

# Gaza Reconstruction Efforts

## Big Hopes Shattered by Lack of Funding



By Dr. Bashir Rayyes

After the 2014 war, the devastation in Gaza was unfathomable. The war left 171,000 homes damaged or destroyed. Over 2,000 people were killed, and 500 of them were children. Gaza's only power plant was hit; 17 hospitals and 56 primary healthcare centers were damaged; 547 educational establishments were destroyed or damaged; 95 percent of the coastal aquifer water is not safe for drinking without treatment. Around 5,500 private-sector establishments were affected. There was severe damage to the agricultural sector, to roads, to public facilities, and the list goes on. The direct losses amount to US\$ 2.5 billion, let alone the indirect losses after the destruction of so many private-sector businesses, particularly the productive industries.

The Cairo Conference (October 2014) to support the Recovery and Reconstruction efforts of Gaza, resulted in raising US\$ 5.5 billion to support the reconstruction efforts and the Palestinian government. After over

two and a half years, the received funds (till the end of December 2016) reached US\$ 1,796 million, representing 35 percent of the total amount pledged at the conference.

As a result of the delays that have been encountered in 2016 and the slowdown in funding of pledges made at the Cairo Conference for Gaza Reconstruction, many planned interventions have been postponed and delayed. This has led to a further decline in the economy and living conditions. The Gaza population, especially in the southern provinces of the Gaza Strip, still face harsh conditions preventing them from "returning to life."



Classification of the disbursements (in USD Million)

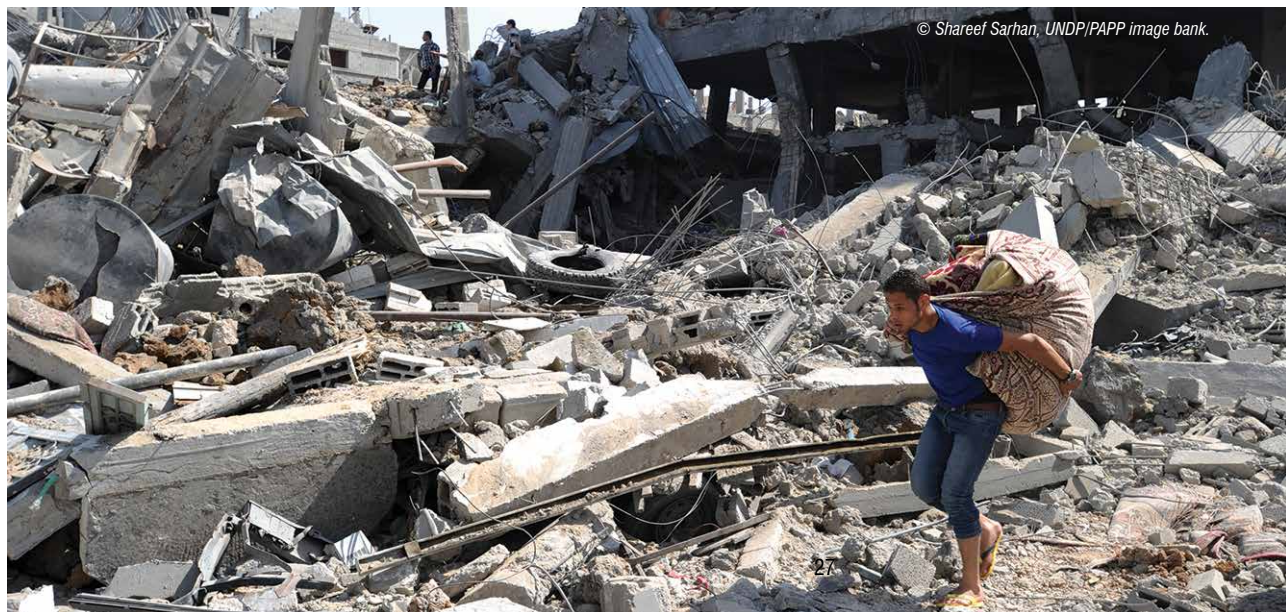


- \$670 ● Gaza Reconstruction
- \$293 ● UNRWA (Budget Support & Appeals)
- \$280 ● Humanitarian aid
- \$336 ● Budget support (Gov.)
- \$86 ● Fuel
- \$131 ● Others

Details on Funding disbursement till December 31, 2016



- \$426 ● Infrastructure (Housing, Energy, Water, Transport and Explosive Ordinance Disposal)
- \$16 ● Productive (Agriculture, Non-agriculture)
- \$90 ● Livelihoods and Social Protection
- \$130 ● Social Development (Health, Education and Culture)
- \$8 ● Governance



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The 2014 war also resulted in around two million tons of rubble. So far, 95 percent of the rubble has been removed (1,095,524 tons by UNDP and 800,000 tons by the private sector and home owners). The process generated 39,364 working days, and around 3,294 explosive remnants of war (ERWs) have been cleared.

The housing sector was hit hard during the war, with more than 171,000 houses being affected. The losses of the sector were estimated at around US\$ 1 billion. At the end of the war, around 25 percent of the Gaza population were left homeless. The government has made the housing sector the top priority for its reconstruction efforts. Today, the housing sector is still in need of an additional US\$ 290 million to complete the reconstruction efforts.

In terms of progress, 8,204 totally destroyed housing units are presently being built or are under construction, over 101,000 partially damaged housing units have been reconstructed, and around 18,000 families have received aid through the Cash Assistance and Rental Subsidies.



Municipal services and local government facilities and buildings suffered direct losses during the war. Over US\$ 100 million has been allocated in 2017 for the reconstruction of roads, infrastructure projects, and public buildings. Progress to date is 24 percent.

The health sector was able to use US\$ 13.8 million to support reconstruction efforts and resume work interventions, with 39 percent overall progress. Projects include repairing hospitals and clinics, replenishing the supply of fuel and medical equipment, repairing the large-scale water desalination plant in Al-Shifa complex, and other services (cleaning, food, etc.). It is also expected that by the end of 2017, the reconstruction of the maternity building at Al-Shifa Hospital will start.

Education-sector reconstruction efforts of the 547 educational establishments that were affected by the 2014 war are almost completed. All UNRWA schools, 96 percent of government schools, 64 percent of higher education facilities,

and 66 percent of kindergartens have been constructed.

In addition, the water sector made US\$ 22.3 million available to support its reconstruction projects. There has been 95 percent progress in reconstruction projects in the water sector, whereas the long-term developmental projects are being implemented. The same applies for the energy sector, where US\$ 36.9 million was made available to support reconstruction projects. Progress in the energy sector is at 85 percent.

Losses of around US\$ 266 million were reported in the agriculture sector as a result of the 2014 war. Reconstruction efforts worth around US\$ 68 million include various programs to support the recovery of small farmers, animal farmers, and fishermen.

With 5,427 facilities being affected by the 2014 war, damage estimates reached around US\$ 284 million. So far, only US\$ 36 million has been made available to support the Palestinian

economy in Gaza. Despite the fact that around 3,200 businesses received full payment for their registered losses, the majority of businesses with significant losses have not yet received any funding.

The ten-year blockade on the Gaza Strip is crippling the Palestinian economy, shattering people's livelihoods, and hindering the reconstruction process. The entry of reconstruction material to Gaza is done under a temporary arrangement called "The Gaza Reconstruction Mechanism" (GRM),

homes in any of the above-mentioned streams, as well as persons not impacted by the 2014 Gaza war can apply through the GRM in order to get the required building material. The registered number of applicants has surpassed 161,000, in addition to 1,219 projects implemented locally or by international donors. Due to the continued Israeli policy of closure, the GRM is experiencing delays in many of its components, which has affected the implementation of the reconstruction efforts in Gaza.



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which categorizes into three streams the owners of homes and the type of reconstruction materials that are allowed into Gaza. The Repair stream basically targets individuals whose homes suffered minor, major, or severe damage during the 2014 conflict, allowing them to access material to repair their houses. The Finishing stream is for owners of residential units who commenced but did not complete reconstruction before the 2014 conflict. The Residential stream is for individuals who wish to construct an entire home, either brand-new or as a replacement for a home destroyed in the 2014 conflict. Owners of damaged

*Dr. Bashir Rayyes is a private-sector and trade expert, and an academic with over 25 years of experience. He currently works as the general coordinator for the National Team for Gaza Reconstruction. He has worked closely with several international organizations, including UNRWA, and UNCTAD, and with international companies such as DAI, Chemonics, and Deloitte Consulting. Dr. Rayyes is a founding member of the Palestine Trade Center (PaTrade) and has served on the boards of private-sector companies as well as charity organizations. Dr. Rayyes holds a PhD in management and marketing from the University of London and an MBA from Wales University, United Kingdom.*