

## Rewarding Israel for its War Crimes: \$6 billion Gaza Reconstruction Aid will be ‘Made in Israel’

By [Global Research News](#)

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*As the world gears up to finance Gaza's \$6bn reconstruction after Operation Protective Edge, an EU source has revealed that Israel will earn billions of euros by making sure that all the steel, concrete and other materials and other aid are sourced in Israel and benefit Israeli companies.*

“It is outrageous that a country which has just demolished 25,000 houses is demanding that their construction industry benefit from rebuilding them at the expense of the international community.

At least 65,000 people in the Gaza Strip [are homeless](#) after the recent seven-week conflict. Infrastructure ranging from water desalination centres to power plants lies in ruins.

No formal Israeli ban prevents the import of reconstruction materials that were not made in Israel, but EU sources speaking on condition of anonymity say that in practice, Israeli security demands present them with a fait accompli.

“If you want aid materials to be permitted to enter, they will almost inevitably come from Israeli sources”, an EU official said.

“I don't think you'll find it written down anywhere in official policy, but when you get to negotiate with the Israelis, this is what happens. It increases construction and transaction costs, and is a political problem that has to be dealt with.”

As well as Israel's security restrictions on aid, “it can be very difficult to export materials to Gaza”, the official said. “A lot of goods for a Gaza private sector reconstruction project we had, ended up being held in Ashdod port for very lengthy periods of time – months if not years – so there was de facto no alternative but to use Israeli sources.”

The source added that the policy had benefited Israel's economy to the tune of millions of euros and was, in his view, deliberate.

The European Commission donates some €300 million in development aid to Gaza and the West Bank every year, and around €200 million in humanitarian aid.

The EU official's allegation received backing from international agencies canvassed by EurActiv and is broadly in line with findings in a UN report due to be published later today (3 September).

The United Nations Conference on Trade and Development (UNCTAD) study will say that half of all donor assistance to Palestinians in the West Bank and Gaza – who the UN body say constitute a captive market – is spent on servicing a trade deficit to Israel.

### **‘Dual use items’**

Tel Aviv imposed a full blockade on the Gaza Strip in 2007 after the ascent to power of the Islamist Hamas movement, which has used suicide bombing and rocket attack tactics against Israel’s occupation, that have claimed hundreds of civilian lives.

But the UN and international NGOs have protested the blockade’s prevention of free movement and trade for the vast majority of Gazans as a [collective punishment](#).

Building materials such as steel and cement, necessary for the reconstruction of Gaza, have been designated by Israel as ‘dual use’ items – adaptable for munitions – that may only be imported to Gaza by the UN and aid agencies under Israeli supervision.

Mark Regev, a spokesman for the Israeli prime ministers’ office, denied claims that Israel’s entry policy to Gaza prevented non-Israeli-made reconstruction materials from entering the Strip.

“I know that policy, and it is not true”, he told EurActiv over the phone from Jerusalem. He was unable though to give examples of non-Israeli reconstruction materials allowed into Gaza, referring inquiries on to Cogat.

The Israeli body, Cogat, which coordinates the entry of aid into Gaza, did not respond to requests for comment.

But “there are not many choices”, Amir Rotem, the public affairs director for Gisha, an Israeli NGO, told EurActiv. “The Israeli market has a monopoly of cement in just one company, and I don’t know of any Palestinian-made cement in the West Bank, so there’s not much to choose from.”

### **‘Chutzpah writ large’**

International reactions to the EU official’s claims were strong.

“It is outrageous that a country which has just demolished 25,000 houses is demanding that their construction industry benefit from rebuilding them at the expense of the international community”, one Western diplomat told EurActiv.

“Talk about chutzpah writ large!” he said.

Mahmoud el-Khafif, UNCTAD’s special coordinator for assistance to the Palestinian people, told EurActiv that he believed the EU official’s claims were correct.

“If you look at steel or cement, I think the only source for it would be Israel”, he said. “It is a serious problem in my opinion as an economist. What happened in Gaza and what is happening in the West Bank in terms of controlling Area C is an ongoing process to reduce the ability of the Palestinian economy to produce, and the only alternative is to import from Israel.”

Later today, a new UNCTAD report will say that economic growth (measured by GDP) in the

economy of the occupied Palestinian Territories declined from 11% in 2011 to just 1.5% last year, far below the rate of population growth.

### **‘An unliveable place before 2020’**

Even before the recent fighting, unemployment in Gaza was running at 36% and people were [poorer than in the 1990s](#), when the Oslo peace process began.

Rebuilding the battered Strip now will take 20 years under the current regime of restrictions, [according to a report](#) published earlier this week by Shelter Cluster, an NGO chaired by the Norwegian Refugee Council, with the participation of the UNHCR and the International Red Cross.

That could be too late for many Gazans. The UN’s relief and works agency (UNRWA) [has previously estimated](#) that Gaza will not be “a liveable place” by 2020 because of population increase and a depletion of fresh water sources by 2016.

“If Gaza was going to be an unliveable place by 2020 – before the latest fighting – it will now be an unliveable place considerably before then”, Christopher Guinness, a spokesman for UNRWA told EurActiv, from the Gaza Strip.

“With at least 20,000 homes damaged or destroyed, with miles of water infrastructure devastated, with millions of gallons of raw sewage flowing into the sea every day, and the corrosive impacts of blockade, the sustainability of Gaza will be even more short lived”, he said.

More than 2,100 Palestinians – mostly civilians – were killed in Israel’s recent Operation Protective Edge, as were 73 Israelis – mostly soldiers.

The international reconstruction effort in Gaza [could cost more than \\$6 billion](#), according to the Palestinian deputy prime minister.

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