

Middle East Q

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Note to Mr. Nambiar

GAZA CLOSURE AND HUMANITARIAN SITUATION

1. While most of the immediate and essential humanitarian needs in Gaza are being met, shortage of some commodities and rising prices are a source of concern. Supplies are entering through two border crossings – Sufa and Kerem Shalom – as well as a conveyer belt at the Karni crossing. Hospitals are functioning, though strikes of medical personnel to protest unpaid salaries are a cause for concern. Critical medical cases are being evacuated to Israel with the help of ICRC. Approximately 20% of essential drugs are out of stock. UNRWA has even had difficulty getting paper into Gaza to print schoolbooks, though progress was made on this today.

2. However, the situation is still grave. The over-riding concern remains the closure of the Karni crossing. This has meant that neither the import of raw materials nor the export of commercial goods has been possible for more than two months. As a result, 85% of manufacturing businesses have now been temporarily shut down, and 95% of private construction projects have been halted at a value of \$160 million as well as \$213 million of UN projects. Around 70,000 workers have lost their jobs. Gaza's economy is in free-fall, the pace of which has only been slowed by the payment of PA salaries by Fayad's government.

3. Two additional humanitarian concerns this week relate to electricity supply and waste disposal. The EC temporarily ceased payments for fuel deliveries to Gaza to supply electricity, due to concerns at allegations of diversion to Hamas. The EC resumed supplies today after technical assurances from the PA, which are being confirmed by EC auditors who will be in Gaza tomorrow. The other concern – waste – arises from the huge amount of solid waste piling up on the streets of Gaza, caused by a strike of unpaid municipal workers. This problem creates a significant health hazard.

UN efforts on crossings

4. The blanket closure of Karni originates from the absence of trained PA security personnel on the Palestinian side since Hamas' takeover of the Gaza strip. Karni cannot open in the absence of a formula that satisfies both Israeli security concerns and PA concerns that their legitimacy as the PA government is not being undermined. UNSCO is leading efforts to try to find such a formula. I raised the issue with Israeli interlocutors and with PM Fayad today, and will raise it with President Abbas tomorrow. My Deputy, Kevin Kennedy, is also meeting key donors on this tomorrow to brief them.

5. Fayad reminded me that closure is a long-standing problem due to Israeli security concerns. He rejects any implication that his government is complicit in maintaining closure. His view is that the UN should first secure Israeli agreement to any formula. He will not object to any arrangement, provided it does not undermine the legitimacy of his government or confer legitimacy on Hamas. Fayad also said that, while he understands that the UN must raise its voice on humanitarian issues, it should not divorce the situation from



the context: i.e. that this problem arises from Hamas' takeover, which removed the PA security forces trained to man the crossings on the Palestinian side. I take his point, but this should not stop us from continuing to press for this issue to be resolved as a matter of urgency.

6. UNSCO will revert in the coming days once it has a satisfactory formula to propose to the parties.

A handwritten signature in blue ink, appearing to read 'M.C. Williams', with a stylized flourish at the end.

Michael C. Williams
22 August 2007

cc: Mr. Pascoe
Mr. Holmes
Ms. AbuZayd
Mr. Kim
Mr. Kennedy