

# The Politics of Rebuilding Gaza

by [Neri Zilber \(/experts/neri-zilber\)](/experts/neri-zilber)

Sep 16, 2014

## ABOUT THE AUTHORS



[Neri Zilber \(/experts/neri-zilber\)](/experts/neri-zilber)

Neri Zilber, a journalist and analyst on Middle East politics and culture, is an adjunct fellow of The Washington Institute.



Brief Analysis

---

**Calculating the actual costs of reconstruction is important, but the most crucial question is whether the PA is truly ready to supplant Hamas and assume effective control over Gaza.**

**W**ith the August 26 ceasefire between Israel and Hamas holding for now, attention is shifting to the reconstruction and development of Gaza. Humanitarian, economic, and social conditions were extremely difficult there even prior to the recent hostilities, and the Palestinian Authority has appealed for international assistance to the battered territory. Officials from donor nations are set to meet twice over the coming weeks: on the sidelines of the UN General Assembly in New York on September 22, and at a special donor's conference in Cairo on October 12.

These meetings should cover not only the specific amount of aid required, but also the mechanisms through which it will be distributed and used. As was the case after previous crises in Gaza, Hamas control over the territory remains the biggest obstacle to large-scale international assistance. Whether the group is now serious about relinquishing effective control there is an open question. Regardless of the answer, it is imperative that the international community -- along with Egyptian, Israeli, and PA officials -- continue to assert that the PA government is the only legitimate go-between for the massive assistance now mooted.

## ROUNDS OF FIGHTING AND FUNDRAISING

**T**he latest war was the third round of escalated hostilities between Israel and Hamas in the past six years. With respect to reconstruction, the latest round could follow in the footsteps of Operation Cast Lead (2008-2009). In March 2009, international donors held a large postwar conference under Egyptian and Norwegian auspices in the Egyptian resort town of Sharm al-Sheikh. Ninety countries and NGOs participated, and approximately \$4.7 billion was pledged, including \$1.6 billion for Gaza (the rest was for overall Palestinian economic development and PA support). The largest pledges came from Saudi Arabia (\$1 billion), the United States (\$900 million), and Denmark

(\$220 million of the total \$1.25 billion pledged by Europe).

The Sharm conference exceeded the expectations detailed in a postwar PA report titled "The Palestinian National Early Recovery and Reconstruction Plan for Gaza" (PNERRP), which had set out a target of \$2.7 billion, half of which would be directed to Gaza. Similar to subsequent reports, the PNERRP laid out a comprehensive plan divided into sectors: infrastructure (including housing, energy, and transportation); agriculture and private industry; social protection (including education and health); governance; and natural resources. Javier Solana, the EU's foreign policy chief at the time, gave his "wholehearted" support to the PNERRP plan and stated that the international community should "rally behind it and empower the [PA] to lead the reconstruction effort."

Yet despite the donors' best intentions and Gaza's clear need for an assistance program, most of the pledges failed to materialize for political and security reasons -- most of them stemming from Hamas's continued rule over the territory, in place since its 2007 coup against the PA. As UN secretary-general Ban Ki-moon put it on March 2, 2009, "Our first and indispensable goal...is open crossings. By the same token, however, it is therefore essential to ensure that illegal weapons do not enter Gaza."

Notwithstanding today's similar political and security obstacles, the major difference between then and now is arguably the status of the vast underground network of smuggling tunnels connecting Gaza to the Sinai Peninsula. As a 2010 "Year After" report by the UN Development Programme noted, Gaza's modest economic recovery at the time was due in large part to "the growing tunnel trade between Egypt and Gaza and the importation of needed materials." Over the past year, however, the Egyptian military has cracked down on the tunnels to the point where "Gaza's lifeline" (as the 2010 report described the underground network) is largely nonoperational.

## SCALE OF THE TASK AHEAD

**T**he resources requested to reconstruct Gaza at present are, not surprisingly, an order of magnitude greater than what was requested in years past. The infrastructure damage from the latest round of fighting alone is significant: according to initial Palestinian and UN assessments, the tally includes up to 20,000 housing units destroyed and another 40,000 damaged; 15 of Gaza's 32 hospitals damaged with 9 still closed; significant damage to one turbine and the fuel tanks of the territory's sole power plant; 360 factories damaged with 126 completely destroyed; 22 schools destroyed and an estimated 188 damaged; and 35,000 dunams of agricultural land affected. In humanitarian terms, 100,000 of Gaza's 1.8 million residents are still internally displaced, 40 percent lack access to running water, and blackouts now average eighteen hours per day. These problems have exacerbated the difficult conditions the territory faced before the war -- according to foreign aid workers and senior Israeli army officers, Gaza's energy, water, and sanitation infrastructure were already facing collapse, unemployment was inching toward 50 percent, and two-thirds of the population was receiving some form of humanitarian aid.

The Palestinian Economic Council for Development and Reconstruction (PECDAR), a PA body based in Ramallah, recently publicized a 200-page report compiled after the fighting, which concluded that reconstruction would cost \$7.8 billion. This figure includes an estimated \$450 million for immediate humanitarian relief (e.g., food, medicine, generators, mobile homes) as well as \$3 billion in longer-term development assistance for projects that are unlikely to materialize in the foreseeable future (e.g., an airport and seaport). The remaining \$4.4 billion is earmarked for reconstruction, differentiated between "direct" damage caused by the war (e.g., up to \$1.7 billion in residential and infrastructure rebuilding costs) and a more amorphous "indirect damage" price tag of \$2 billion.

As is often the case with requests to donors -- certainly not just in the Palestinian context -- these amounts are likely inflated or simply a conflation between reconstruction costs and longer-term development projects. It is also unclear whether the figures take into account the higher costs of an expansive inspection program for potential dual-use items entering Gaza. For example, one press account noted that the PECDAR report pegged the rebuilding of Gaza's

energy sector at \$250 million, but an independent Palestinian research institute estimated the cost at approximately \$45 million. The PECDAR study was reportedly compiled by three separate teams focusing on urgent humanitarian assistance, rebuilding costs, and future development needs, respectively. Such an approach is useful because donor organizations usually tap into different funds for each of these objectives.

In addition, the role of the private sector needs to be a major discussion point for any postwar framework. As UN Special Coordinator for the Middle East Peace Process Robert Serry stated last month, making Gaza viable in the long term will require a UN-assisted, "PA-led, private-sector-driven reconstruction program."

## HAMAS VS. FATAH REDUX

If the assistance effort is to move beyond the initial humanitarian relief phase -- and if the people of Gaza are to break the tragic cycle of wars and reconstruction -- the PA and international donors will need to address the overarching obstacle of continued Hamas control over the Strip. The sine qua non for any sustainable reconstruction program is reopening Gaza's border crossings to facilitate large-scale importation of construction materials and goods. Yet the security concerns raised by the UN secretary-general in 2009 regarding weapons smuggling still remain, in addition to the threat of Hamas diverting dual-use items for tunnel building, rocket manufacturing, and other military purposes. Before the crossings can be opened, a strict inspection and end-use verification system needs to be established at the borders and within Gaza under joint PA and UN auspices, with input from Israel and Egypt.

More fundamentally, Gaza's various ministries, government bureaucracies, and public security forces need to be shifted from the nominally dissolved Hamas government to the PA. The Hamas-Fatah reconciliation agreement signed in April called for just such a move, but it has not yet taken place. Most international donors cannot legally work with a designated terrorist group such as Hamas, so there is a practical need to have the PA act as the go-between for reconstruction. But almost as important is the internal Palestinian political context. Hamas cannot be seen as the provider of this aid -- rejectionism and war should not be rewarded with billions of dollars in international assistance. The past week has seen recriminations between Fatah leaders (who run the West Bank-based PA) and Hamas officials over control of Gaza. PA president Mahmoud Abbas accused Hamas of running a "shadow government" in the territory, stating that the PA "must be unified and operate within the framework of one regime, even in the Strip."

Against this backdrop, the meeting of the Ad Hoc Liaison Committee (the permanent donor coordinating body for the PA) at the UN General Assembly and the subsequent donor conference in Cairo will give the PA and its partners an opportunity to draw up the mechanisms for assisting Gaza. In particular, the PA will need to clarify its plans for reasserting control over Gaza's government bureaucracies and border crossings. As stated above, in addition to coordinating financial, development, and security assistance, international donors must publicly uphold the principle that the PA is the only legitimate go-between for such assistance. In practical terms, this should also mean agreement by all relevant parties on what steps will be taken if Hamas attempts to cheat the inspection system or undermine the postwar reconstruction regime in other ways. In short, the real battle between Hamas and Fatah for the future of Gaza continues.

*Neri Zilber, a visiting scholar at The Washington Institute, is a journalist and researcher on Middle East politics and culture. ❖*



ARTICLES & TESTIMONY

## [How to Make Russia Pay in Ukraine: Study Syria](#)

Feb 15, 2022

◆  
Anna Borshchevskaya

[\(/policy-analysis/how-make-russia-pay-ukraine-study-syria\)](#)



BRIEF ANALYSIS

## [Bennett's Bahrain Visit Further Invigorates Israel-Gulf Diplomacy](#)

Feb 14, 2022

◆  
Simon Henderson

[\(/policy-analysis/bennetts-bahrain-visit-further-invigorates-israel-gulf-diplomacy\)](#)



BRIEF ANALYSIS

## [Libya's Renewed Legitimacy Crisis](#)

Feb 14, 2022

◆  
Ben Fishman

[\(/policy-analysis/libyas-renewed-legitimacy-crisis\)](#)

### TOPICS

[Arab & Islamic Politics \(/policy-analysis/arab-islamic-politics\)](#)

[Arab-Israeli Relations \(/policy-analysis/arab-israeli-relations\)](#)

[Democracy & Reform \(/policy-analysis/democracy-reform\)](#)

[Energy & Economics \(/policy-analysis/energy-economics\)](#)

[Peace Process \(/policy-analysis/peace-process\)](#)

## REGIONS & COUNTRIES

[Palestinians \(/policy-analysis/palestinians\)](#)