THE THOUSANDTH CUT

ELIMINATING U.S. HUMANITARIAN ASSISTANCE TO GAZA

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FIELD REPORT | NOVEMBER 2018
Cover Photo: Palestinian men walk in front of a mural painted on a wall of the headquarters of the United Nations Relief and Works Agency (UNRWA) in Gaza City on October 2, 2018, closed in protest against job cuts announced by the UNRWA. (SAID KHATIB/AFP/Getty Images)
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SUMMARY

In August 2018, the Trump administration slashed more than half a billion dollars in U.S. assistance to Palestinians. Its first target was the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), the main provider of relief, development, and protection services for Palestinians in need across the region. The administration also ended bilateral humanitarian and development assistance for Palestinians in the West Bank and Gaza. The impact of these cuts will be significant, especially in Gaza, where the population largely relies on the UN for basic services, and humanitarian indicators have been in steep decline for months.

The Trump administration cut aid to the Palestinians in an effort to bring pressure to bear on the Palestinian leadership to re-engage in a faltering peace process with Israel. In doing so, it explicitly broke with decades of bipartisan consensus on an important principle of U.S. foreign policy—that humanitarian aid should be provided on the basis of need, not politics. This principle has been defended by the United States on many occasions, including in the multilateral “Good Humanitarian Donorship Principles” first endorsed by the administration of George W. Bush. To be sure, application of this principle by the United States has been imperfect over time. But by so clearly and vocally politicizing relief in this case, President Trump has raised concerns that all U.S. humanitarian assistance is now potentially subject to this kind of political conditional.

Humanitarian assistance is of course voluntary, but when it is provided, it should adhere to the principles (among others) of impartiality and independence—that is, it must be based on need and must be autonomous from U.S. political objectives with respect to Palestinian political leaders. Rescinding such aid based on political factors does violence to these critical principles. It will also have a dramatic and negative impact on Palestinian civilians.

Some in U.S. policymaking circles argue that the situation in Gaza has been so bad for so long that it cannot get any worse. Tragically, this is not the case. This flawed contention is too often followed by a reassurance that Gazans are so resilient that they will get through anything. But the time has come to face facts. In Gaza, conditions are indeed getting worse. The first section of this report will assess this trend and the potential impact of the U.S. aid cuts in key sectors, including food security, health care, education, and livelihoods.

1. UNRWA has five areas of operation where there are significant populations of Palestine refugees: Gaza, Jordan, Lebanon, Syria, and the West Bank.

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The second section explores key historical factors likely to amplify the pain caused by the reduction in funding. Decades of occupation by Israel have left the Occupied Palestinian Territory (OPT)—Gaza and the West Bank, including East Jerusalem—in need of significant international assistance to maintain public services. In addition, for more than a decade, Gaza has been subject to a socio-economic blockade that has exacerbated humanitarian need and impeded economic development. Although food and some medicines can usually get through, commodities like building materials that qualify as dual use items often are prohibited. Today, some 2 million people are effectively trapped in a space of 140 square miles without reliable access to clean water, sufficient food, adequate medical care—including the ability to leave the territory to receive life-saving treatment not available in Gaza—or the ability to make a living. International humanitarian assistance therefore provides Gazans with a lifeline.

On a recent field mission in the region, the Refugees International (RI) team was denied permission to enter Gaza but held interviews from Jerusalem with residents and aid providers in the territory. The team repeatedly heard from those who live and work inside Gaza that conditions impacting social and economic well-being—health, education, employment—are the worst they have ever been. In many cases, these conditions are life-threatening, and experts and others interviewed by RI expect them to degrade further. Most alarmingly, there was general agreement that each time Gaza has been hit by a shock in recent years—be it economic, humanitarian or political—its recovery has been slower and less complete. Put simply, Gaza is losing resilience with each crisis. That loss has led to new lows in living conditions and hope for the future.

3. The term “dual use” refers to items normally civilian in nature but that could possibly be turned to military use. Among them, the government of Israel has indicated “water disinfection materials” and “concrete blocks” may not be brought into Gaza. The full list is available at http://www.cogat.mod.gov.il/en/services/Documents/List%20of%20Dual%20Use%20Items%20Requiring%20Transfer%20License.pdf.
JANUARY 2018

JANUARY 4, 2018: Former spokesperson for Israel Defense Forces (IDF) writes that U.S. withdrawal of UNRWA funding would hurt the most vulnerable Palestinian civilians and decrease Israel’s security.

RECOMMENDATIONS

• The Trump administration must cease using funding for humanitarian programs to Palestinians as political leverage.

• The U.S. government must restore its annual contribution to UNRWA, including the funding withheld in 2018, because urgent humanitarian needs remain and are escalating. The contribution should remain at least at the pre-existing level.

• The U.S. government must restore its bilateral assistance to projects in the OPT, some of which serve critical humanitarian objectives, including the funding withheld in FY2018.

• U.S. congressional appropriators and the relevant subcommittees must restore all humanitarian and development assistance to the OPT, including earmarking funds for OPT projects in the FY2019 budget.

• The government of Israel must allow and facilitate the free flow of people and goods in and out of Gaza, subject to reasonable security restrictions. In particular, patients who need life-saving medical assistance outside of Gaza should be expedited for travel. Traders and day laborers must also be able to leave and enter Gaza to pursue their livelihoods.

• The government of Israel, in conjunction with the Palestinian National Authority (PA), must amend the dual use lists that apply to Gaza so that rebuilding and reconstruction can occur.

• The Gulf countries—particularly those that have been supportive of addressing humanitarian needs in the OPT—must prioritize the humanitarian response in Gaza in their own foreign assistance policies and practices. They must commit to multiyear financing for UNRWA as well as projects that restore the economy in Gaza and create livelihood opportunities.
**JANUARY 16, 2018:** The USG holds back $65 million of a planned $120 million contribution to UNRWA for 2018. An additional $290 million—the remaining funds for the year’s planned contribution—are frozen while the USG conducts a review of all its foreign assistance to Palestinians.

**PART ONE:**

**HUMANITARIAN FUNDING**

**BACKGROUND**

From its creation in 1994 as part of the Oslo Accords and the related peace process until the Palestinian Islamist group Hamas’s takeover of Gaza, the Palestinian National Authority (PA) governed the areas of the Occupied Palestinian Territory (OPT) that were not specifically under Israel’s control. Based in Ramallah, the PA was meant to be an interim authority for five years, at which point a long-hoped-for final status would be negotiated for the territory. Twenty-four years later, negotiations have yet to be concluded and the PA remains in place.

In 2007, an electoral victory brought Hamas to power in Gaza. For most of the subsequent period, Hamas and the PA have been in direct opposition to each other, at times engaging in violent conflict. Hamas—considered the de facto authority in Gaza—remains dependent on the PA for some of its finances. The PA, in turn, has sometimes withheld these payments as a punitive measure against Hamas. Since 2017, for example, the PA has declined to pay for Gaza’s portion of electricity from Israel and has enacted a series of salary cuts for its employees in Gaza. Both moves have contributed to the economic decline and collapse of services in the territory.

After Hamas took power, Israel established a land, sea, and air blockade of Gaza, resulting in severe development and humanitarian consequences over the years. The blockade has impeded the ability of the population of Gaza to develop economic self-sufficiency and prevented robust reconstruction after each of several wars. Repeated closings of border crossings periodically prevent commercial goods, development materials, and humanitarian aid—including food and medicine—from entering Gaza predictably. The same closings stop Gaza’s products from being exported to international markets and limit people’s ability to work outside its territory. Very ill patients are often barred from leaving Gaza to seek life-saving treatment elsewhere. Many people cannot visit family members and friends, even for important life events like weddings and funerals.

Additional restrictions set and enforced by Israel contribute to the devastation of Gaza’s economic activity and people’s ability to support themselves. The fishing industry, historically an important livelihood for Gazans, has been severely damaged by rules about how far off shore fishermen may work. The limit has fluctuated from as many as 20 nautical miles to as little as three, dramatically reducing fishermen’s earning potential. On land, a buffer zone established inside Gaza constrains farmers’ access to previously productive land, now also being systematically damaged by crop spraying along the Israeli border.

Humanitarian conditions in Gaza have always been poor, deteriorating sharply during periods of open conflict with Israel. Since March,
they have again begun to erode precipitously. On March 30, 2018 Palestinians began a planned six weeks of protests, calling for the right of return for Palestinians and an end to the 11-year blockade. The ensuing clashes resulted in tens of thousands of casualties and a tightening of the restrictions set by the blockade, further limiting the flow of goods and people, and contributing to the humanitarian decline.

Over time, the blockade and related restrictions have pushed more Gazans into poverty and reduced their overall self-reliance. While Israel argues that all of these measures have been required to ensure the security of its citizens, numerous credible organizations, from the World Bank, to Amnesty International, to Human Rights Watch, to Israel’s Legal Center for Freedom of Movement, have variously argued that Israel has acted in violation of

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international humanitarian law, including by imposing restrictions that are punitive rather than necessary for the purposes of security, and that Israel should review and ease measures that are creating significant obstacles to social and economic well-being.

In practical terms, the daily effects on the ground have been extremely damaging to Palestinians and have left them unable to survive without significant international humanitarian assistance. United Nations agencies and international nongovernmental organizations play an essential role in providing a humanitarian safety net for the population.

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is the main provider of relief, development, and protection services to the population of Gaza. UNRWA was established specifically to address the needs of displaced Palestinians throughout the region. The United Nations Refugee Agency (UNHCR) thus does not provide support to Palestine refugees unless they are in a country without UNRWA operations. In addition to offering crucial food assistance, UNRWA administers extensive networks of health care facilities and schools in Gaza.

These networks, along with the support that international non-governmental organizations (INGOs) and local partners bring to both sectors, are two of the most significant elements of humanitarian aid to Gaza. Gaza’s ministries of health and education do run services that complement the wider public services system in the OPT. However, the two-dozen primary health care centers and the 250-plus schools administered by UNRWA are indispensable to many individual Gazans and to the well-being of the authorities’ public service structures.

Unlike many other United Nations agencies, UNRWA also directly employs thousands of Palestinians as doctors, teachers, administrators, and staff members to help implement its projects. The agency is, in fact, one of the major employers in Gaza, with 15,000 employees when fully staffed. Its presence has made an important contribution to a labor market where the unemployment rate is more than 50 percent.

“[It is] impossible to have it [UNRWA] end one day and think that some other system will just step in.”

- DONOR TO UNRWA

U.S. FUNDING CUTS

The United States has been the main donor to UNRWA throughout its history, providing about one-third of its annual budget. However, the Trump administration has decided to slash aid to UNRWA and the Palestinians more broadly in an attempt to exercise leverage over their political leadership. In doing so, President Trump has broken with decades of bipartisan consensus on an important principle of U.S. foreign policy—that humanitarian
aid is provided on the basis of need, not politics. This principle has been defended by the United States on many occasions, including in the multilateral “Good Humanitarian Donorship Principles” first endorsed by the administration of George W. Bush.8

The Trump administration first signaled this shift in policy in January 2018 with the announcement that it would not give UNRWA the first full tranche of the U.S. annual contribution. A planned $125 million was reduced to $60 million. The remaining $65 million, along with $290 million for the rest of the annual contribution, was put on hold while the United States reviewed its funding for UNRWA. At the same time, the president stated on Twitter that “with the Palestinians no longer willing to talk peace, why should we make any of these massive future payments to them?”9 Shortly thereafter, following a question about U.S. aid to UNRWA from a journalist, U.S. ambassador to the United Nations Nikki Haley said that “[The President] doesn’t want to give any additional funding until the Palestinians agree to come back to the negotiation table…”10

“We are prepared for war, we’re prepared for another emergency, but we are not prepared for the fall of UNRWA.”

-NGO STAFF MEMBER IN JERUSALEM

Humanitarians were deeply concerned that the Trump administration was using humanitarian assistance as a tool to compel the Palestinian leadership to comply with U.S. political desires. In a letter to U.S. officials, RI and others wrote as follows:

We are particularly alarmed that this decision impacting humanitarian aid to civilians is not based on any assessment of need, but rather designed both to punish Palestinian political leaders and to force political concessions from them. This is simply unacceptable as a rationale for denying civilians humanitarian assistance, and a dangerous and striking departure from U.S. policy on international humanitarian assistance.11

Humanitarian assistance is of course voluntary, but when it is provided, it should adhere to the principle of impartiality and

8. “24 Principles and Good Practice of Humanitarian Donorship.”
independence. Such aid must be based on need and must be autonomous from U.S. political objectives. Rescinding such aid based on political factors undercuts these principles and raises concerns that all U.S. humanitarian assistance is potentially subject to political conditionality.

Analysts and policymakers soon echoed these sentiments, with one group declaring, “It is regrettable that the most basic human needs of millions of Palestinian refugees are now being used as a weapon in the Trump administration’s political assault on Palestinians.”12 Indeed, shortly after the cuts were announced, the U.S. president declared “And I’d say [to the Palestinians], you’ll get money, but we’re not paying you until we make a deal. If we don’t make a deal, we’re not paying.”13

The Trump administration stopped assistance to UNRWA completely. Other donors, including the United Kingdom, Germany, and Japan, did come forward to help fill the initial funding gap. In addition, a high-level donor meeting during the September 2018 UN General Assembly raised more than $100 million for the agency. With this year’s shortfall down to about $65 million, UNRWA should be able to maintain most operations through the end of 2018. However, its financial viability in 2019 remains an open question.

In late August, the Trump administration announced that it would also cancel more than $200 million in bilateral aid from the Economic Support Fund (ESF) account for the OPT and redirect that funding to projects elsewhere. In addition to having the side effect of supporting some humanitarian objectives, the ESF funding included money for economic development, governance, infrastructure, and service delivery. However, given Gaza’s collapsing economy, cuts in these areas are liable to have significant humanitarian consequences. In total, the United States has thus removed more than half a billion dollars in support to Palestinians in its attempt “to use funds to pressure the Palestinians to make a deal.”14

As urgent humanitarian needs continue to escalate, the U.S. government must restore its bilateral assistance to projects in the OPT and its annual contribution to UNRWA, including the funding withheld in 2018. U.S. congressional appropriators and the relevant subcommittees must restore bilateral assistance at least to its current levels and include earmarking funds for OPT projects in the FY19 budget. Last, but certainly not least, the Trump administration must cease using funding for humanitarian programs to Palestinians as political leverage.

March 2018

March 30, 2018: Palestinians in Gaza begin the Great March of Return, a series of events and protests—slated to end March 15—focused on Palestinians’ right of return to their original lands and lifting the 11-year blockade of Gaza. Israel kills dozens and wounds thousands in its response.
"You know how you kill people in Gaza? Cut the budgets."

- STAFF MEMBER OF NGO WITH OPERATIONS IN GAZA

The humanitarian principles referenced above are not simply theoretical. They undergird a global system designed to prevent the extreme suffering of innocent civilians during conflicts and of survivors during natural disasters. Violation of those principles and the resulting U.S. funding cuts will have dramatic effects.

The cessation of U.S. aid to Palestinians will only further shrink a humanitarian support system already lagging far behind needs. The cuts will, of course, affect vulnerable people in all of UNRWA’s areas of operation. However, Gaza arguably will suffer the most dramatic impact. It has the greatest number of students in UNRWA schools and the largest number of patients served by UNRWA health clinics, with 4 million annual visits. As UNRWA becomes unable to maintain this level of support, Gazans will increasingly need to turn to other humanitarian organizations that are themselves overstretched and perpetually underfunded.

Already, implementing partners are reducing staff, cutting back programs, and eliminating services. Local NGOs are terminating programs. INGOs are planning for far less capacity in the near future, creating expectations that the humanitarian crisis will grow. Everyone with whom RI spoke on mission expressed fear that Gaza was losing its resilience with each crisis and that this latest humanitarian blow could be a tipping point.

A recent World Bank report on Gaza’s economy summarized the situation as follows:

“...the economic and social situation in Gaza has been declining for over a decade but has deteriorated exponentially in recent months and has reached a critical point. Increased frustration is feeding into the increased tensions which have already started spilling over into unrest and setting back the human development of the region’s large youth population.”

15. Numbers used are from UNRWA country-specific information, https://www.unrwa.org/where-we-work.
By May 2018, the situation in Gaza had deteriorated significantly. 

**MAY 14, 2018:** U.S. embassy officially relocated to Jerusalem. Protests by Palestinians continue for a seventh week.

For the past year, the humanitarian indicators for Gaza have been in steady decline. The overall situation is grim: 1 million people rely on food assistance, most of the water supply is not potable, and the health care system is near collapse. Funding for the humanitarian response is at an all-time low, and the United Nations has described the situation as “an unprecedented humanitarian crisis” for Gaza.

Less quantifiable, but equally important, is the fading of Gazans’ hope for the future. Every meeting RI held on its field mission touched upon or discussed at length the hopelessness brought on by the latest funding cuts. Interlocutors told RI that the desperation felt in Gaza was taking on a more permanent quality. Despite poor conditions in the past, people had held out some hope for a better future. Now, with the withdrawal of U.S. assistance and the closure of aid programs, RI was told that many Gazans feel they have nothing left to lose.

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Food Security

Any cuts to the UNRWA food assistance program will have significant implications for food security in Gaza. UNRWA currently feeds roughly 1 million people in Gaza, and the World Food Program (WFP)—funded largely by international donors, including the United States—helps another quarter of a million. This equates to about 80 percent of Gaza’s population. Although food products generally are available in Gaza because they are allowed through the blockade, the population’s weak purchasing power means that in practice, more and more people need help feeding their families.

The restrictions on fishing and agriculture have reduced the amount of food Gaza produces on its own, and export limitations have further stifled incomes. As mentioned above, the urgent fundraising for UNRWA that took place during the UN General Assembly has helped mitigate the effects of the loss of U.S. government contributions for the next few months; however, at the beginning of 2019, that gap will open again.

In November 2017, the UN Office for the Coordination of Humanitarian Affairs (OCHA) noted in its assessment document for 2018 that about 40 percent of households in Gaza were food insecure. Although hard numbers for the current year are not yet available, OCHA has pointed out that food insecurity in Gaza is driven by poverty rather than the unavailability of food items. It is thus likely that as the poverty rate increases, food insecurity will rise along with it, making food assistance even more critical.

Health Care

Support for the health system in Gaza from UNRWA, INGOs, and their partners helps provide medical care to many people who might otherwise have none at all. Every year, the majority of medical interventions in Gaza—close to 4 million—happen in UNRWA’s health clinics alone. When the protests began last March, tens of thousands of casualties poured into medical facilities. The system was so overwhelmed that a number of primary care centers and hospitals had to resort to providing trauma care only because they lacked sufficient personnel and supplies to continue addressing daily needs in addition to the influx of wounded. Facilities run by the local Ministry of Health, already unable to

keep up with existing needs, simply could not accommodate the thousands of additional patients in such a short period of time.

A number of INGO-supported clinics became emergency facilities for those injured during the protests. Unfortunately, many patients had to be released before they were fully recovered to free up physicians and space for incoming patients. Multiple health care providers in Gaza told RI about the huge numbers of amputations performed when medical centers did not have the ability to undertake more nuanced operations. They were also deeply concerned about the future health problems that would inevitably arise because people could not get adequate aftercare.

With this general lack of capacity—emergency or otherwise—in the health care system in Gaza, UNRWA’s clinics are essential to make sure residents can access routine primary care, including vaccinations and first aid, in addition to more complex procedures in hospitals both inside and outside the territory. A lack of equipment and trained staff requires some patients to travel externally to be treated for serious illnesses, such as cancer, though in practice many of them are refused exit under the limitations of the blockade. The government of Israel should accelerate and expand the granting of exit and re-entry per-
mits for patients who need life-saving medical assistance outside of Gaza. If UNRWA's primary care clinics in Gaza can no longer offer the 4 million annual consultations it currently holds, people will be forced to go to the already ill-equipped hospitals for routine care, further burdening a system that cannot keep up with life-threatening needs.

**Education**

UNRWA schools in Gaza opened on schedule in September, but it is unclear whether they can remain in service beyond the end of the year. If UNRWA’s schools in Gaza close down, almost 250,000 children would need alternatives to replace the education they currently receive. Although education, particularly for young children, is a standard part of humanitarian interventions, it is important to note that in Gaza it also functions as an essential element of recovery and long-term well-being. The above-mentioned World Bank report on Gaza specifies that, “One immediate objective is to ensure a continuation of service delivery such as energy, water, education and health, as these are critical to both the livelihood of the people and as an input to production.”

One aid provider described how, in the absence of material assets, Gazans instead invest in their children’s education. Eliminating the promise of this opportunity will likely create great instability. With the youth unemployment rate as high as 65 percent, a reduction in educational opportunities would mean more young people with less hope for the future, only adding to long-standing popular discontent.

**Employment**

The World Bank report specifically notes that, “In the wake of a collapsing economy in Gaza, Palestinian living standards have continued to decline.” The unemployment rate in Gaza is one of the highest in the world, at 53 percent. With few options for finding work, many Gazans rely on humanitarian assistance to keep their households going, rather than earning money they can then put back into the Gazan economy to help create stability, or even growth.

Additionally, the blockade’s limitations on the movement of people have prevented traders and businessmen from exiting and entering Gaza to conduct business. Difficult restrictions on bringing goods both into and out of the territory, combined with less and less purchasing power inside Gaza, have made it impractical and unaffordable for many traders to continue this line of work.

Humanitarian assistance sometimes has the benefit of putting extra cash into the local economy. Reductions in aid will consequently reduce any financial improvements in the situation in Gaza that may have occurred as a byproduct. Such reductions also have a more direct effect on employment. In addition to an

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21. Ibid.
array of cash-for-work programs and microfinance initiatives administered by both UNRWA and various NGOs in Gaza, UNRWA itself employs thousands of Gazans to implement its projects. These employees teach in and run schools, staff health centers, and administer cash-for-work programs, among other activities. UNRWA has already had to lay off thousands of employees in anticipation of an imminent funding shortage. These layoffs will deepen the economic crisis in Gaza by eliminating wages and disposable income and creating yet another group of people dependent on humanitarian assistance.

Though RI did not observe significant reductions in support and services to Gazans during its field mission, the cuts had been announced only two weeks before its visit. Funding disbursed to UNRWA earlier in the year had yet to be depleted, thus allowing its work to continue. Subsequent new and possibly increased contributions from other donors may help sustain some of this activity until the end of the year. UNRWA representatives themselves, however, were clear that the funding shortfall would begin to affect the agency’s work in a matter of weeks. International and local NGOs fear the larger caseload that will fall on them as UNRWA’s beneficiaries lose support.

**Regional Impact**

Gaza will feel the greatest and most immediate effects of the U.S. funding cuts for UNRWA because its residents are the most dependent upon its humanitarian assistance. However, the regional impact of the U.S. decision to defund UNRWA cannot be ignored. Jordan and Lebanon together host more than 2.5 million Palestine refugees “who have already strained their budgets and infrastructures.” Analysts and policymakers have been especially focused on Jordan, where a reduction in UNRWA’s services would obligate Palestine refugees to turn increasingly to Jordan’s already limited national systems. In reaction to the announcement that the United States was stopping UNRWA funding, Ayman Safadi, Jordan’s Foreign Minister stated as follows:

“Disruption of UNRWA services will have extremely dangerous humanitarian, political and security implications for refugees and for the whole region. It will only consolidate an environment of despair that would ultimately create fertile grounds for further tension. Politically it will also further hurt the credibility of peacemaking efforts.”

Even though European donors have stepped up to fill part of the gap created by the U.S. aid cuts, the challenge remains daunting. Attention is once again turning to regional donors, especially in the Gulf, to help make up the shortfall. Saudi Arabia, Kuwait, the

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AUGUST 26, 2018:
Former spokesperson for IDF writes that the U.S. funding cuts will decrease Israel’s security.

The multiple crises in Gaza are layered on top of each other, constantly eroding people’s resilience.
United Arab Emirates (UAE), Qatar and Oman as a group have a history of contributing to UNRWA, including through specific projects and appeals, as well as offering bilateral assistance to Palestinians and the PA. Although the Trump administration should not shirk its own responsibilities, now is the time for the Gulf countries to step in with emergency funding for UNRWA, as well as bilateral assistance. These regional donors should prioritize the humanitarian response in Gaza, commit to multiyear funding support for UNRWA, and support efforts to build Gaza’s economy and generate livelihood opportunities.

PART TWO: CONDITIONS IN DECLINE

The U.S. cuts to UNRWA and to bilateral assistance are not occurring in a vacuum. Their impact must be assessed against the backdrop of the long-term collapse of Gaza’s economy and the lack of delivery of basic services to its population. The blockade and other restrictions imposed by Israel have contributed significantly to both of these trends. The resulting deterioration in the humanitarian situation began even before the Trump administration slashed its assistance, accompanied by a wearing down of Gazans’ considerable resilience.

24 Ibid., note 3.

THE BLOCKADE AND THE ECONOMY

“As long as Gaza is seen as a humanitarian case [rather than an economic and development issue], the disaster will continue for a long time.”

-Staff member of NGO with operations in Gaza

During RI’s field mission, no discussion of humanitarian conditions could avoid mention of the underlying economic challenges in Gaza, especially those imposed by the blockade. The blockade has steadily eroded the overall self-sufficiency of Gaza’s population by limiting employment opportunities and job creation, restricting commerce, and impeding development activities that could boost the economy. With only a few exceptions, goods produced inside Gaza—primarily agricultural products—are not allowed out for export to international markets.

One decade and four wars after the beginning of the blockade, Gaza has been unable to properly rebuild destroyed homes and buildings. In many cases, this is because the required materials are not allowed through the crossings. The dual use lists that govern the entry of thousands of items into Gaza are extensive, consisting not only of building supplies, but also medicines, hospital equipment, medicines, hospital equipment,
This has made it extremely difficult—and sometimes impossible—to rehabilitate housing and buildings, and restart businesses or open new ones. As a result, much of Gaza’s infrastructure remains either severely deteriorated or nonfunctional, further compromising efforts to generate economic growth and deliver public services.

RI is concerned that considerations other than security have motivated the government of Israel’s practices toward Gaza. Israel justifies its dual use restrictions based on security, and there is no doubt that Israel faces tangible security threats. However, according to the prominent human rights NGO, Gisha, restricting the products and goods that could enter Gaza:

was done in an attempt to weaken Hamas and build civilian pressure for political change, undoubtedly and openly stated political goals, separate from direct security needs tied to the transfer of certain items and/or the operation of the crossings. […] The expansion of the list of items defined as suspect, which in reality also prevents the entrance of products required for basic standards of civilian life, is too far-reaching to be reasonably justified.⁵

In September 2018, the World Bank, citing concerns about over-expansive restrictions, effectively endorsed a modification of the listing of dual use items and concluded that “relaxing the dual use list alone would bring about additional cumulative growth of 11 percent to the Gaza economy by 2025.”

The Bank went on to warn that, “While the restrictions on movement and access for goods and people is a challenging issue for GoI [government of Israel], unless it is addressed the economic situation in Gaza will never improve.”

Since 2007, the government of Israel generally has not granted work permits to residents of Gaza nor readily granted permission to exit the territory or travel freely. Unable to leave and re-enter Gaza or even leave for a long-term position elsewhere, employment opportunities for Gazans are therefore limited to what they can find inside the territory. One aid provider with whom RI spoke talked about “18,000 [college] graduates every year who have no prospects for work.”

Furthermore, the International Committee of the Red Cross (ICRC) and others have argued for years that the blockade is illegal under international humanitarian law. RI is concerned that these broad restrictions violate the international law of occupation, which compels an occupying power to ensure public order, public health standards, and the provision of food and medical care to the occupied population.

“I don’t know why this is happening. This is the problem of so many people who are not affiliated to Hamas or anyone else. Remember that not everyone is involved in politics. Don’t punish people because they don’t have wise leaders.”

- STAFF MEMBER OF A UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)-FUNDED PROJECT IN GAZA

All of these obstacles play a part in keeping Gaza’s economy from recovering from years of shocks, such as wars and shrinking access to agricultural land. As a result, most of Gaza’s residents remain dependent on humanitarian aid, with no safety net available should it disappear. Without deliberate programs to revitalize Gaza’s economy, any progress in other sectors is simply a temporary response rather than a solution.

26. Ibid., note 20.
27. Ibid., note 20.
It is therefore essential that the government of Israel facilitate the free flow of people and goods in and out of Gaza, subject to reasonable security restrictions. Traders and day laborers must also be able to leave and enter Gaza to pursue their livelihoods. Furthermore, the government of Israel, in conjunction with the PA, should amend the dual use lists that apply to Gaza in a manner that allows rebuilding and reconstruction to occur.

**COLLAPSING SERVICES**

“I’m not sure I can use the word life about Gaza. It’s too ambitious.”

- RESIDENT OF GAZA

The ongoing collapse of services is further exacerbating the deterioration of the humanitarian situation inside of Gaza. Gaza has long had to bring in electricity from Israel and Egypt to supplement local production. In recent years, however, fuel for Gaza’s single power plant has become increasingly scarce and expensive. The provision of electricity from its neighbors has also been unreliable. Forced to make do with less power, Gazans have felt the significant impact on their daily lives — hospitals are limited in their use of medical equipment, businesses cannot reliably run machinery and lighting, and households have only intermittent use of refrigeration and appliances.

The energy crisis, in turn, has had huge repercussions for Gaza’s water supply. Fuel and power shortages mean that treatment facilities, desalination plants and municipal water networks do not function at capacity. Millions of gallons of partially and totally untreated wastewater go directly into the Mediterranean. More than one resident of Gaza told RI about how the once-beautiful seashore now smells of sewage, and swimming has become a significant health hazard. The same wastewater is also seeping into the groundwater in Gaza, of which an estimated 97 percent is polluted.  

Eighty percent of Gaza’s residents now rely on water supplied by tankers, which is 15 times more expensive than the municipal water supply. With opportunities to make a living few and far between, many households simply cannot afford even a minimal amount of water on a regular basis.

The authorities’ inability to finance rebuilding of infrastructure or contribute significantly to economic reform has resulted not only in high unemployment and a lack of business and commerce opportunities, but also in the failure of basic service provision that could help stave off a humanitarian crisis.

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CONCLUSION

Although Gaza has faced repeated crises for more than a decade, its population so far has always found a way to survive. Economic downturns, failing public services, and threats to the health care and education systems have all been met with a demonstrated resilience. However, the persistent challenges and cuts in U.S. assistance are leaving Gazans with very few options and bleak expectations for the future. While in the region, RI staff repeatedly heard sentiments of despair from Gazans—with so little left to hope for, what would it matter if people drank contaminated water or got shot during the protests? Decades of policies and practices that they describe as “a slow death” have left people with nothing but desperation.

The U.S. funding cuts for the OPT as a whole, and especially for Gaza, will create greater suffering, despair, and instability. Additionally, they are unprincipled, as they are based on political objectives unrelated to humanitarian imperatives. Although the decisions affecting the current year cannot easily be reversed, there is still time to reestablish a U.S. commitment to provide relief based on need. Such action would be a far more noble reflection of a U.S. commitment to humanitarian principles and humanitarian leadership.

Refugees International’s Daryl Grisgraber and Alexandra Lamarche were denied permission to enter Gaza but held interviews from Jerusalem with residents and aid providers in the territory in August and September 2018.

SEPTEMBER 28, 2018: 112 members of the U.S. House of Representatives send letter to Secretary of State Pompeo urging the administration to reverse its decisions to end the United States’ contributions to UNRWA and to reprogram bilateral foreign aid away from the West Bank and Gaza.
ABOUT
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ABOUT
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Refugees International advocates for lifesaving assistance and protection for displaced people and promotes solutions to displacement crises around the world. We are an independent organization and do not accept any government or UN funding.