

USAID/OTI West Bank and Gaza Field Report

November 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 Palestinian priorities. The program's aim is to promote good governance and youth empowerment.

OTI's objectives are to:

- Increase the ability of Palestinian national and local government to respond to citizen priorities.
- 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 range from \$10,000 to \$100,000 and will address the priority needs identified by local communities. By the end of November 2005, OTI cleared 45 grants for a total of \$2,235,551.

Country Situation

Agreement on Access and Movement – Secretary of State Condoleezza Rice extended her stay in Israel in November to press the Israelis and Palestinians to reach a broad agreement on the movement of people and goods in and out of the West Bank and Gaza. On Nov. 15, through Secretary Rice's intervention, Israeli and Palestinian officials finalized a long-awaited deal on the operation of the Gaza-Egypt crossing. "This agreement is intended to give Palestinian people the freedom to move, to trade, to live ordinary lives," Rice told a news conference.

Rafah crossing opened – As outlined in the Agreement on Access and Movement that emerged from Secretary of State Rice's November visit, the Rafah border crossing between Gaza and Egypt opened under Palestinian Authority control on Nov. 25. Heralded as one of the most tangible signs of progress since the Israeli disengagement three months ago, the crossing and terminal represent the first international border controlled by Palestinians in more than 37 years. Israeli, Palestinian, U.S., Egyptian, and European Union representatives worked closely to ensure that the crossing remains open, secure and under Palestinian Authority control.

Elections in West Bank and Gaza – Primary elections for Fatah, the majority party within the Palestinian Authority, were held in the West Bank and Gaza during the month. In Gaza, primaries in several locations were indefinitely postponed due to violence and alleged "serious violations and mistakes" in the voter registry. Primaries in some West Bank locations were also marred by isolated incidents of violence. In response to this violence, President Mahmoud Abbas said that although the West Bank results would stand, the primaries would not resume. In both the West Bank and Gaza, Hamas has been gaining ground in its political campaigning for municipal elections.

Shifts in Israeli politics – In a not completely unexpected move, Israeli Prime Minister Ariel Sharon left the Likud Party to form a new centrist political party called Kadima. At roughly the same time, the Labor Party, led by the newly

elected Amir Peretz, withdrew from the coalition government, resulting in the dissolution of the Knesset and a call for new elections in March. Given Sharon's widespread popularity following the successful withdrawal from the Gaza Strip, his new party is well-poised to gain support in the forthcoming elections.

Security and law and order – The governor and the director of police in Nablus started a campaign aimed at imposing internal security by deploying 500 additional security personnel in the area. As part of their first efforts to crack down on lawlessness, Palestinian Authority security personnel began confiscating stolen vehicles. These efforts are being replicated in other municipalities in the West Bank and Gaza.

USAID/OTI Highlights

A. Narrative Summary

In light of Israeli disengagement from Gaza and parts of the West Bank, critical windows of opportunity have emerged, and USAID is taking a lead in initiating an immediate, short-term strategy for delivering targeted assistance. The strategy's desired effect is reflective of a U.S. Government priority to support moderate, reform-oriented democratic candidates in the local and national Palestinian elections in December and January.

To achieve the objective, USAID is providing assistance in tandem with Palestinian Authority representatives across all sectors, such as media, infrastructure, health and agriculture. To this end, the Office of Transition Initiatives (OTI) cleared 10 grants in November, totaling just under \$412,200. Three of these 10 grants, amounting to nearly \$215,000, supported the national-level initiatives of the Action Plan Support Unit. The support unit was created to assist the Palestinian Authority's efforts to improve communication between national authorities and citizens about past and present donor assistance in the West Bank and Gaza.

In particular, one of these three national-level grants gave assistance to the Palestinian Authority to provide public awareness of logistics and procedures for the opening of the Rafah crossing in the Gaza Strip. The other two grants helped to provide the resources necessary to create community forums and public outreach campaigns highlighting the significant funding, dedicated efforts, and progress to date that have improved the lives of thousands of Palestinian people in the past year. The seven remaining grants fit broadly into either community impact activities or transparency and good governance activities.

Specifically, two of these grants supported local-level initiatives in Gaza and in Hebron aimed at providing citizens an opportunity to constructively engage civic leaders. Four of these grants in Gaza, Jenin and Bethlehem aimed to improve public infrastructure through a dynamic, community-oriented process, and one of the grants supported youth sporting activities in the Gaza Strip.

B. Grants Activity Summary

Focus Area	Grants Cleared in November 2005	Estimated Budget for Cleared Grants November 2005	Total Grants Cleared Since June 2005	Total Estimated Budget for Cleared Grants Since June 2005
Transparency/Good Governance	1	\$ 2,140	5	\$ 120,441
Community Impact Activities	6	\$195,330	28	\$ 909,538
Media	3	\$214,715	12	\$1,205,572
Total	10	\$412,185	45	\$2,235,551

C. Indicators of Success

As part of its strategy to help local government entities respond better to the needs of their constituencies, OTI/West Bank and Gaza is aiding Nablus, Hebron, Khan Yunis, and Al Bureij Municipalities in improving essential public services and infrastructure. In Nablus, OTI is supplying materials and technical assistance to the Nablus municipality to improve its public transportation facilities, which will directly impact at least 10,000 people per day. This grant is particularly important as the Palestinian Authority continues its campaign to crack down on stolen and illegal

vehicles. The practical impact of the Palestinian Authority's campaign is that thousands of people will soon be relying more on public transit than ever before. By providing a viable public alternative, this grant directly improves the daily lives of thousands of Palestinians, but indirectly helps generate public support for the Palestinian Authority's campaign on law and order.

In consultation with local community leaders, the OTI staff helped design an initiative in historic Bethlehem for the Christmas season. The community meetings involved a candid exchange of opinions and ideas among residents and Palestinian Authority representatives. Following through on its efforts to support the Palestinian Authority, OTI responded quickly to bring together local resources to create a "Christmas Market." The activities leading up to the Christmas Market include upgrading public resources such as roads, painting walls and re-tiling walkways, thus providing a long-lasting, visible and income-enhancing contribution to citizens of Bethlehem. Specifically, through the Center for Cultural Heritage Preservation, a joint-venture institution between the Ministry of Tourism and Antiquities and the Ministry of Culture and Arts, the Christmas Market will also be a venue for artists to perform and to sell their crafts. The staff members of the heritage center have donated much of their time as a good-faith gesture to make this historic event a success during the Christmas season. The market will provide a rare opportunity for artisans and shop owners to sell their crafts and products.

In November, OTI support resulted in the opening of the Palestinian Industrial Estates and Free Zones Authority in Gaza. The zones authority opened for business after OTI provided materials and assistance to create mobile administrative offices. The zones group is designed to support the regeneration of long-term employment by addressing the needs of investors in re-activating manufacturing enterprises. Also, during November in the West Bank town of Hebron, a political forum designed to promote communication between the municipality and the community was canceled due to violence.

D. Program Appraisal

In November, the OTI deputy country representative, Michelle Girard, arrived in Jerusalem and began her activities immediately. She is working from the U.S. Consulate General in Jerusalem, while the country representative remains based at the USAID Mission in Tel Aviv. The implementing partner, ARD Inc., remains located in Ramallah, thereby presenting unique challenges in terms of management and implementation, since all members of the senior management team are located in different cities. Despite these constraints, program staff members continue to generate new grant ideas for review and continue to implement previously cleared grants. In light of emerging political realities and newly created opportunities thanks to Secretary of State Rice's visit, the emphasis on grant development is expected to shift to more national-level initiatives for broader resonance.

In support of the larger USAID commitment to promoting moderate, democratic activity in the West Bank and Gaza, the OTI country representative spent much of her time working with the Mission on developing the Action Plan Support Unit, while also helping to oversee several technical advisers. One of the technical advisers was contracted to manage the press facility initiatives, and the other was hired to help OTI's implementing partner, ARD, refine grant development systems.

Security incidents during November continued to impact OTI's ability to develop and implement grants at a more rapid pace. With the violence and closures stemming from the last suicide bombing, movement of goods and people has slowed, and, in some instances, stopped completely. Due to these constraints, a full program meeting was not possible, but international staff members were able to meet four times to make decisions on program and administrative issues. It is anticipated that travel restrictions will continue to challenge grant development and the oversight of this program.

Next Steps/Immediate Priorities

In December, OTI/West Bank and Gaza will:

- Continue to support the implementation of USAID's action plan for the West Bank and Gaza, an immediate, short-term strategy developed in the wake of disengagement.
- Continue to focus on new grant development, with particular attention to national-level initiatives in the run-up to Palestinian elections.
- Work closely to assist the Palestinian Authority with outreach efforts across the West Bank and Gaza.
- Maintain deep engagement with implementing-partner staff on needed systems and processes related to grant development, implementation and evaluation.