

Corruption hampers effort to rebuild Gaza after summer conflict

Coupon plan fails to stop black market in cement, while too few materials are making it across border into strip

Peter Beaumont in Gaza

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The reconstruction of Gaza after this summer's 50-day war with Israel is moving at a glacial pace with only a tiny amount of the promised rebuilding materials so far delivered.

Amid mounting criticism of the pace of the rebuilding effort, the Guardian has established that a controversial UN-designed mechanism to control the supply of building materials - and prevent them falling into the hands of the militant group Hamas - has been widely corrupted.

A report released by Oxfam this month warns that despite \$5.4bn (£3.5bn) in pledges at an international donor conference this year, and an agreement between the Palestinian Authority, Israel and the UN to allow building materials in Gaza, less material was entering the coastal strip in November than before the war.

The Oxfam report said just 287 such truckloads had entered Gaza in November, adding that "at this rate, reconstruction and development could take decades".

The UN estimates some 100,000 homes were damaged or destroyed in the conflict - which claimed the lives of 2,100 Palestinians and more than 70 Israelis - affecting more than 600,000 people in Gaza. Many still lack access to the municipal water network, while blackouts of up to 18 hours a day are common.

The mechanism for allowing the entry of materials into Gaza - including the monitoring of the distribution and use of concrete - was designed by the UN special envoy Robert Serry to satisfy Israeli government concerns that cement should not be diverted to Hamas for military purposes, including tunnel building.

But some within the UN and international aid groups had privately expressed fears that the mechanism - which involves inspection, registration and monitoring - was vulnerable to corruption.

During a recent visit in December, Serry warned of his concern about the pace of the reconstruction effort amid “dire” conditions.

“[The] difficult issues, coupled with insufficient financial assistance from donors, have only worsened the atmosphere in an already devastated Gaza,” Serry said, adding that he was “gravely concerned”.

He called on all stakeholders and the international community to make good on their calls to help Gaza when he visited the UN security council recently.

“This includes progress on all fronts, progress which must be made now lest we see Gaza fall back into yet another conflict.”

But despite promises that some 20,000 householders would qualify for help in rebuilding, the mechanism for that help has been hit by problems and controversy.

Under the scheme householders are assessed to see if they qualify for rebuilding materials, then registered and issued with a coupon allowing them to buy a specified amount of materials from warehouses monitored by a UN-administered inspection regime.

During a recent visit to cement warehouses in Gaza, however, the Guardian cement being resold a few feet outside the warehouse doors at up to four times the cost within minutes of being handed over to householders with coupons.

Elsewhere, the Guardian heard allegations of officials taking bribes to produce coupons for more concrete than was needed by householders, so the excess could be resold on the black market, with licensed dealers either turning a blind eye to fraud or participating in it.

At his warehouse, one of the biggest in Gaza City, manager Maher Khalil complained about the complexity of the system. “We do what we are supposed to do,” he told the Guardian. “There is a list published with people’s names which we post outside. They check their name and come with their coupon. We check the ID and then give them the cement.

“We told the UN inspectors who came to see us we can only check what is going on inside the warehouse, not what is happening outside. Inside we sell the concrete for 500 shekels [£81] a tonne. Outside they sell it for 1,600.”

Walking out of the warehouse the Guardian immediately encountered men with horse carts loaded with cement who offered to both buy and sell concrete. One man offered to buy a bag - usually costing 27 shekels - for 70 shekels, saying he would sell it for 90. Another street trader with a laden cart offered to sell concrete by the tonne.

At the bottom of this food chain was Adham, a scrawny boy of nine who was collecting

the concrete dust off the carts to put into a bag that he planned to sell for 5 shekels to buy snacks for himself and his brothers.

“It is a disgrace what is happening,” said economist Omar Shaaban. “The new reconstruction mechanism has reproduced the Israeli siege of Gaza, only this time it is the UN that is regulating it. The UN is trading stability for cement - and not very much of it. And most of the cement that is coming in is being sold on the black market. Israel knows it. Serry knows it. The mechanism was a licence for corruption. It is a licence to prolong the siege. It is a licence for big salaries for the UN officials running it. What is absurd is that none of it is preventing Hamas rebuilding.”

The difficulties facing Palestinians whose houses were destroyed or damaged in Gaza are in evidence at almost every turn.

In Shujaiya, one of the areas most heavily hit during the war, the rubble had been cleared from the streets but there was little evidence of anyone rebuilding.

One exception was Nabil Ayad, who was supervising a small group of workmen building a wall around the space where his nephew’s shop once stood.

“It has been very difficult to find all of the materials. We got the bricks on the black market. Normally they cost 2.7 shekels each but we had to pay 4. We had the money for a wall, not to rebuild the store. Most people don’t have any money at all for rebuilding. The priority for now is the wall. Then we’ll take it step by step when we can afford it.”

Less fortunate was Sami Saad, 37, who was still living with his family in a school that had been turned into a UN shelter - one of some 70,000 without proper accommodation. His home, also in Shujaiya, was destroyed 10 minutes after he fled from it. His son Youssef needs an operation unconnected to the war and he hopes to take his family away to Jordan or Saudi Arabia.

If he can leave he does not plan to return. “If I can go,” he said, in the bare classroom that now serves as a bedroom, “I won’t come back. I had a clothes business and a nice house. Now all of it is gone. I need somewhere where I can live with dignity. There is no dignity here.”

Catherine Essoyan, Oxfam’s regional director, said: “It is deplorable that such little progress has been made given the enormous scale of needs and massive destruction. People in Gaza are becoming increasingly and understandably frustrated at the lack of progress.

“The international community has repeatedly failed the people of Gaza; it must not fail them again at such a critical time.”

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