

USAID/OTI West Bank and Gaza Field Report

July 2005

Program Description

USAID's Office of Transition Initiatives (USAID/OTI) program in the West Bank and Gaza, begun in June 2005, is designed to respond quickly and flexibly to priority Palestinian needs. The aim of the program is to promote good governance and youth empowerment.

OTI's objectives are to:

- Increase the ability of Palestinian national and local governments to respond to citizen needs.
- Increase the participation of youths in social, political and economic life.

OTI will provide in-kind grants to local Palestinian entities that:

- Support positive interaction and coordination among local government institutions, the central Palestinian Authority, local communities, and civil society organizations.
- Promote participatory decision-making at the community level.
- Engage Palestinian youths in activities that are constructive and improve their quality of life.
- Facilitate the flow of accurate information from multiple viewpoints.

Working with nongovernmental organizations, informal community groups, media entities, and national and local government officials whenever possible, OTI identifies and supports critical initiatives that move the region along the continuum from conflict to peace. ARD Inc. implements the \$10 million small-grants program and manages OTI offices in Ramallah, Hebron, Nablus, Gaza City, and Jerusalem.

The OTI initiative will complement USAID's longer-term development objectives, with a special emphasis on work with youths and local government. The small-grants program will be closely coordinated with the Palestinian Authority. Small grants will range from \$10,000 to \$100,000 and will address the priority needs identified by local communities. To the end of July 2005, OTI has cleared nine grants for a total of \$367,460.

Country Situation

Disengagement nears – The Aug. 15 target date for the planned Israeli pullout from the Gaza Strip and parts of the northern West Bank is still on track, despite attempts by settlement supporters to delay or stop it. On July 20, the Israeli Knesset voted 69 to 41 against postponing the withdrawal. Israel, the Palestinian Authority and Egypt continue to take steps to coordinate and prepare security forces in support of the disengagement, and news reports suggest that Egyptian troops will be deployed along the Philidelphi Corridor between the Gaza Strip and Egypt. Palestinian Authority President Mahmoud Abbas has confirmed that he will remain in Gaza for the duration of the settlement evacuations in order to ensure security coordination. Israel now predicts that the evacuations will take two to three weeks.

In mid-July, U.S. Secretary of State Condoleezza Rice spent three days in the region meeting with Israeli and Palestinian Authority officials in an effort to support disengagement planning efforts and encourage cooperation between the two sides. Press reports indicate that the visit was a success, and, shortly after Rice's departure, Israeli Defense Minister Shaul Mofaz met with Palestinian Authority Interior Minister Nasser Yousef to discuss coordination between Israeli and Palestinian security forces. Pending a successful disengagement, the Palestinian Authority has expressed willingness to return to negotiations with Israel. On July 31, the Palestinian Authority Information Minister Nabil Sha'ath told the Associated Press that the Authority would request support at the Arab Summit at Sharm e-Sheik for a return to "road map" negotiations following the Gaza disengagement.

Palestinian elections – Information Minister Nabil Sha'ath stated in his Associated Press interview that President Mahmoud Abbas would soon announce a Jan. 20, 2006, date for parliamentary elections. The elections were initially scheduled for this summer, but were postponed by Abbas, who attributed the delay to technical problems. The new date places the elections several months after the Gaza disengagement, at which time the Palestinian Authority will have had an opportunity to consolidate security and government reforms. It is widely expected that, for the first time in Palestinian history, Islamic Hamas will participate in parliamentary elections.

Security concerns – Tit-for-tat violence between settlers, soldiers and Palestinians has increased in Gaza as disengagement draws nearer. Most notably, July saw a significant increase in fighting between Palestinian Authority security forces and Hamas, which was precipitated by the Authority's effort to clamp down on the ongoing shelling of Israeli settlements and Israeli Defense Force posts. In a July 21 press interview, Palestinian Authority Citizen Affairs Minister Mohammad Dahlan claimed that Hamas is stronger in Gaza than the Authority and that he was "surprised that the Palestinian Authority hasn't collapsed yet." These concerns have led to increased security preparations from a number of parties, including a recent announcement by Fatah that it would establish a 1,500-volunteer militia to help maintain stability and "protect Palestinian achievements" gained as a result of the disengagement.

USAID/OTI Highlights

A. Narrative Summary

While the focus in July remained on program start-up, OTI continued to make significant progress in implementation. Project staff finalized grant agreements cleared in late June, continued to develop new grant ideas, and cleared three new grants directly related to disengagement that will begin in mid-August. In addition, a fourth disengagement-related grant is pending for clearance in early August.

OTI approved three grants in July worth more than \$250,000 to underwrite media- and information-related activities in the Gaza Strip and the northern West Bank. One grant is supporting the Central Media Unit within the Palestinian Authority's Ministry of Interior to design and disseminate printed, audio and visual messages to the public about the deployment of Palestinian security forces into settlements being evacuated by Israel. A second disengagement-related grant will support these efforts by providing the Media Unit with badly needed technical assistance and equipment that will enable it to better interface and manage local and international media covering the disengagement process.

A third grant is funding a well-established local civil society group to work directly with the Media Unit on the message development and dissemination process, and to broaden the outreach campaign's impact by facilitating a series of disengagement-focused town hall meetings between Ministry of Interior officials, community leaders, and people living in areas near the evacuated settlements. The meetings will create an opportunity for people to engage government officials in general question-and-answer sessions on issues related to disengagement. In addition, the meetings will allow authorities to brief Palestinians on the Palestinian Authority's moves to secure evacuated sites, will lay out a time line for turning over these properties to civilian authorities, and will articulate the Authority's plans for future use of the properties.

B. Grants Activity Summary

Focus Area	Grants Cleared in July 2005	Estimated Budget for Cleared Grants July 2005	Total Grants Cleared Since June 2005	Total Grants Cleared Since June 2005
Civil Society Organization Support				
Youth Engagement			3	\$ 68,380
Community Impact Activities			2	\$ 34,900
Conflict Management				
Media	3	\$252,180	3	\$252,180

Transparency/Good Governance			1	\$ 12,000
Total	3	\$252,180	9	\$367,460

C. Indicators of Success

In line with OTI's commitment to speed and flexibility, the program responded well in July to the need to quickly develop and fund the three disengagement-related grants. A series of discussions with intermediaries helping to develop the grants resulted in more formalized proposals that were quickly turned around as grant agreements ready for signature. Gaza-based staff who face travel restrictions and are unable to travel outside of Gaza were able to interface directly with grantees so that needed decisions could be made quickly at the same time that grants were being signed. By early August, the grants were ready for implementation, in time to have actual impact during the disengagement process that was set to begin on Aug. 15.

D. Program Appraisal

Program start-up is going relatively smoothly, and the overall OTI team is working well together. OTI has established itself within the USAID Mission based in Tel Aviv and has negotiated designated space for a U.S. personal services contractor who will be based at the U.S. Consulate General in Jerusalem. Both bureaucratic and programmatic systems are being put in place, and these systems continued to be tested as OTI cleared its ninth grant by the end of July. Program staff who are new to OTI continue to be engaged in OTI's more political focus, and the programming team meets once a week for long discussions about pending grant ideas and how to better target OTI resources to critical interventions.

One major constraint is access, both for staff directly hired by the U.S. government and for staff hired through OTI's implementing partner. U.S. personal services contractors and implementing-partner expatriates cannot enter the Gaza Strip per U.S. Embassy guidance, while the contractors have extremely limited access to the West Bank. Implementing-partner local staff based in Gaza face severe limits to movement, particularly in and out of the Gaza Strip. These access issues will remain problematic in the coming weeks and months and will have some impact on OTI's ability to maintain oversight of this new program.

Next Steps/Immediate Priorities

In August, OTI/West Bank and Gaza will:

- Continue to focus on grant opportunities to support a successful disengagement process.
- More fully develop a strategic approach to media-sector programming.
- Further engage implementing-partner staff on training needs related to grant development and implementation.
- Work closely with the USAID Mission's Democracy and Governance office, and the Youth Division, to ensure that OTI's programming approach meshes with and enhances the mission's overall development goals.
- Begin planning for a strategy- and team-building session that is tentatively scheduled for the end of September.