b>	<b>6,303</b>

All figures are in millions of US \$

<sup>29</sup> The 2009 Budget Law was prepared before the Israeli military offensive. As a result, it does not include the supplementary emergency budget support