

PolicyWatch #1307

Tony Blair Takes on West Bank Aid

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Former British prime minister Tony Blair, now the Quartet's special Middle East envoy, has announced that he will soon determine the first set of projects meant to improve economic conditions in the West Bank, specifically mentioning projects around the town of Jericho. Although Blair will no doubt ignore calls from Hamas supporters to bolster their Gaza regime, it remains to be seen which projects in the West Bank he believes are worthy of funding. Regardless of what he decides, there are a few considerations he should take into account in trying to ensure West Bank stability at a time when new peace initiatives are unfolding.

What Is Needed

Blair should make sure that internationally funded construction projects minimize foreign labor and maximize the participation of Palestinian workers and management to ensure economic expansion through salaries, job training, and improved infrastructure. Some financial control, however, should be in international hands to avoid nepotism or corruption. Blair should also keep in mind that the nongovernmental organizations currently in the West Bank are not capable of carrying out the sort of large-scale, rapid projects he seems to be contemplating.

Blair's specific mention of Jericho, a small town with few refugees, is probably due to its relative lack of violence and location near the Allenby Bridge into Jordan. In order to make the maximum impact on Palestinian public opinion, however, he should instead consider projects for major West bank population centers such as Tulkarem, Nablus, Ramallah, and Bethlehem.

Blair's stated goal -- to ensure that West Bank inhabitants see the benefits of opting for peace (in contrast to those who persist in trying to destroy Israel by force of arms) -- is also important. Most Palestinians have become quite cynical about the likelihood of leading "normal" lives any time soon. Actions showing that peace and prosperity are possible would likely boost Palestinian support for any peace agreement reached between Palestinian and Israeli negotiators.

Projects for the Palestinian Authority

From the tenor of Blair's statements thus far, it appears he will recommend that much of the available funding go to Palestinian Authority (PA) projects. Although the PA's past record is far from spotless -- the main factor leading to Hamas's surprise 2006 parliamentary victory is widely believed to be the electorate's rejection of PA corruption -- many hope that the performance of Prime Minister Salam Fayad, who has a sterling reputation for competence and incorruptibility, will be duplicated by relevant subordinates. Funding PA projects is not only a vote of confidence for the new government -- important in its own right as a way to differentiate the West Bank from Hamas-controlled Gaza -- but also a test. If the PA can award and supervise projects in a transparent and orderly fashion, it will be clear that President Mahmoud Abbas and Fayad have broken with the past and are deserving of further international assistance.

Refugee projects. In any settlement acceptable to Israel, there will be few, if any, Palestinian refugees

returning to Israel proper. If West Bank refugees are to give up their longstanding demand for a "right of return," it is important that they be among the first who benefit from Blair's projects. Moreover, unemployment -- and, therefore, interest in being a paid member of an armed group -- is high in refugee camps. Improvements to the living conditions of West Bank refugees, such as upgrades to housing, schools, medical facilities, and sewage systems, could also be seen as part of the reparations or damages to be paid to refugees in any likely Israeli-Palestinian agreement. And, of course, sewage systems are a matter of great concern to the down-stream Israelis as well. PA projects are not likely to address refugee needs, however, since the PA has traditionally deferred to the UN Relief and Works Agency (UNRWA) regarding infrastructure in refugee camps.

Critics of the UNRWA often denounce its perceived bias favoring the Palestinian worldview -- for example, the agency sees its mandate as including the "protection" of refugees. Yet, few have criticized its contracting system, which uses local suppliers and contractors. Moreover, its ongoing difficulties with the Israeli military and Foreign Ministry concerning access to Gaza and the West Bank have not prevented it from working around those problems to maintain construction projects in the West Bank. Therefore, providing funds to the UNRWA for construction projects in refugee camps is perhaps the most effective way to improve economic conditions for West Bank refugees. Such action would also increase employment, engendering support for peace initiatives.

Road projects. One of the greatest hurdles for a Palestinian economic revival is the poor quality of West Bank roads available to Palestinians. As a result of drive-by shootings targeting Israelis over the past few years, Palestinians are banned from many of the better quality roads. But before any road construction is begun, the routes should meet two criteria: they should be useful to Palestinians under the current occupation (i.e., routes must be approved by Israel with assurances that traffic will not be significantly delayed), and they should be useful for the future Palestinian state (i.e., routes should avoid major Israeli settlement blocs).

Between Security and Commerce

Until Israel is convinced that the PA has established control over militant groups, many security-related obstructions in the West Bank will remain in place and continue to create delays and add costs to Palestinian imports and exports. For example, at crossing points into the West Bank, trucks are usually required to use the "back-to-back" system -- that is, trucks on the Israeli side must unload all of their contents, which must then be reloaded onto trucks on the Palestinian side. The financial costs of such procedures -- viewed as absolutely necessary by the Israeli security establishment -- are often charged to importers or exporters. Delays, especially with perishables, also have a heavy financial impact on importers and exporters.

In light of these problems, donor money could be usefully spent in direct subsidies to importers and exporters, offsetting the financial burdens of security examinations and excessive delays. The administrative burden associated with reimbursement could be avoided by making payments directly to the Israeli security authorities.

Conclusion

As described above, the UNRWA, not just the PA, should receive a significant portion of Blair's recommended projects. Reviving Palestinian commerce -- even though some of the necessary steps are likely to be criticized as "funding the occupation" or "providing aid to Israel" -- is a similarly worthy project, but if such steps are not taken, then West Bank Palestinian importers and exporters will continue to face crippling expenses.

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