Due to the pivotal nature of the remaining access restrictions, the easing of the blockade on the Gaza Strip since June 2010 did not result in a significant improvement in people’s livelihoods, which were largely depleted during three years of strict blockade. Because of the ongoing restrictions on the import of building materials, only a small minority of the 40,000 housing units, needed to meet natural population growth and the loss of homes during the ‘Cast Lead’ offensive, could be actually constructed. The housing shortage has exacted a high ‘price’ from families confronted with poor and overcrowded housing conditions, with a disproportionate impact on women and children. In light of the high unemployment levels and the large demand for construction materials, thousands of people are left with no alternative but to risk their lives working in tunnels along the border with Egypt or in access-restricted areas near the perimeter fence surrounding Gaza.
EXECUTIVE SUMMARY

In June 2010, following the tragic results of the flotilla’s attempt to break the blockade, Israel announced a package of measures to ease the access restrictions it had imposed on Gaza since June 2007. These measures followed the gradual expansion in the variety of items that were allowed to be imported that began in late 2009. In January and February 2011, OCHA conducted an assessment of the humanitarian impact of these measures, which involved 80 interviews and focus group discussions with relevant stakeholders, as well as extensive field observations. The analysis of the findings was further enhanced by statistical information collected by the Palestinian Central Bureau of Statistics (PCBS).

The partial lifting of import restrictions in the context of this package increased the availability of consumer goods and some raw materials, allowing a limited reactivation of private sector activities. However, due to the pivotal nature of the remaining restrictions, this relaxation did not result in a significant improvement in people’s livelihoods, which were largely depleted during three years of strict blockade. During the second half of 2010, the unemployment rate in Gaza decreased by less than two percentage points (from 39.3 to 37.4 percent), remaining one of the highest in the world. Coupled with a significant rise in food prices, this minor improvement in employment has had little or no impact on the high rates of food insecurity prevailing throughout Gaza (52 percent of the population).

Because of the ongoing restrictions on the import of building materials, only a small minority of the 40,000 housing units, needed to meet natural population growth and the loss of homes during the ‘Cast Lead’ offensive, could be actually constructed. The housing shortage has exacted a high ‘price’ from families confronted with poor and overcrowded housing conditions, with a disproportionate impact on women and children. Many families that succeed in repairing or expanding their houses are now exposed to the risk of collapse, due to the substandard quality of some of the construction materials available in the market, particularly in the event of a natural disaster or a new armed conflict.

Finally, no significant change has taken place in the access of people to the outside world, including to other areas of the occupied Palestinian territory (oPt). Exit permits via Israel continued to be granted only on an exceptional basis, with an insignificant increase in the number of travelers (mainly traders) observed during the second half of 2010 compared to the first half - from 106 to 114 persons a day. A more significant, albeit limited, improvement followed Egypt’s decision to begin operating its crossing with Gaza on a regular basis to special categories of people.

In light of the high unemployment levels and the large demand for construction materials, thousands of people are left with no alternative but to risk their lives working in tunnels along the border with Egypt or in access-restricted areas near the perimeter fence surrounding Gaza (most of the latter collecting rubble). During 2010, at least 58 Palestinian civilians, including nine children, were killed in these circumstances, and another 257, including 46 children, were injured.

The relaxation of the blockade also entailed the approval of over 100 projects funded by international organizations to improve the quality of extremely deteriorated water and sanitation, education and health services. UNRWA, for example, the largest UN implementing agency, received so far approval for 43 such projects, which are worth approximately 11 percent of the cost of its entire work plan for Gaza. The implementation of these projects has been slowed down and expenses increased due to a multi-layered system of approvals regulating the entry of each individual consignment of materials. This has been compounded by the recurrent disruptions in the supply of construction aggregates, due to the limited opening of the single relevant crossing (Karni). Therefore, while the potential benefit of these projects, once implemented, is significant, due to the recurrent delays in implementation, the population has so far not experienced any improvement in the quality of services.
As an occupying power, as well as in every instance in which it exercises control over Gaza and its population, Israel is bound by international humanitarian and human rights law obligations. This legal framework prohibits Israel from imposing restrictions that are detrimental to the rights and needs of the population and which are not strictly required by legitimate security needs. Such restrictions may amount to collective punishment, which is prohibited under any circumstances.

While the recent relaxation measures constituted a step in the right direction, to comply with these obligations and achieve a genuine improvement in the humanitarian situation, Israel must fully abolish the blockade. This includes a removal of restrictions on the import of construction materials and the exports of goods, as well as a lifting of the general ban on the movement of people between Gaza and the West Bank via Israel. Additionally, Israel must remove to the fullest extent possible the current restrictions on the access of people to areas in the vicinity of the perimeter fence and to sea waters along Gaza’s coast. When resorting to the use of force, it must ensure that civilians and their property are not targeted, and that the necessary measures are adopted to prevent or minimize the negative effect that military operations have on the civilian population.
The package of easing measures announced by Israel in June 2010 had the stated intention ‘to provide relief to the civilian population of the Gaza Strip, while preventing the entry of weapons and other materials that can be used to harm the citizens of Israel’. The four main components of this package were: the relaxation of import restrictions; the gradual approval of building projects funded by certain international organizations; the expansion of the capacity of commercial crossings (Kerem Shalom and Karni conveyer belt); and the ‘streamlining’ of the permit policy regarding movement of people to and from Gaza.

A follow-up announcement issued two weeks later, presented two lists of goods that were classified by Israel as ‘dual civil-military use’ items, the import of which would remain restricted. One of the lists contained an expanded version of the internationally-recognized catalog of ‘dual use’ goods. The other list included a wide range of basic construction materials (cement, gravel, steel bars, concrete blocks and asphalt, among others), which are not considered ‘dual use’ by Israeli legislation or by any international standard. Under the new regime, any item not included in either of these lists would be allowed into Gaza, subject only to prior coordination with the crossings’ authorities.

In general, only limited types of goods classified by the Israeli authorities as ‘basic humanitarian products’ (primarily food, fodder and hygiene items) were allowed into Gaza in the first two years of the blockade. Since late 2009 and until the recent announcement, a few additional types of goods (including glass, wood and clothing) began entering Gaza through the crossings in limited quantities. The criteria for approval or denial of import requests, however, were not disclosed until recently.

On the logistics side, Israel committed to immediately expand the import capacity of the Kerem Shalom Crossing from 90 to 250 truckloads a day, five days a week, and of the conveyer belt at Karni Crossing, which was used for the transfer of bulk items (aggregates and grains), from 80 to 120 truckloads a day, twice a week. Israel also committed, subject to security considerations, to open additional land crossings as and when additional capacity becomes necessary.

On 8 December 2010, the Government of Israel announced that in order to further assist the economy of Gaza it would allow the export of agriculture, furniture and textile products, ‘subject to security and logistical preparations at the Kerem Shalom crossing’.

Water and sanitation supplies for a UNICEF project entering Gaza in February 2011 after being held for two years in a warehouse in Ashdod port.
The easing of import restrictions triggered a significant increase in the volume and variety of goods entering Gaza, as well as a decline in the prices of some products. Overall, in the second half of 2010, the monthly average of truckloads entering Gaza increased by 66 percent, compared to the first half, but represented just 35 percent of the equivalent figure during the first five months of 2007, before the imposition of the blockade. Moreover, the share of non-food items among all imports continued to be disproportionately low, ranging between 40 and 50 percent, compared to over 80 percent before the imposition of the blockade.

As elaborated below, despite the improvement in the availability of consumer goods and some raw materials, the positive effect on the access of the population to sources of livelihood has remained limited. As a result, the majority of the population has continued to suffer from food insecurity and has remained critically dependent on food assistance. Additionally, thousands of workers, including children, continued to be confronted with no alternative but to risk their lives smuggling goods through the tunnels or accessing dangerous areas along Gaza’s perimeter fence (to collect rubble and cultivate the land) or at sea (to fish), in order to earn their living.

The manufacturing sector

The access to formerly restricted goods, including raw materials, resulted in a limited reactivation of the manufacturing sector, which had been previously depleted by three years of strict blockade. A comprehensive survey carried out recently, covering a sample of 188 companies representing all manufacturing sub-sectors, indicates that between June 2010 and January 2011 the average capacity utilization of companies increased from 34 to 40 percent, while the average volume of sales grew by 27 percent. According to PCBS, between the second and fourth quarter of 2010, approximately 1,200 new jobs were added to the manufacturing sector, increasing the number of employees from 7,300 to 8,500. This, however, is less than half the equivalent number of workers in second quarter of 2007, prior to the blockade (18,500 people).

II. ACCESS TO LIVELIHOODS

“The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right”.


![Percentage of non-food items among all imports](chart.png)

* Food items include both human food and animal fodder.
The limited nature of this reactivation is closely related to the remaining restrictions and impediments on the movement of goods:

- **Exports**: due to the ongoing export restrictions, the increase in industrial activities remained confined by the small size of the local market and the low purchasing power of the Gazan population. Pre-blockade figures indicate that both Israel and the West Bank constitute large potential markets for Gazan-manufactured products, with 90 percent of garments, 76 percent of furniture products, and 20 percent of food products being marketed there. More than half of the companies surveyed in January 2011 stated that they would be ready to resume exports within one month of the lifting of the ban. While on 8 December 2010 Israel announced a relaxation of export restrictions for furniture and textile products (in addition to agricultural produce), this measure has remained unimplemented.

- **Raw materials**: while some companies saw an improvement in access to imported inputs, others did not. This is the case of companies in the construction, chemicals and metal sectors, which depend on inputs that were defined as ‘dual-use’ items. Moreover, in the case of flour mills, an important employer in the food sector, access to the main raw material (wheat grain) began deteriorating since the announcement on the easing. This is because the operation of the single facility capable of transferring grains and aggregates, the conveyer belt at the Karni crossing, remained limited to two days a week, while the demand for the transfer of goods increased following the approval of new building projects. The Israeli authorities have justified this limited opening citing the need to reduce the exposure of Israeli personnel at the crossing to the risks of a Palestinian attack. Due to the constant reduction in the stocks of wheat, agencies providing food assistance had no option but to import part of their flour requirements, thus undermining the income of local mills.

- **Equipment**: the import of industrial equipment and machinery has remained subject to multiple clearance requirements by the Israeli authorities, including for items not defined as ‘dual-use’. These requirements have resulted in prolonged delays, unpredictability and higher costs, which became a discouraging factor for businesses in all sectors.

- **Other factors**: some companies were also negatively affected by the easing of import restrictions, due to the loss of sales to competing products that began to enter Gaza in large volumes and at cheaper prices (e.g. juices,

![Depth of wheat reserves at Gaza mills](image)

*Depth of wheat reserves at Gaza mills*  
(number of days stocks will last)
carbonated drinks, crisps, and textiles). To reduce this phenomenon, the local authorities in Gaza have recently announced that the entry of certain goods into Gaza will be restricted, starting with clothing. Additional obstacles impeding more significant improvement in the performance of the industrial sector include the unreliable supply of electricity and the limited access of businesses to credit. Supply of cash, however, improved: according to the Israeli authorities, in the second half of 2010, more than 720 million shekels entered Gaza, compared to 270 million shekels in the first half of the year.

The construction sector

The construction sector experienced some reactivation as well, despite the maintenance of the ban on the import of basic construction inputs for the commercial sector. This is due to two main factors: the approval and implementation of a number of housing and infrastructure projects funded by international organizations (see next section), which has enabled big contractors to resume their work; and a significant increase in the market supply of various types of construction materials smuggled via the tunnels operating under Gaza’s border with Egypt, which has led to a decline in prices. The latter occurred largely due to the shift in the type of commodities brought by many tunnel owners – from consumer goods to restricted construction inputs.

Interviews with tunnel owners and field visits carried out in late January 2011 suggest that some 200-300 tunnels are currently operational on a regular basis, about half the number that operated the year before. At the same time, the number of tunnels exclusively dedicated to the smuggling of construction inputs has significantly increased in the same period (from approximately 50 to 85), and currently employ between 2,000 to 2,500 workers. It can be estimated that in recent months, tunnels have supplied the Gazan market on a monthly basis with up to 31,000 MT (metric tonnes) of cement, 11,000 MT of steel bars and 56,000 MT of aggregates.11

Aggregates are also supplied to the market by the rubble crushing businesses based in Gaza, which have mushroomed in the wake of the ‘Cast Lead’ offensive, particularly in areas close to the perimeter fence around Gaza. The production capacity of these businesses can be estimated at present at some 38,000 MT a month.12 This figure has been declining in recent months and is expected to reach zero in the near future, as the raw material (i.e. rubble) is gradually exhausted.

Taking into account the amounts delivered for approved projects, the monthly supply of these three types of materials in the recent period can be estimated at 156,600 tonnes, or some 60 percent the monthly average that entered through the crossings between January and May 2007, before the imposition of the blockade - 264,400 tonnes.

As elaborated in the following sections, given the immense needs generated by the prolonged ban on the entry of materials through the crossings, exacerbated by the widespread destruction during

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**Monthly supply of construction materials by source, in tonnes**

<table>
<thead>
<tr>
<th></th>
<th>Tunnels</th>
<th>Rubble-crushing</th>
<th>Crossings*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregates</td>
<td>56,000</td>
<td>38,000</td>
<td>18,500</td>
<td>112,500</td>
</tr>
<tr>
<td>Cement</td>
<td>31,000</td>
<td>-</td>
<td>1,600</td>
<td>32,600</td>
</tr>
<tr>
<td>Steel</td>
<td>11,000</td>
<td>-</td>
<td>500</td>
<td>11,500</td>
</tr>
<tr>
<td>Total</td>
<td>98,000</td>
<td>38,000</td>
<td>20,600</td>
<td>156,600</td>
</tr>
</tbody>
</table>

*Average between Oct 2010 – Feb 2011*
the ‘Cast Lead’ offensive, current requirements for construction materials are significantly higher than they were prior to the blockade.

Moreover, due to an array of logistic and economic constraints, smuggling through the tunnels of some critical materials, other than the three mentioned above, is marginal to non-existent, thus limiting the types of construction possible. These include heavy weight steel bars, needed for the construction of tall buildings; bitumen, which is needed for asphalt making; and silo cement, required for making tiles and ready cement in large volumes.

The limited increase in construction activities following the larger supply of materials is reflected in PCBS’s latest employment survey, which indicates that 3,100 new jobs were added in this sector between the second and fourth quarter of 2010 – from 4,800 to 7,900. This is slightly over a third the equivalent number of employees in this sector by the end of 2005, or 22,200 workers. The latter includes only workers directly employed in construction activities and, therefore, excludes a large potential for additional workplaces in construction-related companies within the manufacturing sector.

The agriculture sector

Unlike the manufacturing and construction sectors, the increase in the access of some key inputs (including materials for 13 projects funded by the UN and the USA that were approved by Israel), does not seem to have had a positive impact in the performance of the agriculture sector. To the contrary, PCBS statistics indicate that between the second and fourth quarter of 2010 the number of people employed in this sector declined by 4,800 (from 14,900 to 10,100). Considering that the last quarter of the year normally sees a seasonal increase
in employment (both in the Gaza Strip and the West Bank), this decline is remarkable. Anecdotal evidence suggests that the limited reactivation observed in the other two sectors pushed people out of risky and hardly profitable agricultural activities, previously undertaken in the absence of alternatives. Prior to the blockade (second quarter of 2007), 12.7 percent of the employed workforce were working in the agriculture sector, today’s equivalent to 29,400 people.\textsuperscript{14}

As with the manufacturing sector, sweeping restrictions on exports imposed since June 2007 have significantly undermined the agriculture sector. The single exception has been the export of strawberries and carnations to European markets, through a project supported by The Netherlands. The total volume of exports, however, remained only a fraction of the equivalent amounts before the imposition of the blockade. In December 2010, the Israeli authorities announced that they would allow the export of additional agricultural products; since then, three truckloads of sweet peppers and one of cherry tomatoes were exported to Europe.

The Israeli Air Force has dropped leaflets several times warning people not to access areas closer than 300 meters from the perimeter fence surrounding Gaza; this distance has been confirmed in writing to OCHA as well. However, extensive research carried out by OCHA and the UN World Food Program indicates that, in practice, since late 2008, farmers have been totally or partially prevented from accessing land located up to 1,000-1,500 meters from the fence with Israel (depending on the specific area).\textsuperscript{15} Overall, the land restricted area is estimated at 17 percent of the total land mass of the Gaza Strip and 35 percent of its agricultural land. At sea, fishermen are totally prevented from accessing fishing areas beyond three nautical miles from the shore, constituting some 85 percent of the maritime areas they are entitled to access according to the Oslo Agreements.

The Israeli military enforces the access restrictions by firing ‘warning shots’ at people entering the restricted areas, frequently resulting in casualties. A complementary method used by the Israeli military to discourage access is the systematic leveling of farmland located in these areas. Given that leveling operations usually target fruit trees and greenhouses, many farmers have re-planted previously leveled areas with rain-fed crops, which demand less care and have better chances of survival. However, the ability of farmers to harvest these crops is limited and the income is only a fraction of the income of the original crops.

![Export of agricultural produce](image.png)

**Export of agricultural produce**

*number of truckloads*

- **2006**: 1630 Vegetables, 205 Carnations, 643 Strawberries
- **2009**: 21 Vegetables, 205 Carnations, 88 Strawberries
- **2010**: 1 Vegetables, 205 Carnations, 126 Strawberries

Source: PalTrade
Unemployment and food insecurity

Overall, between the announcement of the easing and the end of 2010, only 6,100 additional people found employment throughout Gaza, while another 118,000 people were actively seeking a job, but were unable to find one, according to PCBS. During that period, the unemployment rate in Gaza decreased by less than 2 percentage points, from 39.3 to 37.4 percent (ILO definition), one of highest in the world. In the second quarter of 2007, before the imposition of the blockade, Gaza’s unemployment rate stood at 26.4 percent (ILO definition). If the so-called ‘discouraged workers’, i.e. those willing to work but not actively seeking a job, are taken into account (the ‘relaxed’ definition of unemployment), the current unemployment rate by the end of 2010 would be 43.5 percent or 151,000 people.

During the first half of 2010, prior to the easing, 52 percent of households in the Gaza Strip, or some 821,100 people, were suffering from food insecurity, and an additional 13 percent were found vulnerable to food insecurity.16 The incidence of food insecurity is significantly higher among the rural population, reaching 69 percent of households. Despite the massive volume of food assistance delivered in 2009 and 2010, 29 percent of households were found unable to secure a diet with an acceptable amount and diversity of food (i.e. identified as having either ‘poor’ or ‘borderline’ food consumption).

While the precise effect of the limited reactivation of the economy on the scope of food insecurity is yet to be measured, given the little improvement in access to sources of livelihood, it is estimated that it has been small to non-existent. This concern is further exacerbated by the sharp increase in the global prices of food, which in January 2011 reached a new historic record. Based on a projection model produced by the UN Food and Agriculture Organization (FAO), this factor alone could have resulted in a 3.2 percent increase in the prevalence of food insecurity in the Gaza Strip, meaning that an additional 71,000 people may have become food insecure.17
Lives at risk to earn a livelihood

In light of these grim realities, it is unsurprising that so many people in Gaza are ready to risk their lives to earn a living. This is the case for people employed in the operation of tunnels, mostly dedicated to the smuggling of building materials, who are exposed daily to the danger of the tunnels they are working in collapsing as well as to frequent Israeli airstrikes.

Workers interviewed described a variety of additional factors resulting in deaths and injuries, or other impacts on their health. These include the risk of limbs serrated by moving goods with sharp edges; breathing impaired by spilt cement bags; goods dropped at the tunnel opening; broken legs resulting from falls down the shaft of a tunnel; electrocution triggered by humidity affecting powering systems; explosion of poorly maintained and overworked engines; and burns from live electric wires, among other incidents.

While the local authorities have prohibited the employment of children in the tunnels, it seems that the lack of adequate enforcement mechanisms prevent the eradication of this practice.

In 2010, OCHA recorded the death of 43 workers in these circumstances, including five boys, and the injury of another 88, including one boy. Approximately a third of the fatalities, and 40 percent of the injuries, fell in the second half of the year. These are conservative figures, as tunnel accidents often go unreported.

Other workers risk their lives while collecting rubble for the crushing industry, cultivating the land, or herding their animals in the access restricted areas up to 1,500 meters from the perimeter fence. The Israeli army restricts access to this area by opening ‘warning fire’ at people entering it, with the stated intention of preventing attacks on Israel by Palestinian armed factions, including firing projectiles.

Moreover, the information provided by the army to the population as to the boundaries of the restricted

“We enter the tunnels on our own, but emerge from them by the grace of God”

- Mahmoud, 30 years old, tunnel worker from al-Daraj refugee camp.

“I go to school twice a week and my friends sign me in on the attendance sheet on the remaining three days. None of the teachers notices my absence, or they do not want to notice.”

- Abdallah, 16 years old, tunnel worker from Rafah.

“We are exposed to death any minute when we are down there. But it’s rather reassuring to know that my family will get USD7,000 from the tunnel owner if I die in an accident, and that they will not have to pay my funeral and wake costs”

- Mu’men, 20 years old, tunnel worker from Khan Younis.

“The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular […] Safe and healthy working conditions”.

areas (300 meters from the fence) has proven misleading, thus exacerbating the risks to civilians working in the area. A similar risk affects fishermen, who are often shot at when sailing beyond three nautical miles from the shore. In 2010, at least 15 Palestinian civilians, including four children, were killed in the access restricted areas on the land and at sea, and another 169 civilians, including 45 children, were injured; approximately half of the fatalities and nearly 60 percent of the injuries fell in the second half of the year.
The ban on the import of construction materials imposed in June 2007 triggered a severe housing shortage. Due to the natural growth of the population during the following three years, and exacerbated by the widespread destruction of homes during the ‘Cast Lead’ offensive, this shortage evolved into a significant housing crisis with negative humanitarian consequences. Considering the large dimensions of this crisis, the progress achieved following the June 2010 easing of the blockade, both by the approval of a number of housing projects and the increase in the smuggling of building materials through the tunnels, remained very limited.

Unmet housing needs

Based on population statistics, the number of new housing units required to meet natural growth for the period between June 2007, when the ban on import materials was imposed, and the end of 2010, can be roughly estimated at approximately 26,500 units (including half the amount for 2007).

Additional housing needs created in the course of this period include some 6,300 units destroyed or severely damaged during the ‘Cast Lead’ offensive; 2,900 units destroyed or damaged in previous military operations; and 5,500 units needed to replace substandard and unsanitary homes in refugee camps, bringing the overall need for this period to **41,200 housing units**. This is a conservative estimate, as it does not include unmet housing needs accumulated during previous years.

In the absence of official construction statistics, it is difficult to establish how many of these needs have been met. Interviews with a variety of key stakeholders in the construction sector suggest that due to the severe shortage of construction materials in the market, the amount of yearly needs met during the first three years of the blockade may range between one to three percent of the natural growth needs (i.e. 250-700 units). As elaborated below, this percentage may have increased to a maximum of 10-15 percent of the yearly needs during 2010, the impact of which will be primarily felt during 2011, as much of this construction began towards the end of the year.

Limited progress

During 2010, Israel has approved a total of eight housing projects to be carried out by UN agencies, entailing the construction of some 600 housing units, most of them since the announcement of the easing. Of these projects, only one of them has

<table>
<thead>
<tr>
<th>Year</th>
<th>Population*</th>
<th>Growth</th>
<th>Family size*</th>
<th>New units needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,395,720</td>
<td>44,612</td>
<td>6.40</td>
<td>6,971</td>
</tr>
<tr>
<td>2008</td>
<td>1,440,332</td>
<td>46,484</td>
<td>6.35</td>
<td>7,320</td>
</tr>
<tr>
<td>2009</td>
<td>1,486,816</td>
<td>48,304</td>
<td>6.30</td>
<td>7,667</td>
</tr>
<tr>
<td>2010</td>
<td>1,535,120</td>
<td>50,198</td>
<td>6.25</td>
<td>8,032</td>
</tr>
</tbody>
</table>

* Source: PCBS

“The human right to adequate housing, which is thus derived from the right to an adequate standard of living, is of central importance for the enjoyment of all economic, social and cultural rights”.

General Comment 4, UN Committee on Economic, Social and Cultural Rights.
been so far completed (151 units), while five are at various implementation stages, and two were approved only in principle. In the case of UNRWA, the approved projects entail less than five percent of the total number of housing units included in the agency’s Recovery and Reconstruction Plan.

Progress in the implementation of approved projects has been impeded by a complex monitoring and verification system required by the Israeli authorities before they authorize the entry of each consignment of materials. Such authorization is subject to the provision of evidence that the requested materials are in fact used for the stated purpose. In order to comply with these requirements implementing agencies have incurred significant additional costs, primarily new staff.

Implementation has also slowed down due to the recurrent shortages of aggregates, and this has frequently forced agencies to put projects on hold. These shortages have occurred due to the limited operation of the conveyor belt at Karni Crossing, as outlined above. This problem will be reduced in the near future following the opening of a new area at the Kerem Shalom crossing that has the capacity to transfer up to 500 truckloads of aggregates a week, compared to 120 truckloads a week through Karni’s conveyor belt, during the second half of 2010.

Very limited progress was also achieved by the local Ministry of Public Works and Housing, which relies on materials transferred through the tunnels: reconstruction of 36 units severely damaged during ‘Cast Lead’ was recently completed and work on another 134 units is ongoing. The Ministry has stated that it intends to build thousands of additional units, which are currently at various planning stages. Relying on the same sources of supply, a number of additional housing projects have been also launched over the past few months by various Islamic charity associations.

As mentioned above, the larger supply of building materials through the tunnels since mid-2010 has also triggered a surge in private construction. While the dimensions of this surge are difficult to quantify, interviews and focus groups discussions with building contractors, traders and households across different areas of the Gaza Strip suggest that the bulk of it consists of further repair and rehabilitation of damaged houses, as well as incremental additions to existing housing, much more than construction of entirely new housing units.

Yet, for thousands of households, the building materials available in the market through the tunnels have remained out of reach. Most interviewees cited the lack of improvement in their economic situation, compounded by the high prices of building materials, as the main reason behind this. Indeed, despite the drop in recent months, prices of cement and steel are still 40 and 20 percent above prices in the West Bank, respectively, while

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**CROSSINGS: KEREM SHALOM EXPANDED, KARNI SHUT DOWN**

As part of the relaxation measures, Israel has been gradually expanding the capacity of the Kerem Shalom Crossing, located at the intersection point between the borders of Gaza, Israel and Egypt. By April 2011, the crossing will be able to handle up to 400 truckloads of imports and 50 truckloads of exports a day. While this has been sufficient to handle the bulk of the demand under current conditions, this is less than two-thirds the pre-blockade capacity for imports and 13 percent of the exports requirement set up in the 2005 AMA agreement.

On the other hand, the conveyor belt at the Karni Crossing was shut down permanently at the end of February 2011. This follows the closure of the rest of the crossing in June 2007, of the Sufa Crossing in September 2008, and of Nahal Oz Crossing in January 2010. The relocation of all cargo operations to Kerem Shalom has resulted in heavy additional expenses due to the requirement to repack the shipments into pallets; the need to perform a double back-to-back procedure; and the longer traveling distances, among others. WFP and UNRWA have estimated these additional costs at USD two million a year for each agency.
prices of aggregates are three to four times more expensive than in the West Bank, depending on their origin (Egypt or local industry). Furthermore, unless there is a significant increase in the supply of aggregates either through the crossings or the tunnels, their price is expected to rise within a few months following exhaustion of the rubble used by the local crushing industry.

Of particular concern is the fact that of the 3,500 families whose homes were entirely destroyed during the ‘Cast Lead’ offensive only a handful have been able to reconstruct them. The situation of the 2,800 families whose homes sustained a large amount of damage during the offensive is relatively better, as many remained in their houses (despite often difficult conditions); it is estimated that up to one third of these families have been able to repair their houses, most in recent months.20

The human ‘price’

The housing shortage that has evolved since the imposition of the blockade is exacting a heavy price from large segments of the population, who are confronted with increasingly overcrowded, poor, and unsafe living conditions.

Those that have lost their homes during the ‘Cast Lead’ offensive are clearly among the most severely affected. After spending the initial three to six months in rented apartments or with relatives, many of these families returned to their demolished homes and constructed small temporary shelters on top of or next to the ruins. These shelters are typically made of any combination of building blocks, tent material, tarpaulin, asbestos and plastic/metal sheeting, with very little or no foundation support. This type of shelter commonly consist of two to three rooms housing large families ranging between five and 12 members.

The problem of overcrowding, however, is not limited to the families affected by the war. Most interviewees and focus group participants referred to a situation where several generations have no alternative but to share the same housing unit as extremely widespread. One of the common coping mechanisms reportedly used when the elder sons of the family get married, but cannot afford building their own house or adding a room/floor to the house of their parents, is the reallocation of available space between the rest of the family members. In this case, one or more of the unmarried children would typically leave their bedroom for the new couple and relocate to one of their siblings’ bedrooms. This often results in boys and girls required to share the same bedroom. Naturally, every additional person joining a housing unit (a bride or a baby) increases not only the density per bedroom, but also the pressure on the remaining facilities of the house, particularly the bathroom.

The impact of these housing conditions is pervasive and has a clear gender dimension. Two of the major psycho-social concerns raised by most individuals approached during this assessment are the total

![Average price of a tonne of aggregate in NIS*](image)
Mihdat Abu Ghneimeh, his wife and their seven children, live in a house in eastern Gaza City that was partially destroyed during ‘Cast Lead’ and has not yet been rehabilitated. All nine family members sleep in the same 30 square meter-bedroom and share the rest of the house with Mihdat’s extended family, consisting of 26 people:

“I am tired of this situation. None of us has any privacy. My wife is obliged to cover her head all day since my extended family also lives with us. All children study in the same room where we all sleep; it has no windows and its door cannot be locked. As my children range from a few months to 14 years old, and they are boys and girls, it is not appropriate for them to live side-by-side. This often results also in fights and tension. My brother’s room, where he is living with his family of three, is so close to ours that we can hear all their voices.”

loss of privacy and the increase in domestic violence, both of which disproportionately affect women. Health-related concerns include a decline in hygiene habits, due to both the loss of privacy and the reduced access to bathrooms, and an increase in the frequency of sickness as a result of insufficient protection from the elements. The latter, which is mostly limited to families living in temporary shelters, also has economic ramifications, as it results in additional expenses in healthcare and medications. Several families reported a decline in the academic achievements of their children, attributed to the lack of adequate space to study and prepare homework, exacerbated by the frequent power outages.

An additional concern affecting those families that were able to construct new homes or expand existing ones, stems from the lower standards of aggregates available in the market, particularly aggregates produced by the local rubble-crushing industry. Contractors interviewed agreed that concrete made with recycled aggregates cannot meet the minimum standards of compression due to their high content of sand. This, however, goes commonly undetected given that most households choose not to undertake any test of the concrete in order to reduce expenditures. Structures made of such concrete face a higher risk of collapse, particularly in case of a new armed conflict or a natural disaster.
The blockade has led to the gradual decline in the condition of infrastructure and the quality of vital public services, such as water and sanitation, education and health. Regarding the latter, the situation has been further affected by the internal divide between the Palestinian Authority in Ramallah and the Hamas authorities in Gaza.

Similar to other sectors, the June 2010 relaxation of the blockade resulted in mild improvement in the access of inputs needed to upgrade and expand existing infrastructure. However, this improvement has remained very limited compared with the huge challenges generated by three years of blockade. For example, UNRWA, the largest UN implementing agency, has received approval for 43 projects worth just 11 percent of its work plan’s budget for Gaza. As outlined above, the multi-layered system of approvals put in place to regulate the actual entry of materials, compounded by the limited capacity of the crossings to transfer aggregates, has further delayed the implementation of approved projects.

**Water and sanitation**

Since the easing announcement, Israel has approved a total of 21 international projects addressing a variety of water and sanitation problems. As a result, the entry of materials and equipment significantly increased: during the second half of 2010, projects in this sector received a weekly average of 27 truckloads, compared to only five during the first half of the year. The benefit of this increase, however, was unevenly distributed among different projects, with some 90 percent of the truckloads received by the two largest projects, namely the North Gaza Emergency Sewage Treatment Project (Stage B) and the Gaza Central Sewerage Project (Sheikh Ajleen plant), funded by a consortium led by the World Bank and the Government of Germany, respectively. Among the projects approved by Israel, there is an additional large sewage treatment plant in the Khan Younis area to be carried out by the UN Development Programme (UNDP); however, implementation of this project has not yet started due to the unavailability of the required funds.

Once complete, these three plants will address one of the most serious sanitation concerns in Gaza: the daily discharge of 50-80 million liters of untreated and partially-treated sewage into the sea due to the acute shortage of treatment capacity. The resulting contamination of the seawater along Gaza’s coast poses a serious health hazard not only to people using beaches for recreation, but also to the entire population, through potentially contaminated sea food. Of equal concern is the sewage infiltration into the coastal aquifer, the sole fresh water resource in Gaza.

An additional major challenge is the poor water quality. At present, over 90 percent of the water extracted from the aquifer and supplied through the network is brackish and does not meet WHO standards for drinking water. As a result, the bulk of the population is forced to purchase water from small-scale desalination plants, most of which are privately owned and are subject to little or no regulation and quality controls. Since the easing of the blockade, little could be done to address this...
problem. In early 2011 Israel agreed to facilitate the entry of materials related to the establishment of mobile desalination plants without further delay.

In contrast to the largest two sanitation projects mentioned above, there has been little progress on the approval and implementation of small and medium-sized projects submitted to the Israeli authorities. At present, there are 19 such projects worth USD 77 million, which are waiting approval.

Education

Similarly to other services, the quality of education provided has been seriously undermined in the three years prior to the easing, primarily due to the inability to construct new classrooms and schools needed to properly accommodate the growing number of students. This situation has been compounded following the ‘Cast Lead’ offensive, during which, 18 schools and kindergartens were totally destroyed and over 250 damaged.

While the majority of schools were already operating on double shifts when the blockade was imposed, many others had to adopt this coping mechanism during the following three years. To date, 79 percent of Ministry of Education (MoE) schools and over 90 percent of UNRWA schools are running on double or triple shifts. This measure has required schools to reduce class time and eliminate extra-curricular activities. While due to the increase in shifts the average classroom density has remained stable (38-40 students), certain grade levels at some schools accommodate as many as 50 students per classroom.

An additional coping mechanism has been the set up of new schools in temporary structures. This is the case of the Nuseirat Elementary School run by UNRWA, which consists of 18 containers (30sq. meters each) accommodating over 30 students each. Students and teachers report facing little protection from the elements, particularly high temperatures in the summer, as well as no sound isolation from external noises.

By the time the relaxation of the blockade was announced, it has been estimated that approximately 260 new schools were needed to alleviate the pressure on schools running on double or triple shifts and to accommodate new students joining the education system in the following three years - 100 schools for UNRWA and 160 for the MoE system. UNRWA has so far received approval for the construction of 20 schools which are under various implementation stages. As MoE projects are not eligible for approval, new schools for its system can be constructed only with materials entering

"I wish my school had a nice playground. When I was in the fourth grade, I used to attend a nicer school with wide classrooms and spacious playgrounds. I love Arabic and religion classes, but it's difficult to study. Inside the classroom is hot in the summer and cold in the winter and there is noise all the time from the other classrooms. We don't have any activities after classes, such as drawing. I don't want any more snacks or coke. I want a new school."

Abed Rahman Jadee, 10 years old. Nuseirat elementary school.
through the tunnels. Since mid-2010, the MoE has been able to start or resume construction of only four of the 160 schools it needs.

Health

The ability of the health system in Gaza to function properly has been seriously affected in previous years by the inability to upgrade its physical infrastructure. Since the relaxation announcement, Israel approved ten international projects, including the construction of four health clinics by UNRWA and the renovation and rehabilitation of another six clinics and hospitals by the USA, France and Belgium. Albeit significant, these projects address only a minority of the huge infrastructure needs that the health system is facing. Their implementation has been repeatedly delayed, due to the same factors affecting the rest of the approved projects.

Additional challenges facing the health system include the entry of medical equipment and its maintenance, as well as the supply of drugs. Following the easing announcement, the usual time it takes to process a coordination request for the entry of medical equipment decreased from more than six months, to approximately two months. Yet, proper maintenance of available equipment is still challenged by restrictions on the entry of technicians and manufacturers, as well as on the ability to send equipment for servicing outside Gaza. The catheterization theatre at European Gaza Hospital (EGH), for example, has been plagued by malfunctioning problems that local technicians have been able to solve. Dealers hesitate to send spare parts for testing, as the manufacturer asks them to buy the pieces up-front, and return from Gaza cannot be guaranteed if the piece turns out to be the wrong one. The machine was completely out-of-order between August 2010 and January 2011.

Requests for the entry of essential drugs and medical disposables continued to be processed relatively quickly (24 to 48 hours). Supply of the latter, however, has deteriorated due to disputes and lack of coordination between the Palestinian Authority in Ramallah and the local authorities in Gaza. By the end of January 2011, 38 percent of essential drugs available in Gaza’s Central Drug Store had reached zero stock levels, that is a less than one month supply. These shortages particularly affected primary care.

The provision of health services has been also affected by the restrictions preventing residents to leave the Gaza Strip, an issue addressed in the following section.
Access of the population of Gaza to the outside world, including to other areas of the oPt, has been severely restricted since the beginning of the second Intifada in September 2000. Following Israel’s ‘disengagement plan’ in 2005 and in the context of the AMA agreement, the scope of Israel’s control over movement of people between Gaza and Egypt has been significantly reduced. On the other hand, Israel continued to exercise effective control over the access of people to the outside world via Israel, the air and the sea, and further restricted that access following the imposition of the blockade in June 2007.

Under the access regime implemented by Israel, movement of people out of Gaza is prohibited, unless a person meets the Israeli criteria for an exceptional permit. The permit application process is time consuming, arduous and uncertain. Applications by people meeting the established criteria can be denied on security grounds, without any further detail on the specifics of each denial. The burden of proof falls always on the individual and often requires lengthy and costly follow-up, when the initial request is denied.

According to the June 2010 announcement, Israel would ‘streamline’ its permit policy regarding movement of people for humanitarian purposes and ‘will consider additional ways to facilitate’ such movement. In practice, very little has changed since then. Shortly after the initial announcement, the Israeli authorities clarified that ‘the announcement did not say anything about expanding the current policy, which permits entrance in humanitarian cases, with emphasis on urgent medical cases’.

Overall, only an insignificant increase was recorded in the volume of people travelling through the Erez crossing in the second half of 2010 compared to previous half – from 106 to 114 persons a day.

Gaps in the availability of key medical services, generated by decades of neglect and compounded since the imposition of the blockade, have created the need to refer patients to hospitals outside Gaza for specialized medical treatment. The process needed to obtain an exit permit adds anguish and stress to people already vulnerable due to illness. While the nature of this process has not changed since the relaxation announcement, the average rate of approval increased from 76 to 81 percent between the first and second halves of 2010. In other words, during the latter, one out of five patients still missed their hospital appointment because their permits were denied or delayed.

Specialized medical knowledge requires months and years of training in medical units that are only available in the West Bank, particularly in East Jerusalem. However, travel restrictions make access to such training impossible for most medical staff. Significant capacity shortages exist in the area of cardiovascular diseases, oncology, ophthalmology, orthopedics and neurosurgery, areas that accounted for the majority of referrals outside Gaza in the past five years. In the second half of 2010, a total of 44 medical staff members were issued permits to attend trainings outside Gaza, a significant increase compared to the previous six months (19 permits), but an insignificant fraction of the actual needs.

Short-term permits can be also granted for family visits in the West Bank, Israel or elsewhere. However, only cases involving grave sickness, death or the wedding of a first-degree relative are eligible. Permanent relocation to the West Bank is only allowed to orphans under the age of 16 seeking to reunite with a surviving parent, and elderly invalids or chronically ill persons needing assistance from a first-degree relative, if that person does not have a first-degree relative in Gaza.
a result of this policy, relationships within families divided between Gaza and the West Bank or Israel have been severely disrupted.

The policy regarding access for students to universities in the West Bank or elsewhere is even more restrictive; in 2010 only three such permits were granted. This policy is particularly detrimental in the case of students wishing to study academic disciplines available in West Bank universities but not in Gaza, such as dentistry, occupational therapy, medical engineering, veterinary medicine, environmental protection, human rights law, and chemistry (PhD level).

The single category of people that saw a relatively high increase in the number of permits issued (but not in the criteria for eligibility) following the relaxation of the blockade is businessmen and traders, from a monthly average of 87 such permits in the first half of 2010, to 503 in the second half of the year. Despite the increase, current figures remained well below that of the pre-blockade period; in 2005, for example, 1,918 such permits were issued on average every month. The restrictions on the freedom of movement of Gazan businessmen have been a compounding factor in the overall decline of the private sector during the last decade.

Along with these minor changes, following the flotilla incident, the Egyptian authorities eased their policy vis-à-vis the opening of the Rafah Crossing between Gaza and Egypt, which prior to that had been opened erratically, usually no more than two-three days every month. Since early June 2010, the crossing has operated six (later reduced to five) days a week, on a regular basis. This change improved the access of the population to the outside world, but only for those defined as ‘humanitarian cases’, including mostly patients and students, as well as foreign passport holders. Overall, in the second half of 2010, an average of 315 people crossed Rafah in each direction every day, less than half the equivalent figure in the first five months of 2006 (650), before restrictions at this crossing started.
VI. THE WAY FORWARD

The blockade imposed by Israel in June 2007, following the Hamas takeover of Gaza, has ‘locked in’ 1.5 million people in what is one of the most densely populated areas on earth, triggering a protracted human dignity crisis with negative humanitarian consequences. At the heart of this crisis has been the degradation in the living conditions of the population, caused by the erosion of livelihoods and the gradual decline in the state of infrastructure and the quality of vital services.

The findings of this assessment indicate that the relaxation measures adopted by Israel in the aftermath of the flotilla incident brought some limited relief to the population. However, due to the pivotal nature of the remaining restrictions and the huge dimensions of the existing challenges, overall, these measures remained ineffective in achieving a genuine improvement in the humanitarian situation.

The position of the Government of Israel is that following the implementation of its ‘disengagement plan’ in 2005, Israel’s effective control over the Gaza Strip ceased, and, therefore, it is no longer bound by the laws of belligerent occupation. Israel also maintains that it has no obligations under international human rights law towards Gaza’s population. This position, however, is not shared by the international community, including the UN and the International Committee of the Red Cross.

As an occupying power, as well as in every instance in which it exercises power and control over the territory of the Gaza Strip and its population, Israel is bound by a number of obligations enshrined in international law. These include the duty to respect the rights of all residents of Gaza to move freely within the oPt and to exit it; to work and gain a living from work; to enjoy an adequate standard of living (including adequate housing); to have access to quality education; and to the highest attainable standard of physical and mental health, among others.

International law does allow Israel to restrict the access of people and goods to and from Gaza for legitimate security concerns; however, when doing so, it must balance these concerns with the rights and needs of Gaza’s population. In any case, Israel must absolutely refrain from imposing restrictions that are detrimental to these rights and needs and are not strictly required by legitimate security needs. Policies and practices in contravention to this norm may amount to collective punishment, which is prohibited under any circumstances.

While the recent relaxation measures constituted a step in the right direction, to comply with the abovementioned legal obligations, Israel must fully lift the blockade. This includes a removal of restrictions on the import of construction materials and the exports of goods, as well as a lifting of the general ban on the movement of people between Gaza and the West Bank via Israel. Additionally, Israel must remove to the fullest extent possible the current restrictions on the access of people to areas in the vicinity of the perimeter fence and to sea waters along Gaza’s coast. When resorting to the use of force, it must ensure that civilians and civilian objects are not targeted, and that all necessary measures are adopted to prevent or minimize the negative effect of attacks on the civilian population and its property.

These measures are essential to achieve a genuine improvement in the humanitarian situation of a population that remains ‘locked in’ and is still highly affected by food insecurity, lack of adequate housing, declining quality of basic services and lack of protection. These measures are essential to restoring the dignity of the population.
ENDNOTES

1. This report is based upon field research commissioned to Al-Sahel Co. for Institutional Development and Communications, and supplemented with further research and analysis by the Office for the Coordination of Humanitarian Affairs (OCHA - oPt).


3. Also known as the “Wassenaar Arrangement”. The list issued by Israel contains 56 items that were previously included in the “Directive on Defense Export Control”, issued in 2008 by the Israeli Ministry of Defense.

4. In November 2010, following protracted legal litigation, the Israeli authorities disclosed some of the applied guidelines, which provided a series of formulas to measure the number of days it will take for the population to run out of each particular product (the ‘length of breath’). On the basis of these calculations a lower and upper line was set up to give ‘advance warning’ of what the Israeli authorities would consider as ‘shortages’ and ‘surpluses’. If, and when, the ‘upper line’ for a given item was reached, its import would be blocked.

5. The documents were released as a result of a petition under the Freedom of Information Act submitted a year and a half ago by the Israeli NGO Gisha to a District Court. In their initial response to the petition, the authorities denied the existence of these documents; subsequently they acknowledged their existence but refused to release them due to “security considerations”.

6. Office of the Quartet Representative (OQR), Research Study implemented by PalTrade and PFI to track changes in key industrial sectors in Gaza following the partial easing of Israeli restrictions in June 2010.

7. This figure is based on 8% of the potential number of workers in Q4 2010 given an employment rate of 73.6% as reported in Q2 2007, i.e. 231,600.

8. Palestine Trade Center, Gaza Strip Two Years through Siege, Special Report, 7 July 2009.

9. OQR Research Study, Ibid.

10. While the processing of an import request for industrial machinery may take 2 to 3 weeks, a request for telecommunications equipment and for chemical materials (not defined as a ‘dual-use’ items) may take over 6 weeks.

11. Of the 85 tunnels bringing construction materials, 25 are dedicated to the transferring of cement with an average import capacity of 50 MT per day per tunnel; 15 to the transferring of steel bars with an average capacity of 30 MT per day per tunnel; and, 45 tunnels are being used exclusively for aggregates with a total haulage capacity of 50 MT per day. The total monthly figures are estimated on the basis of an average of 25 working days per month.

12. This is based on the average of the estimates provided by multiple stakeholders in the construction sector, according to which, 40 percent of the aggregates available for the commercial sector are produced locally.

13. This figure is based on 9.8% of the potential number of workers in Q4 2010 given an employment rate of 71.8% as reported in Q5 2005, i.e. 226,000.

14. This figure is based on 12.7% of the potential number of workers in Q4 2010 given an employment rate of 73.6% as reported in Q2 2007, i.e. 231,600.

15. For further elaboration on this phenomenon see OCHA-WFP, Between the Fence and a Hard Place - The humanitarian impact of Israeli-imposed restrictions on access to land and sea in the Gaza Strip, August 2010.

16. WFP/FAO/PCBS, 2010 Socio-Economic and Food Security Survey, February 2011. Households with income and consumption below USD 5.1 per adult equivalent/day or, households showing decrease in total food and non-food expenditures, were defined as food insecure.


18. Gaza’s authorities have encouraged tunnel operators to provide rudimentary life insurance policies for tunnel labourers, advising payment of at least US$ 11,000 to the families of married workers killed in the tunnels and $9,000 to the families of unmarried workers, as well as full coverage of funeral and wake costs. Tunnel workers, however, say pay-outs often fall short. The authorities also require tunnel workers to compensate workers for loss of income resulting from on-site injury. Compliance, however, often appears to be only partial.

19. This is largely due to the lack of regular construction statistics by PCBS since the takeover of the Gaza Strip by Hamas.


21. See OCHA-WFP, Between the Fence and a Hard Place, Ibid.


23. This clarification was given in the context of a court proceeding relating to a request by a lawyer in Gaza for an exit permit to reach her studies in human rights and democracy in the West Bank. See Gisha Press Release, 8 July 2010.

24. Even when falling under one of these categories, applicants must demonstrate they have no relatives of any degree to take care of them in the Gaza Strip. This could lead to a dramatic situation where children are not taken care of by the living parent in the West Bank following the death of their parent in the Gaza Strip, but by, for example, an uncle or a grandparent in Gaza. Only when meeting the required criteria, applicants will be able to leave and receive temporary permits for up to seven years, after which they will be able to apply for a change in address.

25. These are two young men and a woman recipients of an American scholarship under the A-PLUS program (American Palestinian Local University Scholarship program). They have been able to leave through special “staying” permits, which they will have to renew every three months in a lengthy bureaucratic process for the four years of their undergraduate degree.

26. Merchants have to prove to be officially registered as traders, be aged 35 years or above, married and with children and receive security clearance from the Israeli authorities. Business ties with Israeli traders seem to be an additional asset.

27. It should be noted that the figures refer to the number of permits granted and not the number of beneficiaries, e.g. the same person could have received more than one permit if crossing more than once.