

POLICY BRIEFING

Gaza's population at the breaking point

Abstract

Over the past six years, Gaza's 1.8 million residents – 70 % of whom are refugees and 80 % of whom depend on humanitarian assistance for their daily livelihood – have struggled with the land, air, and sea blockade imposed by Israel for security reasons. In the last year, the decline of Gaza's socio-economic situation has accelerated dizzyingly. Almost one in three people is unemployed, with youth and women the hardest hit. The blockade and Israel's restrictions on the movement of goods and persons to and from the territory mean that sustainable economic activity in Gaza is next to impossible. This bleak economic picture goes hand-in-hand with the fragile humanitarian situation, which has also deteriorated further in the last few months, as Egypt has closed most of the illegal tunnels for reasons of national security and limited crossings at Rafah. Fuel shortages have closed the only electric power plant in Gaza, adding to residents' sea of troubles. In the recent words of the Commissioner General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), 'Gaza is quickly becoming uninhabitable.'

To alleviate Gaza's economic woes and prevent a further radicalisation of the political landscape, humanitarian assistance must be delivered to the people in need. This assistance must be supplemented by greater efforts to improve governance in Gaza and to bring about a political solution to the siege of the enclave.

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Table of contents

1	Dire humanitarian situation in Gaza	4
1.1	A deepening crisis caused by forced isolation	4
1.2	Food insecurity	5
1.3	Energy supplies	7
1.4	Health care and medical supplies	8
1.5	Water	9
1.6	Housing	10
2	Economics	10
2.1	Financial crisis and an altered economic base	10
2.2	Rising unemployment	11
2.3	Grim outlook	12
3	Gaza's isolation	13
3.1	The Rafah crossing with Egypt	13
3.2	Tunnels	15
3.3	Israeli crossings	15
4	Israel's role in Gaza	16
4.1	The blockade's legality	16
4.2	Israel's position	16
4.3	UN and other positions	18
5	Egypt's humanitarian obligations	19
6	Policy options	20
6.1	EU role in Gaza	20
6.2	Egypt and Israel should ease restrictions	21
6.3	Intra-Palestinian reconciliation to be brought back on track	22

1 Dire humanitarian situation in Gaza

1.1 A deepening crisis caused by forced isolation

Four out of five Gaza residents depend on humanitarian assistance.

The humanitarian situation has worsened dramatically in the last few months.

The situation results from the territory's forced isolation from the outside world.

Border crossings have been further restricted and illegal tunnels closed since July 2013.

The Gaza Strip counts 1.8 million residents, 80% of whom depend on humanitarian assistance for their daily livelihood and 70% (1.2 million) of whom are refugees registered by United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)¹.

The situation for all of Gaza's residents has significantly deteriorated in the past few months. Fuel shortages have led to the closure of the Strip's only power plant, with households receiving at most eight hours of electricity per day. The shortages have also caused Gaza's largest waste water plant to close, and sewage water is spilling onto the streets in numerous neighbourhoods. The price of foodstuffs has risen substantially since July 2013 (rice by 33%), and the UN estimates that more than half of residents face food insecurity. Medical supplies are insufficient, and doctors and pharmacies are unable to provide for the ill.

UN Humanitarian Coordinator James Rawley has said that Gaza's residents had enjoyed small glimmer of hope last year when a ceasefire ended an eight-day clash between Hamas militants and Israel, but that had been extinguished since. Filippo Grandi, Commissioner-General of UNRWA, addressed the problem at the Opening Session of the Advisory Commission on 18 November 2013: 'The situation in Gaza has deteriorated substantially – and I repeat, substantially – in the last few months. I regret having to raise once again issues that we hoped were going to be eventually overcome [...] Gaza is quickly becoming uninhabitable.'

The dire situation is the result of Gaza's forced, physical isolation. Over the past six years, residents have been subjected to a land, air and sea blockade imposed by Israel on the grounds of security concerns. The only alternative point of exchange with the outside world is Gaza's southern border with Egypt, which the Egyptian authorities have also tightly controlled.

In 2010, UK Prime Minister David Cameron described the territory as 'a prison camp' – a description echoed by many international observers. In September 2011, a UN investigative committee issued a report, called the 'Palmer Report'², which pointed to restrictions on the supply of goods to Gaza as the main reason for the 'unsustainable and unacceptable' humanitarian situation in Gaza.

While the blockade is not new, Gaza's isolation has grown over the last few months – along with its humanitarian crisis. For years, residents circumvented the Israeli blockade and Egyptian restrictions with illegal tunnels running underground between Gaza and Egypt. These constituted the territory's primary supply and commercial trade route for basic goods and

¹ UNRWA, *OPT Emergency Appeal 2013*:

<http://www.unrwa.org/sites/default/files/2013012971846.pdf>

² http://www.un.org/News/dh/infocus/middle_east/Gaza_Flotilla_Panel_Report.pdf

resources, including essential medical supplies.

The tunnels were also used to smuggle weapons into Gaza. According to Israeli sources, the amount and firepower of military material smuggled through the tunnels increased dramatically following the Arab uprisings, particularly with the transport of heavy weaponry from Libya.

Israel removed its own troops from Gaza in 2005, and in 2007 Hamas assumed the administration of the Strip. Periodically, rockets from Gaza have been launched into Israel and militant groups operating in Gaza have organised other cross-border attacks at Israeli targets provoking heavy response from the Israeli Defence Forces (IDF).

Since 2007, Israel and the United States have urged Egypt to do more to stop the illegal trade – in arms and ammunition, as well as in fuel, cement, and consumer goods – taking place under the Egypt-Gaza border. In August 2012, an attack on the Egyptian army in Sinai caused the death of 16 soldiers. Egypt's national security administration came to perceive the tunnels as a direct threat to Egypt's national stability with possible infiltration of militants into Egyptian territory from Gaza. Since June 2013, one month before President Mohamed Mursi was removed from power, the Egyptian army has undertaken extensive operations against the tunnel network to 'secure the Sinai Peninsula from illegal militant activities'. This has resulted in the closure of the vast majority of illegal smuggling tunnels. In parallel, restrictions have been imposed on crossings between Gaza and Egypt through the official checkpoint, the Rafah crossing. While all these measures were based on security considerations, they have led to deterioration in the humanitarian situation in the Gaza Strip³.

The UN has called on 'Israel, the Palestinian Authorities, Egypt and third party states [to] take urgent action now to ensure adequate supplies, particularly of fuel, to maintain essential services'⁴.

The UN is alarmed and has called on Israel, Egypt and other states to take action.

1.2 Food insecurity

Food insecurity in Gaza is linked to high unemployment, low wages and high food prices. Since June 2013, prices have increased greatly: vegetable oil, for example, has risen by 7 % and rice by 33 %⁵. The 700 000 residents of Gaza who live in absolute poverty will have been hit the hardest.

Some 80 % of people in Gaza are food aid recipients⁶, and 60 % are food-insecure or vulnerable to food insecurity even after receiving assistance from UNRWA and the World Food Programme (WFP)⁷. Currently, the WFP

700 000 people live in poverty.

Most people in Gaza are

³ UN News Centre, Gaza-Egypt border restrictions worsening humanitarian situation of Palestinians, say UN, Sep. 2013:

<http://www.un.org/apps/news/story.asp?NewsID=45938#.UI9vnFBwpGZ>

⁴ UNOCHA, *Humanitarian Bulletin Monthly Report*, August 2013, p. 2:

http://www.ochaopt.org/documents/ocha_opt_the_humanitarian_monitor_2013_09_27_english.pdf

⁵ WFP, Palestine Brief # 2 August-September 2013.

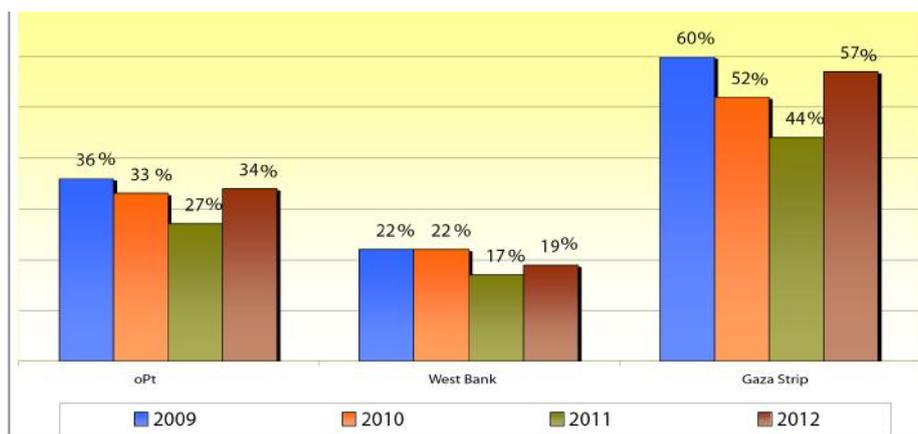
⁶ United Nations Seminar on Assistance to the Palestinian People, p. 1.

⁷ <http://www.unrwa.org/resources/emergency-appeals/opt-emergency-appeal-2013>

dependent food aid.

responds to the food needs of nearly 300 000 Palestinians in Gaza, but funding shortfalls may reduce food rations, shorten the duration of the programme or lead activities to be cancelled after January 2014⁸. UNRWA provides some 750 000 Palestinians in Gaza – nearly 45 % of Gaza's population – with food assistance⁹. Like the WFP, the agency faces budget shortfalls and has been forced to suspend its School Feeding programme in Gaza during the autumn semester; leaving about 233 000 children without daily nutritional supplements¹⁰.

Figure 1:
Food insecurity trends in Palestine, 2009-2012, by region



Source: Policy Department, DG EXPO, from Humanitarian bulletin, August 2013

The UN has said that Gaza's alarming food insecurity is primarily caused by the prolonged blockade.

The UN has said that Gaza's alarming rates of food insecurity are 'primarily because of the prolonged blockade, which continues to prevent any significant recovery of the local productive economy, especially the export sector'¹¹. Over 50 % of household income in the territory is spent on food. Tunnel closures and the related shortages in building material and fuel, coupled with cuts in public sector salaries, have led thousands of workers in all sectors of the economy to lose all or part of their income, in most cases obliging them to spend a greater percentage of their income on food. This directly impacts food security. WFP estimates project that the complete closure of tunnels would require securing foods needs for an additional 50 000 to 60 000 people¹².

Restrictions have crippled Gaza's once successful fishing and agriculture sectors.

Israel's blockade has also had devastating consequences to fishing activities. Since 2006, Israel has limited the maritime zone open to fishing activities off Gaza. In 2009, this was further reduced to three nautical miles, with estimated loses of some 1 300 metric tonnes of fish. The effect on Gaza has been pronounced: before the tunnels were closed, 50 % of the fish consumed in Gaza was imported smuggled through the tunnels. And while Egypt had allowed Gaza's fishing boats to enter its waters before July, Palestinian

⁸ WFP, *Palestine Brief #2 August-September 2013*: http://www.lacs.ps/documentsShow.aspx?ATT_ID=7727

⁹ IRIN, *OPT: Gaza food situation tight as Karni crossing closed*, March 2011: <http://www.irinnews.org/report/92114/opt-gaza-food-situation-tight-as-karni-crossing-closed>

¹⁰ UNOCHA, *Humanitarian Bulletin Monthly Report*, August 2013.

¹¹ idem

¹² IRIN, *Gazans say Egypt is now turning the screw*, Oct. 2013: <http://www.irinnews.org/report/98865/gazans-say-egypt-is-now-turning-the-screw>

fishermen have been arrested and injured by the Egyptian navy, and their fishing boats damaged, in recent months.

Agricultural production has also suffered. Restrictions are estimated to have led to the loss of some 75 000 metric tonnes of produce per year (see Figure 1 for coastal and land access restrictions)¹³. Again, many food needs can only be satisfied through imports – legal or illegal.

Figure 2:
Gaza strip: Access and closure



Source: United Nations

1.3 Energy supplies

The total amount of fuel required every month in Gaza is estimated at about

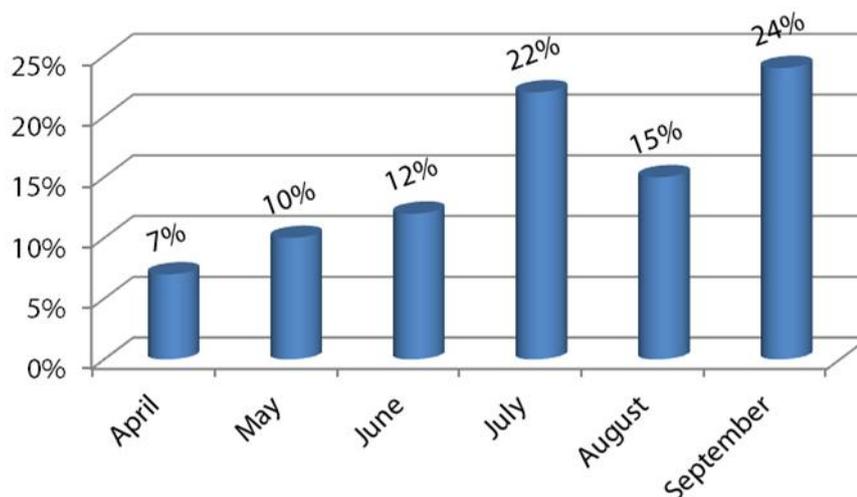
¹³ idem

Only 15 % of the fuel needed arrives in Gaza.

33 million litres. In the past few months, deliveries have accounted for 15 % of these needs.

Daily fuel imports have declined to 200 000 litres from one million, as most fuel imports arrived through tunnels¹⁴. Chronic deficiencies in fuel supplies have severely disrupted the flow of electricity for basic services – including water, sanitation and health facilities, and education – and have undermined residents' already vulnerable livelihoods and living conditions.

Figure 4:
Percentage of fuel deliveries of the total need, 2013



Source: UNOCHA

Gaza's only power plant has been shut down.

This chronic shortage of fuel has serious consequences. The Gaza Power Plant (GPP)¹⁵, Gaza's only plant, has shut down after depleting its fuel reserves. It would require a minimum of half a million litres of diesel per day to run at full capacity. Feeder lines purchased from Israel and Egypt provide 120 MW (30 %) and 30MW (8 %), respectively, but this is still far from adequate. Scheduled blackouts occur for 16 hours per day, in addition to random unscheduled blackouts. The total amount of electricity currently available covers only some 30 % of the demand.

The critical situation of electricity shortages has forced the different authorities in Gaza to cooperate with the Palestinian National Authority (PNA). Negotiations are on-going with Qatar for emergency funding to finance the purchase of fuel required. This fuel would be transported into Gaza via Egypt pending Egyptian authorisation.

1.4 Health care and medical supplies

Fuel shortages and the resulting reduced electricity output also affect public hospitals (critically reliant on generators), placing patients requiring urgent medical treatment at risk. The authorities in Gaza have warned of a health catastrophe if the current fuel shortage continues. Not only hospital

¹⁴ IRIN, *Egyptian border restrictions create misery in Gaza*, Sep. 2013:

<http://www.irinnews.org/report/98774/egyptian-border-restrictions-create-misery-in-gaza>

¹⁵ Since 2006, Israeli military campaigns have left the plant significantly damaged reducing its generating capacity and reliability. Six transformers have been destroyed and imports of spare parts and equipment are restricted. See

http://www.ochaopt.org/documents/ochaopt_atlas_gaza_electricity_december2012.pdf

Patients have highly restricted access to health care outside Gaza. There is a severe shortage of medical and fuel supplies.

generators and ambulances lack fuel; the vehicles used to transport domestic and commercial waste to dumps outside Gaza City are also running out of fuel, and the build-up of waste in urban areas poses a health hazard.

Given the restrictions on movement, health care access beyond the Gaza strip is increasingly difficult. In the first ten days of September, 129 patients passed through Rafah; the number was ten times that in the first ten days of June. The territory also faces shortages of urgent medical and fuel supplies; according to the UN, the Gaza Ministry of Health has run out of nearly 50 % of essential medicines¹⁶. Private pharmacies have reported the highest shortages in critical medicines since 2006. The health centres run by UNRWA serving the territory's large refugee population are overcrowded, with each doctor conducting a daily average of 114 medical consultations in 2012¹⁷.

1.5 Water

The supply of water is heavily rationed.

The United Nations estimates that 40 % of people in Gaza receive water only once every three days, 25 % every four days and only 15 % every day. The average duration of running water in households is 6-8 hours per day¹⁸. More than 90 % of the territory's aquifer water is unsafe for human consumption¹⁹.

The water situation may be exacerbated by fuel shortages, which risk leaving about 600 000 residents without access to adequate and safe water and sanitation services. About 291 water, sanitation and hygiene (WASH) facilities²⁰ are at risk of being shut down, according to the Coastal Municipalities Water Utility (CMWU)²¹. There has been a 60 % reduction of the rate of production of desalinated water. CMWU warns that about 25 desalination units may soon close, forcing over 200 000 people to purchase water from unregulated sources. At present, 12 water wells, serving about 150 000 people, are operating on standby generators.

Water and sanitation services also risk closure, and environmental and public health hazards have worsened.

Lack of fuel also has caused numerous sewage pumps to flood, spilling thousands of cubic meters into open areas and valleys and creating the risk of contamination and public health and environmental hazards. Gaza's largest waste water treatment plant has stopped for lack of fuel, leading sewage water to spill onto the streets of several neighborhoods in Gaza City.

¹⁶ UNOCHA, The humanitarian impact of reduced access between Gaza and Egypt Situation Report.

¹⁷ UNRWA, OPT Emergency Appeal 2013, p. 15.

¹⁸ OCHA Protection of civilians, Weekly Report, 29 October - 4 November 2013

¹⁹ UNOCHA, The Humanitarian Impact of Movement Restrictions on People and Goods.

²⁰ Facilities included: 205 water wells, 42 main sewage pumping states, 15 districts sewage pumping states, four wastewater treatment plants, ten water desalination plants and 15 water lifting states.

²¹ UNOCHA, The humanitarian impact of reduced access between Gaza and Egypt Situation Report.

Even before the current crisis, nearly 90 million litres of untreated or partially treated sewage were discharged into the Mediterranean Sea every day²².

1.6 Housing

There is a chronic shortage of construction materials, although more than 71 000 additional housing units are needed.

Over 15 000 people in Gaza have been displaced. One third of homes remain damaged or destroyed as a result of the 2008-2009 Israeli military campaign, and Israel's 2012 military campaign wrought further damage and destruction on homes and infrastructure. Coupled with rapid population growth²³ and long-term restrictions, Gaza's housing situation has suffered tremendously. The Unified Shelter Sector Database (USSD) reported more than 71 000 additional housing units – some 23 % of the total currently available – are required to meet Gaza's housing needs²⁴.

Previously, around 80 % of construction materials were imported through tunnels. Currently, construction imports (mainly cement) have dropped to as low as 100 tonnes a day, compared to a daily average of over 7 500 tonnes (approximately 214 truckloads) in June²⁵. Shortages have soared, and prices of building materials (i.e. cement, gravel and steel) have increased as much as 100 %. Given the tunnel closures and Israel's decision to freeze shipments of building materials, which have brought construction activity to a standstill, the housing crisis is unlikely to ease in the near future.

2 Economics

2.1 Financial crisis and an altered economic base

The tunnel crackdown has reduced fiscal earnings and triggered a financial and economic crisis.

The crackdown on tunnels has significantly reduced Gaza's fiscal earnings and triggered a financial crisis. Estimates of the income derived from taxes imposed by Gaza authorities on the goods entering via the tunnels and represent an amount between 70 and 40 % of the Gaza public budget²⁶. The government in Gaza collects taxes for some of these goods, such as cigarettes, fuel, and materials transported through the tunnels. Gaza officials themselves estimate that losses to the local economy since June 2013 amount to USD 460 million (approximately EUR 340 million) – equivalent to over half the annual budget of over the USD 700 million (approximately EUR 520 million). The collapse of the tunnel economy has not only led to price hikes and depressed production in factories dependent on raw materials from Egypt, but has also cut fiscal earnings on locally manufactured goods.

²² UNOCHA, *The Humanitarian Impact of Movement Restrictions on People and Goods*. http://www.ochaopt.org/documents/ocha_opt_gaza_blockade_factsheet_july_2013_english.pdf

²³ Gaza is one of the most densely populated places (5 835 people per km²) in the world where overcrowding is a major problem and disaster risk is high.

²⁴ IRIN, *OPT: Tunnel closures exacerbate Gaza housing crisis*, Nov. 2012:

<http://www.irinnews.org/report/96734/opt-tunnel-closures-exacerbate-gaza-housing-crisis>

²⁵ UNOCHA, *The humanitarian impact of reduced access between Gaza and Egypt Situation Report*.

²⁶ Reuters, *Isolated Hamas faces money crisis in Gaza Strip*, Oct. 2013:

<http://www.reuters.com/article/2013/10/09/us-palestinian-hamas-crisis-idUSBRE99804P20131009>

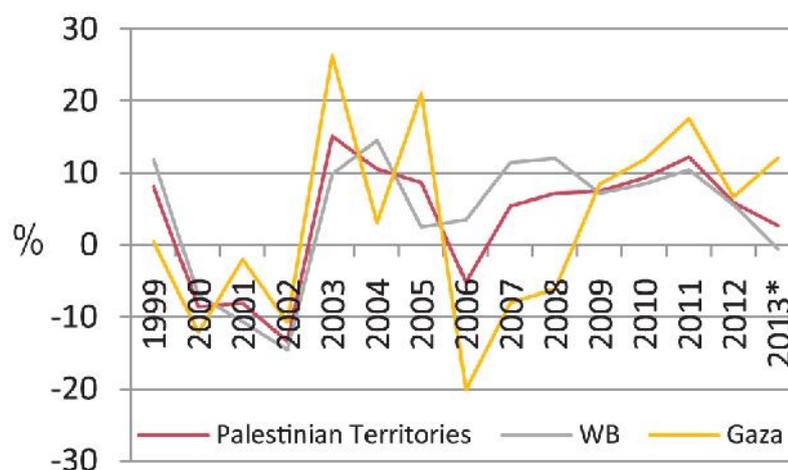
Many of Gaza's 50 000 civil servants are not receiving their full salaries; in September 2013, the government paid only 77 % of its payroll.

Hamas's external funding, which comes primarily from Iran, its main ally, has also declined²⁷. Some Arab states are continuing to help Gaza through construction programmes, with aid either coming directly in the form of building materials (transported through Egypt) or via funds to the United Nations. For example, Saudi Arabia is building 1 700 housing units in southern Gaza, while Qatar is paying for a major road upgrade – in both cases, with materials imported via Egypt. Neither Saudi Arabia nor Qatar is believed to provide Hamas cash assistance, although there are private donors in the Gulf making such donations to Hamas. An additional problem for Hamas is the technical difficulty of bank transfers: only one local bank works with Hamas, and all electronic transactions are carefully monitored abroad.

Gaza's economy has generally moved away from production, and notably away from the agriculture, fishing and manufacturing the territory once depended on. What growth has occurred over the last few years has mainly been driven by large inflows of donor aid contributing to the expansion of the public sector. In this unsustainable economic model, large donor-financed construction projects accounted for over 80 % of the territory's 12 % growth in the first quarter of 2013²⁸. The Egyptian authorities' measures to reduce tunnel activity, the main source of construction material, will surely take a heavy toll on the local economy.

Gaza's economy has grown dependent on donor aid – an unsustainable model.

Figure 5:
Real GDP Growth rates
1999-Q1 2013



Source: PCBS National Accounts Data; Based on preliminary data for the first quarter 2013

2.2 Rising unemployment

Unemployment in Gaza is persistently high – 30 % – due to weak private

Unemployment in Gaza is persistently high due to weak private sector activity. Prior to tunnel closures, Gaza's unemployment rate was around 30 %²⁹. High youth unemployment and low female labour participation rate are both serious concerns. The unemployment rate for the young people is

²⁷ Figures are unknown, but diplomats estimate Iranian funding at USD 250 million a year (which would mean nearly 40 % of the annual budget).

²⁸ UNOCHA, The humanitarian impact of reduced access between Gaza and Egypt Situation Report.

²⁹ UNRWA, OPT Emergency Appeal 2013.

sector activity.

47 % and for women 51 %. At 15 %, the female labour force participation rate is almost half of the MENA region's 26 % average. Nine out of every 10 young women in Gaza do not work³⁰.

In the first quarter of 2013, the World Bank reported, growth in the construction sector, stimulated by smuggled materials³¹, eased the employment situation. However, the subsequent reduction in tunnel activity and Israel's decision to halt shipments of building materials have devastated productivity in the sector, causing soaring unemployment and a severe decline in economic activity and growth. Between mid-June and late-August, over 250 000 workers lost jobs across all sectors, including some 30 000 from the construction sector³² and over 40 000 workers as a result of the collapse of the tunnel economy³³. Egypt's closure of most the tunnels has virtually stopped subsidised Egyptian fuel coming into Gaza, forcing Palestinians to buy Israeli imported petrol at double the price – in Israel.

Table 1:
Labour statistics, January-
June 2013

Indicator	Gaza
Unemployment rate	29.5 % (32.2) ³⁴
Underemployment rate	7.5 %
Labour force participation rate	40.5 %
Youth unemployment (ages 15-29) rate	46.6 %
Youth labour force participation rate	33.3 %
Female unemployment rate	51.0 %
Female labour force participation rate	15.4 %

Source: PCBS³⁵ Labour Force Surveys for Q1 and Q2 2013

2.3 Grim outlook

Recent developments
guarantee that Gaza's

For over a decade, the socio-economic situation in Gaza has steadily declined. Since the imposition of the blockade in 2007, the situation has plummeted to crisis levels, where it remains today: in 2012, real GDP per capita in the Gaza Strip was only 81 % of the 1994 level and only half the level recorded in the West Bank. Recent developments mean that the

³⁰ Many human rights organisations have warned that women's rights in Gaza are regressing in an alarming manner under Hamas. While the authorities tell women to put their demands for more rights on hold under the pretext that it is not the right time (occupation), activists point to the negative consequences of the Hamas administration's islamisation policies.

³¹ World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, Sep. 2013, p. 6:
<http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/AHLCreportSep2013final.pdf>

³² The Guardian, Gaza chokes as Egypt's economic garotte tightens, Oct. 2013

³³ United Nations Seminar on Assistance to the Palestinian People, p. 5.

³⁴ The UN estimate is slightly higher than the official Palestinian figure. UNOCHA, Humanitarian Bulletin Monthly Report, August 2013, p. 2.

³⁵ Palestinian Central Bureau of Statistics

economy will further deteriorate.

economy in Gaza is bound to face a further serious slowdown, with a negative impact on the labour market and poverty.³⁶

Previously, inflation rates (largely driven by inflation in Israel) were low – below 3 %, and as low as 1.5% in the first half of 2013, in part reflecting the abundance of cheap imports via the tunnels and greater imports from Israel³⁷. Today, however, Gaza's inflation is significant, with shortages and price increases as high as 100 % registered for basic goods and building materials (cement and gravel have notably more than doubled in price).

3 Gaza's isolation

3.1 The Rafah crossing with Egypt

Since July 2013, passage through the Rafah border crossing has been heavily restricted.

For many years, Israeli restrictions means that the Egyptian-controlled Rafah border crossing was the primary legal gateway for people and goods travelling between Gaza and the outside world. However, since July 2013, the new Egyptian government has undertaken extensive operations to 'secure the Sinai Peninsula from illegal militant activities'. Restrictions on movements between Gaza and Egypt via the Rafah crossing have been imposed. In parallel, many illegal smuggling tunnels under the Egyptian-Gaza border were closed.

UN reports have found that, 'on average, fewer than 400 people per day have crossed in both directions since July 2013, about 29 % of the number who crossed in the first half of 2013'³⁸.

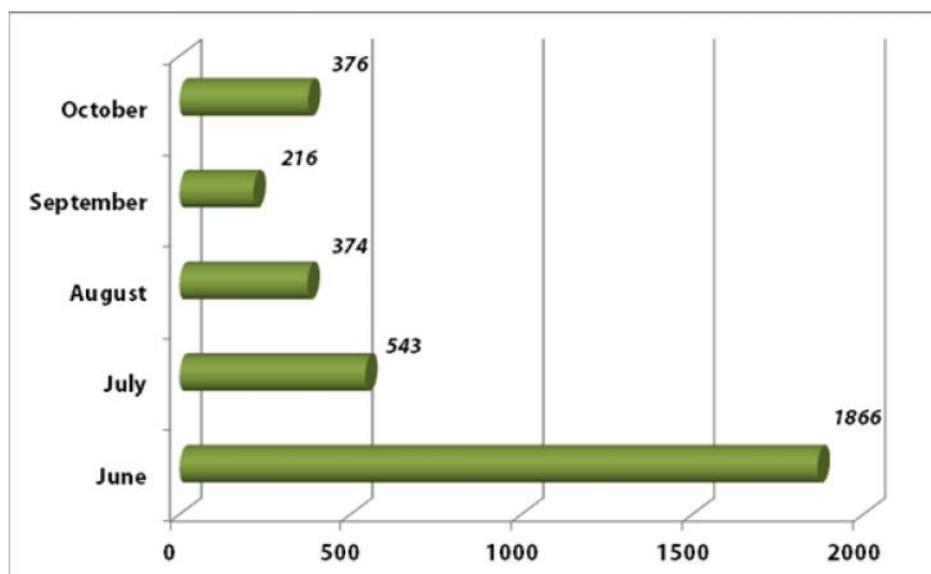
Although Israel has increased the limited number of exit permits via the Erez crossing in northern Gaza – the only other legal exit point for persons – the isolation of Gaza from the world has grown.

³⁶ The World Bank: Economic Monitoring Report to the Ad Hoc Liaison Committee, 25 September 2013

³⁷ IMF, *West Bank and Gaza Staff Report Prepared for the September 2013 Meeting of the Ad Hoc Liaison Committee*, Sep. 2013, p. 6:
<http://www.imf.org/external/country/WBG/RR/2013/091113.pdf>

³⁸ The Guardian, *Gaza chokes as Egypt's economic garotte tightens*, Oct. 2013:
<http://www.theguardian.com/world/2013/oct/14/gaza-chokes-israel-egypt-economic>

Figure 6:
Number of people crossing the border at Rafah per day



Source: GISHA³⁹

The operations at the Rafah border crossing are limited, and the border is closed when there are political or security incidents.

In Egypt, when local authorities deem political or security circumstances 'unfavourable', indefinite crossing closures or tighter controls are ordered. As a result, Rafah's operating schedule is uncertain and people may be stranded for lengthy periods of time on either side of the border. When open, the crossing operates only four hours a day, six days per week – a significant reduction from its pre-July 2013 schedule of nine hours a day, seven days per week.

In recent months, travel through Rafah has only been authorised for the following categories of people:

- medical patients who have a referral for treatment in Egyptian medical facilities or in a third country,
- students,
- individuals holding foreign passports and/or foreign residency permits,
- pilgrims (in the period around Eid al-Adha, the Muslim Feast of the Sacrifice).

After Eid al-Adha, in early October 2013, Egyptian authorities closed the border crossing at various points – for a total of seven days. In November, when Egyptian authorities opened the crossing again, an average of 225 travellers were allowed to cross daily. The authorities operating the crossing on the Gaza side of the border have registered thousands of people, including students and people seeking medical care, on waiting lists.

The restrictions at Rafah affect legal transit of goods into the enclave.

The closure of the Rafah crossing has contributed to a decline in the volume of aid supplies arriving in Gaza from international donors, who has previously used this as a transit point.

³⁹ Gisha, *Statistics: Movement of people through Rafah crossing*, Oct 2013: http://www.gisha.org/graph.asp?lang_id=en&p_id=1235

3.2 Tunnels

Closure of tunnels affects many aspects of life in Gaza.

Since the blockade began in 2007, exports from Gaza have fallen by 97 %⁴⁰. The UN reported that before the crackdown smuggled goods accounted for 80 % of Gaza's imports, with a monthly value of approximately USD 70 million⁴¹. Gaza's illegal tunnel economy has provided an important supplement to external aid. Changes to the tunnels affect many aspects of life in Gaza.

Although Israeli air strikes rendered over 100 tunnels inoperative during the Gaza War (2012), many of them were restored within a few weeks. More recently, the Egyptian army has undertaken their own campaign to close tunnels between Gaza and Egypt. This has led to the destruction of several hundred tunnels. The number of tunnels still operating is unknown⁴², but tunnel activity is estimated to be down by at least 80-90 %⁴³.

3.3 Israeli crossings

The number of people crossing the border at Erez from Gaza has increased, but does not fulfil the demand.

The restrictions on the Rafah crossing have had an unintended consequence: the Erez crossing has become the main gateway in and out of the Gaza Strip, although no significant change in Israel's own restrictive policy has taken place. Israel continues to allow passage through Erez only 'in exceptional humanitarian cases, with an emphasis on urgent medical cases'. In October, about 5 900 exits by Palestinians⁴⁴ were recorded at the Erez Crossing – an increase of more than 40 % from the 4 150 monthly average in the first half of 2013⁴⁵.

Israel blocked all delivery of construction materials into Gaza, including to humanitarian organisations, when a Hamas-built illegal tunnel was discovered.

Even with this increase, the demand for travel in and out of Gaza is hardly satisfied. For those residents of Gaza who wish to travel beyond Israel, the situation is even more complicated, as they are barred from using the Tel Aviv international airport. The only alternative for air travel is via Jordan, which also requires passing through the Israeli-controlled Allenby Bridge border crossing from the West Bank into Jordan. In September, for example, only 63 people left Gaza at the Erez crossing with the intention of travelling beyond Israel.

In 2010, as part of its efforts to ease the Gaza blockade, Israel allowed foreign

⁴⁰ Oxfam, 20 years of missed opportunity has undermined progress on Israel-Palestine peace and left millions trapped in poverty, Sep. 2013:

<http://www.oxfam.org/en/pressroom/pressrelease/2013-09-13/20-years-missed-opportunity-progress-israel-palestine-poverty>

⁴¹ United Nations Seminar on Assistance to the Palestinian People, p. 5:

<http://www.un.org/depts/dpa/qpal/docs/2013Rome/P2%20MS.%20AL%20WEHAIDY%20EN.pdf>

⁴² At the end of August, an estimated 10 tunnels were reported to be operating. UNOCHA, *Occupied Palestinian Territory: The humanitarian impact of reduced access between Gaza and Egypt Situation Report*, Sep. 2013:

http://www.ochaopt.org/documents/ocha_opt_gaza_sitrep_2013_09_23_english.pdf

⁴³ The Guardian, Gaza chokes as Egypt's economic garotte tightens, Oct. 2013

⁴⁴ Some 2 400 of these crossers in October were patients.

⁴⁵ Before the Second Intifada broke out in September 2000, some half a million Palestinians crossed the border each month.

aid organisations to import construction material for public projects. In September 2013, Israel resumed the transfer of cement and steel to Gaza's private construction sector for the first time since 2007. However, in mid-October 2013, Israel discovered a 2.5 km-long tunnel, which Hamas claimed to have constructed. For security reasons, Israel responded by again halting the transfer of all building materials to international organisations and to the private sector in the Gaza Strip.

While Israel argues this ban on bringing construction materials is a preventative security measure, Gaza's entire population suffers as a result. The UNRWA has suspended 19 of its 20 building projects in Gaza for lack of materials. The suspension has directly affected more than 4 000 construction workers and will delay the completion of several housing, schools and health clinic projects.

The UN has had to suspend almost all its construction projects.

4 Israel's role in Gaza

4.1 The blockade's legality

Israel is responsible for the blockade, which the UN has identified as the primary cause of Gaza's economic and social difficulties.

One analysis of the situation requires distinguishing between the land, air and naval blockades that Israel imposes on the enclave. This was the approach of the UN's 2011 'Palmer Report', which concluded that the naval blockade of Gaza was legal, but that another judgment applied to the restrictions on goods to Gaza over land. The report considered these land restrictions the main reason for the 'unsustainable and unacceptable' humanitarian situation in Gaza⁴⁶.

But to what extent any element of Israel's blockade respects international law depends on whether or not the country is defined as an occupying power. If Israel is considered to be one, then the country has specific responsibilities under the international law of belligerent occupation and international humanitarian law.

The 1907 Hague Regulations define the occupation of a territory in relation to 'the authority of a hostile army'.

Art. 42: 'Territory is considered occupied when it is actually placed under the authority of the hostile army'.

Art. 43: 'The authority of the legitimate power having in fact passed into the hands of the occupant, the latter shall take all the measures in his power to restore, and ensure, as far as possible, public order and safety, while respecting, unless absolutely prevented, the laws in force in the country.'

The legality of Israel's blockade depends on whether the country is considered an occupying power.

The 1907 Hague Regulations define occupied territory and the responsibilities of the occupier.

4.2 Israel's position

Israel does not consider itself an occupying power – a position it bases on its

⁴⁶ http://www.un.org/News/dh/infocus/middle_east/Gaza_Flotilla_Panel_Report.pdf

Israel does not consider itself an occupying power as it has no troops on the ground in Gaza.

actions in September 12 2005, when the country dismantled its settlements and evacuated its permanent military installations from Gaza.

Israel defines 'effective control' – the legal test for occupation in the international law⁴⁷ – as dependent on a permanent ground troop presence in the territory. After completing its disengagement plan, Israel declared that it had ended its control over – and its responsibility for – the territory and the military government that had administered the Gaza Strip since Israel captured the territory in 1967. The government of Israel has said that the Palestinian National Authority (PNA) bears sole responsibility for the administration of Gaza and the needs of the territory's residents. However, since 2007, a Hamas-led administration, rather than the PNA, has exercised control in the Gaza Strip.

Israel allows passage to and from Gaza only in 'exceptional humanitarian cases'.

If Israel is no longer classified as an occupying power, Israel's obligations to residents of the Gaza Strip are those mandated by the law of armed conflict. This law would continue to apply so long as the conflict between the Israeli Defence Forces and armed groups in Gaza continues. Following this law, Israel allows the passage of people only in 'exceptional humanitarian cases' and restricts the passage of goods to those 'essential for the survival of the civilian population'.

The Israeli Supreme Court⁴⁸ has clarified that, within the Israeli legal framework, Gaza is not occupied by Israel and Israel is therefore not responsible for complying with Article 43 of the Hague Regulations. However, the court ruling also specifies that Israel must meet the 'essential humanitarian needs' of Gaza. The decision did not define what 'essential humanitarian needs' mean.

Last year, however, the Israeli Ministry of Defence released classified documents revealing the Israeli military's calculations of how many calories a typical resident in Gaza would need to survive; the calculation had been used to determine how much food to supply the Gaza Strip during Israel's 2007–2010 blockade⁴⁹.

Israel does not recognise a humanitarian crisis in Gaza.

Israel currently maintains that 'despite the security threats, it continues to work with the international community and the Palestinian Authority to facilitate sustainable infrastructural and economic development in Gaza to meet both the short and long term needs of the civilian population⁵⁰'. Israel

⁴⁷ Article 42 of the 1907 Hague Regulations.

⁴⁸ H.C.J. 9132/07 *Jaber Al-Bassiouni v. Prime Minister*, Judgment of January 30, 2008, http://elyon1.court.gov.il/Files_ENG/07/320/091/n25/07091320.n25.htm.

See The Implications of Bassiouni v. Prime Minister for Humanitarian Professionals in Gaza, policy brief of October 2010 by the Program on Humanitarian Policy and Conflict Research, Harvard University, for a detailed analysis on the legal question, available at www.hpcrresearch.org

⁴⁹ The release of the documents was the result of a legal battle fought by the Israeli human rights NGO Gisha. <http://www.bbc.co.uk/news/world-middle-east-19975211>

⁵⁰ http://www.cogat.idf.il/Sip_Storage/FILES/7/4207.pdf

The Coordinator of Government Activities in the Territories (COGAT) is a unit in the Israeli Ministry of Defence coordinating civilian issues between the Government of Israel, the

has not recognised a humanitarian crisis in the Gaza Strip or a shortage of basic goods.

4.3 UN and other positions

Israel continues to exercise effective control over the territory of Gaza.

Opponents of the Israeli position argue that, despite Israel's disengagement plan, the country has not relinquished control over Gaza, but merely removed certain elements of control while tightening others. According to this view, occupation is the ability to exercise effective control over a territory – control that is linked with, but not entirely dependent upon, a military presence controlling the territory.

The situation on the ground seems to confirm Israel's effective control of Gaza. Since Israel's disengagement in September 2005, Israel has contributed to an economic and humanitarian crisis in Gaza that exceeds anything seen in the 38 years of Israeli occupation.

The United Nations regards Gaza as an occupied territory.

In resolutions on the Middle East peace process adopted by both the UN Security Council and the UN General Assembly, the Gaza Strip is still regarded as part of the Occupied Palestinian Territory. As a result, the United Nations still refers to the Gaza Strip as part of the Occupied Palestinian Territory, and will continue to do so until either the General Assembly or the Security Council takes a different view⁵¹.

If the Gaza Strip remains part of the Occupied Palestinian Territory, Israel still has obligations to the residents of Gaza in those areas of their lives that are subject to and affected by Israeli control – notably, borders, airspace, and territorial waters, the population registry, tax system and other administrative tasks related to the inhabitants, supply of goods, and restrictions on the movement of people and goods.

The responsibilities are defined by The Geneva Convention relative to the Protection of Civilian Persons in Time of War (12 August 1949), which details what an occupying power must do in its occupied areas. One key aim of the international rules on belligerent occupation is to enable the inhabitants of an occupied territory to pursue as 'normal' a way of life as possible in such circumstances. To allow this to happen, while recognising the transitional nature of the occupation, the occupying power is required to administer the territory with as few far-reaching changes to the existing order as possible, while also ensuring the protection of inhabitants' fundamental rights.

The Geneva Convention relative to the Protection of Civilian Persons in Time of War (12 August

Art. 27:

'Protected persons are entitled, in all circumstances, to respect for their persons, their honour, their family rights, their religious convictions and practices, and their manners and customs. They shall at all times be humanely treated, and shall be protected especially against all acts of

Israel Defence Forces, international organisations, diplomatic missions, and the Palestinian National Authority.

⁵¹ <http://blog.unwatch.org/index.php/2012/01/27/un-we-still-consider-gaza-occupied-by-israel/>

1949) defines the responsibilities of occupying powers toward civilians in territories they occupy.

violence or threats thereof and against insults and public curiosity.

Women shall be especially protected against any attack on their honour, in particular against rape, enforced prostitution, or any form of indecent assault.

Without prejudice to the provisions relating to their state of health, age and sex, all protected persons shall be treated with the same consideration by the Party to the conflict in whose power they are, without any adverse distinction based, in particular, on race, religion or political opinion.

However, the Parties to the conflict may take such measures of control and security in regard to protected persons as may be necessary as a result of the war.'

Collective punishment – i.e. punishment of innocent people or property by a self-defensive military action – is forbidden by international law. Pillaging and acting out of revenge are not considered necessary for restoring peace and security.

The Convention forbids collective punishment.

Art. 33

No protected person may be punished for an offence he or she has not personally committed. Collective penalties and likewise all measures of intimidation or of terrorism are prohibited.

Pillage is prohibited.

Reprisals against protected persons and their property are prohibited.

Article 75(2d) of the Geneva Conventions (Protocol I) (1977) reinforces the principle.

Article 75.

2. The following acts are and shall remain prohibited at any time and in any place whatsoever, whether committed by civilian or by military agents:

(a) violence to the life, health, or physical or mental well-being of persons, in particular:

(i) murder;

(ii) torture of all kinds, whether physical or mental;

(iii) corporal punishment; and

(iv) mutilation;

(b) outrages upon personal dignity, in particular humiliating and degrading treatment, enforced prostitution and any form of indecent assault;

(c) the taking of hostages;

(d) collective punishments; and

(e) threats to commit any of the foregoing acts.

5 Egypt's humanitarian obligations

Egypt has humanitarian obligations towards

Egypt may also be considered to have certain obligations to Gaza. International Humanitarian Law not only describes the 'positive obligations' of occupants to ensure the well-being of the civilian population (such as

Gaza's residents.

providing food and medical supplies); it also considers that non-occupying parties in a conflict situation have 'negative obligations' towards the civilian population. As a party to the Fourth Geneva Convention, Egypt is generally obliged to ensure that all other contracting Parties – including Israel – do not violate the provisions of the Convention. Under Article 1, parties to the convention must 'do everything in their power to ensure that the humanitarian principles underlying the Convention are applied universally'.

While Egypt is not responsible for the occupation, the country nonetheless has a moral obligation to consider Gaza residents' right to freedom of movement, and to make an effort to allow them to use Egyptian territory as a reliable and sufficient travel route.

The shift of power in Egypt over the past few months has led not only to clamp-down on tunnels and border closures, but also to a sharp reduction in fishing rights and the transport of basic goods, further isolating Gaza's residents. Cairo has expended substantial efforts and resources in destroying tunnels and fighting smuggling of arms and other illegal goods⁵², but its efforts to alleviate the dire humanitarian situation have been modest so far.

6 Policy options

6.1 EU role in Gaza

The EU provides significant humanitarian assistance to Gaza and is the main supporter of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The EU has a deep political, economic and humanitarian interest in Gaza. Given the catastrophic situation in the enclave, addressing the immediate humanitarian needs of the civilian population should be the first priority.

The EU's commitment to alleviating the dire humanitarian situation in Palestine has underpinned the assistance provided since 2000 through the EU's Humanitarian Aid and Civil Protection Department (ECHO): over EUR 670 million in humanitarian aid allocated to help meeting the basic needs of Palestinians in Palestine⁵³. The 2013 funding is EUR 35 million, which benefits more than two million people. Almost a quarter of the budget is allocated to core actions such as humanitarian coordination throughout Palestine. Nearly EUR 10 million is dedicated to food assistance (food distribution and food vouchers), primarily in Gaza. Funding is also geared towards water and sanitation and to psycho-social and medical care amongst populations most affected.

UNRWA is another important channel of EU assistance to Palestinians. The agency is responsible for assisting more than 1.2 million refugees – 70 % of Gaza's total population. The European Union is UNRWA's strategic partner and largest multilateral donor. Together with its Member States, the Union contributes 52 % of UNRWA's core budget and 38 % of overall operations. The EU has respected its commitments despite the drastic budget cuts in

⁵² In November 2013, the Egyptian military claimed to have destroyed [almost 800 tunnels](#) in 2013. Many observers estimate, however that in January 2013 there were 250 operating tunnels, which suggests that Egyptian forces have to continuously close the same or newly emerged tunnels.

⁵³ http://ec.europa.eu/echo/aid/north_africa_mid_east/palestinian_en.htm

The deterioration of the humanitarian situation has to be reversed, and political efforts should be made to find a political solution.

The EU Border Assistance Mission at Rafah is currently suspended but could be reactivated.

Europe, because UNRWA is the sole provider of basic services to its target population.

As a major humanitarian donor, the EU must prepare measures to avert a greater humanitarian crisis in Gaza. The Union must also work with the Palestinians, Israel and Egypt on a long-term political solution to enable the economy of Gaza to develop sustainably. The political process that would create a Palestinian leadership in control of the entire territory and committed to the peace process, democracy and prosperity for the Palestinian people is an essential part of the process.

The European Union has a role, albeit currently dormant, in the implementation of the 'Agreement on Movement and Access' concluded in 2005 between Israel and the Palestinian Authority⁵⁴. The EU undertook the 'Third Party' role proposed in the agreement and launched the EU Border Assistance Mission at the Rafah crossing point (EU BAM Rafah) to monitor operations there. In 2007, following Hamas's take-over in the Gaza Strip, EU operations were suspended at Rafah. However, the mission can be redeployed if the parties to the agreement so request.

6.2 Egypt and Israel should ease restrictions

The current situation is untenable.

The current blockade of Gaza is untenable, and most international legal experts maintain it contravenes international law. Israeli authorities should be convinced to expand the operations of Kerem Shalom and Erez to allow a greater, controlled passage of people, humanitarian supplies and commercial goods. Israel holds the primary responsibility for the ongoing deterioration of the humanitarian situation in Gaza, which results from the blockade and the tight restrictions it imposed on the enclave.

The Egyptian authorities should also ease the legal passage at Rafah. The European Union should call on Egyptian authorities to facilitate the travel of Gaza's residents to and from Gaza.

The UN estimates that opening borders would significantly improve the humanitarian situation.

Lifting restrictions on commercial imports and exports and essential supplies through all legal crossing between the Gaza Strip and Israel and Egypt would be fully justified on humanitarian grounds. According to the UN, this would 'result in a significant improvement in the humanitarian situation, in the immediate term this will alleviate shortages of fuel and construction materials necessary to maintain a minimum level of essential services and, in the long-term, will increase economic access to fuel and facilitate development and rehabilitation of electricity infrastructure'⁵⁵.

The current extreme economic hardships in the territory feed political radicalism and militancy. The blockade is perceived as the main cause of the troubled situation. Increasing imports and exports through legal border crossings could contribute to a healthier, more sustainable economy in Gaza

⁵⁴ The mandate of the mission runs until 30 June 2014.
http://eeas.europa.eu/csdp/missions-and-operations/eubam-rafah/pdf/31072013_factsheet_eubam-rafah_en.pdf

⁵⁵ UNOCHA, Humanitarian Bulletin Monthly Report, August 2013, p. 2.

and de-radicalise the political landscape.

UNRWA Commissioner-General Grandi linked the humanitarian and political situation in his recent address: 'I have personally observed this situation deteriorate steadily in the past few years, with conflict erupting intermittently - twice with the gravest consequences [...] Further conflict - bound, as before, to affect civilians in Gaza and southern Israel - will erupt unless its causes are addressed.'

6.3 Intra-Palestinian reconciliation to be brought back on track

Palestinians suffer from the political deadlock.

While easing Israeli trade and travel restrictions is urgent to prevent the humanitarian situation from further deteriorating, an important contribution to the solution must also come from Palestinians throughout the occupied territory. Given the current humanitarian crisis, the authorities in Gaza should do their utmost to facilitate the activities of humanitarian organisations operating in the territory under their control.

They should distance themselves from the entrenched positions of politicians in the West Bank and Gaza. In the absence of a national consensus on the way forward and a clear national strategy, progress is unlikely. Hamas retains substantial popular support in Gaza, and its most popular rivals are more radical Islamist factions, rather than the Palestinian President Mahmud Abbas's Fatah or the recently established (but still small) Palestinian 'Tamarod', a grassroots rebellion movement.

The European Union is the most important international supporter of the Palestinian National Authority (PNA). While the EU has no official contacts with Hamas, which it considers a terrorist organisation, the EU's support to intra-Palestinian reconciliation efforts to rebuild a unified Palestinian polity is important. The long overdue election process should be brought back on track. This would provide Palestinians with a representative leadership enjoying a democratic mandate and provide strategic direction to the policies of the Palestinian National Authority.

In the meantime, because Hamas is — for better or worse — an important force in Gaza, Norway and Switzerland (as non-EU states) could facilitate pragmatic, low-level contacts with the *de facto* authorities of Gaza regarding the acute humanitarian situation. A political solution to the isolation of the enclave is a more difficult process.