

USAID/OTI West Bank and Gaza Field Report

August 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 August 2005, OTI has cleared 17 grants for a total of \$1,210,255.

Country Situation

Disengagement successful – The Israeli evacuation of West Bank communities on Aug. 23 completed the pullout from all 21 settlements in the Gaza Strip and four in the northern West Bank. While demonstrations by Israeli settlers were widespread, the evacuations were primarily considered peaceful. On Aug. 24, Palestinian President Mahmoud Abbas signed a decree that would give the Palestinian Authority control over all lands and assets left behind by Israeli troops and settlers. A special court will be set up to investigate individual Palestinians' claims to settlement lands and to assess whether ownership should be restored or reparations made. An estimated 3 percent of settlement land is believed to have belonged to Gazan private citizens before the 1967 war with Israel.

West Bank settlements – An Israeli Ministry of Interior official reported that from June 2004 to June 2005, the number of West Bank settlers increased by 10,000. Gilad Heiman, a spokesman for the Interior Ministry, announced that 116 settlements remain scattered among the 2.4 million West Bank Palestinians. He said: "When you factor in the removal of settlers and take into account about 10,000 newcomers...you arrive at a figure of about 246,000 settlers."

Border crossing – On Aug. 31, the Knesset approved the agreement between Egypt and Israel to deploy 750 Egyptian border guards along the Philadelphi Corridor between Gaza and Egypt. The agreement will allow Israel to

completely withdraw from the area, and will mark an important milestone in efforts to create conditions for an independent economy in the Gaza Strip. The agreement stipulates that Egypt is responsible for preventing smuggling and outside infiltration across the border into the Gaza Strip.

Upcoming elections – On Aug. 24, President Abbas announced that he had signed a decree setting Palestinian parliamentary elections for Jan. 25, 2006. The Palestinian Central Elections Committee also announced that applications for candidates would be opened on Nov. 24. 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.

USAID/OTI Highlights

A. Narrative Summary

In August, staff continued to focus on critical start-up issues that included the Office of Transition Initiatives' integration into the USAID West Bank and Gaza Mission, further reviews of staffing patterns, and intensive internal discussions on systems and structures. Project staff finalized a number of new grants, while at the same time moving forward with the implementation of grants that had been cleared in late July.

OTI cleared nine grants in August, totaling \$900,304. Building on two grants that were signed in late July, two of the new grants were directly linked to disengagement and supported media- and information-related activities in the Gaza Strip and the northern West Bank. These new grants targeted the Central Media Unit within the Palestinian Authority's Ministry of Interior by providing the unit with a limited amount of technical assistance and equipment to enable it to better interface with and manage local and international media covering the disengagement process.

Three of the nine new August grants are supporting the Office of the President of the Palestinian Authority to establish both mobile and stationary press capabilities and facilities in the West Bank and Gaza Strip. The grants were developed quickly after a needs assessment that was conducted in early August by officials from the Office of the Secretary of State, the White House Press Office, and OTI.

The remaining four August grants are related to OTI's focus on community- impact activities that promote local government involvement. Three of the in-kind grants were signed directly with either municipal or village councils, while the fourth grant was given to a local nongovernmental organization that will work closely with a municipal council. One grant addresses a waste-water problem in the crowded Jabalya Camp in Gaza; the second grant is to improve public recreational space in Gaza's Nuseirat Municipality; the third grant will rehabilitate centrally located roads in Beit Lahiya; and the fourth grant is for laying asphalt on an approach road in the West Bank village of Batteer.

B. Grants Activity Summary

Focus Area	Grants Cleared in August 2005	Estimated Budget for Cleared Grants August 2005	Total Grants Cleared Since June 2005	Total Grants Cleared Since June 2005
Youth Engagement			4	\$ 88,240
Community Impact Activities	4	\$165,584	6	\$195,114
Media	5	\$734,720	7	\$926,901
Total	9	\$900,304	17	\$1,210,255

C. Indicators of Success

Responding quickly and flexibly to an initiative driven by Secretary of State Condoleezza Rice's office, within the course of 10 days OTI helped develop and fund three media-related grants. The grants resulted from a series of meetings between Palestinian Authority officials and U.S. government personnel and aim to substantially improve the public affairs and strategic communications activities of the Palestinian Authority's Office of the President.

Assisting the president's office with effective and transparent communications is crucial to building a genuinely democratic executive branch, while improving the public affairs and strategic communications activities of the Palestinian Authority is particularly important as the process of disengagement moves forward.

As part of a public information campaign on disengagement, distribution of posters, billboards, pamphlets and stickers with the slogan "Together for a Safer Land" was accomplished in August. The materials targeted issues related to deployment of Palestinian security forces into settlements and other areas being vacated by Israel. Issues such as respect for law-and-order and cooperation with Palestinian security forces, risks of unexploded ordnances and land mines, and entering "uncleared" vacated settlements were addressed through the visual messaging. In tandem with the information campaign, an OTI-funded local nongovernmental organization facilitated a series of disengagement-focused town hall meetings between Ministry of Interior officials, community leaders, and people living in areas near the evacuated settlements.

D. Program Appraisal

Program start-up is continuing at a reasonable pace, and the overall OTI team continues to work well together. OTI has established office space in the USAID Mission in Tel Aviv and with the U.S. Consulate General in Jerusalem, and will have at least one of the two permanent staff members in place by the beginning of September. Grant development and implementation systems are being put in place, and these systems were being refined and tested as OTI cleared grant No. 17 by the end of August.

OTI received a \$5 million allocation of funds from USAID's Asia and Near East Bureau during August and moved the funding into implementing-partner ARD Inc.'s contract. With this money, the contract is much better funded and OTI can robustly program new grants into early 2006. On a less positive note, access to the Palestinian Territories remains a constraint, both for staff directly hired by the U.S. government and for staff hired by ARD. U.S. personal services contractors and implementing-partner expatriates cannot enter the Gaza Strip per U.S. Embassy security guidelines, while the contractors have extremely limited access to the West Bank. Implementing-partner local staff based in Gaza face severe limits to their movement, particularly in and out of the Gaza Strip. These access issues will remain a problem in the coming months and will have some impact on OTI's ability to adequately conduct oversight of this program.

Next Steps/Immediate Priorities

In September, OTI/West Bank and Gaza will:

- Continue to focus on new grant opportunities, particularly promoting local government authorities in the run-up to scheduled local and national elections.
- Closely monitor the implementation of the three Palestinian Authority strategic communications grants.
- Further engage implementing-partner staff on needed systems and processes related to grant development and implementation.
- Hold a team-wide strategy session late in the month.