



House of Commons  
International Development  
Committee

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# The Humanitarian and Development Situation in the Occupied Palestinian Territories

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**Eleventh Report of Session 2007–08**

*Volume I*

*Report, together with formal minutes*

*Ordered by The House of Commons  
to be printed 17 July 2008*

**HC 522-I**  
Published on 24 July 2008  
by authority of the House of Commons  
London: The Stationery Office Limited  
£0.00

## International Development Committee

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### Footnotes

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## Summary

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On 19 June 2008, Hamas and Israel agreed a six-month ceasefire leading to an easing of the restrictions on the opening of Gaza's borders. These have been virtually closed by Israel on security grounds since Hamas seized power in Gaza a year ago. The takeover of Gaza by Hamas was neither justified nor acceptable. We welcome the ceasefire brokered by Egypt and call on all parties to abide by it and to use this opportunity to move the peace process forward.

The humanitarian situation in Gaza has been acute. Food, fuel and water have been in short supply and the public health system has been under severe pressure. Israel has obligations to ensure the health and welfare of the Palestinian population, which it has not met. We believe this situation was allowed to continue for too long and that the Quartet did not exert sufficient pressure on Israel to open the crossings.

We are pleased that donors have begun to re-engage with the Palestinian Authority (PA). The PA has agreed to undertake a number of necessary reforms and has established a strategy for doing so. However the economic forecasts remain poor without a fundamental change in the current restrictions on movement and access. In our last report in 2007 we called for the implementation of the 2005 Agreement on Movement and Access. This has not yet happened. Instead, there has been a steady increase in restrictions in the West Bank and the closure of Gaza's borders.

The continued expansion of settlements in the West Bank and Jerusalem and the construction of the Barrier on occupied land rather than along the Green Line are worrying. These serve to create new "facts on the ground" whose removal the Palestinian Authority will have to negotiate. Such activities are illegal and counter-productive to the peace process.

Attempts by the Middle East Quartet Representative Rt Hon Tony Blair to reduce strategic checkpoints are a welcome first step. But it is important for Palestinians to be able to move around their own country for education, to receive healthcare, to visit their families, to work and to trade, irrespective of whether their journeys are regarded as strategically significant to international negotiations. Neither Israel nor the international community should lose sight of this.

We welcome the Quartet Representative's initiatives in support of economic development in the West Bank. These will help to build confidence in the Palestinian economy. However they must be compatible with sustainable economic development and the creation of a viable, contiguous Palestinian state alongside Israel and must not risk legitimising the occupation.

The 2007 Annapolis process envisages a peace agreement by the end of 2008. The Palestinian President, Mahmoud Abbas, and the government he appointed are working towards this goal. However without some kind of reconciliation between Hamas and Fatah it is difficult to see how such an agreement will be accepted by the Palestinian people who elected a Hamas parliamentary majority in 2006. The current truce between Israel and Hamas offers the international community an opportunity to begin a dialogue with Hamas with the objective of moving towards its acceptance of the Quartet's three principles and a functional working relationship with Fatah. Annapolis will not succeed without such progress. We urge the UK Government to seize this opportunity.

## Background and acknowledgements

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1. We published our Report on Development Assistance in the Occupied Palestinian Territories at the end of January 2007.<sup>1</sup> Eighteen months later many of our conclusions and recommendations remain valid, although some have been overtaken by events. In particular, the creation and subsequent dissolution of the National Unity Government led to the takeover of Gaza by Hamas in June 2007. This was followed by the establishment of an emergency government in the West Bank by President Mahmoud Abbas. In these new circumstances we decided to look again at the subject. We have been told that the humanitarian situation in Gaza is “shocking and shameful”.<sup>2</sup> We also felt that the policy of isolating Hamas had produced precisely the negative political outcomes we anticipated in our previous report.

2. We announced this follow-up inquiry in February 2008 intending to produce a report soon afterwards. However fitting key witnesses into our programme extended our inquiry longer than we originally anticipated. We received written evidence from 18 organisations and individuals, many of them located in the region. We held three formal evidence sessions in Parliament including one by video-link with the Director of Operations, UN Relief and Works Agency (UNRWA) in Gaza, John Ging. We also took oral evidence from the Secretary of State for International Development, Rt Hon Douglas Alexander MP, the Middle East Quartet Representative, Rt Hon Tony Blair, Oxfam GB and the Portland Trust. In addition, we had a private discussion with the Negotiations Support Unit (NSU). We are grateful to all those who contributed to our inquiry.

3. The Report begins with an assessment of the humanitarian situation in Gaza. Chapter 2 looks at the prospects for development in the West Bank and Gaza. Chapter 3 examines progress in the Middle East Peace Process since the Annapolis conference.

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1 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114

2 Ev 114

# 1 The humanitarian and security situation in Gaza

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## The security situation

4. On our last visit to the Occupied Palestinian Territories we were unable to visit Gaza because the security situation there was unstable.<sup>3</sup> Eighteen months later we note that the security situation in Gaza has worsened. The Quartet Representative has himself been unable to go there.<sup>4</sup> John Ging, Director of Operations of the UN Relief and Works Agency (UNRWA) in Gaza told us that :

“From January of this year 344 Palestinians have been killed and 756 have been injured, and in those figures are the deaths of 60 undisputedly innocent children and a further 175 children injured. All of the danger that all of that amounts to for the civilian population here is pervasive; it is a reality in everybody’s daily life.”<sup>5</sup>

He also reported that the firing of rockets from Gaza into Israel continues on an almost daily basis and that:

“These rockets terrorise the civilian population within rocket range of Gaza, and over 2,600 rockets have been fired this year so far. That has resulted in three Israeli civilians being killed and over 20 injured.”<sup>6</sup>

5. The rapid deterioration of the security situation followed the takeover of Gaza by Hamas and the subsequent dissolution of the National Unity Government formed in February 2007. Under the Palestinian Unity Agreement Hamas and Fatah had agreed to share power and formed a government that included both parties. The formation of the Unity Government was intended to stem inter-factional fighting and persuade the international community to ease the boycott of the Palestinian Authority imposed since the Hamas election victory in January 2006. However the National Unity Government was not supported by the international community because Hamas still refused to accept the Quartet’s three principles—to recognise Israel, renounce violence and abide by previous agreements. The Hamas position was known before its election and, while it is clear that acceptance of the three conditions is essential to concluding any final agreement and Hamas must recognise this, the Quartet’s insistence on the principles as a precondition for any form of talks or engagement appears to us to present an unnecessary obstacle to practical progress.

6. It is arguable that if this National Unity Government had been given greater international support it could have provided a gateway for greater dialogue and negotiation and at the very least kept the Palestinians united. Instead continued disagreements between

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3 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, paragraphs 9–12, 19.

4 Qq 114, 117. See also “Tony Blair cancels Gaza trip over death threats,” *The Daily Telegraph*, 15 July 2008.

5 Q 3

6 Q 3

the parties and the building-up of Fatah security forces with the assistance of donors led Hamas to take control of Gaza in June 2007. There were reports of a controversial US sponsored plot to oust Hamas from power.<sup>7</sup> Our colleagues on the Foreign Affairs Committee made these comments in their Report on the Middle East:

“We conclude that the decision to boycott Hamas despite the Mecca agreement and the continued suspension of aid to the national unity Government meant that this Government was highly likely to collapse. We further conclude that whilst the international community was not the root cause of the intra-Palestinian violence, it failed to take the necessary steps to reduce the risk of such violence occurring.”<sup>8</sup>

**7. The international community withheld support for the National Unity Government—itsself an attempt to establish a stable and functioning government in the territories—and bolstered one side against the other which increased tension between Hamas and Fatah. This build-up of tension was followed in June 2007 by the violent takeover by Hamas of the Gaza strip. We condemn this takeover which resulted in unnecessary deaths and a deepened rift between Hamas and Fatah.**

8. Following the Hamas takeover, Israel declared Gaza a hostile entity and tightened further the sanctions it had imposed since Hamas won the January 2006 elections. This included dramatically restricting cross-border traffic for both goods and people. According to Crisis Group and the Red Cross, Israel prohibited imports of all but 18 basic goods.<sup>9</sup> The border crossings were permitted to operate only at greatly reduced capacity. John Ging, told us that while the smaller crossings were open on a number of occasions, the principal crossing point, Karni, had been closed since June 2007:

“In terms of the medical cases, the Erez crossing is the principal crossing for medical cases exiting Gaza, but the Rafah terminal has also been opened on a number of occasions to facilitate the passage of medical cases into Egypt or the return of those who were out in Egypt for treatment there. When it comes to the humanitarian supplies, the crossing at Sufa is functional for that purpose for food and other humanitarian supplies. The crossing at Kerem Shalom is also operational but, unfortunately, since the recent attack on that terminal—there has been extensive damage done—it is under repair at the moment, and so we are reduced to relying on the Sufa crossing. For fuel, there is a separate crossing, called Nahal Oz, so that is where all fuel supplies come through, when they come through, and the principal crossing point, which is Karni, has remained closed since the middle of June last year.”<sup>10</sup>

9. Continued violence between the Israeli Defence Force (IDF) and Hamas led Israel to close all crossings from Israel to Gaza including for food, fuel, medicine and humanitarian aid in January 2008 after a series of rocket attacks on nearby Israeli towns from Gaza.<sup>11</sup>

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7 “US plotted to overthrow Hamas after election victory”, *The Guardian*, 4 March 2008

8 Foreign Affairs Committee, Eighth Report of Session 2006–07, *Global Security: the Middle East*, HC 363, para 50

9 Crisis Group, *Ruling Palestine I: Gaza under Hamas*, 19 March 2008, p 1.

10 Q 11

11 “Israel closes crossings with Gaza”, 18 January 2008, [www.bbc.co.uk](http://www.bbc.co.uk)

This in turn led Hamas to breach the border with Egypt at the Rafah crossing permitting 700,000 Gazans to enter Egypt and stock up on goods.<sup>12</sup> The border was partly closed by Egypt on 28 January, reopened by Hamas and subsequently re-sealed on 3 February.

10. Despite the closure of the borders the violence continued. On 2 March IDF military operations in the Gaza strip resulted in the death of over 100 people including civilians. The UN Organisation for the Coordination of Humanitarian Affairs (OCHA) maintains a database of civilian protection. It notes that,

“Between 27 February and 2 March, 107 Palestinians were killed by the IDF and 250 were injured. During the same period two Israeli soldiers and one Israeli civilian were killed and 25 injured, mainly by Qassam rockets and Grad missiles fired by Palestinian militants towards Israel.”<sup>13</sup>

The Israeli NGO B’Tselem notes that among the Palestinian dead were 54 civilians, 25 of whom were children. Oxfam told us that more Palestinian children had been killed in the first three months of 2008 than in the whole of 2007.<sup>14</sup> In the wake of the incursion Israel is reported to have said that this was not an isolated event and that operations against Hamas would continue.<sup>15</sup> Palestinian casualties since the Middle East Peace Conference at Annapolis in November 2007 are estimated at 490. This compares with 396 in the whole of 2007. The number of Israeli casualties since the Annapolis conference is 27.<sup>16</sup>

11. The blockade did not have its intended effect of halting the firing of rockets from Gaza—over 2000 rockets have been fired since the start of 2008 alone.<sup>17</sup> John Ging commented that the impact of the blockade was being felt by ordinary people and not by those firing the rockets. He further warned that the closure was crushing the population in Gaza and having a devastating effect on their psychological state.<sup>18</sup> DFID’s view was that the closure was also part of a political strategy to get Hamas to sign up to the Quartet principles.<sup>19</sup> Unsurprisingly, this did not happen.

12. Tony Blair, the Middle East Quartet Representative, told us that he stood by his statement to the European Parliament that the current strategy towards Gaza was not ‘clever’ and that a new approach was required.<sup>20</sup> He suggested that the truce then being negotiated by Egypt might be such a strategy. A ceasefire has since been announced between Hamas and Israel which began on 19 June 2008, initially for a period of six months. Brokered by Egypt this ceasefire offers a new political opportunity which can be used by all parties to take the peace process forward. If the truce holds Israel has agreed to ease the current blockade which is preventing humanitarian and other supplies from

12 Ev 44

13 UN OCHA, *Gaza humanitarian situation report: escalation in violence 27 February to 3 March*, [www.ochaopt.org](http://www.ochaopt.org)

14 Q 54

15 “Israel warns it will be back as Gaza incursion is finally ended”, *The Independent*, 4 March 2008

16 Number of Palestinians and Israelis killed as a result of direct conflict, December 2007 to June 2008 inclusive. Data from UN OCHA OPT, Protection of Civilians database, [www.ochaopt.org](http://www.ochaopt.org)

17 Q 3

18 Q 26

19 Q 68

20 Q 109

entering Gaza and causing severe hardship. We discuss the implications of the truce for the peace process in Chapter 3.

**13. The policy of seeking to isolate Hamas in Gaza has neither improved security nor caused Hamas to shift its position. The pattern of violence and retribution between IDF forces and Hamas militants has resulted in insecurity for Israelis and Palestinians. Innocent civilians have been killed on both sides although the death toll is by no means equal. As we noted in our previous Report, Israel has a right to security but the measures taken to ensure this should be proportionate. We also noted that the actions of both parties were damaging to the prospects for a peaceful settlement. We therefore wholeheartedly welcome the truce brokered by Egypt in June and call on all parties to abide by it and to accelerate the removal of the blockade on Gaza.**

14. We also raised with the Quartet Representative the case of Wissam Abuajwa, a student from Gaza who was being refused exit from the territories by Israel to take up his environmental science studies in the UK.<sup>21</sup> We note that Wissam Abuajwa has now been permitted to leave Gaza to study in the UK.<sup>22</sup> Whilst the positive outcome in this individual case is very welcome, there are many other examples of Gazans being refused the chance to take up educational opportunities abroad. Restricting the ability of students to take up education would be disturbing in any circumstances. However, these cases illustrate how particularly unacceptable and counter-productive it is for Israel to adopt these practices in relation to Gaza as the skills and knowledge gained by students being able to take up their studies would both help them to take forward development in Gaza and increase the chances of peaceful co-existence between Israel and Palestine. **We recommend that the UK Government increase its efforts to persuade Israel to allow students from Gaza and the West Bank to exit from those territories to take up courses for which they have been accepted in the UK and other countries abroad.**

## The humanitarian impact

15. The impact of the closure of its borders has been devastating for Gaza. The partial, and sometimes complete, closure of the crossings has meant that basic goods including fuel and medicine have not been getting into the territory in sufficient quantities and people, including those in need of medical attention, have not been able to get out. In April John Ging told us that the humanitarian situation in Gaza was “shocking and shameful”. He said the entire civilian population was feeling the effect of the sanctions: “It is a struggle for every family to cope and it is one that they are losing.”<sup>23</sup>

### The effects of fuel shortages and closure

16. In written evidence DFID said that the Gaza Power Station was receiving only 70% of the industrial diesel it needed.<sup>24</sup> Evidence from UNRWA documents the reductions in fuel supplies:

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21 Qq 113–114

22 “After eight years, Wissam Abuajwa walks to freedom and to an education”, *The Independent*, 15 July 2008

23 Q 3

24 Ev 46

“In March of this year 3.8 million litres of diesel fuel and 340,000 litres of benzene was transferred from Israel into Gaza. Compare this with over 9.1 million litres of diesel and 1.4 million litres of petrol that was supplied in August 2007. So in March Gaza received only 23% of the benzene and little more than 40% of the diesel that it had received a few months ago.”<sup>25</sup>

17. DFID writes that constant power cuts are damaging electrical equipment and putting an increasing strain on medical infrastructure. As a result:

“There is an increasing need for patients to be referred out of Gaza for treatment elsewhere, as medical services no longer have the capacity to deal with difficult cases. 20–30 emergency medical cases are entering Israel through the Erez crossing each day, and Egypt is allowing some urgent medical cases to be admitted through Rafah. However, a number of patients have died while waiting for permission to leave Gaza for urgent treatment.”<sup>26</sup>

John Ging told us that in April the UN had run out of fuel and had to suspend its food distribution for three days.<sup>27</sup> DFID also notes that:

“In Gaza 20–30% of wells are not operating properly due to intermittent access to electricity and a lack of fuel. 20% less water is being produced. 90% of tap water is polluted. Even when there is some electricity the pumps are unable to provide water to high-rise buildings, leading to some households going without water for days.”<sup>28</sup>

As a result of these measures public health has been put at risk. Solid waste collection has ceased in many parts of Gaza, sewage is overflowing into lagoons in residential areas and into the sea.<sup>29</sup> Tony Blair commented on the appalling state of sewage facilities in Gaza in his evidence to us.<sup>30</sup>

18. Nine Israeli and Palestinian human rights groups condemned the fuel restrictions in a press release on 13 May 2008.<sup>31</sup> They stated that in January 2008 the Israeli Supreme Court unlawfully authorized fuel restrictions while requiring minimal supplies to be made available. However the severe cutbacks in fuel from 9 April had violated even these minimal requirements.

19. The severe restrictions on the passage of goods have had a cumulative, detrimental impact and life in Gaza is a daily struggle, even to get enough to eat. DFID notes that:

“The World Food Programme (WFP) needs to import 150 food aid trucks per month in order to meet basic Gazan needs. Although it has faced considerable difficulties in recent months, it is achieving this. The collapse of the commercial and

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25 Ev 115

26 Ev 46

27 Q 3

28 Ev 47

29 Ev 115

30 Q 142

31 News release, “Human Rights Groups petition Supreme Court”, 13 May 2008.

agricultural sectors has reduced wages. As of September 2007, 70% of non-refugee households earned less than \$1.20 per person per day. At the same time, severely restricted imports have increased the price of almost every imported commodity. As a result 1.1 million Gazans, three-quarters of the population, depend to some extent on food aid. The WFP provides food aid for 300,000 non-refugees, while UNRWA provides food for 850,000 refugees. This covers only 60% to 80% of calorific need. The shortfall has to come from commercially bought items, which have been hindered by restrictions on imports.”<sup>32</sup>

20. In March 2008 a group of NGOs published a report which said that “the severity of the situation [in Gaza] has increased exponentially since Israel imposed extreme restrictions on the movement of goods and people in response to the Hamas take-over of Gaza and to indiscriminate rocket attacks against Israel.”<sup>33</sup> The report went on to outline in detail the gravity of the situation in terms of the rise of unemployment, the lack of basic medical supplies, blackouts, economic collapse and the denial of emergency treatment outside Gaza. It referred to the situation in Gaza as a “humanitarian implosion”.

### The responsibility to ensure humanitarian access

21. Israel has obligations under international humanitarian law to ensure the health and welfare of the population under occupation. In its response to the Report of the Foreign Affairs Committee the Government said, “We consider that Israel’s obligations under the Fourth Geneva Convention 1949 continue to apply in respect of Gaza.”<sup>34</sup>

22. Most observers regard the humanitarian situation in Gaza as unacceptable. The joint NGO report noted, “The current situation in Gaza is man-made, completely avoidable and, with the necessary political will, can also be reversed.”<sup>35</sup> The Secretary of State told us that the situation in Gaza was bleak and that the closure of the borders was the key causal factor:

“We judge the partial closure of the Gaza crossings since Israel declared Gaza a hostile entity in September 2007 in response to the Qassam rocket attacks to be the principal cause of the deterioration, although other factors, including the ongoing violence, have contributed to the deterioration that I have described.”<sup>36</sup>

The UK Government noted that the closures are creating additional costs for donors seeking to meet humanitarian needs. The World Food Programme calculated that these costs would amount to US\$6 million over the two years from September 2007 to August 2009 if the borders remained closed.<sup>37</sup>

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32 Ev 47

33 Christian Aid et al, *The Gaza Strip: a humanitarian implosion*, March 2008.

34 Foreign Affairs Committee, Eighth Report of the Session 2006–07, *Global Security: the Middle East*, Response of the Secretary of State for Foreign and Commonwealth Affairs, Cm 7212.

35 Christian Aid et al, *The Gaza Strip: a humanitarian implosion*, March 2008.

36 Q 62

37 HC Deb, 29 April 2008, col 324W

23. Crisis Group writes that while at times protesting the boycott, outside actors did little to challenge it.<sup>38</sup> Oxfam commented:

“The international community’s response to the grave reality in both Gaza and the West Bank has been wholly inadequate. Despite a number of strong statements, the UK government should have acted more robustly, undertaking practical steps, to secure the opening of the Gaza crossing points and address settlement expansion in the West Bank.”<sup>39</sup>

24. When asked about the UK response to the situation the Secretary of State said:

“I can assure the Committee that we continue to raise directly with the Government of Israel the concerns reflective of the situation on the ground both in private and public. I and the Foreign Secretary David Miliband have issued three public statements on 11 and 21 January and 8 February specifically related to the humanitarian situation in Gaza and the issue of movement and access that you describe. I can assure you that in addition to those public comments these are matters we continue to press directly with the Israeli authorities.”<sup>40</sup>

25. In December 2007 the International Committee of the Red Cross (ICRC) published a report on the humanitarian situation in Gaza. The ICRC was unusually critical of Israel’s policy.<sup>41</sup> It said that Israel’s harsh security measures came at an expensive humanitarian cost, leaving those living under occupation with enough to survive, but not enough to live a “normal and dignified life”. The report also said:

“There should always be a sound balance between Israel’s security concerns and the protection of the rights and liberties of the Palestinians living under occupation. So far, the balance between legitimate Israeli security concerns and the right of the Palestinian people to live a normal life has not been struck.”<sup>42</sup>

26. A number of NGOs have accused Israel of pursuing a policy of collective punishment. The NGO Al Haq said,

“Israel’s current policy in the Gaza Strip amounts to collective punishment of the civilian population of the Gaza Strip as prohibited under international humanitarian law. In rendering a decision allowing the fuel and electricity cuts to continue, Israel’s highest judicial body effectively stripped the civilian population of the Gaza Strip of the protections provided under international humanitarian law, and limited Israel’s obligations exclusively to those rules related to ongoing hostilities. In light of the severe distortions of Israel’s international legal obligations in relation to the civilian population of the Gaza Strip, the decision can only be viewed as a politically influenced endorsement of Israel’s policy of collective punishment.”<sup>43</sup>

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38 Crisis Group, *Ruling Palestine I: Gaza under Hamas*, p 3.

39 Ev 84

40 Q 62

41 ICRC, *Dignity Denied in the Occupied Palestinian Territories*, November 2007.

42 ICRC, *Dignity Denied in the Occupied Palestinian Territories*, November 2007.

43 Ev 55

Oxfam expressed similar concerns:

“The EU has also failed to stop Israel withholding fuel from Gaza’s power plant. Oxfam believes the UK and European Union must not be party to the collective punishment of Gaza’s population and have obligations as High Contracting Parties to the Geneva Convention to ensure these restrictions are removed.”<sup>44</sup>

27. From its three public statements it is clear that the UK Government does not support Israel’s decision to reduce the supply of fuel and close the crossings into Gaza.<sup>45</sup> Moreover the Government acknowledges that the closure is also part of a political strategy to isolate Hamas. In these statements the UK Government expresses its concern about the humanitarian impact of this strategy but often stops short of explicit condemnation of the closures and the restrictions.<sup>46</sup>

28. The Quartet at its 2 May meeting also expressed continuing concern over the closure of major Gaza crossing points and called for humanitarian and emergency assistance without obstruction.<sup>47</sup> By far the strongest statements from the international donor community have come from the UN. The UN High Commissioner for Human Rights referred to the Israeli actions as collective punishment.<sup>48</sup> The UN Under-Secretary-General for Humanitarian Affairs, Sir John Holmes said:

“Whatever the provocation and illegality of the rockets, the effective Israeli isolation of Gaza is not justified, given Israel’s continuing obligations to the people of Gaza. It amounts to collective punishment and is contrary to international humanitarian law.”<sup>49</sup>

The EU External Relations Council has called on Israel to “fulfil its obligations to Gaza” in terms of the continuous provision of essential goods and services,<sup>50</sup> while the External Relations Commissioner Benita Ferrero Waldner also condemned the blockade as collective punishment.<sup>51</sup> Neither the Quartet nor the UK Government has used this term. Nevertheless, we regard Israel’s treatment of Gaza as a hostile entity, the scale of the military attacks and the intensity of punitive border restrictions as amounting to collective punishment.

**29. Blocking civilian access to humanitarian supplies is an unacceptable practice which should not be condoned. While minimal humanitarian supplies have generally been allowed entry these fall short of requirements. At other times the borders have been closed to all such supplies. We believe the UK Government and the Quartet should not**

44 Ev 84

45 Ministerial Statement on Fuel Cuts in Gaza, 11 January 2008, [www.dfid.gov.uk](http://www.dfid.gov.uk); “Miliband and Alexander express concern over impact of electricity cuts”, 21 January 2008, [www.britemb.org.il](http://www.britemb.org.il); Ministerial statement on Electricity Supplies to Gaza, 8 February 2008, [www.dfid.gov.uk](http://www.dfid.gov.uk)

46 *Ibid.*

47 Statement by the Middle East Quartet, 2 May 2008.

48 Address by Ms Louise Arbour, UN High Commissioner for Human Rights on the Occasion of the 6<sup>th</sup> Special Session of the Human Rights Council, 23 January 2008.

49 “Middle East Peace Process needs changes on the ground to succeed – UN Envoy”, *UN News Service*, March 2008.

50 Council conclusions on the Middle East peace process, 2846<sup>th</sup> External Relations Council Meeting, 28 January 2008.

51 “EU slams Israel’s collective punishment in Gaza”, 21 January 2008, [www.eubusiness.com](http://www.eubusiness.com)

only have more assertively condemned the blockade of Gaza but should have exerted much greater diplomatic pressure on the Government of Israel to lift the blockade in practice. It is clear to us that ways must be found to ensure full humanitarian access and the current truce offers an important opportunity for this. We appreciate that Israel needs to ensure that its security is not compromised but we do not accept that the crossings should be closed for political objectives.

### *Hamas' responsibilities*

30. As Israel has obligations so too does Hamas. John Ging told us he thought that Hamas recognised its responsibilities and was facilitating humanitarian access for the UN agencies in Gaza:

“The *de facto* reality here is that Hamas are in control of the security situation in Gaza. Therefore, it is their responsibility, as long as they choose to be the *de facto* power here, to ensure an environment where the humanitarian agencies can freely operate, and in the case of ourselves they are discharging that responsibility.”<sup>52</sup>

31. In April 2008 militants attacked the area near the Nahal Oz crossing where fuel normally enters the Gaza strip causing supplies to be further disrupted.<sup>53</sup> Tony Blair said that he thought Hamas could be more helpful by ensuring that attacks on crossings ceased,

“A strategy of deliberately targeting the crossings at the same time as saying to those of us in the international community that this is a humanitarian catastrophe you cannot really justify.”<sup>54</sup>

The Britain-Israel Parliamentary Group has also reported that Hamas has caused some obstructions: “There is evidence that Hamas has exacerbated humanitarian suffering in Gaza in order to create international pressure on Israel.”<sup>55</sup> **Disrupting humanitarian supplies through attacks on border crossings is also an unacceptable practice and should not be condoned. With the current truce in place we call on Hamas to ensure that rocket fire into Israel ceases and to do all in its power to ensure the safe transfer and distribution of humanitarian supplies in Gaza.**

### *A humanitarian access cell*

32. DFID told us that they were considering supporting a UN humanitarian access cell in Gaza which would monitor the crossings, anticipate needs and ensure access for humanitarian goods.

“We are looking to fund up to £800,000 to provide seven plus one UN officials to be on call 24 hours a day, to anticipate when people will need to use the crossings and to make sure that liaison with Israelis is effective, proactive and done in advance so that people can get through. We were particularly concerned about the benefits this could

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52 Q 25

53 Q 62

54 Q 113

55 Ev 69

have for emergency medical cases where in the past people have been stuck at places like Erez unable to get across and unable to receive treatment”<sup>56</sup>

The Director of the Middle East and North Africa Directorate at the FCO, John Jenkins, elaborated on the importance of ensuring a UN response:

“To have a practical impact on the ground there needs to be a collective international response, in particular through the UN, which with UNRWA has the most significant international presence in Gaza, and the EU which has the most significant level of donor funding available, together with other willing donors including regional partners like Egypt which has a major role to play in the southern Rafah crossing.”<sup>57</sup>

We have been informed that DFID and the UN will fund the access cell although budget discussions are still continuing. It is intended to be operational by October 2008. DFID has written to say that,

“The UN is confident that this will improve its capacity to address access problems efficiently, to improve the flow of humanitarian goods into and within the OPTs, and to reduce the time and resources spent on these issues by humanitarian agencies and NGOs. The creation of the team does not prejudice efforts to reopen the crossings into Gaza and improve access throughout the OPTs.”<sup>58</sup>

**We support the proposal to develop a UN humanitarian access cell for Gaza as a matter of urgency. We wish to be kept informed of its start date and its full remit. We agree that it should not prejudice efforts to reopen fully the crossings into Gaza.**

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56 Q 63

57 Q 64

58 Ev 54

## 2 The development situation

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### International re-engagement with the Palestinian Authority

33. In our last Report we commented that the economic situation in the OPTs had been deteriorating since 2000 and that poverty and hardship had increased in 2006 despite aid levels remaining about the same.<sup>59</sup> As a result of this deterioration the UN increased its humanitarian appeal for 2007 based on the assumption that the situation would not improve in the short term. We also commented that the occupation was preventing Palestinians from achieving their economic potential and making them amongst the largest per capita recipients of aid. These earlier comments remain valid.

34. At the time of our last Report Israel was withholding Palestinian tax revenues and donors had stopped direct funding to the Palestinian Authority. Upon the formation in June 2007 of the emergency Fatah Government with Salaam Fayyad as Prime Minister, Israel repaid the tax revenues, and donors began funding the Palestinian Authority once more.<sup>60</sup> Nevertheless the World Bank points out that the formation of the caretaker government and the resumption of aid has only partially reversed the impact of the aid boycott.<sup>61</sup>

### The Palestinian Reform and Development Plan

35. The Palestinian Reform and Development Plan (PRDP) was presented at an international donors' conference in Paris in December 2007 which raised US\$7.7 billion in pledges for the period 2008–10. The PRDP is a planning process which aims to consolidate all the Palestinian Authority's policy making, planning and resource allocation into a single procedure.<sup>62</sup>

36. As part of this process the Palestinian Authority has agreed to undertake a series of economic reforms. DFID says that Dr Fayyad is committed to these reforms which will ensure donor funds are properly spent:

“Dr Fayyad has shown strong commitment to bring the Palestinian Authority's recurrent budget deficit problem under control. He has reduced the public sector payroll and is aggressively implementing a PRDP commitment to reduce subsidies for unpaid utility bills, which absorb a third of the national budget. He is introducing measures to prevent corruption and improve the PA's budget management systems. Because the majority of the budget is dedicated to public servants' salaries, the government is introducing strong new management systems for the civil service. For example, independent controllers are being appointed to each ministry to scrutinise

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59 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, chapter 2.

60 Ev 45

61 World Bank, *Implementing the Palestinian Reform and Development Agenda*, 2 May 2008.

62 Ev 50

appointments and staff attendance. The government is also strengthening audit systems throughout the Palestinian Authority”.<sup>63</sup>

37. The World Bank has said that to be effective the Palestinian Reform and Development Plan needed to be accompanied by measures on the part of donors in terms of funding and by Israeli efforts to loosen restrictions on the movement of people and goods in and out of the West Bank and Gaza (see the following section). The impact of donor aid was highest when accompanied by concrete and parallel Palestinian Authority and Israeli actions but donor assistance should not be predicated on these since aid was critical to ensure the survival of Palestinian institutions. The economy has altered from one driven by investment and private sector productivity to one driven by government and private consumption and donor assistance.<sup>64</sup>

38. Ahead of the 2 May Ad Hoc Liaison Committee Meeting in London the IMF estimated that real GDP growth in the OPTs in 2007 was 0%.<sup>65</sup> Although this was projected to increase to 3% in 2008, per capita incomes would be static or lower than the previous year because of population growth.<sup>66</sup> The World Bank’s report for the 2 May donors’ meeting commented that public investment in the economy had virtually stopped and that the private sector continued to report worsening conditions in their operations both in Gaza and the West Bank.<sup>67</sup> Unemployment rates continued to be high—33% in Gaza and 19% in the West Bank. GDP is now 40% less than in 1999. The percentage of Gazans living in deep poverty had increased steadily from 21.6% in 1998 to nearly 35% in 2006.<sup>68</sup> DFID’s view is that even if the borders in Gaza were reopened tomorrow the Gaza economy would take years to recover from its near total collapse.<sup>69</sup>

39. According to DFID the creation of the Palestinian Reform and Development Plan enabled donors to feel confident about funding the Palestinian Authority at the Paris donors’ conference.<sup>70</sup> At the conference DFID pledged to provide up to £243 million over a three-year period, including approximately £62 million which had previously been announced for the United Nations Relief and Works Agency (UNRWA). DFID has doubled its overall funding to the Territories from approximately £30 million per year to approximately £60 million per year.<sup>71</sup> A part of this will be budget support through a new EU mechanism, the PEGASE (see paragraphs 53-56) and through a newly created World Bank Trust Fund. The Government says that both provide the highest level of financial

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63 Ev 45

64 Statement by World Bank Managing Director, Mr Juan-Jose Daboub, at Palestinian Donors Conference, Paris, 2007.

65 It is thought that this is due largely to the collapse of the economy in Gaza as a result of the closures. There are no separate figures for the West Bank and Gaza.

66 IMF, *Macroeconomic and fiscal framework for the West Bank and Gaza: first review of progress*, May 2008.

67 World Bank, *Implementing the Palestinian Reform and Development Agenda, Economic Monitoring Report to the Ad Hoc Liaison Committee*, 2 May 2008.

68 Deep poverty levels are based on actual consumption rather than income. Deep poverty is defined as the inability to meet basic consumption needs.

69 Ev 46

70 Ev 44

71 Ev 48

security. The exact breakdown of the pledge will be linked to progress in the Peace Process, including Palestinian Authority reform, and movement and access.<sup>72</sup>

40. Nevertheless the Palestinian Authority faced a serious shortfall in budget resources in February 2008 because much of the funding pledged is towards projects rather than the PA's recurrent budget.<sup>73</sup> DFID told us that Prime Minister Fayyad was projecting a fiscal shortfall of \$650 million which will begin to have an impact by the end of June. DFID said it hoped that there would be some more pledges from Saudi Arabia and the Gulf states before then.<sup>74</sup>

**41. The economic situation in the West Bank may have improved since our last Report, but only marginally. The economy in Gaza has collapsed since the June 2007 closures. In both places many people continue to live in conditions of deep poverty and the economy is heavily reliant on aid. We welcome the decision by donors to restore direct funding to the Palestinian Authority. We were highly critical of the UK Government's decision to stop this funding in 2006 and the severe fiscal pressure it placed on the Palestinian Authority. We are encouraged by the Palestinian Authority's efforts to reform, as outlined in the Palestinian Reform and Development Plan and in particular to reduce the public sector payroll. We encourage donors to contribute on a predictable basis to the Palestinian Authority's budget as part of the effort to strengthen the institutions of a future Palestinian state. We request that the Government updates us on the PA's estimated fiscal deficit for 2008 in its response to this Report.**

### The importance of improving movement and access

42. Neither the World Bank nor the IMF is optimistic about the prospects for economic development in the OPTs unless restrictions on movement and access are eased significantly. The Carnegie Endowment points out that while the international community has proclaimed its support for Palestinian reform and development, at the moment it does not have many places to spend its money other than by paying the salaries of those who work for a non-functioning government.<sup>75</sup>

43. In our last Report we commented that the first steps to improving the development prospects for the Palestinian Territories were to implement the Agreement on Movement and Access (AMA) signed in 2005.<sup>76</sup> We also commented that the primary cause of the poverty in the OPTs was the occupation, which was eroding the development prospects for the Territories. We stand by these comments.

44. We have already commented on the disastrous situation in Gaza but the necessary progress on easing restrictions on movement and access in the West Bank which would enable economic development has not happened either. In March 2008 the number of checkpoints and closures in the West Bank was 50% higher than it had been in August

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72 Ev 48

73 Ev 48

74 Q 89

75 N Brown, *The Road out of Gaza*, Carnegie Endowment for International Peace, February 2008, p 2.

76 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, summary, paras88–100.

2005, the baseline for the AMA. This does not include ‘flying’ checkpoints and age restrictions on Palestinian movements.<sup>77</sup>

45. The World Bank made an assessment of movement and access restrictions in the West Bank in May 2007. It found that while the Government of Israel had shown willingness to relax specific restrictions from time to time, including granting permits to several hundred Palestinian businessmen to travel, incremental steps were not likely to lead to any sustainable improvement. This was because such steps lack permanency and certainty and could easily be withdrawn or replaced by alternative measures. The World Bank concluded that unless there was a fundamental reassessment of closure and the restoration of the presumption of movement, the private sector would be unable to recover and fuel growth.<sup>78</sup>

46. Backing up this point, concerns have been raised with us that the Government of Israel has been disingenuous in its claims to have removed some checkpoints. Oxfam told us:

“The recent announcements by Defence Minister, Ehud Barak have proved false and again this should be known. Of the 61 restrictions that he announced as having been removed, UN OCHA say only five were significant and 11 never existed. Further research by the World Bank demonstrates that Palestinians could not even reach some of the ones that were said to have been removed. All these were insignificant. These announcements are not true and I think it is very important that this kind of information, if that is what you can call it, is vigorously challenged and action taken accordingly.”<sup>79</sup>

When we asked DFID about this the response was that this account was probably correct but that it was important to recognise that Israel felt it had specific security concerns and that the Israeli public supported continued restrictions.<sup>80</sup> DFID considered that the approach of the Quartet Representative, to seek to remove a number of strategic roadblocks which were having a significant effect on movement and access, was a positive way forward. Nevertheless DFID also reported that, as yet, there had not been the progress which the Quartet Representative had expected.<sup>81</sup>

**47. One of the major barriers to the development of a viable Palestinian economy is the continued restrictions on movement and access which Israel insists were put in place to enhance the security of its citizens. Increased donor assistance, while welcome, will not be sufficient to turn around the economic downturn which has pervaded the Palestinian economy since 2000 without significant and long-term removal of such restrictions. While efforts to remove some strategic checkpoints may be useful, such agreements lack permanence and can easily be replaced by other restrictions. It is also important from development and human rights perspectives that Palestinians are able to move around their own country for education, to receive healthcare, to visit their**

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77 Ev 46

78 World Bank Technical Team, *Movement and access restrictions in the West Bank: uncertainty and inefficiency in the Palestinian economy*, 9 May 2007.

79 Q 56

80 Qq 100–101

81 Q 102

families, to work and to trade, irrespective of whether their journeys are regarded as strategically significant to international negotiations. Neither Israel nor the international community should lose sight of this. The Government of Israel signed up to the Agreement on Movement and Access in 2005. We believe it must respect such commitments.

### *Expanding settlements and the construction of the Barrier*

48. There are approximately 121 settlements in the West Bank and more than 100 outposts.<sup>82</sup> The Secretary of State reiterated in his evidence to us that the UK Government's position is that the settlements are illegal.<sup>83</sup> According to the 2003 Roadmap commitments Israel must freeze all settlement activity and dismantle all outposts erected since 2001.<sup>84</sup> In direct contravention of this agreement the Government of Israel has continued to approve the building of new settlements.<sup>85</sup> Oxfam told us that 84% of the housing tenders submitted this year have been approved by the Government of Israel.<sup>86</sup> Many of these were announced shortly after the Annapolis conference.<sup>87</sup>

49. The settlements further restrict Palestinian access to areas of the West Bank. The continued construction of the Barrier on occupied land rather than along the Green Line, in contravention of the findings of the International Court of Justice (ICJ) has also involved the confiscation of Palestinian land and restricts Palestinian movement. Its route into the West Bank appears to protect the presence of major settlement blocs in the West Bank rather than the security of Israel.

50. In order to provide security for the settlements and to provide settlers with safe transport routes the Government of Israel has instituted a policy of restricting Palestinian access to major West Bank roads. We commented in some detail on the infrastructure of occupation in our last Report.<sup>88</sup> DFID continues to raise concerns on settlement expansion with the Israeli Government at all levels, but says that it is clear that international pressure has not stopped planned expansions.<sup>89</sup> Michael Anderson, the Head of DFID's Iraq and Middle East Group, told us that, while it was clear that Israel had very real security concerns, the expansion of settlements was also an attempt to alter the 'facts on the ground' so that Israel had an increased number of bargaining chips in any land-for-peace negotiations.<sup>90</sup> The Government did not anticipate that Israel would change its approach until there was a peace agreement which gave Israel the security guarantees it needed. The

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82 See [www.peacenow.org.il](http://www.peacenow.org.il); Also, Ev 47 outlines plans for construction of new housing units.

83 Q 102

84 The Roadmap to peace in the Middle East was presented by Quartet mediators—the US, UN, EU and Russia—to Israeli and Palestinian leaders in 2003. It outlines specific actions required of each party as well as target dates and benchmarks.

85 In her evidence Stephanie Koury outlines how Israel's definition and interpretation of a settlement freeze includes loopholes which are used to justify continued construction and expansion of settlements. See Ev 98–102

86 Q 54

87 Ev 48

88 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, chapter 3.

89 Ev 47–48

90 Q 103

US has also expressed its concerns about settlement expansion and called on Israel to halt this.<sup>91</sup>

**51. We do not believe there is any justification for the continued expansion of settlements. This creates new ‘facts on the ground’ which then have to become part of the negotiations for a final agreement. Such actions on the part of the Government of Israel undermine the prospects for a successful peace process. We believe that this continued flouting of international law should be condemned unreservedly by the international community. The international community should also identify how it can more effectively persuade Israel to abide by its obligations in practice.**

### **The EU-Israel Association Agreement**

52. In our last Report we called on the UK Government to urge the EU to use its Association Agreement with Israel as a lever for change.<sup>92</sup> Instead, on 16 June it was announced that diplomatic cooperation and Israel’s participation in European Union plans and agencies would be upgraded.<sup>93</sup> Palestinian Prime Minister Fayyad is reported to have written to all EU prime ministers urging them not to enhance the EU’s relationship with Israel in this way while the latter continued to flout international obligations including those on settlement construction. The press reported that, in response to this letter, Israel withheld part of the monthly tax revenues it collects on behalf of the Palestinian Authority.<sup>94</sup> **We are surprised that the EU has decided to upgrade its relationship with Israel while it continues to flout international law. In its reply to this Report, the Government should provide more details on the exact nature of this upgrading and the UK Government’s position on it. We also request clarification on whether Israel has once again withheld funds which rightfully belong to the Palestinian people and what action the UK proposes to take as a result.**

### **EU funding mechanisms**

53. The EU’s Temporary International Mechanism (TIM) was introduced in June 2006 as an attempt to meet needs normally met by the Palestinian Authority including the payment of salaries, the supply of fuel and hardship payments to the poorest after the EU had taken a decision not to engage with the Hamas-led government and to withhold direct funding to the PA. In our last Report we said that the TIM was a timely, but insufficient, response to a crisis which met some urgent needs, but that it should only be temporary lest it risk undermining the Palestinian Authority.<sup>95</sup> More recently an internal assessment of the TIM commented on the innovative nature of the mechanism, its transparency and accountability and concluded that it had achieved most of its expected objectives but with varying degrees of success. The evaluation also commented that because donors had been

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91 “World’s main powers tell Israel to halt West Bank settlement”, *The Daily Telegraph*, 3 May 2008.

92 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, para 38.

93 “European Union and Israel upgrade relationship”, Press release by the Israel Project, 17 June 2008.

94 “Israel cuts off Palestinian tax funds as relations hit new low”, *The Independent*, 7 June 2008.

95 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114, paragraphs 101–112, 117.

able to continue providing aid through the mechanism the outcome of withholding direct funding had not been as bad as originally predicted.<sup>96</sup>

54. In February 2008 the EU created a new mechanism to replace the TIM—the PEGASE.<sup>97</sup> The PEGASE will run for three years. It will be aligned with the Palestinian Reform and Development Plan and is intended to provide a secure mechanism to channel donor funds to the Palestinian Authority for governance, social development, economic and private sector development, and public infrastructure. Like the TIM the PEGASE includes both European Commission and member state contributions. PEGASE will also be open to other international donors who wish to contribute and provides them with an alternative and secure mechanism through which to give direct assistance to the Palestinian Authority.<sup>98</sup> DFID told us that the aim of the PEGASE was to work more closely with the Palestinian Authority and to avoid the creation of parallel structures.<sup>99</sup>

55. Evidence we received from the NGO Trocaire comments that the EU's suspension of direct assistance to the Palestinian Authority in 2006 had severe institutional consequences for the PA which the PEGASE does not seek to address. It also argues that PEGASE is largely donor driven and that, rather than trying to deal with the crisis in Gaza directly, it instead works around this by continuing payments for fuel while acknowledging that the delivery of fuel is subject to Israeli restrictions.<sup>100</sup> It is ironic that some PA employees in Gaza who went to work when they were not being paid, are now being paid and ordered not to go to work.<sup>101</sup>

**56. We welcome the creation of the PEGASE in as much as it provides donors with a new mechanism through which to support the Palestinian Authority. We also welcome the EU's direct re-engagement with the Palestinian Authority. The PEGASE will, like the TIM, enable the payment of Palestinian Authority salaries in both the West Bank and Gaza. However the PEGASE has been created in the context of a humanitarian crisis in Gaza and political and institutional developments in the West Bank which largely exclude Gaza. As such the PEGASE can only be a limited response to a severe humanitarian and political crisis.**

### The work of the Quartet Representative

57. On 27 June 2007 Rt Hon Tony Blair was appointed as the Middle East Quartet Representative.<sup>102</sup> His mandate is to:

- Mobilise international assistance to the Palestinians working closely with donors;

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96 Europeaid, *Interim Evaluation of the Temporary International Mechanism*, Final Report, July 2007.

97 The acronym for its French title – Mécanisme Palestino-Européen de Gestion de l'Aide Socio-Economique.

98 Q 97

99 Q 93

100 Ev 56–57

101 Crisis Group, *Ruling Palestine I: Gaza under Hamas*, Crisis Group Middle East Report no 73, 19 March 2008, pp 3, 16–17, 23.

102 The Quartet comprises the EU, UN, USA and Russia. It was established in 2002 by its membership to consult more closely on the resolution of the Israeli-Palestinian conflict.

- Help identify and secure support for the institutional needs of a future Palestinian state focusing on the rule of law;
- Develop plans for Palestinian economic development including private sector partnerships building on previous agreements, especially on movement and access; and
- Liaise with other countries in support of the Quartet's objectives.<sup>103</sup>

58. These terms of reference are largely focused on economic and institutional factors and do not include a role in the political negotiations or in promoting Palestinian reconciliation. When we asked Mr Blair about the limitations of trying to implement economic projects without a mandate to discuss political progress he assured us that everything came into his negotiations, “the politics, the economics, the security” despite his apparently limited mandate.<sup>104</sup>

59. The emphasis on economic projects and institution building follows the UK Government's report on the *Economic Aspects of Peace in the Middle East* published in September 2007. It calls for stabilisation of the Palestinian economy, support for private sector development and improvements to Palestinian security to allow for freer movement and access.<sup>105</sup> Mr Blair told us his job was to improve the situation on the ground in terms of lifting some of the weight of the occupation and encouraging the private sector to invest while guaranteeing greater security for Israel. His view was that without this guarantee nothing would happen.<sup>106</sup>

60. In May 2008 Mr Blair announced a number of projects for which he had been working on getting support prior to a Palestinian Investment Conference in Bethlehem. These projects included:

- An industrial park in Jenin with free movement and access and Palestinian security and another—Tarqumiya—for which the location has yet to be determined;
- The extension of Palestinian bandwidth for mobile telephony;
- Improved access to Bethlehem for tourists;
- An agro-industrial park in Jericho;
- Greater access to Area C for Palestinians and the creation or improvement of villages there;
- A number of waste-water treatment facilities and improvements to the Beit Lahia sewage treatment plant in Gaza;
- Funding for housing projects; and

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103 Statement by the Quartet on the appointment of the Quartet Representative, Rt Hon Tony Blair, 27 June 2007.

104 Qq 119–120

105 Rt Hon Ed Balls & Jon Cunliffe, *Economic Aspects of Peace in the Middle East*, HMG, September 2007.

106 Qq 111, 119

- Improvements to or the removal of a number of strategic obstacles to movement and access.<sup>107</sup>

61. Many of these projects are not new, and many are simply proposals at this stage, but the Quartet Representative has used his office to gain approval for them from the Government of Israel. Mr Blair said that he hoped that the Jenin Industrial Park would be operating in a matter of months.<sup>108</sup> Apart from the Beit Lahia sewage treatment plant, none of the projects is in Gaza. The statement from the Quartet Representative made clear that until the security situation in Gaza is improved, proper Palestinian Authority control is re-established and the Quartet conditions are fully met, the prospects for Gaza “are bound to be limited.”<sup>109</sup>

62. In pursuance of these objectives, Mr Blair helped to facilitate a Palestinian Investors Conference in Bethlehem in May 2008. 2000 people attended including many from the Gulf, and contracts were signed for a number of projects primarily in housing, infrastructure and telecommunications.<sup>110</sup> Mr Blair’s assessment was that the conference was possible because it was approached in the right way,

“The most important thing about the Palestinian Investment Conference was that it happened, that people came to it and that the Israelis facilitated it. What I have been trying to say is how we worked, because we were intimately connected with that conference, in setting that up and implementing it is not a bad lesson in how the thing could work if people had the right attitude and goodwill. People came and it was a very well attended conference.”<sup>111</sup>

63. Some of the written evidence we received expressed concerns that while such projects might in fact help Palestinian economic development, care should be taken to ensure these did not reinforce the occupation. Stephanie Koury from the School of African and Asian Studies explained the potential problems:

“Governments, in their good intention to support the peace process, at times fund proposals which promise short-term movement but which ‘accommodate’ the illegal acts by Israel (i.e. the settlements, wall and closure regime). Support for such projects can serve to ‘normalise’ Israel’s closure policy and the illegal presence of its settlements within the occupied Palestinian territory rather than projects which would be designed and implemented to help compel the reversal of such illegal activities. Since Annapolis, restrictions on movement have increased and the tendency persists to fund projects which accommodate the ‘illegal situation’. An example of such a violation could include donor support for proposed housing projects which would entail construction of separate roads or tunnels to ensure the separation of Palestinian traffic from Israeli settlers. Nor would it serve donor states’ interests to support projects that facilitate fast movement (e.g. tourist entry into

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107 Office of the Quartet Representative, *Towards a Palestinian state*, May 2008.

108 Q 128

109 Office of the Quartet Representative, *Towards a Palestinian state*, May 2008.

110 Ev 51

111 Q 121

Bethlehem) while Palestinians remain consigned to using the illegal terminal built as part of the regime of the Wall.”<sup>112</sup>

Oxfam expressed similar concerns,<sup>113</sup> while Stop the Wall Campaign identified specific projects which it believed should be re-evaluated to ensure they are legal under international law and do not pre-empt the outcome of final status talks.<sup>114</sup>

64. When we asked the Portland Trust about the compliance of its project proposals with international law its CEO, David Freud, told us that he tried to operate within a legal framework but that his was primarily an economic organisation:

“Clearly we do everything we can and we do operate in an entirely legal context. What we do, and this may be the difference between a private foundation and a government-controlled entity, is we operate from the bottom up. We will look at a particular project and say how does that work and we will assess it for what its impact is going to be, clearly its legality, who can we go in with and do it because we like to go in with partners.”<sup>115</sup>

The Quartet Representative’s view on this was:

“I think the single thing that people would ask me if I was in Palestine right now is: ‘That package that you agreed with the Israelis sounds good. Is it going to be done?’ That is the only question they would ask.”<sup>116</sup>

He added, “I do not think there is really an issue about international law.”<sup>117</sup>

65. Stephanie Koury recommended that an assessment of compliance should be undertaken for each project prior to securing the support of the Quartet Representative’s office and the provision of funding. Mr Blair did not consider such a proposal to be helpful:

“I honestly think that the most sensible thing is not to introduce a new mechanism, but the reason I negotiated this in such detail with the Israelis over many weeks and really got down to the detail of it is that it is now there on the table as the test of whether things are going to happen or not.”<sup>118</sup>

**66. In our last Report we encouraged DFID to find ways to facilitate private sector development in situations of conflict. The efforts by the Quartet Representative to achieve this are welcome. We would like an update, as part of the Government’s response to this Report, on the progress of these projects, including the removal of checkpoints, the creation of the Jenin Industrial Park and the improvements to the Beit Lahia sewage treatment facility in Gaza.**

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112 Ev 102

113 Ev 89

114 Stop the Wall Campaign, *The Quartet’s development proposals for the Jordan Valley*, 2007.

115 Qq 43–44

116 Q 137

117 Q 139

118 Q 137

67. We recognise the problem that economic development in an occupied territory is bound to be constrained by the presence of the occupiers but this should not be allowed to deter the international community from pursuing economic initiatives to relieve the hardship faced by the people forced to live under occupation. A pragmatic response is needed. Economic development should go ahead where it is supported by the local Palestinian community.

68. However, care must be taken that the Quartet does not lose sight of the objective, set out in the Agreement on Movement and Access, of creating a contiguous Palestinian state. It needs to be satisfied that such economic projects do not risk creating a series of Palestinian economic enclaves which may be linked to each other and perhaps the outside world by a discrete series of roads and entry/exit points but which do not promote the creation of a contiguous Palestinian state and which still leave most Palestinians unable to travel freely around their own land. There is a danger that this in turn could lead to the creation of two parallel universes in the West Bank since Israeli settlements already have their own network of much less restricted roads and services linking them to Israel and the outside world. The international community must take care that it does not end up legitimising the occupation and allowing Israel permanently to extend its borders into the West Bank rather than creating an independent Palestinian state alongside its own territory.

69. We recommend that the Quartet regularly assess the projects involved before and during implementation to ensure that these issues are addressed. However we believe the Quartet Representative's efforts are important and should continue in cooperation with both the Israeli and Palestinian governments.

## 3 Prospects for peace

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### Improving Palestinian security

70. The Secretary of State said that the confidence building measures being promoted by Mr Blair were important for the peace process because they could provide some hope that the facts on the ground could change. However, as we have noted, such measures only extend to the West Bank—Gaza remains isolated. Mr Blair stressed how important it was for the Israelis to feel secure about their neighbours in order for them to remove the weight of the occupation.<sup>119</sup>

71. To this end one of Mr Blair's tasks is to help improve Palestinian security forces. For example it is hoped that, in Jenin, properly trained Palestinian forces will be able to maintain security for the new industrial park and the surrounding areas.<sup>120</sup> A similar initiative is planned for Nablus. The Secretary of State explained the rationale behind this:

“If you can isolate and remove the obstacles that stop these places functioning economically and backfill with Palestinian security in such a way that you provide a platform for the economy to grow without intervention by the IDF that is the path we have to take. It is a process that will proceed very much by attrition and it will be slow, but that is the nature of the beast.”<sup>121</sup>

72. A conference on Palestinian security was held on 24 June in Berlin. Mr Blair told us he hoped to have a proper plan for Palestinian security forces as well as proposals and funding for prisons and judicial reform.<sup>122</sup> £80 million was pledged toward this objective at the Berlin Conference in support of Palestinian Civil Security and the Rule of Law.<sup>123</sup>

73. We are concerned, however, by the number and nature of Israeli military incursions which continue to take place inside the West Bank. Although we understand Israel's ongoing concern to protect its own security, these incursions raise important issues of human rights and international law and can inhibit rather than promote the creation of an effective Palestinian security sector.

74. It is also not acceptable that large numbers of elected Palestinian parliamentarians are being held without trial by Israel. This is contrary to the rule of law and runs counter to the development of a functioning democracy in the Palestinian Authority. **The international community should do more to press Israel to release all prisoners it holds without trial, including parliamentarians, and do more to press Hamas to secure the release of Corporal Shalit who was captured in June 2006.**

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119 Qq 134, 136

120 Q 130

121 Q 102

122 Q 148

123 Quartet Statement, 24 June 2008, Berlin; “West Bank police promised £80 million in support”, *The Times*, 25 June 2008.

**75. It is vital to develop credible and capable Palestinian security forces in the West Bank and Gaza. All efforts made in this regard are welcome and we fully support the Quartet Representative in his endeavours. It is equally important that commitments made by Israel to allow Palestinian security forces to operate in the West Bank are honoured. To this end we recommend that progress toward establishing an effective Palestinian security force be monitored by a designated third party.**

### The Annapolis conference

76. In November 2007 the US hosted a peace conference in Annapolis. The UK Government considers Annapolis to have been a success. According to DFID, Annapolis achieved its stated aim of producing a document agreed to by Palestinians (although not, of course, Hamas) and Israelis, and securing the attendance of significant regional players including Saudi Arabia.<sup>124</sup>

77. At Annapolis US President George W Bush, Israeli Prime Minister Ehud Olmert and the Palestinian President Mahmoud Abbas presented a well-publicized joint statement which committed both sides to recommence negotiations, with a view to having a final agreement by the end of 2008. The parties undertook to resolve “all outstanding issues, including all core issues without exception.” Prime Minister Olmert and President Abbas also agreed to implement their respective obligations to the 2003 Roadmap, adding that any future treaty would be “subject to the implementation of the Roadmap.”<sup>125</sup>

78. Much has been made of the prospects for achieving a final agreement by the end of 2008. US Secretary of State Condoleezza Rice has made a number of visits to the region to keep up the political momentum. Douglas Alexander told us that Annapolis offered the best chance for peace and that progress was continuing:

“The fact is that real negotiations are now under way as a result of Annapolis and to an unprecedented extent the international community has supported it, not simply in terms of attendance at the original meetings in Maryland but also in reinforcing it with financial commitments in December.”<sup>126</sup>

79. The Government sought to reassure us that high-level negotiations on all the key issues were taking place but also told us that it was not privy to these. When asked about the possibility of having a peace agreement which excluded Hamas the Secretary of State said that the Government would discuss such issues with the Palestinian President and Prime Minister. He also said that he hoped that, if a peace deal could be negotiated, this would promote Palestinian unity between Fatah and Hamas.<sup>127</sup>

80. Others have commented that there had been very little progress since Annapolis and that a new approach was needed. Oxfam for example said,

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124 Ev 44, 51

125 *The Annapolis negotiations and the outlook for a two state solution*, SN/IA/4714, House of Commons Library, 30 April 2008.

126 Q 72

127 Q 86

“We are told repeatedly by the Department for International Development and by contacts in the Foreign Office that the Israelis have to be kept in the room at all costs. Our concern is that there is no progress and what is the point of keeping interlocutors in the room if they actually do not do anything about what is required, moreover, quite the contrary, only make the situation worse.”<sup>128</sup>

Christian Aid was both sceptical and critical,

“The international optimism expressed during and after the Annapolis conference in November 2007 is misplaced. By failing to address the situation in Gaza, and excluding Hamas as a major party to the conflict, the conference only reinforced Israel’s policy to isolate Gaza and undermined the credibility of the process itself.”<sup>129</sup>

81. We questioned the Secretary of State about the extent to which a peace process could be interpreted as moving forward in a context where one party appeared to be violating the terms of the agreement by increasing restrictions to movement and access, announcing the expansion of settlements and was engaged in a conflict with Hamas in Gaza. His view was that, while it may appear as if there were “parallel universes” operating, it was important to hold on to the Annapolis process:

“Frankly Annapolis is the only show in town. For the first time in seven years we have a negotiating process moving forward. That is not to underestimate the profoundly difficult and challenging final status issues under discussion; it is not to diminish the historic alliance between the state of Israel and the United States, or the strong desire on the part of the international community collectively to find a solution to the Middle East. The reason I am optimistic is that we have a process by which progress can be made.”<sup>130</sup>

82. We note the recent EU initiative to establish the Union for the Mediterranean, which has the promotion of peace in the Middle East as one of its aims. We welcome its achievement in bringing together Israeli and Palestinian leaders at the summit organised under the French Presidency of the EU on 13 July and look forward to further progress.

### Involving all parties

83. In our last Report we argued that ways should be found to engage rather than isolate Hamas, noting that Hamas had participated in and won a majority in the internationally supervised parliamentary elections which took place in early 2006. We observed that:

“In other situations, ways have been found of UK representatives talking to those with whom we have profound and justifiable disagreements because we talk to them in their capacity as elected representatives, not in their capacity as representatives of a particular party or faction. Finding ways of achieving this in this case need not mean a dilution of the international community’s insistence that Israel has the unqualified right to recognition and security within legitimate

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128 Q 57

129 Ev 61

130 Q 85

borders any more than our talking to the Government of Israel means endorsing its continued occupation of East Jerusalem, the West Bank and Gaza.”<sup>131</sup>

However, in its reply to our Report, the Government argued that:

“The international community is asking no more of the Hamas-led Government than it has of its predecessors namely: renounce violence, recognise Israel, and accept previous agreements and obligations, including the Roadmap. The UK is ready to engage with any government that is prepared to reflect these three principles in its policies.”<sup>132</sup>

The Carnegie Endowment has questioned the wisdom of this approach:

“It is unrealistic to expect a total repudiation by Hamas of its vision of an Islamic state, but it is possible to work toward a situation in which the movement’s leaders are compelled to accept that the logic of events is leading in a direction they are powerless to stop (as actually happened for a brief period in the 1990s).”<sup>133</sup>

Circumstances have changed since our last Report. Despite the appointment of a Palestinian National Unity Government in the spring of 2007, relations between Hamas and Fatah continued to deteriorate, culminating in the Hamas armed takeover of Gaza in June, the dismissal of the existing ministers by President Abbas and their replacement by a new government to be led by Salaam Fayyad.

84. The armed takeover of Gaza by Hamas was neither justified nor acceptable and the international community has recognized the government appointed by President Abbas as having jurisdiction over both the West Bank and Gaza. However, a significant section of Palestinian society still supports Hamas and the majority of serving members of the Palestinian Legislative Council were democratically elected on the Hamas-sponsored list in 2006. It is still the case that without some kind of reconciliation between Hamas and Fatah, and without international engagement of all stakeholders, the peace process will not succeed.

85. We note that a similar view was reached by our colleagues on the Foreign Affairs Committee in their Report on *Global Security: The Middle East*, published in August 2007 after the Hamas takeover in Gaza. In welcoming the appointment of Tony Blair as the representative of the Quartet, the Foreign Affairs Committee recommended “That he engage with Hamas in order to facilitate reconciliation amongst the Palestinians.”<sup>134</sup>

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131 International Development Committee, Fourth Report of Session 2006–07, *Development Assistance and the Occupied Palestinian Territories*, HC 114-I, paragraph 142

132 International Development Committee, Fifth Special Report of Session 2006–07, *Government Response to the Fourth Report from the Committee: Development Assistance and the Occupied Palestinian Territories*, p 14, response to Recommendation in paragraph 142

133 Marina Ottaway, Nathan J. Brown et al, *The New Middle East*, Carnegie Endowment, Washington DC, 2008, p 35

134 Foreign Affairs Committee, Eighth Report of Session 2006–07, *Global Security: the Middle East*, HC 363, paragraph 67

86. The Quartet and the UK Government have supported the Annapolis Peace conference in the face of what appears to many to be a difficult, if not impossible situation—increased attacks by both Israel and Palestinian groups over the last year, the lack of Palestinian unity, a humanitarian crisis in Gaza, continued obstacles to movement and access, the construction of the Barrier on occupied land and the expansion of settlements in the West Bank. Whilst it is important to be optimistic in situations of ongoing conflict the international community must do more to ensure that all parties address these issues if a peace deal is to be credible.

87. The international community must also do more to ensure that these issues are addressed in practice as well as in theory. The Quartet is right to insist that a lasting settlement must be based on both Israel and Palestine recognizing each other's right to exist, on an end to violence and on acceptance by both parties of existing agreements. Following the Hamas victory in the parliamentary elections of 2006, the Quartet decided that acceptance of these principles would become a precondition to its even having any dialogue with any Palestinian government which included Hamas. This approach has achieved very little in the last two years and has contributed to increasing tension between Hamas and Fatah. The Hamas armed takeover of Gaza was neither justified nor acceptable and the international community is right to recognize the government of the West Bank and Gaza appointed by President Abbas. However, it remains important to bring Hamas into dialogue and into the peace process. The current truce between Israel and Hamas brokered by Egypt provides the opportunity to do that. We urge the UK Government and the international community to seize this opportunity.

## 4 Postscript: The Egyptian-brokered truce

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88. As we have said, the truce between Hamas and Israel brokered by Egypt offers an opportunity which should be used by all parties to take the peace process forward. Some have commented that the absence of the US and the Quartet from the truce negotiations demonstrates that they have become increasingly irrelevant.<sup>135</sup> Others have commented that Prime Minister Olmert is trying to save his career.<sup>136</sup> Both views may be accurate. What is also clear however is that both Israel and Hamas have recognised that cooperation is the only way forward and without a ceasefire there is no realistic prospect for improvements in the humanitarian situation or for economic development.

**89. We hope that the truce will hold and that the period of calm will be used to reassess strategies for progress towards peace. Hamas must be encouraged to meet the Quartet conditions and Israel must open the borders and allow full humanitarian access. Much is required of both parties and we hope each will step up to its responsibilities. Equally the international community must at all costs avoid supporting measures that add legitimacy to, or entrench, the occupation and lead effectively to two states sharing the same territory in the West Bank. Instead it should press as hard as possible for a long-term solution and to maintain the momentum towards peace. It failed to do this when the National Unity Government was formed, with dire consequences. The current truce provides another opportunity to move forward after a prolonged period of seeming hopelessness. This moment of optimism must be seized and the peace process advanced with energy and commitment on all sides.**

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135 "This plan rewrites the old rules: the White House didn't make the deal", *The Times*, 19 June 2008.

136 "Olmert reaches out", *The Times*, 19 June 2008.

## Conclusions and recommendations

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### The security situation

1. The international community withheld support for the National Unity Government—itsself an attempt to establish a stable and functioning government in the territories—and bolstered one side against the other which increased tension between Hamas and Fatah. This build-up of tension was followed in June 2007 by the violent takeover by Hamas of the Gaza strip. We condemn this takeover which resulted in unnecessary deaths and a deepened rift between Hamas and Fatah. (Paragraph 7)
2. The policy of seeking to isolate Hamas in Gaza has neither improved security nor caused Hamas to shift its position. The pattern of violence and retribution between the Israeli Defence Force and Hamas militants has resulted in insecurity for Israelis and Palestinians. Innocent civilians have been killed on both sides although the death toll is by no means equal. As we noted in our previous Report, Israel has a right to security but the measures taken to ensure this should be proportionate. We also noted that the actions of both parties were damaging to the prospects for a peaceful settlement. We therefore wholeheartedly welcome the truce brokered by Egypt in June and call on all parties to abide by it and to accelerate the removal of the blockade on Gaza. (Paragraph 13)
3. We recommend that the UK Government increase its efforts to persuade Israel to allow students from Gaza and the West Bank to exit from those territories to take up courses for which they have been accepted in the UK and other countries abroad. (Paragraph 14)

### The responsibility to ensure humanitarian access

4. Blocking civilian access to humanitarian supplies is an unacceptable practice which should not be condoned. While minimal humanitarian supplies have generally been allowed entry these fall short of requirements. At other times the borders have been closed to all such supplies. We believe the UK Government and the Quartet should not only have more assertively condemned the blockade of Gaza but should have exerted much greater diplomatic pressure on the Government of Israel to lift the blockade in practice. It is clear to us that ways must be found to ensure full humanitarian access and the current truce offers an important opportunity for this. We appreciate that Israel needs to ensure that its security is not compromised but we do not accept that the crossings should be closed for political objectives. (Paragraph 29)

### Hamas' responsibilities

5. Disrupting humanitarian supplies through attacks on border crossings is also an unacceptable practice and should not be condoned. With the current truce in place we call on Hamas to ensure that rocket fire into Israel ceases and to do all in its

power to ensure the safe transfer and distribution of humanitarian supplies in Gaza. (Paragraph 31)

### **A humanitarian access cell**

6. We support the proposal to develop a UN humanitarian access cell for Gaza as a matter of urgency. We wish to be kept informed of its start date and its full remit. We agree that it should not prejudice efforts to reopen fully the crossings into Gaza. (Paragraph 32)

### **The Palestinian Reform and Development Plan**

7. The economic situation in the West Bank may have improved since our last Report, but only marginally. The economy in Gaza has collapsed since the June 2007 closures. In both places many people continue to live in conditions of deep poverty and the economy is heavily reliant on aid. We welcome the decision by donors to restore direct funding to the Palestinian Authority. We were highly critical of the UK Government's decision to stop this funding in 2006 and the severe fiscal pressure it placed on the Palestinian Authority. We are encouraged by the Palestinian Authority's efforts to reform, as outlined in the Palestinian Reform and Development Plan and in particular to reduce the public sector payroll. We encourage donors to contribute on a predictable basis to the Palestinian Authority's budget as part of the effort to strengthen the institutions of a future Palestinian state. We request that the Government updates us on the PA's estimated fiscal deficit for 2008 in its response to this Report. (Paragraph 41)

### **The importance of improving movement and access**

8. One of the major barriers to the development of a viable Palestinian economy is the continued restrictions on movement and access which Israel insists were put in place to enhance the security of its citizens. Increased donor assistance, while welcome, will not be sufficient to turn around the economic downturn which has pervaded the Palestinian economy since 2000 without significant and long-term removal of such restrictions. While efforts to remove some strategic checkpoints may be useful, such agreements lack permanence and can easily be replaced by other restrictions. It is also important from development and human rights perspectives that Palestinians are able to move around their own country for education, to receive healthcare, to visit their families, to work and to trade, irrespective of whether their journeys are regarded as strategically significant to international negotiations. Neither Israel nor the international community should lose sight of this. The Government of Israel signed up to the Agreement on Movement and Access in 2005. We believe it must respect such commitments. (Paragraph 47)

### **Expanding settlements and the construction of the Barrier**

9. We do not believe there is any justification for the continued expansion of settlements. This creates new 'facts on the ground' which then have to become part of the negotiations for a final agreement. Such actions on the part of the Government

of Israel undermine the prospects for a successful peace process. We believe that this continued flouting of international law should be condemned unreservedly by the international community. The international community should also identify how it can more effectively persuade Israel to abide by its obligations in practice. (Paragraph 51)

## The EU-Israel Association Agreement

10. We are surprised that the EU has decided to upgrade its relationship with Israel while it continues to flout international law. In its reply to this Report, the Government should provide more details on the exact nature of this upgrading and the UK Government's position on it. We also request clarification on whether Israel has once again withheld funds which rightfully belong to the Palestinian people and what action the UK proposes to take as a result. (Paragraph 52)

## EU funding mechanisms

11. We welcome the creation of the PEGASE in as much as it provides donors with a new mechanism through which to support the Palestinian Authority. We also welcome the EU's direct re-engagement with the Palestinian Authority. The PEGASE will, like the Temporary International Mechanism, enable the payment of Palestinian Authority salaries in both the West Bank and Gaza. However the PEGASE has been created in the context of a humanitarian crisis in Gaza and political and institutional developments in the West Bank which largely exclude Gaza. As such the PEGASE can only be a limited response to a severe humanitarian and political crisis. (Paragraph 56)

## The work of the Quartet Representative

12. In our last Report we encouraged DFID to find ways to facilitate private sector development in situations of conflict. The efforts by the Quartet Representative to achieve this are welcome. We would like an update, as part of the Government's response to this Report, on the progress of these projects, including the removal of checkpoints, the creation of the Jenin Industrial Park and the improvements to the Beit Lahia sewage treatment facility in Gaza. (Paragraph 66)
13. We recognise the problem that economic development in an occupied territory is bound to be constrained by the presence of the occupiers but this should not be allowed to deter the international community from pursuing economic initiatives to relieve the hardship faced by the people forced to live under occupation. A pragmatic response is needed. Economic development should go ahead where it is supported by the local Palestinian community. (Paragraph 67)
14. Care must be taken that the Quartet does not lose sight of the objective, set out in the Agreement on Movement and Access, of creating a contiguous Palestinian state. It needs to be satisfied that economic projects do not risk creating a series of Palestinian economic enclaves which may be linked to each other and perhaps the outside world by a discrete series of roads and entry/exit points but which do not promote the creation of a contiguous Palestinian state and which still leave most

Palestinians unable to travel freely around their own land. There is a danger that this in turn could lead to the creation of two parallel universes in the West Bank since Israeli settlements already have their own network of much less restricted roads and services linking them to Israel and the outside world. The international community must take care that it does not end up legitimising the occupation and allowing Israel permanently to extend its borders into the West Bank rather than creating an independent Palestinian state alongside its own territory. (Paragraph 68)

15. We recommend that the Quartet regularly assess its economic projects before and during implementation to ensure that the issues which we have highlighted are addressed. However, we believe the Quartet Representative's efforts are important and should continue in cooperation with both the Israeli and Palestinian governments. (Paragraph 69)

### Improving Palestinian security

16. The international community should do more to press Israel to release all prisoners it holds without trial, including parliamentarians, and do more to press Hamas to secure the release of Corporal Shalit who was captured in June 2006. (Paragraph 74)
17. It is vital to develop credible and capable Palestinian security forces in the West Bank and Gaza. All efforts made in this regard are welcome and we fully support the Quartet Representative in his endeavours. It is equally important that commitments made by Israel to allow Palestinian security forces to operate in the West Bank are honoured. To this end we recommend that progress toward establishing an effective Palestinian security force be monitored by a designated third party. (Paragraph 75)

### Involving all parties

18. The Quartet and the UK Government have supported the Annapolis Peace conference in the face of what appears to many to be a difficult, if not impossible situation—increased attacks by both Israel and Palestinian groups over the last year, the lack of Palestinian unity, a humanitarian crisis in Gaza, continued obstacles to movement and access, the construction of the Barrier on occupied land and the expansion of settlements in the West Bank. Whilst it is important to be optimistic in situations of ongoing conflict the international community must do more to ensure that all parties address these issues if a peace deal is to be credible. (Paragraph 86)
19. The international community must also do more to ensure that the issues we have raised are addressed in practice as well as in theory. The Quartet is right to insist that a lasting settlement must be based on both Israel and Palestine recognizing each other's right to exist, on an end to violence and on acceptance by both parties of existing agreements. Following the Hamas victory in the parliamentary elections of 2006, the Quartet decided that acceptance of these principles would become a precondition to its even having any dialogue with any Palestinian government which included Hamas. This approach has achieved very little in the last two years and has contributed to increasing tension between Hamas and Fatah. The Hamas armed takeover of Gaza was neither justified nor acceptable and the international community is right to recognize the government of the West Bank and Gaza

appointed by President Abbas. However, it remains important to bring Hamas into dialogue and into the peace process. The current truce between Israel and Hamas brokered by Egypt provides the opportunity to do that. We urge the UK Government and the international community to seize this opportunity. (Paragraph 87)

### **The Egyptian-brokered truce**

20. We hope that the truce will hold and that the period of calm will be used to reassess strategies for progress towards peace. Hamas must be encouraged to meet the Quartet conditions and Israel must open the borders and allow full humanitarian access. Much is required of both parties and we hope each will step up to its responsibilities. Equally the international community must at all costs avoid supporting measures that add legitimacy to, or entrench, the occupation and lead effectively to two states sharing the same territory in the West Bank. Instead it should press as hard as possible for a long-term solution and to maintain the momentum towards peace. It failed to do this when the National Unity Government was formed, with dire consequences. The current truce provides another opportunity to move forward after a prolonged period of seeming hopelessness. This moment of optimism must be seized and the peace process advanced with energy and commitment on all sides. (Paragraph 89)

# Formal Minutes

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**Thursday 17 July 2008**

Members present:

Malcolm Bruce, in the Chair

John Battle  
Hugh Bayley  
John Bercow  
Richard Burden  
Mr Stephen Crabb

Daniel Kawczynski  
Jim Sheridan  
Mr Marsha Singh  
Sir Robert Smith

Draft Report (*The Humanitarian and Development Situation in the Occupied Palestinian Territories*), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 51 read and agreed to.

Paragraph 52 read.

Question put, That the paragraph stand part of the Report.

The Committee divided.

Ayes, 4	Noes, 1
John Battle	Mr Stephen Crabb
Hugh Bayley	
Richard Burden	
Sir Robert Smith	

Paragraph agreed to.

Paragraphs 53 to 86 read and agreed to.

Paragraph 87 read.

Question put, That the paragraph stand part of the Report.

The Committee divided.

Ayes, 4	Noes, 1
John Battle	Mr Stephen Crabb
Hugh Bayley	
Richard Burden	
Sir Robert Smith	

Paragraph agreed to.

Paragraphs 88 and 89 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Eleventh Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 1 and 21 May 2008.

[Adjourned till Tuesday 7 October at 10.00 am

## Witnesses

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<b>Wednesday 30 April 2008</b>	<i>Page</i>
<b>Mr John Ging</b> , Director of Operations, UN Relief and Works Agency (UNRWA), Gaza	Ev 1
<b>Mr David Freud</b> , Chief Executive Officer, The Portland Trust,	Ev 7
<b>Mr Adam Leach</b> , Regional Director, Middle East and North Africa, Oxfam	Ev 11
 <b>Tuesday 20 May 2008</b>	
<b>Rt Hon Douglas Alexander MP</b> , Secretary of State for International Development, <b>Mr Michael Anderson</b> , Head, Iraq and Middle East Group, Department for International Development and <b>Mr John Jenkins, Director</b> , Middle East and North Africa Directorate, Foreign and Commonwealth Office	Ev 14
 <b>Thursday 5 June 2008</b>	
<b>Rt Hon Tony Blair</b> , Middle East Quartet Representative	Ev 33

## List of written evidence

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Department for International Development	Ev 44; 51; 54
Al-Haq	Ev 55
Joint memorandum submitted by Trocaire and Broederlijk Delen	Ev 56
Christian Aid	Ev 60
European Commission	Ev 63
Funding for Peace Coalition	Ev 64
Lord Janner of Braunstone QC, Vice-Chairman of the Britain-Israel Parliamentary Group	Ev 66
Machsom Watch	Ev 75
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Palestine Solidarity Campaign	Ev 91
Portland Trust	Ev 95
Stephanie Koury, Senior Research Fellow, School of Oriental and African Studies	Ev 99
Palestinian Grassroots Anti-Apartheid Wall Campaign—Stop the Wall	Ev 103
Tax Payers' Alliance	Ev 110
UNICEF UK	Ev 111
Mr John Ging, Director of Operations, UNRWA, Gaza	Ev 114
War on Want	Ev 116

# List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

## Session 2007-08

First Report	DFID Departmental Report 2007	HC 64 (HC 329)
Second Report	Development and Trade: Cross-departmental Working	HC 68 (HC 330)
Third Report	Work of the Committee 2007	HC 255
Fourth Report	Reconstructing Afghanistan	HC 65 (HC 509)
Fifth Report	Maternal Health	HC 66 (HC 592)
Sixth Report	DFID and the World Bank	HC 67 (HC 548)
Seventh Report	DFID and the African Development Bank	HC 441 (HC 988)
Eighth Report	Scrutiny of Arms Export Controls (2008): UK Strategic Export Controls Annual Report 2006, Quarterly Reports for 2007, licensing policy and review of export control legislation	HC 254
Ninth Report	Working Together to Make Aid More Effective	HC 520
Tenth Report	The World Food Programme and Global Food Security	HC 493

## Session 2006-07

First Report	DFID Departmental Report 2006	HC 71 (HC 328)
Second Report	HIV/AIDS: Marginalised groups and emerging epidemics	HC 46-I&II (HC 329)
Third Report	Work of the Committee in 2005-06	HC 228
Fourth Report	Development Assistance and the Occupied Palestinian Territories	HC 114-I&II (HC 430)
Fifth Report	EU Development and Trade Policies: An update	HC 271 (HC 622)
Sixth Report	Sanitation and Water	HC 126-I&II (HC 854)
Seventh report	Fair Trade and Development	HC 356-I&II (HC 1047)
Eighth report	DFID's Programme in Vietnam	HC 732 (HC 1062)
Ninth report	Prospects for sustainable peace in Uganda	HC 853 (HC 1063)
Tenth report	DFID Assistance to Burmese Internally Displaced People and Refugees on the Thai-Burma Border	HC 645-I&II (HC 1070)

**Session 2005–06**

First Report	Delivering the Goods: HIV/AIDS and the Provision of Anti-Retrovirals	HC 708–I&II (HC 922)
Second Report	Darfur: The killing continues	HC 657 (HC 1017)
Third Report	The WTO Hong Kong Ministerial and the Doha Development Agenda	HC 730–I&II (HC 1425)
Fourth Report	Private Sector Development	HC 921–I&II (HC 1629)
Fifth Report	Strategic Export Controls: Annual Report for 2004, Quarterly Reports for 2005, Licensing Policy and Parliamentary Scrutiny	HC 873 (Cm 6954)
Sixth Report	Conflict and Development: Peacebuilding and post-conflict reconstruction	HC 923 (HC 172)
Seventh Report	Humanitarian response to natural disasters	HC 1188 (HC 229)