



## Executive Summary

More than a year after Israel ceased its military operations against the Gaza Strip, and despite intensive efforts to initiate recovery, three quarters of the damage inflicted on buildings and infrastructure remains unrepaired and unreconstructed. Around USD 527 million are required to just return the Gaza Strip to the state it was in on December 26, 2008, on the eve of the 23-day conflict. This represents a fraction of the total needs required to "build back better", that is to ensure that Gazans achieve a measure of well being that extends beyond the levels of 2008, through large scale construction to address population growth, maintenance and repair to reverse the degradation of public and private infrastructure which has occurred under the blockade of the Gaza Strip.

"Operation Cast Lead", as the Israeli army called its campaign against the Gaza Strip, constituted one of the most violent episodes in the recent history of the occupied Palestinian territory<sup>1</sup>. The Palestinian Centre for Human Rights estimates that 1,417<sup>2</sup> Palestinians were killed, 313 of whom were children, 116 women and 988 men. More than 5,380 were injured, of whom 1,872 were children, 800 were women and 2,520 were men<sup>3</sup>. Between 40-70% of the wounded suffered severe traumatic injuries, and eleven percent among the injured have become permanently disabled.<sup>4</sup> At least 6,268 homes were destroyed or severely damaged. The civilian population suffered further from damage to electricity, water and sewage systems. Military operations also caused substantial damage to schools, universities, hospitals, health centers, businesses, factories and farmland and public governance facilities, including presidential, parliamentary, ministerial, rule of law, civil society, and local administration buildings and archives, destroying an already weakened institutional capacity.

### The Blockade

The 23-day campaign against the Gaza Strip was the latest in a series of control measures taken by Israel which have intensified since 2000. On June 14, 2007, Israel banned the export of all goods from the Gaza Strip and the importation of anything except what the Israeli government labelled as "humanitarian" into Gaza. The blockade resulted in the closure of most of the manufacturing industry, which was deprived of materials and export markets, and led to a surge in unemployment which currently stands at 40%. John Holmes, the United Nations Emergency Relief Co-ordinator, described the blockade as "collective punishment" of the civilian population of the Gaza Strip. The blockade has created shortages in a number of critical items and constrained the rights of Gazans to education, health, shelter, culture, personal development and work.

### Obstacle to Reconstruction

The blockade has been a major obstacle to repairing the damage done by Israeli air attacks and destruction. Nearly none of the 3,425 homes destroyed during Cast Lead have been reconstructed, displacing around 20,000 people. Only 17.5% of the value of the damages to educational facilities has been repaired, putting extra strain on Gaza's already stressed education system where schools have been teaching two shifts of pupils per day for decades.

Repairs of infrastructure have also been held back. Only half of the damage to the power network has been repaired, which continues to contribute to significant electricity cuts; no repair has been made to the transport infrastructure. In the economic sector, a quarter of damaged farmland has been rehabilitated and only 40% of private businesses have been repaired. The fishing industry has been almost completely destroyed by ongoing Israeli restrictions on fishing limits.

A closer look reveals that the infrastructure which remains unrepaired is often that which is most essential to the basic needs and well-being of the Gaza population. The repair of the severely damaged Al-Wafa and Al-Quds Hospitals has been delayed by the lack of materials, with work on the latter only starting in February 2010. USD 21,541,460 worth of repairs is still needed to rehabilitate universities

and two fully destroyed private schools, including the American School of Gaza. Most of the damaged agriculture infrastructure, including poultry and livestock farms, greenhouses, storage facilities and irrigation infrastructure, worth USD 40 million, has not been repaired and USD 30 million worth of orchards still need to be replanted.

## International Mobilization for Gaza

International mobilization for the reconstruction of Gaza began shortly after the end of operation "Cast Lead". Based on a damage and needs assessment spearheaded by the UN in collaboration with local authority counterparts and national NGOs, the Palestinian National Authority put forward the Palestinian National Early Recovery and Reconstruction Plan for Gaza (PNERRP) at the Sharm El-Sheikh Donor Conference of 2 March 2009. More than USD 1.3 billion was pledged by international donors in support of the plan. More than a year after the Sharm El-Sheikh Conference, few of these pledges have materialized, and Gaza's reconstruction continues to be hampered by Israel's blockade and by internal Palestinian divisions.

Continued calls have been made by donors, the Quartet, UN agencies, scholars and international NGOs for Israel to lift or at least ease the current blockade on Gaza. Despite these efforts, little progress has been recorded. A recent Quartet declaration welcomed Israel's move to allow more goods into Gaza but the quantity and relevance of the goods permitted does not address the nature and scale of the needs.

## Gaza's Lifeline – The Tunnel Economy

To circumvent the blockade and acquire goods for a dignified life, Gazans have begun to rely on old and new tunnels that cross from Rafah into Egypt. Gaza's tunnel economy has been ongoing for more than 15 years and has always been driven by commercial imperatives and the shortage of goods in Gaza. Before disengagement in 2005, the Israeli army waged a constant battle to suppress tunneling. The army flooded the border area, created mini-earthquakes with explosives and conducted house to house searches. Each time they blocked a tunnel, the operators would dig another one to bypass the blockage and re-connect with the main shaft. In 2007, tunneling switched from being a secretive enterprise to one conducted in the open, with hundreds of tunnels being constructed beneath the border watch towers.

The tunnels range from basic to sophisticated and are used to bring in anything from Arabian horses to cars as well as basic commodities that have been restricted by Israel. Evidence of the tunnel economy can be seen in the existence in Gaza of Egyptian Coca Cola and cigarettes, Chinese motorbikes, fuel, building materials and prescription drugs.

## Gaza One Year After

Despite the blockade, and although reconstruction needs remain considerable, a combination of foreign aid and Gazan ingenuity has allowed some of the war damage to be repaired. Organisations and individuals have combined recycled and smuggled materials to repair their homes, businesses and facilities. While UN agencies have refrained from carrying out projects using materials coming from the tunnels, others have bought reconstruction materials on the open market, regardless of their origin.

In testimony to what Gazans prioritize, most damaged health facilities have been repaired including 33 out of 40 primary health care centres. Ten out of 12 hospitals were fixed, while repairs are underway for the remaining 2, despite the shortage of building materials. In addition, around 78% of water and sanitation facilities have been repaired, excluding house connections of destroyed houses and the Jabalia reservoir. In some areas, rehabilitation work has improved services, such as the provision of drinking water.

While it has been so far nearly impossible to reconstruct destroyed houses, 75.6% of the households with damages in their houses have implemented repairs, partially (41%) or totally (34.6%), often (but not always) using the compensation funds provided by UNRWA and UNDP, for up to 60% of the value of their damages. Reconstruction of houses is planned by a number of actors to begin in 2010. In addition, a majority (54%) of the damaged and destroyed industrial establishments have been reconstructed and nearly all of those (97%) have resumed operations, albeit in many cases at reduced capacity.

Reports however show that in 2009, Gaza experienced a degree of economic recovery, demonstrated by a decrease in unemployment and an increase in the number of operating industrial facilities. While the current levels of donor aid and public sector expansion account for a considerable part of these improvements (the UNRWA job creation programme accounted for the equivalent of 9,600 full-time jobs in 2009) the growing tunnel trade between Egypt and Gaza and the importation through the tunnels of needed materials have enabled this assistance to translate into some degree of recovery.

However, the sustainability of this limited recovery is questionable. First, despite improvements in the number of employed people, the purchasing power of people has continued to decline, and unemployment rates in Gaza remain among the highest in the world. In addition, more than half of the interventions implemented in 2009 were externally funded cash-based interventions: USD 53,617,888 was provided in cash assistance for the most deprived sections of society, USD 74,959,562 in cash assistance and compensation schemes<sup>5</sup> for households with destroyed and damaged houses, and USD 62,924,920 for livelihoods interventions that consisted mainly of short-term employment schemes and emergency input-driven support to backyard farming. The Gazan economy is also supported by food assistance provided by WFP and UNRWA and the wages of 62,000 public employees on the Palestinian Authority payroll which is partially funded by the European Union.

## Gaza Recovery's Actors

The report shows that Gaza's - limited - recovery is to be attributed first and foremost to the resilience and creativity of Gazans. Although the report could not study, in depth, the various coping strategies developed, and mostly records the donor-funded recovery, the mere fact that recovery could happen despite the current blockade is telling. Over the past years, Gazans have maximized the use of locally available resources. Local solutions were developed to cope with the absence of pesticides. Agricultural roads were repaired with the rubble of destroyed houses. The restarting of the construction sector was prompted by the recycling of crushed rubble mixed with cement imported from tunnels. Most of the repairs to the damaged water and sanitation infrastructure were implemented by the Coastal Municipal Water Utility immediately after the cessation of hostilities. The Palestinian electricity and telecommunications companies, GEDCO, Paltel and Jawwal performed most of their repairs using available spare parts and using imaginative and unorthodox solutions. Alternative construction technologies, such as Compressed Earth Block technology, are also being explored by UNRWA and UN Habitat, to build houses despite the Israeli blockade on construction materials<sup>6</sup>.

Evidence also shows that, irrespective of the resources available, Gazans prioritized repairs. Most private schools were rehabilitated through private donations. Moreover, a UNDP survey shows that similar levels of repairs were recorded in houses for which households had received compensation and in houses for which no compensation was received. The restoration of damaged and destroyed industrial establishments is another tribute to Gazans' resilience: with no external support received, 54% of the damaged and destroyed facilities were repaired and 97% of them were able to resume operations.

The report also highlights that Gaza's recovery efforts benefited from greater support from Arab donors and Islamic international NGOs and organizations than from traditional donors, United Nations organizations and Western international NGOs. The repair of hospitals, clinics, schools, universities, the rehabilitation of damaged agricultural infrastructure and the emergency repair and reconstruction of houses was essentially performed with support from Arab funding and by NGOs and organizations such as Islamic Relief, Qatar Red Crescent, Qatar Charity, Human Appeal International, Al-Rahma Charity Association, Mercy Malaysia, and Muslim Hands. UN agencies, traditional donors and Western NGOs have tended to emphasise input-driven emergency relief and cash-based programmes over structural rehabilitation works that the Israeli-imposed embargo on the Gaza Strip aims at preventing.

Overall, USD 173,303,921 worth of repairs were implemented in 2009, and USD 154,819,045 of cash-based and other programming interventions was provided to alleviate suffering and enable recovery.

## Methodology

This report was prepared by UNDP, as Early Recovery Cluster Lead, in partnership with the Gaza-based Engineering and Management Consulting Center (EMCC). The objective of the report is to update the Gaza recovery and reconstruction needs highlighted in the Palestinian National Early Recovery and Reconstruction Plan for Gaza (PNERRP) prepared by the Palestinian Authority with support from UNDP and in coordination with UN agencies, the EC, the World Bank and civil society organizations. This research has been conducted to inform policy-makers, donors and the general public on the current situation in the Gaza Strip for programming and strategic planning, as well as monitoring and evaluation purposes.

The report therefore follows, to a great extent, the structure of the PNERRP and focuses mainly, as the PNERRP did, on infrastructural damages. While this may be perceived as a shortcoming, it reflects a conscious decision that was made in order to be able to measure change against a set baseline. The report reflects interventions that were implemented in Gaza up to January 2010.

The report was prepared based on extensive consultations with a range of stakeholders, including technical counterparts of local authorities, UN agencies, international and national NGOs, Clusters and sector working groups, researchers and academics. Data was collected by UNDP and EMCC and cross-correlated with several sources.

The information presented in this report does not pretend to be exhaustive. In some instances, complete data on achievements and outstanding requirements was lacking. The report highlights such gaps, in which case best efforts have been made to clarify the assumptions made and the methodology used to infer actual needs on the ground.

## End Notes

<sup>1</sup> OCHA. "Locked In: The humanitarian impact of two years of blockade on the Gaza Strip," August 2009.

<sup>2</sup> Based on the cross checking of multiple fatality lists, OCHA has identified the records of 1,383 Palestinians whose death was confirmed by at least two independent sources. See "Locked In," pg. 12.

<sup>3</sup> From the end of the incursion until December 2nd 2009, one female and two male children, and forty-nine adult male Palestinians had been killed in Gaza, while 121 others were injured by Israeli Security Force (ISF) actions. (see OCHA <http://www.ochaopt.org/poc/>).

<sup>4</sup> Handicap International's database records 1,011 people as permanently disabled. Handicap International, Need Assessment Framework (NAF) Disability Sector (including Older Persons), April 2010.

<sup>5</sup> Out of USD 74,959,562, USD 51,133,370 worth of repairs were implemented by house owners. This was reflected in table 41 as the value of the housing interventions in 2009 and was deducted from the total value of the compensations in table 42 to avoid double accounting.

<sup>6</sup> So far, 9 CEB houses have been built, and 200 are being planned with 30 currently being tendered.

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