Rebuilding Gaza

The Need for a Radical Shift in Reconstruction Strategy
CHS Policy Briefing

Rebuilding Gaza: The Need for a Radical Shift in Reconstruction Strategy

June 2021

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Introduction

During the Holy month of Ramadan, Israeli settlers backed by the Israeli police attempted to enter the Al Aqsa Mosque compound whilst other settlers tried to forcibly remove Palestinians from their homes in the Sheikh Jarrah neighborhood in East Jerusalem as part of systematic settler colonial violence. In a context of escalating inter-communal tensions, and following warnings that any violation of the sanctity of the Al Aqsa Mosque would be met with military response, Hamas launched rockets towards Israel and on 10 May 2021 Israel launched a large-scale military operation against Gaza.

Gaza has once again been subjected to a devastating round of bombardment that has killed over 250 Palestinians, displaced thousands from their homes, and caused further impoverishment and immiseration. For those who have been following the situation in Gaza for years there is a feeling of Déjà vu. It has been over 12 years since the publication of a report in which Professor Barakat outlined recommendations for rebuilding following the 2008 / 09 war on Gaza. In that time, a generation has passed with billions of dollars expended on reconstruction, yet conditions on-the-ground continue to deteriorate.

Now that the bombs have stopped and attention turns to picking up the pieces, a radical rethink of how to approach reconstruction is required so as to avoid the pitfalls of previous attempts at rebuilding the besieged and beleaguered territory. This CHS Policy Briefing analyses the key issues facing the reconstruction of the Gaza Strip and offers strategic recommendations to stakeholders. The analysis is based on years of research and engagement with humanitarian action and reconstruction efforts in Gaza and elsewhere in the region.

Why 2021 is Different

Whilst on the face of it the situation of 2021 may appear to be similar to previous rounds of rebuilding, there are some significant differences that set the stage for a much-altered context for reconstruction. Firstly, the political context in the United States has shifted in the past few years. The new Biden administration is pursuing a more multi-lateral policy than the Trump administration. There is also greater-than-ever support for Palestine in the U.S. political system, with ‘The Squad’ and Bernie Sanders, and criticism of Israel is no longer confined to the fringes of the Democratic Party.

Secondly, war in Gaza has for the first time been met with an outpouring of net support for the Palestinian cause in global civic consciousness. International movements for social and racial justice that have surged in recent years are increasingly identifying with the Palestinian struggle. This is in part driven by a new generation of Arabs and Palestinians that have grown up in the West. With social media prevalent, it is no longer possible to keep Israel’s inhumane treatment of Palestinians out of sight of the global public.
Thirdly, the latest war has shattered Israel’s sense of invincibility. Hamas launched the war after being provoked by the status of Jerusalem and the major miscalculation by the Israeli government in approving security forces to storm Al Aqsa Mosque. Following the wave of normalization deals with Arab regimes and after four years of President Trump, Israel felt that it could get away with anything in its treatment of Palestinians. In the level of rockets fired and damage inflicted upon Israel, Hamas has caused significant harm to Israel and raised the stakes of any future conflicts.

Finally, for the latest war to take place in the context of the COVID-19 pandemic makes the situation unlike any previous episode of rebuilding in Gaza. Gaza is struggling to deal with multiple crises – a humanitarian crisis, the need to rebuild, and the pandemic response. Logistically, the reconstruction process faces the additional challenge of social and physical distancing procedures. Financially, many donors already suffering ‘donor fatigue’ are reducing aid budgets to focus on domestic pandemic response.

Gaza Under Occupation and Blockade

The Gaza Strip is an isolated territory covering an area of 365 square kilometers with a population of around two million. Gaza was under direct military occupation from 1967 which lasted until Israel’s unilateral withdrawal in 2005. Since June 2007, Israel has imposed controls on the flow of goods and people through its ‘closure’ of Gaza that imposes restrictions on the entrance and exit of goods, travel between Gaza and the West Bank, travel from Gaza to the outside world, and access to the Strip’s land, territorial waters and air space.

The question of whether Israel remains an occupying power is important in establishing its legal obligations towards Gaza. The relationship between Gaza and Israel since withdrawal has been labelled as an ‘occupation’, ‘occupation-lite’, and ‘post-occupation’, among many other terms. Although Israel withdrew, Gaza remains under de facto occupation, owing to continued dependency on Israel for access to public infrastructure and Israel’s blockade by air, land, and sea.

That Israel remains an occupying power was affirmed in 2009 by UN Security Council Resolution 1860. This was reaffirmed most recently in 2016 in the UN Security Council Resolution 2334 which states that Israeli settlements and its continuing occupation are a flagrant violation of international law. In accordance with Article 42 of the Hague Conventions of 1899 and 1907, Gaza’s legal status as an occupied territory hinges on whether, since Israel’s military withdrawal and subsequent blockade, it retains the capacity to occupy physically the entire territory with ease (Shany 2009), which it does with “‘control at a distance’ through militarized boundaries, continuous raids, assassination strikes and aerial surveillance rather than control through the continuous presence of occupying armies’ (Graham 2010, p. 241).
Gaza Under Attack

Between 2004 and 2021 Israel launched about 25 military campaigns on the Gaza Strip, the worst of which was the 2009 - 2008 war that lasted for 21 days, the eight-day war of 2012, the 2014 war that lasted 51 days, and the last war, which lasted 11 days. Violence continues in the Occupied Palestinian Territories, with no political solution in sight to end the Palestinian-Israeli conflict (ACRPS, 2021). In each war, Israel followed a policy of collective punishment, focused on striking civilian infrastructure without discrimination, and in clear violation of international humanitarian law and Israel's responsibilities as an occupying power.

Cumulative Reconstruction Needs

There is a need for a large-scale funding for reconstruction in the Gaza Strip. Rebuilding needs in Gaza are vast and is a cumulative task that involves responding to the damage from destruction of the past two weeks in addition to the unmet reconstruction needs from the wars of 2008/09, 2012, and 2014.

During the 2014 war, losses in the Gaza Strip were estimated at $5 billion, and until this moment, the reconstruction process has not been completed. Following the 2014 war, more than a quarter of the families in Gaza were affected, and approximately 16,500 people are still living in temporary housing (Freedom House 2020).

Preliminary damage assessment after 2021 war

During the 11 days of the military operation on Gaza, Israel heavily bombed civilian infrastructure and objects. Tragically, 248 people, including 66 children, 39 women, and 17 elderly persons were killed during the military campaign, and the number of wounded reached more than 1,948 (PMH 2021). The military aggression ended with the declaration of a ceasefire brokered by Egypt, the U.S., and Qatar on 21 May 2021.

In just 11 days of fighting Israeli violence has caused destruction that will likely take years to rebuild. Initial rapid assessments of damage from various sources that were cited publicly by the Hamas government estimate total damage in the Gaza Strip to range from $200 million to $350 million. Independent expert sources in Gaza estimate that the total rebuilding needs run much higher than the $350 million initial estimate, with total rebuilding needs exceeding $2 billion. Those sources provided us with data that offers a preliminary assessment of the damage by sector.

Firstly, the healthcare sector received substantial damage. 24 health facilities were attacked. This includes 11 Ministry of Health facilities - five hospitals and six Primary Health Care Clinics (PHCCs) —

1 The same independent sources, which remain anonymous, expressed frustration with Hamas officials publicly repeating the $350 million figure which reflects a narrow definition of the impact of conflict in Gaza.
Figure 1: The outcome of the Continuous Israeli Aggression on the Gaza Strip

Source: Ministry of Public Works and Housing (MPWH 2021)*

Table: Damage during the four wars on Gaza

<table>
<thead>
<tr>
<th>Year</th>
<th>Affected People</th>
<th>Palestinians killed</th>
<th>Palestinians Injured</th>
<th>Housing buildings destroyed or severely damaged</th>
<th>Housing buildings slightly damaged</th>
<th>Displaced people</th>
<th>Total cost of Damage US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2,000,000</td>
<td>253</td>
<td>1948</td>
<td>2,800</td>
<td>14,315</td>
<td>72,000</td>
<td>250-350</td>
</tr>
<tr>
<td>2014</td>
<td>1,800,000</td>
<td>2300</td>
<td>10,500</td>
<td>17,800</td>
<td>153,000</td>
<td>500,000</td>
<td>5</td>
</tr>
<tr>
<td>2012</td>
<td>1,600,000</td>
<td>140</td>
<td>1,202</td>
<td>450</td>
<td>8000</td>
<td>14,920</td>
<td>416</td>
</tr>
<tr>
<td>2008-9</td>
<td>1,500,000</td>
<td>1391</td>
<td>5400</td>
<td>4,100</td>
<td>17,000</td>
<td>46,000</td>
<td>1.1</td>
</tr>
</tbody>
</table>

in addition to 13 local NGOs. The damage includes vital COVID-19 quarantine and testing facilities at Remal and Rafah PHCCs thus weakening Gaza’s already constrained public health response.

Secondly, there are significantly increased needs for shelter rebuilding. Nine multi-floor buildings were attacked and totally demolished. The direct initial losses in the housing sector exceeded $54 million, as more than 16,189 housing units were subjected to total or partial demolition (see Figure 1).

Thirdly, there have been multiple attacks on education in Gaza. 66 public schools were damaged: 5 schools with severe damages and 61 schools partially damaged. Thirdly, public facilities have been targeted. Through a bombing campaign, three mosques were totally demolished, 40 mosques were partially damaged, and one church was partially damaged.

Fourthly, infrastructure has also been targeted. Israel bombed one of the electricity generators based in Rafah during the offensive. The electricity company is now operating with a capacity of 20-25% only, and the initial losses in the electricity sector are estimated at about $10 million (CNN 2021).

Whilst this pattern of damage is similar to previous wars, this time there are more sectors and targets. Some of the losses include unique businesses, organizations, and public infrastructure that further depletes Gaza’s social and economic fabric. For example, Gaza’s only 3D printing workshop, which produces vital parts needed for medical instruments, was destroyed.

In particular, the latest conflict has involved more Israeli targeting of civil society and social infrastructure. The offices of the Palestine Children’s Relief Fund and Qatar Red Crescent Society were damaged. The towers hosting Al Jazeera and the Associated Press were destroyed. Even Samir bookshop - Gaza’s largest bookshop established in 2008 – was reduced to rubble. These attacks clearly show that Israel is threatened by the large-scale free exchange of information and ideas.

The deliberate attacks on civil society must be interpreted in light of the context of the Great March of Return which began in March 2018. Those protests were the largest non-violent civilian mobilization that has emerged in the Gaza Strip. Israel was deeply threatened by the emergence of popular resistance that could not be tarnished with the brush of Hamas, Fatah, or any formal organized resistance.

The pattern of destruction was spread across Gaza, with no area spared of indiscriminate violence. The owner of a furniture shop describes how he chose the location for his store in the industrial zone in Eastern Gaza based on an international agreement that was meant to allow businesses to grow there without risk of attack. A business owner in the same industrial zone experienced the loss and destruction of one factory with losses estimated at several million dollars.

Lessons Learned from Three Rounds of Rebuilding

Gaza has been subjected to four military assaults over the past 12 years and has undergone three rounds of reconstruction. The experience of reconstruction in the Gaza Strip, which we
analyse in several key publications (Barakat, Milton & Elkahlout 2018; 2020) offers several key lessons. Recognising these key lessons is a prerequisite for a serious discussion around rethinking reconstruction strategy for the Gaza Strip following the events of May 2021.

Most crucially, the UN-led Gaza Reconstruction Mechanism (GRM) – an agreement on the monitoring of all goods entering Gaza reached following the 2014 war – is an obstacle to effective rebuilding. The GRM restricts the import of construction materials and items entering Gaza. It imposes a cumbersome and highly bureaucratic system that has seriously slowed the pace of reconstruction and left large unmet needs from the three previous wars. Whilst the GRM was ostensibly intended to accelerate reconstruction and also maintain Israel’s security, ultimately the GRM has institutionalized the blockade and hampered attempts at rebuilding.

Secondly, a major obstacle to reconstruction is that the rebuilding of Gaza is governed through a convoluted and unsustainable institutional architecture under which the Palestinian Authority is the primary channel for reconstruction. The reconstruction process must, for the first-time, place Gazans in the lead position. Reconstruction both before and after the GRM has been an externally-driven process controlled by Israel, the PA, and the UN that denies meaningful local ownership to Gaza’s population. Neither Gazan civil society nor Hamas representatives were consulted during the GRM’s development, resulting in little consideration of local needs. Gazan NGOs felt totally excluded from reconstruction, with many feeling that Israeli security was used to justify the marginalization of even those organizations that were not affiliated with Hamas.

Thirdly, not only does the current formula for reconstruction under blockade fail to achieve meaningful rebuilding, it also fails to meet Israel’s security needs. This is clear from the fact that even under the stringent restrictions of the GRM Hamas has been able to rearm itself. Since 2007 Palestinians have been in a deteriorating humanitarian crisis, in particular since 2018 when tensions boiled over into the Great March of Return protests. Not even Israel’s repeated rounds of bombing Gaza’s tunnel networks has been able to prevent Hamas from developing a significant arsenal of rockets.

Rebuilding Pledges and Plans

As of early June, several donors have pledged substantial reconstruction assistance packages. On Tuesday 18 May the Egyptian Presidency announced a pledge of $500 million to rebuild Gaza, with Egyptian construction firms set to be involved in rebuilding efforts. Egypt also signalled its plans to play a leading role in the reconstruction of Gaza and will soon host a major donor conference to raise funds. Reports state that Biden administration officials are considering billions of dollars in reconstruction assistance with the United States ‘at the fore of an international response’ (Jakes 2021). The United States so far pledged $5.5 million in short-term relief for Gaza in addition to $32 million to UNRWA, which comes after transferring $150 million in a resumption of payments to the agency in early April 2021. If these pledges are followed through it would mark an important change
in the context of reconstruction in Gaza with meaningful American and Egyptian roles for the first time under blockade.

In addition to these pledges, Qatar has pledged to donate $500 million with a focus on rebuilding service facilities and homes that were destroyed in the short war. The European Union pledged $9.8 million in aid and Germany $49 million, whilst China declared $1 million in relief funds and $1 million for UNRWA, and the UK pledged $4.5 million for UNRWA (Al-Monitor 2021). This round of pledging so far exhibits little donor fatigue, which may have been expected given that some donors witnessed their recently-funded reconstruction projects damaged or destroyed.

Whilst all the strategic motivations behind these pledges are not yet clear, what is transparent is that Egypt and the U.S. share a strategic objective of utilizing reconstruction aid to strengthen the Palestinian Authority and avoid funds being diverted to Hamas. Yahya Sinwar, the Hamas leader, has stated that Hamas would not touch “a single cent” of reconstruction funds, although Israel has long accused the group of utilizing aid money for military purposes. In talks held on 30 May, Egypt is reported to have proposed that the Palestinian Authority play a leading role in reconstruction efforts and that funds be held in an ‘international body led by Egypt or the United Nations that would oversee the spending’ (EuroNews 2021). State Department officials are reported to have linked the structuring of aid to ‘a process of hopefully reintroducing and reintegrating the Palestinian Authority into Gaza’ (Stepansky 2021).

This strategic issue of the linking of reconstruction and governance of the Gaza Strip was laid out in a report co-authored in 2018 by now U.S. Envoy Hady Amr and colleagues that recommends a bold new American approach to Gaza, arguing that U.S. policy towards Israel-Palestine has overlooked the strategic value of the territory. The authors analyse the twin U.S. objectives of stabilizing Gaza’s humanitarian crisis and pursuing the political and physical reintegration of the Gaza Strip and the West Bank as in tension with one another. The crux of the matter is that humanitarian and reconstruction assistance to Gaza is perceived as a pressure valve that strengthens Hamas in negotiations with the PA over reunification and reconciliation.

Whilst internal Palestinian divisions are widely viewed as an obstacle to effective reconstruction, it is increasingly the case that deeply divided Israeli politics are complicating efforts to establish a new formula for rebuilding Gaza. It is also widely reported that Israeli Prime Minister Netanyahu communicated an offer to Hamas of linking the release of reconstruction funds to the release of Israeli prisoners, which Hamas rejected. Yet Benjamin Netanyahu is living on borrowed time as Israel lurches from one inconclusive election to the next whilst corruption investigations into the Prime Minister are ongoing. With an incoming coalition government led by far-right politician Naftali Bennett – who rejects a two-state solution and supports settler activity - Israeli policy to reconstruction of the Gaza Strip will likely change.
Rebuilding Gaza

The need for a radical shift in reconstruction strategy

Recommendations

Any attempt at reimposing the same formula for reconstruction of the Gaza Strip will inevitably lead to fuelling the repeated cycle of destruction and rebuilding. Keeping the lid on the situation and using reconstruction to maintain quiet is not the answer for anyone. Rather, bold and innovative approaches are needed. The following recommendations – related to both protection and rebuilding – are intended to energise debate over a radical rethink of Gaza’s reconstruction strategy.

Protection Recommendations

Delist Hamas: Pretending that Hamas is not a political power and treating the group as a non-state terrorist group is counter-productive. The U.S. position on Hamas is a major obstacle to reconstruction and broader progress towards a negotiated solution. Hamas is not listed as a terrorist group by the United Nations. The U.S. does not list the Taliban as a terrorist organization and reached an agreement with it in February 2020. The Biden administration also quickly reversed the Trump administration listing of the Houthis as a terrorist organization, recognising that such unilateral moves harm the prospect of peace. Hamas has already undergone a significant shift in its ideology, rewriting its charter and for much of the period of 2014 - 2021 ensuring relative calm in Gaza. The U.S. should reciprocate and treat Hamas as a political entity and national movement in the same way it relates to other challenging relationships such as in Yemen or Afghanistan.

Put East Jerusalem Back on the Table: The U.S. should unequivocally reverse Trump administration moves to recognise Jerusalem as the capital of Israel. The reopening of the U.S. consulate in East Jerusalem is a welcome step. However, the U.S. should go much further and put the status of East Jerusalem as the capital of an independent Palestine firmly back on the negotiating table. This is not only the best way to deconflict future wars between Hamas and Israel but also would be a strong confidence building measure that could revive the Israeli-Palestinian peace process.

Uphold the Responsibility to Protect: The international community must uphold the responsibility to protect and prevent any future wars in Gaza. Each round of conflict diminishes the likelihood of reaching a peaceful settlement. Prevention is also much cheaper than the cure of rebuilding. It is high time that the international community speaks with one voice in pressuring Israel to prevent the deliberate provocation of Palestinians through settler violence. The U.S. should consider Chinese and Turkish proposals and stop blocking Security Council action in condemning the illegal blockade. On 21 May 2021 President Biden said that he “believe[s] the Palestinians and Israelis equally deserve to live safely and securely”. Whilst President Biden has vowed to provide aid to replenish Israel’s Iron Dome, the United States should honor this stated commitment to equality of security and fund an Iron Dome or other civilian protection system to protect Gaza from future Israeli attack.

Present Israel with a Reparations Bill: Following each round of military aggression, Israel should be presented with an invoice for the massive destruction it has wrought on Gaza. Whilst many donors...
have footed the bill for reconstruction, Israel has a moral obligation to pay for rebuilding. Reparations after war are intended to deter future aggression. In the short-term, an independent body should calculate the value that Israel owes to Palestinians for its continuous attacks on the Gaza Strip. In the medium term, the Arab states should collectively calculate the reparations bill that Israel should pay for its violent attacks on Palestine, Lebanon, Syria, Iraq, Egypt, and elsewhere.

**Reconstruction Recommendations**

**Lift the Blockade:** Israel and Egypt must ease and eventually lift the blockade of the Gaza Strip and at a minimum allow much greater humanitarian access, freedom of movement, and transit of goods and services. An immediate action would be to allow Gazans permission to enter and exit the territory, which given the strong border checks is not a plausible threat to Israel’s security. Rather, opening the borders to allow Gazans to move and seek opportunities abroad would take some pressure off and assist in stabilizing the situation. Another concrete step would be to allow Gaza’s seaport and airport to be operational to allow the territory to reconnect with the region and the world. Gaza has enormous pent-up energy from over a decade of strangulation that if the blockade is lifted will lead to rapid reconstruction and economic development. During 2010 - 2012 when the Rafah tunnel networks were thriving, Gaza’s economy grew in double-digits and there was significant construction activity. This was under conditions of blockade and occupation. If the blockade were to be eased and then lifted Gaza would reintegrate functionally with the West Bank, Israel, and Egypt and an economic lift-off would follow.

**Establish an International Border Control Force:** An internationally-mandated force should be established to take control of all border crossings from Gaza to Israel and Egypt. Israel has long wanted to pass on border policing to the Palestinian Authority. However, the PA is a weak actor and cannot act as a good faith neutral border authority after years of attempting to worsen the situation in Gaza to serve its own interests. An international border force would allow border regulation in place of the GRM and thus enable faster reconstruction. The presence of international observers could also serve a protective function and deter future escalations.

**Invest in Gaza’s Productive Base:** Reconstruction should be utilised as an opportunity to invest in rebuilding Gaza’s productive base. Egypt’s plans for playing a larger role in Gaza include supporting both Egyptian construction firms and various sectors in the reconstruction value chains including those producing construction resources and materials. This will reproduce the pattern under which much foreign aid to Palestine ends up in the Israeli economy. There is a need for a new approach under which rebuilding supports production and economic activity inside Gaza in order to tackle unemployment and ultimately reduce dependency on international aid.

**Whole-of-Society Dialogue on Humanitarian-Development Nexus:** There is an urgent need for wide-ranging dialogue on the humanitarian-development nexus that brings together all stakeholders including NGOs, the private sector, academia, think tanks, and UN agencies. This is necessary to
avoid the trap of repeating the top-down, externally-driven model of reconstruction that denies meaningful ownership to civil society in Gaza. It is also vital to build local capacities and promote coordination in support of more integrated approaches to humanitarian aid and reconstruction.

**Reconstruction Council:** Gaza’s reconstruction has taken place in a hybrid governance context resulting from the ‘No Contact Policy’ that attempts to sideline Hamas and the strategy of control-at-a-distance exerted by the PA over rebuilding from Ramallah. Gaza’s rebuilding would be served well by the appointment of a single figure of high authority to lead a Reconstruction Council. Contrary to Egyptian proposals for a new institution that excludes Hamas, any such reconstruction council should enable coordination and collaboration between all stakeholders.

**Value Regional Actors:** There is a need for a coordinated regional response that involves the regional donors and agencies best equipped with the resources and experience to operate in the highly challenging context of the Gaza Strip. Any such regional plan should involve the long-established role of Qatar and Turkey as two of the only bilateral donors to have maintained a steadfast commitment to Gaza since the imposition of the illegal and immoral siege in 2007. Whilst various voices have accused Qatari aid for supporting Hamas, this is rejected by Qatari officials, most recently Lulwa al Khater who stated that ‘we do exercise very strict measures on our aid in general and this has been done through UN and obviously with the approval of Israel’ (Ataullah 2021). Yet both Qatar and Turkey have established channels of communication with Hamas and could function as intermediaries for an expanded American role in Gaza.
References


- UNCTAD. 2019. Palestinian socioeconomic crisis now at breaking point. 10 September.
This policy briefing draws on years of cumulative experience of the Lead Author in conducting research on the Gaza Strip in various capacities with different teams. For further reading see the articles listed below.


