## UNRWA Emergency Appeal 2008

Executive Summary

Palestinians in the Gaza Strip and West Bank are living in conditions of severe hardship and social distress. A protracted socio-economic crisis, characterised by draconian restrictions on Palestinian movement and the repeated destruction of physical assets, has seen major increases in poverty and joblessness over the past seven years as household incomes have plummeted. Since the start of the Intifada in September 2000, the number of Palestinians below the poverty line has more than doubled; unemployment rates in the occupied Palestinian territory (oPt) have increased by a similar margin and are now amongst the highest in the world.

Following Hamas' success in the Palestinian Legislative Council (PLC) elections of January 2006 the crisis entered a new phase. As a result of the impounding of Palestinian tax and VAT revenues by the Government of Israel (GoI) and the donor boycott of the Palestinian Authority (PA), a quarter of the population was deprived of its main source of income. The Palestinian economy shrunk by 7 – 10 percent in 2006, whilst dependency on aid handouts reached unprecedented levels. Public sector service provision was also curtailed, as a result of strikes by employees and major cuts in resources, which prompted spikes in demand at UNRWA health facilities. Alongside continuing Israeli-Palestinian violence, this period also witnessed unprecedented levels of internal Palestinian conflict. The Gaza Strip, which faced large-scale and sustained Israeli military operations and was the scene of violent clashes between rival factions in the first half of 2007, was worst affected.

The lifting of the international embargo on the PA in the middle of 2007, following Hamas' ousting from the PA after its security forces seized power in Gaza, has relieved some of the pressure. Most importantly, it has allowed the resumption of full salary payments to public sector workers. However, it has been accompanied by a major intensification of the Israeli siege on the 1.5 million residents of Gaza. Since the middle of June, Gaza's main terminals for movement of people and goods have been closed, and tight restrictions placed on the passage of all non-humanitarian goods through alternative, underequipped crossing points. A range of basic commodities are currently either unaffordable or unavailable, whilst there are also reported shortages of certain medicines and supplies at hospitals and health clinics.

Closures are wreaking structural and potentially irrevocable damage on an inchoate private sector, with the Palestinian Federation of Industries recently reporting the closure of 95 percent of Gaza's factories and warning that entire sectors could collapse. UNRWA infrastructure projects valued at \$93m have been halted due to a lack of raw materials; under current conditions there is no scope for the resumption of these projects.

The GoI has also recently begun to reduce the supply of electricity and fuel to the civilian population of Gaza as part of a package of increased economic sanctions, despite warnings that such a step would be contrary to its obligations under international law.

In the West Bank, the continued construction of the Barrier and its associated regime is creating further territorial fragmentation. Recent months have seen an increase in the number of movement restrictions, whilst opportunities for rehabilitation and growth are being undermined by the ongoing razing of Palestinian land and the continued issuing of requisition and confiscation orders for Palestinian property. The GoI has recently announced a series of access restrictions which could have major implications on UNRWA's operations, increasing costs and reducing the Agency's ability to meet the needs of isolated communities.

Palestine refugees, who constitute over 40 percent of the total population of the oPt, are amongst those worst affected by the protracted emergency. They continue to endure far higher levels of poverty and unemployment than non-refugee Palestinians - in large measure due to their concentration in Gaza - and typically have fewer resources and assets to draw on in times of crisis. In light of sharply deteriorating conditions in Gaza and continued vulnerability in the West Bank, in particular for families most affected by Barrier- and accessrelated restrictions, UNRWA is launching a new appeal for humanitarian assistance in 2008. Interventions are designed to: (i) mitigate the worst impact of the crisis on refugees, through social safety net support for the most vulnerable; (ii) guarantee that access to basic services is not compromised and; (iii) respond to the impact of conflict- and non-conflict related violence. Special capacity components will ensure efficient and responsive service delivery and to support emergency programme development, in line with UNRWA's broader Organisational Development Plan.

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