



International Development Committee

Oral evidence: [The UK's Development Work in the Middle East](#), HC 948

Tuesday 8 April 2014

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Written evidence from witnesses:

- [UNICEF](#)
- [Medical Aid for Palestinians](#)
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Members present: Rt Hon Sir Malcolm Bruce (Chair); Fiona Bruce; Fabian Hamilton; Sir Peter Luff; Mr Michael McCann; Chris White

Questions 62-116

Witnesses: **Maria Calivis**, Regional Director for the Middle East and North Africa, UNICEF, **Amin Awad**, Director of Middle East and North Africa Office, UN High Commissioner for Refugees (UNHCR), and **Mourad Wahba**, Deputy Regional Director, Division for Arab States, UN Development Programme (UNDP), gave evidence

Q62 Chair: Good morning. Thank you very much for coming in to give evidence to us. We are slightly pressed for time compared with our normal evidence session. I do want you to say what you need to say, but if we can be brisk we will get through all our questions without running out of time. I wonder if you could just introduce yourselves for the record.

Maria Calivis: I am Maria Calivis, UNICEF's Regional Director for the Middle East and North Africa, based in Amman, Jordan.

Mourad Wahba: Mourad Wahba, Deputy Director for Arab States, based in New York.

Amin Awad: My name is Amin Awad; I am the Regional Director for the Middle East and North Africa of the Office of the United Nations High Commissioner for Refugees, and also the Regional Refugee Co-ordinator for the Syrian situation.

Q63 Chair: Thank you very much. I think you know the Committee recently returned from a 10-day visit to the region. We had a couple of days in Lebanon, four days in Jordan and four days in Palestine. Obviously, mostly for the purpose of this evidence we are

looking at the Syrian situation, although at the end we might just touch on the Palestine situation. By the way, we met people who were both supporting refugees in-country, and also going into Syria. We appreciated they were taking some considerable risks to try to get through and get relief to people. Through you, the Committee want to show appreciation for what people were doing. Certainly we got a lot of evidence that people did appreciate it, but it was really difficult. Perhaps each of you could just say what you are currently doing inside Syria, to the extent you are able to, and how this is in terms of value for money, because there is a worry that it might be more costly, and how you work with DFID. If it is partnering your organisations, you are bound to say it is doing the right thing but, more seriously, do you think DFID generally has the right approach and is going about things in the right way?

Maria Calvis: We are focussed on the 5.5 million children who are impacted by this crisis. This is the 4.3 million children within Syria, and the 1.2 million children in the neighbouring countries. The focus of our assistance within Syria has expanded fourfold since 2012 in terms of the number of people and sectors we are involved with, and in terms of presence on the ground. We have an interagency hub in Homs, we are present in Qamishli, which is in the north-eastern part of the country, and we are present in Latakia. We are waiting for the Government to open the hub in Aleppo in the south, because that will give us very good coverage. Moving into the fourth year of the crisis, it is imperative for us all to increase the collaboration with local governments. This is where we have a real advantage. We have found that this gives us greater opportunity to reach larger numbers of people.

We are involved with making sure that families and children have access to water, and vaccination and immunisation campaigns. Of course, you are aware of the recent polio outbreak. Also, very recently the number of measles cases has increased. This is in a country that had contained polio in 1997, so almost 17 years later we see the resurgence of polio. We are also involved in education and protection. Education is one of our largest programmes, ensuring that kids have access to learning, whatever the context is. This is obviously very challenging because of the instability. Alternative methods of learning include self-learning in communities with house teachers. We are now exploring the possibility of virtual learning through the media. We are using every opportunity where there are groups of teachers and students to impart learning, so it takes many different forms. Obviously protection is a huge agenda.

Q64 Chair: You were describing what you are doing, but obviously we hear that families are on the move, having to move several times, and some are inaccessible. You are reaching people, but clearly there are people you are not reaching, so do you have any assessment of the extent to which you are not able to deliver those services?

Maria Calvis: Yes, very much so. There are 3 million people in hard-to-reach places, besieged, that are presently not reached. For polio vaccinations, just to give you an example, we believe that something like 250,000 to 500,000 children below the age of five have still not been reached or are not reached consistently. For polio, you cannot miss one month; you have to have every single month.

Q65 Chair: Perhaps I will ask your colleagues to come in, but the impression one gets is that it is very patchy. In some places it is almost normality; in other places it is highly disruptive. Is that reasonable?

Mourad Wahba: Very much so.

Amin Awad: Correct; it is not an even picture throughout Syria. The war continues unabated. The fighting is more intense in some places than others; it moves very fast and the population moves with it. Either they are heading out across the borders to surrounding countries, or they are moving from one place to another. We already have 6.5 million IDPs—internally displaced persons. Another 3 million who did not leave their homes are impacted; either they lost access to services or lost their jobs, or became separated from other extended families, all because of the impact of the conflict, and there are children and elderly people in those families. The pension system collapsed, which was a socialist kind of system. People do move a lot, and we try to access as many areas as we can.

The Security Council Resolution gave impetus to this issue. We are getting more access now to places that we have not reached before. For example, there is an interagency mission in Aleppo. As we speak, for the first time, tomorrow we are going into an area that was besieged for the last two years. It is a Shi'a population besieged by the opposition. We are in negotiation with them, but this comes at a very high cost. Last week our vehicles were shot at. We meet all kinds of armed groups as we move through checkpoints that are also shifting as the lines shift. The number of actors we deal with is on the increase. Some of them are not necessarily friendly to humanitarian organisations, foreign agencies or the UN being in their territory. You are right; it is a mixed picture.

There are 240,000 people in about five or six besieged areas. Some are besieged by the Government, as you well know, and some are besieged by some of the opposition groups. These are sealed-off areas and these people have not been outside. The last engagement we had was the evacuation of Homs, and we saw the horrible photos on the TV and the scenes that really happened. The same thing applies to other areas. The hard-to-reach areas have about 3 to 4 million people, and it depends on the security, on access, on whether we reach an agreement with the other side. But the number of visits we made during the few last months or so since the Security Council Resolution has been on the increase. We reached about 3 to 4 million people in terms of shelter, winterisation and food—agencies such as health, education and so on—but the needs are really incredible given Syria today, and the war that is still destroying basic infrastructure, services and everything.

Mourad Wahba: It is a very patchy situation. What we try to do in the Development Programme is stabilise the populations in terms of the development impact so that, when they do move, they do not create more stress on communities within Syria, or indeed outside, that are receiving them as host communities. There is quite an impact of the rapidly moving population on infrastructure within Syria, on the school system, as Maria will tell you, on hospitals and on public works.

To be more positive, there are examples of local organisations and local self-help, and we try to support these either through civil society organisations at a local level or directly by UNDP. We have a plan—not quite there yet—to work with local communities and municipal councils, and so on.

Q66 Mr McCann: Mr Awad has just answered some of the points that I was going to raise, but perhaps you can expand on some of your answers. Is humanitarian aid getting through to opposition jihadist areas? You also mentioned Homs and other besieged areas. What is the current situation in Homs? Is aid getting through? Finally, you mentioned the UN Security Council Resolution, and you made the link in the last few weeks to things starting to ease up. Do you think that is a result of the Security Council Resolution, and in what way has that impacted?

Amin Awad: Thank you very much; all the questions are valid; let me start with the last one. The Security Council Resolution did indeed bring some political pressure on the Government. By chance, the Government is also winning bigger areas now in this conflict in Syria, and with that also goes the access as far as humanitarian organisations are concerned; the UN, international NGOs, national NGOs, the Red Crescent and so on. We are accessing areas that are controlled by jihadists. We go together, hand-in-hand in an interagency context with other UN agencies, and we also go with the National Syrian Red Crescent. We make sure when we are in these areas that we are taking direct implementation, control and distribution of our goods. This gives us access to the population in order for us to find out, in the few hours or days when they undertake protection and human rights monitoring, where our assistance is going and what the population is living through. I think circumstances conspired positively during the last few weeks between the Security Council Resolution and also our increased engagement with some of the parties on the ground.

In terms of the situation in Homs, part of the city is under other parties, and part of it is under the Government. The same thing applies to Aleppo, where our people arrived today. Eastern Aleppo is under four different groups that we are negotiating with. Hopefully, tomorrow morning we will break through and go to this area, and the day after we will reach one of the besieged areas. So I see an increase in our access, but of course it is not enough, and it comes at a very high cost logistically and security-wise for our people. Also, what happens internationally impacts on our people on the ground. The worst is when our humanitarian assistance is politicised. We then lose our neutrality and become suspicious in the eyes of the warring factions. We try our best to remain neutral and focused on the needs of the people to try to gain as much space as we can.

Maria Calivis: The Security Council Resolution was definitely a very good move and it has offered much more margin of manoeuvre on the ground. The real test of that resolution in certain aspects is how consistently aid will reach the targeted areas. Sometimes we manage with one convoy, but the convoy needs to reach those areas probably every two or three weeks, as with the situation in Yarmouk in the Palestinian camps. The convoy was allowed, but it was allowed once, then closed for another three or four weeks, and then maybe very limited numbers of supplies were allowed in.

Q67 Mr McCann: Is that because the roadblocks or security in the area is changing on a daily or weekly basis? Someone that you might be dealing with allowed you in a week ago but is no longer there, and you have a new group to deal with? Is that the most likely reason?

Amin Awad: That is correct. There are over 200 groups that we know of that are active. Today there is a checkpoint manned by a different group of people; tomorrow that checkpoint disappears and there is another group, or it moved two or three kilometres

down the road; or snipers up in the hills are shooting at commercial or humanitarian agencies. The negotiation then breaks off. When it stops, it stops. At Homs we went for four days through very difficult circumstances to extract people—the sick, elderly, children and women—and it was a very difficult security negotiation. It was hard to get there, and then four days later we had to stop the evacuation. The logistics, preparation, security and negotiation with the parties can take days, sometimes weeks, sometimes months.

Maria Calivis: The other thing on the Security Council's Resolution was to allow unhindered supplies of medical kits. This continues to be an issue, and a serious issue, because we had some guarantees that the Government would allow and facilitate it. Although you hear from foreign affairs that they are facilitating, when you go on the ground, the checkpoints, which are also armed forces from the Government military forces, have prohibited until now the passage of these supplies.

Mourad Wahba: They have their own pharmaceuticals industry and are trying to push that as much as possible.

Amin Awad: In terms of our relationship with DFID, it is very important; it has a very important footprint in the region, which leads me to talk about the plight of those refugees in surrounding countries, 2.6 million of whom are already registered. The Government puts the figure at 3 million refugees, and they are really putting a lot of strain on surrounding countries that have kept their borders open. We keep lobbying these Governments on the principles of access to territory, protection and asylum. The challenges are tremendous—the strain and impact on infrastructure and services. The refugees are outnumbering nationals in some places, such as Lebanon, where 25% of the population are refugees. We have just passed a milestone; there are 1 million refugees in Lebanon, which is a small country.

The cost is estimated at \$7.5 billion, calling for burden sharing bilaterally from financial institutions at the macro level. As humanitarians, of course we are trying to help the government at the municipal level, but so are the host communities that are impacted by the presence of the refugees. The challenges there are enormous—from shelter and education, protection of children and women, to handling some of the negative coping mechanisms, be it child labour, sexual gender-based violence, or the phenomenon of beggars that we see in the countries surrounding Syria. There is also desperation and helplessness, given the economic situation of the region: no access to employment, and prices are going up. These are small countries that in a very short period of time have received a huge number of people.

We estimate that in 2014 100,000-plus refugees will be leaving Syria every month. Today we are in April, and I can say that in January, February and March, according to our registration and also the government records, that number is still steady. There are over 100,000 refugees pouring out of Syria in all directions. We are calling on the international community to keep the borders open. We cannot make the case for Syrians; they are refugees and in need of international protection. We are asking countries to keep their borders open, but also to respect the principles of asylum, international humanitarian law, refugee law, the principle of non-refoulement, access to services, the different types of admission programmes—humanitarian aid for vulnerable groups, resettlement and so on—to ease the pressure on those Syrians who are fleeing home.

Q68 Fiona Bruce: I have two questions: first of all, what further representations could our Government make with regard to our counterparts in the UN Security Council about the importance of implementing Resolution 2139? Quite separately, I want to ask you about the position on the north-west border of Syria near Turkey. We heard in the last few days that 3,000 people have had to leave the village of Kessab due to fighters coming in across the border from Turkey. What is the position there in trying to get aid to these people now?

Maria Calivis: Last night the Secretary General issued a statement actually calling attention to this deteriorating situation in Kessab. It is very difficult for us presently; there is no access for us there. It demonstrates once more what insecurity does to the situation. It is also an aspect of ethnic conflict. The intensification of ethnic conflict is definitely one of the worst potential consequences of this war. The access to aid from the north happens in two crossings that are controlled by the Turks and some militia groups, but it depends when the crossings are open, so it is not unhindered. They go to very specific areas that are targeted, so presently there is a very difficult situation in Kessab.

Q69 Fiona Bruce: So there is no aid going to those people at all at the moment.

Maria Calivis: Presently under this fighting, it is very difficult.

Q70 Fabian Hamilton: The Governments of Jordan and Lebanon have recently produced a national plan setting out precisely what support they need from donors. I wonder if you could comment on whether you think that donors should use these plans as the basis of their assistance.

Mourad Wahba: If I may, very much so, yes. The Governments of both Jordan and Lebanon, in different measures, have borne the brunt of vast flows of refugees in already rather stressed infrastructural situations. We worked together with the World Bank to get needs assessments done in Lebanon and in Jordan. We also worked with the whole international community for a national resilience plan in Jordan and Lebanon. In Kuwait they were also presenting these plans very much as their contribution—their needs for these refugee flows. One has to remember that the vast refugee flows are coming in to already weak countries. Lebanon was not an example of stability before the Syrian conflict, and Jordan had just gone through an economic crisis.

Q71 Fabian Hamilton: Yet we would classify Jordan and Lebanon as middle-income countries, wouldn't we?

Maria Calivis: Yes, both for Jordan and Lebanon, I reiterate what my colleague said. We very much welcome the Government taking leadership and also having well-articulated plans. In our specific case there is also the education plan that the Government of Lebanon has developed. This is a three-year perspective. It is important because that would allow us to use the public schools and local facilities to integrate Syrian children. This has a double benefit—not only for the Syrian children but also to allow the host communities a better quality of education for their children. There are benefits to having the Government in charge of a plan, and to be able to have assistance directed to building capacities and building local systems.

Amin Awad: The Government is moving towards national plans. The World Bank and other development institutions, including UNDP, do a lot of work, as we do as a humanitarian agency, as far as gauging poverty, vulnerability and so on. If these countries receive bilateral support, if the building institution is empowered and if it is seen as a transition—I saw some of the plans calling for 12 months, 14 months and 20 months; it is not going to work. It is not state-building, but building an institution that never dealt with this kind of crisis before, economically.

On the other hand, the humanitarian track remains very fast and very fragile. It needs a big dose of continuous support, given the numbers that I gave of 100,000 crossing this region and also maintaining the 3 million that are there. We expect by the end of 2014, given the fact that there is no political solution in sight, that the number of refugees will be about 4.1 million to 4.2 million.

Mourad Wahba: It also becomes an issue of value for money. If one believes that the crisis is protracted and will probably last a few years in terms of the presence of refugees, then the quicker we can get government capacity picking up a lot of the slack, the less strain there will be on the international community.

Q72 Fabian Hamilton: Both Jordan and Lebanon are considered to be middle-income countries. Without the Syrian crisis, obviously they would not have been priorities for UK aid. As well as humanitarian effort from this country, do you think the UK should consider launching a longer term development programme in Jordan specifically?

Maria Calvis: Very much so. Although they are middle-income countries, within the middle-income category of countries there are many variations. There are strong Governments, strong systems, and countries that still have legacies of fragile systems and poverty. The crisis exacerbated and deepened the poverty in both countries. Of course, Lebanon has also its present political fragmentation and fragility, but there is a deepening of the poverty. There is a loss of income and also larger fiscal deficits in the country. These need to be supported in this period when so many refugees are hosted in communities. One million refugees in Lebanon equates to the UK hosting 25 million people.

Q73 Chair: A point that this Committee has made repeatedly is that the UK has provided more than a third of the entire EU support for the refugee crisis. Clearly, if there is a need, there are other countries in Europe who need to step up to the plate and have not done so. It is all right for the UK to do so, but I hope the UN organisations are going to name them, and indeed start asking them to cough up.

Mourad Wahba: We are doing it with the Arab Gulf countries, certainly. In fact I just came from a meeting yesterday.

Q74 Sir Peter Luff: Can I just push you a little bit? We are giving something like \$863 million. Germany is giving about two-thirds of that, at \$560 million. France, less than 10% at \$75 million. Given France's huge historic engagement in this part of the world, and that many of the problems we now face flow from British and French rivalry in this part of the world, why is France giving such a scandalously low amount of money?

Maria Calivis: Personally, I cannot reply for France. However, I would say two things: not only are we grateful for UK and DFID's aid but it came at the right time, because we have probably averted a far worse humanitarian catastrophe. I have also seen that the consistency of the UK fund has encouraged others, because it gives us the possibility to say, "We have this; we are managing to cover this with WASH, but this is what is needed to complement it." We managed to get funding from the Germans and other partners, and now, especially with DFID's advocacy around the No Lost Generation, it is mobilising various partners in this initiative that looks at putting kids into school, but at the same time giving them the necessary emotional recovery that they need.

The benefit of the UK funding is the timeliness, because it allows agencies like us to prepare, and it is encouraging other donors to step up. But it is never sufficient. The needs of this crisis are enormous, and on the increase as we are speaking. We have all started to target the Gulf countries and are seeing a marginal increase this year, but much more needs to be done.

Sir Peter Luff: I agree the Gulf has a responsibility here as well, but it is just a shame that plucky little Denmark is giving much more than France.

Q75 Chris White: You mentioned the consistency of UK support and how it is encouraging others to give more. How sustainable do you think the level of support we are giving can be, and what happens if we are not able to deliver the same amount of support year on year?

Amin Awad: We all know that this situation is becoming protracted. It is not a dormant situation; it is a very fast-moving situation. On the one hand it is an emergency, but it is protracted in the sense that there is no political solution. So how are we going to cope? This question comes to us from many donors. The focus has started to shift to supporting national mechanisms, coping mechanisms, resilience plans and targeting poverty in some of these countries, whether it is the nationals themselves or the refugees who live among them. There needs to be collaboration on optimising national mechanisms, institutions and infrastructures, and to also be prepared to stay the course. There ought to be resources for this humanitarian crisis unless there is a political solution to take care of the emergency needs of people as they come out, and those who are internally displaced. The numbers are big, and it is going to be a mid term—two years at least—of engagement with Syria and the surrounding countries to be able to contain the crisis before it brings the other countries around it down. That is another big element: the stability of the surrounding countries who will be receiving refugees, and the region. Britain has been talking about this and has been engaging. We are very grateful, for example, for this debate. If anything, it shows leadership, concern and interest, and also understanding of the region.

Chair: DFID is not questioning its scale of support; it is just the ability of other people to step up to the plate. You were saying that DFID helps that to happen, but conspicuously some people still do not seem to have responded.

Q76 Mr McCann: We know that 85% of the refugees have fled to urban areas, towns and villages. Is aid getting to these people? Is there a danger that we concentrate just on the camps rather than this larger bulk of people who are going to towns, villages and urban areas?

Mourad Wahba: In Lebanon, we have just signed an agreement with DFID on the provision of support to municipal areas to build their capacities to withstand that influx of refugees outside camps. You have areas, for example in Lebanon, where a population of about 45,000 has to cope with an influx of 70,000 refugees; it is massive. One of the great contributions of DFID is to support these councils and local authorities to cope with that influx, so they are definitely doing it.

On the earlier comment on the long-term prospects, the reality is—and our resident humanitarian co-ordinator says this a lot—that there are 2.5 million refugees outside Syria but there are 20 million Syrians inside Syria. To reduce the impact on the neighbouring countries it is necessary to maintain some sort of stability within Syria to stop them coming out.

Maria Calivis: At the very beginning of the onslaught of this crisis with the arrival of refugees, it was much easier for all of us to really concentrate on the camps. It is just the nature; it is easier, in part, but the work done in host communities started last year and the year before. This will be accelerated within 2014. Because of the large numbers and the assessments, it is very difficult. It is much more complex, and it requires so much human capacity investment. The one way we find it easy is by working with local municipalities and local structures, because kids tend to come to the school or want to be enrolled in the schools. So by strengthening and working with these services, we are able to do it. What is more difficult is our awareness campaign on violence against women, early marriages and protection that needs to access directly the families. We are doing this with some success, but there is still a long way to go.

Amin Awad: On the refugee camp versus non-camp population, in the region we now only have 15% of the population in camps; 85% of them are within the host communities in urban and rural areas. In Lebanon they are in 1,600 localities. You can imagine the monitoring that we have to do with our partners and the other UN agencies as far as distribution of material, guiding them to healthcare, food and non-food items is concerned. Monitoring, protection issues, community service—and you also have to tend to the needs of the host communities and the municipalities. It is the same thing in Turkey and Jordan; they are all over, aside from the camp population. So it is becoming a non-camp population. It is an urban population with high mobility, and with that goes the complexity of outreach to cover all the needs of the refugees wherever they are.

Mr McCann: We visited the north of Lebanon and some of the communities that you have just spoken about. We should all pay tribute to the host communities that have taken people in. Someone mentioned that it was the equivalent of the entire population of Scotland transferring to the Yorkshire Dales, so that puts that in some sort of perspective.

Sir Peter Luff: It might happen.

Q77 Mr McCann: My next question might seem a bit ironic given the British Government's position, but in Jordan, Syrian refugees are not allowed to work. There is an argument that, if you allowed the refugees to work, they could contribute to their communities by paying taxes. The other argument, of course, is you do not want people to set down roots because they want to go back to their home country, but do you think it would

be wise to allow refugees to work and contribute to the host communities by paying taxes? Is it an option that is currently being discussed?

Amin Awad: I think the Ministry of Planning and the Government of Jordan at the highest levels are changing their narrative. Now they have started to recognise that there is a human capital of very high calibre that has moved from Syria into Jordan. Instead of having them sitting idle, the question is how best they can use professionals, technical, casual or skilled labour in their national plan to sustain the country as far as the influx of refugees is concerned. The employment issue and the profiling of the refugee population is becoming increasingly evident.

Mourad Wahba: Yesterday I was in Jordan, and met with the Minister of Planning. He is not only allowing them to work but also encouraging private enterprise within the refugee population and we are working with them to develop private sector modalities, small and medium enterprises specifically, with UNHCR, so that is on one level. In Lebanon they have always had seasonal labour anyway from Syria, so they are quite used to having Syrians working there with developed markets so they can sell their agricultural produce. It is part of building the resilience of these communities over time, because we believe that it will last for a while.

Q78 Mr McCann: We know that there are Syrians working informally in Jordan, but do you have any idea of the numbers? Or would you have a guesstimate of the numbers?

Amin Awad: It is very difficult, especially as they work in the informal and private sectors and behind the scenes. Regarding the sector of the population that we are monitoring, together with our protection network, on which UNICEF is taking the lead, when we talk about child protection, it is the negative coping mechanism that I talked about earlier. Children at the age of nine, 10, 12, 14 or 16 are working. We find that for every 10 children there is one child that is working in very hard conditions. We know these figures and not the others because we are monitoring this vulnerable sector of the population.

Maria Calivis: This is on the negative side; it is on the side of exploitation. We see it very much, whether in Jordan, Turkey or Lebanon, but I will just focus on Lebanon. The families get settled in informal settlements where they pay rent and for electricity and water. These are very squalid areas, which I am sure you have visited. In addition, for the families to be able to meet those expenses, their children work in the farms that are owned where the settlement is. They work for many long hours in order to pay. In fact what we do to still ensure that the kids have an access to education, even if this is happening, is make the school closer to where they are, and discuss with the local leaders other ways for these families to meet their expenses.

I agree with my colleagues regarding offering Syrian labourers employment possibilities. But whilst we do this to cope with the problems of today, in order not to create rivalry in the host communities that have been so generous, we still need to strengthen local governance and local systems and the quality there. There is a danger of recreating rivalries within these communities.

Q79 Fiona Bruce: Maria, you started off mentioning children's education and you have referred to it many times. Yet according to our figures, two thirds of refugee children are out of school, and half of all children in Syria. How can donors respond to this?

Maria Calivis: Thank you for bringing it up, because it is one of the biggest problems. Linked to that is the advocacy that DFID has also spoken about: how do we prevent there being a lost generation—meaning the risk of a number of children growing up who are shaped by violence, displacement and mental and physical stress? Some 3 million kids are out of school, and this is half of the whole school population. We can prevent this by increasing investments in education. In the past it had received investment, but not sufficiently, and a coalition of partners is being set up—it is my colleagues present here, other NGOs, other UN agencies and donors—and there is also the consistency of also having a multi-year plan. Without a multi-year plan, it is impossible to make a difference. We have to improve the quality of the access. There are some bold ideas in access, including virtual education and self-learning materials, and also to ensure that pre-schools are available for the very young, because they will have a better chance to complete the years of schooling.

One final point: one of the barriers to learning, even when kids have access, is the fact that they have unresolved trauma and big emotional blockages. Therefore, the investment in psychosocial support and emotional recovery is so important for these kids to succeed. Just one year ago, in every three families that used to cross, there would be one or two kids that were affected psychologically by the war. Now, no kids come across the borders that are not affected. It is not the majority now; all the kids are presently affected.

Q80 Fiona Bruce: We saw some good work going on in that respect when we were there. You talked about working with local authorities, but is it really possible for local authorities to assimilate refugee children into school systems in the numbers that are coming across? What else could be done?

Maria Calivis: Some 30% of Lebanese kids go to school—300,000—which is already the capacity of the public schools. To incorporate 200,000 refugee children, they are resorting to double shifts—which we are paying for—extra teachers, extra classrooms, electricity, and there are all the running costs. But we need to create more classroom capacity and have more teachers available. It is really about capacities and increasing the numbers of children integrated in classrooms, but without overcrowding. Many new programmes this year are looking at additional classroom materials, remedial learning and double shifts.

Q81 Fiona Bruce: My final question is about the language barrier in Lebanon, because of course they are taught in Arabic, French and English. Is that causing a problem?

Maria Calivis: Very much so, both in Lebanon and Turkey. This is one of the policy issues that we are taking up. Again, the UK Government is involved in trying to find a solution. Although the Government allows the teaching, some kids just cannot make it due to the language, curriculum and certifications.

Mourad Wahba: And the Kurdish-speaking area.

Maria Calivis: Yes.

Amin Awad: Aside from the education, it is the psychosocial support to those traumatised refugee children who are coming from conflict zones, and the protection of those children. That goes side by side with the education, so it is the comprehensiveness of caring for the refugee children.

Q82 Fiona Bruce: Is there any good practice you would like to highlight in that respect?

Maria Calivis: Whether in Lebanon or even within Syria and Jordan, there is now a very good local capacity of Jordanians and Lebanese NGOs that can impart psychosocial support. The one thing is that the demand is far greater, and therefore the quality suffers. But through No Lost Generation, an emphasis will be put also on the quality, because this is how you really overcome the issues.

Q83 Chair: I think we all appreciate the challenges in a really difficult situation. Inevitably, the concerns are the people that are not being reached, which is not to underestimate the importance of the people you are reaching and the impact of what you are doing. Our next panel is focusing more on the situation in Palestine, but two of you at least have operations within there. I just wondered briefly if you could give us an indication of what your main activities are in the Occupied Territories, and your interaction with DFID, or your views about what DFID is doing there.

Mourad Wahba: In the Occupied Territories we have an office in Jerusalem. We are working in Gaza and Ramallah, and indeed in parts of Area C, where we are helping with two things: first, to get the institutions of the Palestinian Authorities to become a real negotiating partner; and secondly, to help the daily life of the Palestinian population itself. There is a major programme where we are partnering with DFID on employment creation and, again, small and medium enterprises, especially in Area C, so we are helping the Palestinians to do that. We are also working with DFID in the formal security sector, for example, teaching human rights to Palestinian police, which I think is very interesting.

The operation in the Palestinian Territories is bigger for us than in Jordan, Lebanon or Syria, or all three put together.

Maria Calivis: The same for us. We are involved in water and sanitation, education and protection issues. It is a difficult context to be operating in with, again, the consistencies of interventions. One of the areas is definitely education: allowing Palestinian children, wherever they live—and depending on where they live they have many constraints—to have uninterrupted access to an education. We also contribute to a number of studies that assess what the issues are, and work with the local authorities to find policy solutions, sometimes practical solutions, to these issues, and in protection. Very recently we have issued the study on the detention of children in Israel's prisons, and are working with the authorities. I must say there has been some progress in addressing the issues, which we are very pleased to see.

Chair: Thank you very much indeed. As a Committee, we have to make recommendations, obviously, on what DFID is doing in the context of the Syrian refugees. I think we have all got a very favourable impression that what DFID was doing was significant, practical and well appreciated. But as a number of questions have pointed out, it is not a part of the world where we would normally have expected to be spending our overseas development assistance. Almost by definition, if we are spending it there, we are not spending it in Sub-Saharan Africa or South Asia. It is a priority issue, but I think your

evidence is really helpful in terms of discontinuity. You cannot step in and then step out; you have to work out how you engage in the medium term.

Also, we will continue to make the challenge that it should not all fall so heavily on one bilateral donor's shoulders. It is good to hear that others are responding to that, but our view would be that more need to, so that we can deliver the kind of programmes that we could do elsewhere if other people were prepared to share the burden. The 0.7% figure is something the UK have delivered; it perhaps reinforces the case for those countries that have not done so to recognise that they will need to if the international community is going to be able to deal with all these crises. I think that gives you some flavour of the kinds of things we are going to debate within the Committee, but thank you very much indeed for coming in and giving us evidence.

Examination of Witnesses

Witnesses: **Yossi Mekelberg**, Associate Fellow, Chatham House, **Tony Laurance**, Chief Executive Officer, Medical Aid for Palestinians, and **Nicola Cobbold**, Chief Executive Officer, Portland Trust, gave evidence.

Q84 Chair: Thank you very much for coming in. I need to repeat the constraint of time we have; we will have to finish by quarter to at the very latest. We do want to hear from you, but if we can be brisk we can cover the ground. I wonder if you could just, for the record, introduce yourselves.

Tony Laurance: Tony Laurance; I am the Chief Executive of Medical Aid for Palestinians.

Nicola Cobbold: Nicola Cobbold; I am the Chief Executive of the Portland Trust.

Yossi Mekelberg: Professor Yossi Mekelberg; I am with Regent's University, London, as Programme Director of International Relations, and Associate Fellow, Chatham House.

Q85 Chair: Thank you very much. This is a big question, but we are looking for topical short answers. As you know, we were in the region and talking to representatives on both sides just in the last couple of weeks. I do not know whether the peace process has run into the buffers but it has certainly run into a crisis, with both sides accusing the other of bringing it to a halt, effectively. What do you think at the moment can be done to try to rescue this operation and get it to any kind of space where there is progress?

Nicola Cobbold: The answer is they are working around the clock to try to keep talking. We are getting slightly more positive noises in the last 24 hours, and the important thing is that we all keep going on what we are doing in supporting their economy, aid and so on, to

try to keep the stability. In terms of the actual peace process, it appears neither side want it to fail, and both would like to keep talking. What is coming out at the moment appears to be that they really are trying to keep those negotiations going.

Q86 Chair: Is that a general view?

Tony Laurance: Yes, although I do not think we would ever have been particularly optimistic about the outcome, and I think that would be the position now. There are two things I would highlight. We have concerns about what is going on while these negotiations continue in terms of continuing settlement building and activity, demolitions and so forth. We also have concerns about the situation in Gaza, which recently seems to be getting steadily worse as a result of the events in Egypt. There is a need to focus on what happens next in different scenarios.

Q87 Chair: The question I would ask is: if now is not a time, after all the effort that you have put in, to secure a peace process based on a two-state solution, what makes anybody think it is going to be better in a few years' time?

Yossi Mekelberg: Both sides are more interested in limping along with the negotiations than finding a solution. The way they negotiate is basically to sideline all of the important issues—the core issues around this conflict—of establishing a two-state solution: borders, refugees and Jerusalem. They always deal with the sideshows: whether Israel is recognised as a Jewish state; the release of the prisoners; expansion of settlements. They are all very important issues, but they are not ones that will resolve the main task—the conflict. As long as they spend their time, such as in the last nine months, not discussing the core issues, there will not be any progress. It is now in both sides' interest to keep the PA in place, because the alternative for Israel is not very attractive, and the PA, of course, want to stay in power, and the United States do not want to admit failure. In this situation, I am afraid they will probably try to extend the negotiations, but unless they move into dealing with the core issues, there will not be any progress. As a result, of course, conditions on the ground are getting worse and worse.

Chair: We saw that for ourselves, yes.

Q88 Fabian Hamilton: The main focus of DFID's Palestinian Programme is the provision of funding to UNRWA and to the Palestinian Authority in roughly equal amounts. Which parts of this programme do you think have been successful, and which parts could be improved?

Tony Laurance: From my judgment, both of them have been relatively successful. Let me talk about the support to the PA. Of course there are imperfections, but I was involved in the UN process with the World Bank also, in assessing their readiness for statehood, if you like. The outcome of that assessment was pretty positive on the whole. There has been a lot of development over the years in their institutions, and I think that is a vital development in this process. Of course, one of the things that it secures is ongoing stability, and ongoing stability in the region is not to be looked at lightly. In those respects it has been positive and needs to continue. The focus on transparency and accountability also needs to continue. I would argue that DFID should also focus more on the health sector, as I would be bound to do.

In terms of UNRWA, similarly, it is impossible to imagine how you can maintain stability with such a large proportion of refugees without UNRWA's continuing efforts. They have solid frameworks. From my outside knowledge, I think DFID is an intelligent and effective donor that works well with them to improve their performance and results, and to look at areas where they can improve in what is, after all, an extremely difficult environment. In Gaza, in particular, their role is vital.

Nicola Cobbold: I would echo Tony's words, in that we should not underestimate the fact that stability has been maintained. DFID is a very smart and transparent donor, and it is deemed to be best practice and top of its kind, which is very important. You rightly mentioned that the majority goes to either the support of the PA or UNRWA. Needless to say, while you would like to see more on health, I would like to see a little bit more support for the private sector.

Somebody raised the question in the earlier session about sustainability of aid. We have seen in recent years that when aid dropped, when there was the global crisis, we reached a fiscal crisis with the Palestinian Authority—an economic crisis on the ground. Our work is very much focused on seeing how you can develop a more robust economy that is more private sector led. We would very much welcome more support from DFID in trying to grow that and create a more sustainable economy. The work they are doing already, by the way, is extremely important, focused and good. The Facility for New Market Development, which is now becoming a new Palestinian development programme, is very important and very focused. It is looking at how you can encourage innovation and new investment. We would just welcome the opportunity to see more scale in this direction.

Yossi Mekelberg: I agree with my colleagues here on the panel. What DFID is doing is excellent, and the fact that it is accountable and transparent, and especially their collaboration with UNRWA, which has so much expertise and experience in dealing with the conditions on the ground, is extremely important. It is a drop in the ocean if you look at the needs on the ground. UNRWA is growing needs every second—we heard it in the previous session—so there is growing demand, but the supply remains, give or take, the same.

The other thing is the political conditions vacillate. It depends on the political situation; conditions can improve or get worse very quickly. Again, as a result, if there is a collapse of the negotiations and it will lead to another round of violence, it will make the operation of UNRWA, and DFID as a result, more difficult.

If there is a collapse of the negotiations, maybe it will be time for DFID to differentiate between humanitarian help and state and nation-building—mainly state-building—meaning to make a separation between the political side and the humanitarian, and not stop the humanitarian help. Regarding the relations between the humanitarian and the political, and which leads to which, my argument would be that the political would lead for economics, and the idea some Israeli politicians try to present is, “There is an economic peace; forget about the politics and human rights and civil rights. It does not exist; it is an illusion.” As a result, we have to look at the politics first and then the humanitarian, so as not to exacerbate conditions on the ground in the daily life of Palestinians. But how DFID looks at state-building probably has to change if there is no viable peace process.

Q89 Fabian Hamilton: You have anticipated my question to an extent, and you have answered it. That is: if the peace process does fail, as looks possible, how do you think DFID should respond? I do not know if our other panel members would like to answer that.

Tony Laurant: Whether or not it fails, the obvious point at the moment is that it has not led, after all these years, to a political solution. This is a political crisis that has been going on for 60 years. The idea that we can just continue paying for it seems to me something we must begin to challenge. I do not think the taxpayers realise that this is one of the most aid-dependent economies in the world and it has very debilitating effects, in my experience and opinion, of all kinds.

One thing I would like to see happen—I do not know how it can happen—is more of the costs being borne by the occupier. Until the costs of this occupation are felt in the pockets of the great stretches of Israel that are relatively protected from this ongoing crisis, I do not see how things are going to begin to change.

Q90 Fabian Hamilton: Forgive me for interrupting. I was going to go on to ask whether you think that DFID should withdraw its aid and leave Israel to pay for the occupation. Some people argue that by supporting public services in the Occupied Palestinian Territories, donors are just “funding the occupation”—I say that in inverted commas. Should DFID withdraw? When should DFID withdraw?

Tony Laurant: I do not think that, because of the disastrous consequences it would have for the Palestinians and for stability, but I do think that there ought to be a rather more robust negotiation with Israel about sharing the burden of that cost, if I can put it that way. I do not see why that is outside the realms of possibility. In other words, you continue the programme but you, as it were, invoice others.

Q91 Fabian Hamilton: Have you anything to add to that, Nicola?

Nicola Cobbold: For anyone who does not know the Portland Trust, we are a British not-for-profit. We have offices in Tel Aviv and Ramallah. We are very much focused on the economic drivers of conflict resolution and how one can bring about resolution of this conflict through economic drivers and processes. We have always recognised—and we talk about this “triple helix”—that in order to bring an end to this conflict you need a political resolution and, absent that, a process, which we may or may not have; you need a viable economy; and you need security. You need all three of those at the same time and running. If the political process does now collapse, I do not think we can afford to allow the security and economy to collapse as well; therefore, it is almost more important to try to maintain some of those in order to bring back the political process. I would argue that we should look more closely at how we create a more sustainable economy and work with the individuals on the ground to do so. We should try to do our best to maintain stability. This process has not collapsed yet; there is a desire from both sides for it not to collapse. It is even more important, in a way, that we try to push these two pieces of the puzzle while the political process reforms itself.

Q92 Fabian Hamilton: Should the Palestinian Authority take over the provision of public services from UNRWA? Should it be the main provider? Could it do it better?

Nicola Cobbold: I am not an expert on either what UNRWA is providing or, frankly, what the PA is providing, but what I do know is the PA is very overstretched at the moment. I suspect there is some expertise in UNRWA. I do not know if the PA has, at the moment, the ability to do that. I am afraid I am not the right person to ask.

Yossi Mekelberg: We face the conundrum that all foreign aid faces. In many ways, by preventing humanitarian disaster, we sometimes sponsor the one that we do not want to sponsor, whether it is dictatorships in some countries or, in this case, the occupation. There is a direct sponsorship of the occupation by doing so. On the other hand, we cannot allow humanitarian disaster for innocent civilians by saying, “Just in order to put more pressure on the Israeli Government, we will make your lives more miserable, as they are miserable already.” We need to find a way to direct it towards those who need it most, but not sponsoring either the inefficient and sometimes corrupt PA—though it has improved a lot—or the occupation itself. This is not an easy task; it is a very difficult task. Another thing is to support Israeli NGOs—like B’Tselem, Machsom or Gisha—that help with the humanitarian side of the conflict.

Fabian Hamilton: That is a good point. Thank you.

Q93 Fiona Bruce: You mentioned health, Tony. Since 2008, the health sector has not been a strategic priority for DFID in their Palestinian programme. Why do you think that is?

Tony Laurance: I was not there at the time so I can only speculate, but I think they found a) they had other priorities and they wanted to narrow the focus of their work; and b) there were other players in the health sector, not least from the European Community at the time. The Italians were the shepherd and the EU had quite a big programme. Thirdly, I think they had found their work with the health sector a little frustrating in, as it were, getting effective, measurable results. Those sorts of factors played in. I just want to emphasise that some significant elements of those have changed. In particular, the Italians withdrew from the health sector at one point; so has the EU. There is no European country, as far as I am aware, now playing a major part in this area, and it is sorely needed, for the kinds of reasons I set out in our written evidence.

Q94 Fiona Bruce: Yes, thank you. In your written evidence you argue that donors should step in to provide essential drugs in Gaza. Are you confident that this would happen if donors stepped in?

Tony Laurance: I am confident that it would provide a more reliable supply of drugs and disposables to Gaza than has been the case for the last many years. Until Rafah was closed, there was an unquantifiable amount—from most of our points of view—coming through that route, but now there is not, so they are dependent upon supplies that are provided by the PA. Those supplies have been impeded, partly, earlier on, by political disagreements, but now, in more recent years, by the fiscal crisis of the PA, so there are shortages both in the West Bank and in Gaza. The shortages in Gaza are now very acute, and something has to be done about it. Everybody is talking about it, but it has to be high on the list of anybody’s humanitarian priorities. It is leading to crazy situations where people are being referred out of Gaza for very expensive cancer treatments, for example,

not for want of specialists and so forth but for want of the necessary drugs to maintain the treatment regime.

Q95 Sir Peter Luff: Can I address my questions primarily to Nicola and the Portland Trust? If others want to join in, please feel free to do so. It is clear your organisation plays a valuable role in supporting the Palestinian private sector. We have heard a great deal about your report *Beyond Aid*, which you did with McKinsey, which has been widely praised. How could DFID best help you further?

Nicola Cobbold: We work closely with DFID and very much welcome partnership with them. You mentioned McKinsey. We did a big piece of work last year with McKinsey where we tried to identify what the potential is for the private sector and how it can help to rebalance the economy, taking some of the burden from the PA. We worked with the private sector and McKinsey to devise a programme to create 370,000 jobs between now and 2030. We focused on five sectors. Most of that can be driven by the private sector, but there are enablers in there that do certainly need help, both from the PA and from the donors.

We have put forward four specific areas where we would welcome DFID engagement and involvement. One is a private-sector grant facility whereby a fund in the region of \$150 million could leverage in \$1 billion in private-sector investment, which could transform the economy. It would help donors work better together and could help cover some of the development costs of major programmes in order to really boost job creation in a sustainable way. We have also been looking at public-private partnerships. If you look at some of the work that needs to be done in some of the sectors in particular—water, energy and waste management—there is a real need for public-private partnerships but there is no experience on the ground, and clearly the British Government has a great deal of experience in this area.

Q96 Sir Peter Luff: So it is expertise that you are primarily looking for.

Nicola Cobbold: This is expertise. Infrastructure UK have a record—I think they have particularly worked in Vietnam—of taking and transforming and doing training and helping develop regulation and best practice, and we very much welcome the opportunity to work with DFID and Infrastructure UK in Palestine to do exactly the same in a very targeted manner and approach.

This is a very mundane issue but quite an important one: human capital development is very important. We were running a programme where we were bringing in Palestinian middle management to get two weeks' experience in companies here in the UK, and it came to a grinding halt because we could not find an appropriate visa for these people to come. Originally they were coming under business visas and then UKBA said, "Actually, we think they should be internship visas, even though they are paid by their host companies," and it came to a halt. We would welcome a cross-Government look at this. It is a very simple, no-cost process, but it would enable a very fast and efficient transfer of skills to Palestinians on the ground, which would be very important.

The fourth area is development impact bonds. On the Israeli side of our work, we are doing a lot of work in social investment. DFID have taken a lead in the process of development impact bonds, which is a new mechanism of bringing aid. It is outcome-

based. You have private and institutional investors paying up front for the delivery of services, usually by not-for-profits but it could be by for-profits, to deal with social issues—it could be recidivism; it could be homelessness. In Palestine we are looking at the reduction of type 2 diabetes, and training to enable people to work in the IT sector. Depending on the results, normally Governments but in this case potentially donors could pay out on the results, and therefore you shift the risk to the private sector, you achieve better social returns, investors receive social and financial returns, and hopefully you start to really deal with some social issues in a meaningful way. DFID have taken the lead with a working group with the World Bank, the Bill and Melinda Gates Foundation and others in looking at developing a development impact bond in Uganda for the eradication of Rhodesian sleeping sickness, and we would welcome DFID engagement in trying to develop some development impact bonds in Palestine.

Q97 Sir Peter Luff: Have you had any indication of the response to those various requests?

Nicola Cobbold: Yes. We are working closely with DFID. We are exploring the Palestinian grant leveraging facility carefully with them, and the public-private partnership as well. The development impact bond has a bit further to go; there is no expertise on the ground in the Jerusalem office there, but we are in discussion with them. On the visa, as an interim basis, the British Council have agreed to sponsor the programme and create a tier 5 sponsorship bond for us to enable the programme to go, but it remains expensive, so we would still welcome some cross-Government support in trying to resolve this issue.

Q98 Sir Peter Luff: You mentioned the Jerusalem office there. Without pre-judging our report, we were impressed by what we saw of the team in Jerusalem. They told us a lot about the Palestinian Market Development Programme. What is your view of that programme?

Nicola Cobbold: It is a very good programme. It is very targeted and focused. They are looking at trying to help the private sector become more innovative and encouraging them to invest. My one argument might be scale: it is a very small programme, and it is a very small amount of DFID money as a percentage of the total aid being given by DFID. The Palestinian grant leveraging facility that I mentioned in essence is very similar. It is a 15% grant, as opposed to matching funding, which is what the DFID programme is, to really encourage major investment and encourage potential investors to really transform the landscape. It is a very good programme but we would welcome the opportunity to see that scaled up, perhaps through the grant leveraging facility.

Q99 Sir Peter Luff: Without going into the problems in Area C, which colleagues will turn to a little later in the questioning, I was struck by the number of problems, obstacles or irritants put in the way of Palestinian economic development by apparently petty Israeli requirements—for example, the lack of availability of 3G in the Palestinian Territories unless you buy an Israeli SIM card, when you can get it; some of the problems in the banking sector and transferring cash; and the high price for electricity because there is a monopoly supplier from Israel. Are these genuine security problems? How important are they in inhibiting the development of the Palestinian economy?

Nicola Cobbold: There are clearly a number of restrictions that exist. I am sure some are genuine security problems; I suspect some are probably not genuine security problems. What we try to do is focus on what you can do in the circumstances. What can be done? Where are the gaps? What can the private sector drive and achieve none the less? Our colleagues at the Office of the Quartet Representative are trying to address the specific issues you have raised and trying to resolve some of those.

Q100 Sir Peter Luff: But your work would be easier if some of these problems could be addressed.

Nicola Cobbold: Unquestionably. The *Beyond Aid* report and initiative is all about what the private sector can do and drive with some enablers and with some donors. Exactly the same analysis has been used for the Initiative for the Palestinian Economy, which is being driven by the Office of the Quartet Representative and also relies on the lifting of some of the restrictions that you have just mentioned. That would move the dial much faster; there is no question.

Q101 Sir Peter Luff: While we were in Hebron, we heard about the Dutch Government's PSOM programme providing finance to Dutch organisations to invest in Palestinian companies. Is that an idea that the UK Government should look at?

Nicola Cobbold: I am afraid I do not know the programme at all, but yes, certainly. In the *Beyond Aid* report, which you probably all have a copy of, there are a number of investable projects and we would welcome investment by UK companies.

Q102 Sir Peter Luff: Anything you can do to help exports from Gaza, which is getting increasingly problematic?

Nicola Cobbold: Gaza is not an area we have really successfully operated in. As you rightly acknowledge, we work with the private sector, and clearly it is very difficult for the private sector to operate. I suspect my colleagues may be better able to answer those questions. Again, it is an area of expertise for organisations like the Quartet Representative.

Yossi Mekelberg: Let me say something that refers to both health and the economy. As long as there is no freedom of movement, as long as there is some arbitrary decision or "irritant", as you call it—irritants are not policies, meaning here and there someone decides, sometimes on a very local level and sometimes on a much higher level—it is very difficult to deal with all of these humanitarian issues and develop the economy. For instance, health is, as you know, not only about getting to medical help; it is about sanitation; it is about access to water. In Area C there are places where Palestinians have access to only 20% of the water that settlers have. If you do not have access to water, there is no freedom of movement and it takes, for instance, much longer to get to hospital or any medical treatment; the effect is political. With Gaza specifically, at times it looks like they are not really security issues. Israel has legitimate security concerns, but sometimes you wonder if it is more political than security.

Q103 Sir Peter Luff: Or economic?

Yossi Mekelberg: More political than economic.

Sir Peter Luff: Than security.

Yossi Mekelberg: Let me rephrase. The reasons for doing that are political—to weaken Hamas—rather than real security. That is what I meant; sorry if I misunderstood.

Sir Peter Luff: It is okay. Thank you.

Q104 Chair: If it weakens Hamas in favour of Islamic Jihad, it does not even benefit Israel, does it?

Yossi Mekelberg: Of course; then it radicalises the others and it gives more fuel to the one that resists the occupation—but within the idea that Hamas is the big enemy. Sometimes, putting this economic pressure on Gaza is supposed not to deal with security: when they say, “We will not let people and goods move out of Gaza,” it has more to do with the relationship with Hamas than with security. For instance, there is the issue—you mentioned the Netherlands—of the scanner. I tried to find out if, for instance, they prevent the use of it for security reasons or because there are not enough—because there are capacity issues. It is very difficult to get a straightforward answer about if the scanner is there or if there is a need for more of them. For the Palestinians, the movement of people and commodities to the West Bank and Israel is paramount, and it affects what happens economically.

Israel allows the export of goods, which means some of these commodities move through Israel to the ports in Ashdod and in other places, but will not let them go through the West Bank. They do not like people from the West Bank and Gaza to meet. This is more political, it seems to me, than pure security. This affects all this kind of development if you do not have a certain level of activity that derives from people moving from one place to another and they cannot use cellular phones or technology generally. Even the Defence Minister, Ya’alon, said at one point or another it is very important to have some economic activity in Gaza, because otherwise there will be disaster, but the military, which he is in charge of, does exactly the opposite.

Just a small anecdote: there is a marathon athlete who wants to compete in the West Bank and is from Gaza. They say it is not a humanitarian issue and he is not allowed to compete in the West Bank. I hear about 53 kids who want to compete in a musical competition in Jerusalem, and still there is a debate between the security forces and others about whether they are allowed to participate in the competition. This is mundane. It cannot be seen as a real security issue. You really wonder whether it is some more punishment of some sort for having Hamas in Gaza or it is a real security issue.

Q105 Chair: They refer to Gaza as a terrorist entity, which seems to justify anything.

Yossi Mekelberg: If you define it as a terrorist entity. The fact that the Government of Gaza, or Hamas, is regarded—this is also something that needs to be addressed at one point or another—as a terrorist entity does not mean that all the people that live in Gaza are terrorists and have to be punished for it. That is a different issue.

Q106 Chair: We were not able to visit Gaza. Hamas were quite happy to let us in but the Israeli authorities were not. We got to the Erez crossing, which is a huge deserted

building with hardly anybody going in or out of it—in fact, movement is non-existent apart from a few limited specialist categories. What can the UK Government usefully do in that context? It was suggested to us that the Israeli authorities were putting a straitjacket on Gaza right up to the point of not having a humanitarian disaster, but anything that fell short of a humanitarian disaster Israel regarded as justified. As you say, is it security or is it collective punishment? What we were told was support for Hamas has withered away, but it has not gone to Fatah; it is going to Islamic Jihad. Is there any sort of rationale whereby you can persuade Israel that what they are doing is intensifying the problem?

Yossi Mekelberg: Israel has legitimate security concerns, whether it is the rockets that are launched at Israel or whether it is letting suicide bombers cross. Those are all legitimate security concerns that Israel has the right to highlight. Between this and the policies that Israel takes there is a huge gap. That is why I think the international community should help Israel with the security issues but, at the same time, just keeping it above a humanitarian disaster is not good enough. People in Gaza deserve just to live, not to suffer from—

Q107 Chair: The information we got in terms of what they are doing was that it is heading for humanitarian disaster. The aquifer is becoming increasingly polluted and saline and not usable; the power plant is not functioning and yet a connection that could easily be provided from Israel is not being mooted; there are indications that the gas programme might be disrupted, which could be helpful; and the power plant is dependent on cash from Qatar, for all the wrong reasons from Israel's point of view. Is there not a realistic possibility that Gaza could become, as one group said to us, uninhabitable within the space of about 18 months?

Yossi Mekelberg: We are on the verge of it. Another round of violence might make it even worse. The message from the international community should be very clear: to differentiate between the legitimate security concerns of Israel and the infliction of all this misery on the Palestinians. Sometimes there are 12 or 14 hours of power cuts there, which affects, again, health and hospitals. You mentioned sanitation—all of this. We need, with donors' money, to ensure that they are functioning but, whatever happens, they are not then destroyed or harmed by any military operation.

Q108 Chair: We had a Skype exchange with three young businessmen in Gaza—that is the best we could do—who were saying first of all you had to adjust your working practices to when the power was on, so you had to work 16 hours when it was on through the night and then catch up on your sleep during the day, or whatever. When they did any international business it was very difficult to do it, because they could not get out of Gaza to meet clients; it could only be done through the internet, and they could not then get the payment through, because Israel controlled the supply of money. You could do a deal and then you would not get your money in. There are a whole variety of things that seem to undermine day-to-day practicalities.

Yossi Mekelberg: Yes, but for them the most important thing is to trade with Israel and the West Bank, more than exporting beyond Israel.

Chair: That is what they want to do, yes.

Yossi Mekelberg: Trading within Israel, the West Bank and Gaza is the shortest route for so-called export.

Q109 Mr McCann: We have touched on Area C already, and it took a lot of our focus when we visited the Occupied Palestinian Territories just a few weeks ago. The World Bank estimates that if the Palestinian Authority was responsible for Area C it could generate \$3.4 billion for the economy, which would in turn mean that we would not have to give the Palestinian Authority any aid. But Israeli settlements expand and Israeli settlements get preferential access to resources like water at, we understand, cheaper prices, and the Palestinians have huge difficulty in securing construction permits. I have visited Sderot. We were talking about Gaza a few minutes ago. I have seen the rockets that are fired and I know that the people there have got 17 seconds to take cover. But on the issue of security, is there any justification for the refusal of construction permits to Palestinians on the grounds of security in Area C? Yossi, it would be good to hear from you first.

Yossi Mekelberg: First of all, yes, the people of Sderot deserve to live without the threat of Qassam or any other rockets, and the Iron Dome, all in all, does the job. But as for construction, of course it interferes with the economy if there is no construction. In Gaza alone, there is a shortage of 71,000 housing units.

Q110 Mr McCann: But I am differentiating between Gaza and Area C in terms of construction here.

Yossi Mekelberg: A lot of people refer to Areas A, B and C like they are the same area. Area C is 61% of the West Bank, so it is the majority of the West Bank. It is not confined to one area; it engulfs all the other areas, which means that Israel is in complete control of the West Bank and, as you mentioned, the resources. In Area C specifically, people are subject to house demolition and do not have access to construction material, and so on and so forth. There is a new report. We used to think there were around 180,000 people living there; it seems, according to a new UN OCHA report, there are 300,000 Palestinians living in Area C, so it is more populated by Palestinians than people used to believe, which means they are all isolated and disconnected from economic activity and from access to resources while they do not, as such, pose any threat.

Tony Laurance: I do not see how the demolition of Bedouin structures—of cisterns, tanks, tents and so on—can be regarded as a security issue under any sort of assessment. That is just a minor example of what is going on quite frequently and systematically in Area C. As soon as any structure is built, it is liable to be demolished because you cannot get planning permissions and now, quite often, the replacement structures that are provided by the humanitarian community are also demolished. We recognise there are security concerns, but security tends to be used as a blanket justification for a policy that clearly has other aims.

Q111 Mr McCann: Tony, can I interrupt you there? I really want to get into the heart of this point. We went to E1. We stood with a Bedouin community that had been demolished; they were living in plywood structures with plastic over the top. On the hills on either side there were Israeli settlements where I think the Planning Minister—

Sir Peter Luff: The Housing Minister.

Mr McCann: The Housing Minister—there is an irony. The Housing Minister lived in one of those settlements. I can understand why the people of Sderot feel that they have a security threat from Gaza, because I have seen the hardware that has been fired in there, and I know and can understand the fear of those people who live there. I cannot understand the security fear of people in Israel worrying that they are going to be attacked by a Bedouin community that has some goats at the bottom of a hillside. I am just trying to get a handle on what the security threat is from the Israelis' perspective from that area.

Tony Laurance: I do not believe there is a security threat from that area. In so far as there are any security threats, they are concerned about securing the border with Jordan and they are concerned, if there ever were a Palestinian state, about whether it might take on the shape or form of Gaza, if I can put it that bluntly. Really, what is going on in Area C is a desire to take over, for the settlers and others, the land and the resources and so on. That is what is happening. You cannot be there and watch it going on without coming to any other explanation of it.

Yossi Mekelberg: It is a secondary—as the Israelis would put it—security threat vis-à-vis the settlers. Israel created the problem of the settlers and the settlements, which they themselves do not know what to do with. If you read the news today, the settlers attacked Israeli policemen just this morning. As a result, it is more defending Israel proper. There might be, as I assume, local security issues with certain cells in Area C, as in other places. However, there is no strategic threat coming from Area C to Israel proper. It might be more localised. As a result, if the consequence of this is to punish the entire population, no one can justify it, and they should not justify it.

Q112 Mr McCann: One of the issues that we heard a lot about was that much of the land is unregistered and therefore it is designated “state land”. In other programmes DFID helps governance arrangements by helping the Governments of countries—Ethiopia is one we went to in recent times—in the registration of land.

Chair: And in Rwanda.

Mr McCann: In Rwanda as well, yes. Do you think that DFID should provide that tangible support for the registration of land in the Occupied Palestinian Territories? I am seeing a big nod from Nicola.

Nicola Cobbold: Absolutely. Land registration is a major issue in order for development to continue. Quite aside from the Area C issues, it is very difficult for private developers to develop on unregistered land, because you cannot get the title. That is a critical area. In fact, one of the enablers we identify in our *Beyond Aid* report is land registration. If DFID are able to work with the PA on focusing on dealing with this issue, that would be tremendous.

Q113 Mr McCann: Can I ask two final questions? The first is on the expansion of settlements—it has been suggested that their expansion will mean that there are more settlers in the West Bank than there are Palestinians—and the impact that would have on the negotiations, in whatever state they are today, in the future. Do you think that is a real threat?

Tony Laurance: They are some way off that total at the moment. There are about 500,000 settlers compared with 2.4 million Palestinians. One does get the sense sometimes that

there is a demographic race going on, which is not desirable for either side. The settler enterprise is illegal and deeply counterproductive to any possibility of a just and fair solution, which is what we are all looking for. It is very sad, to put it mildly, that settlement activity goes on even as the negotiation process continues.

Yossi Mekelberg: One of the main obstacles for the peace agreement is settlements. Without the settlements—they are half a million people; you mentioned E1, and there are isolated settlements—any peace agreement would have been easier to reach than the conditions right now on the ground. Practically you need to differentiate between the settlements that are designated to be part of Israel in any peace agreement and those that will be within the Palestinian state, because there will be some swap of lands, as anyone would expect. But there is an element of provocation in expanding settlements while you negotiate peace.

In many ways, for the Palestinians it is a symbol of the occupation every time they see the cranes, the new roofs, the swimming pools and what have you. There is an element of provocation—of symbolism—in telling the Palestinians and John Kerry, as the Housing Minister, Uri Ariel, did only last week, recycling something that had already been declared at least once, “We will keep expanding settlements.” Physically, if we are looking for a viable Palestinian state, the more settlers, the more difficult it is to have a viable Palestinian state. This is a very small piece of land between the Jordan River and the Mediterranean Sea. If both sides believe that the way forward is a two-state solution—if the Israeli Government believes in a two-state solution, which I doubt—then the expansion of settlements is counterproductive. As Tony says, it is illegal. Politically, it is a constant hurdle, or barrier, to achieving any peace agreement.

Q114 Mr McCann: You will forgive me; some of these questions might seem fairly obvious, but it is still useful to get the evidence placed on the record. My final question is about Area C. We have already heard from the Chairman about the aquifer that runs under Gaza, but we heard from the Palestinian Authority that the water from the aquifer that is under the West Bank gets extracted by the Israelis and then sold back to the Palestinians at a higher price. We were told that higher quantities of water were available to the settlers at a cheaper price, and about the impact that that would have on the future of those resources for the Palestinian Authority. How worried are you about the extraction of the natural resources and what appears to be the lack of any structural work to ensure that those resources will remain there? Is it true to say that the Palestinians are having to pay more for those resources despite the fact that those resources are under their own land?

Yossi Mekelberg: I am not an expert on water, but, according to the interim agreement of 1995, there is an agreement about water and the division of water through which Israel sells the water to the Palestinians. The reality is that if the economy grows, it means that there is more pressure on the resources—that is what happens—which means they need to produce new sources of water. The technology is there. It costs quite a bit of money but not as much as it used to, and Israel is quite advanced; the technology is there if they would like it. Fighting over the same resources will not be useful; more and more projects should be about creating new sources—more desalination and sanitisation—of water.

Tony Laurance: Meanwhile, there is no question that control over resources is a key part of the negotiation process. Water is a scarce resource. What you say about control over it

currently and its disproportionate supply to settlers and Israel as compared with the Palestinians is definitely correct. I am not too sure about the pricing side of it, but certainly I have heard those statements before.

Q115 Chair: That was with commercial settlements, but we were looking at rural settlements. In one particular settlement we visited, the Palestinian we were talking to was able to point at land that belonged to him, as far as he was concerned—it had been farmed by his family—but that he was denied access to. To add insult to injury, on that land was his water supply, which had been piped to a nearby settlement across his land, which he did not have access to, for which he got no payment. At the same time, on the other side of the road, in front of us, the Committee, standing on the road, saw a JCB digging up crops that had been planted by the Palestinians, supervised by the Israeli Defense Forces, right in front of our eyes. We filmed it. It is difficult, really, to see what the security issues are when you look at that. In fact, anybody who goes to Hebron itself, where we are talking about 400 or so settlers and 180,000 Palestinians, and walks down the street will see two things. First, in the part of the settlement that the Palestinians are prevented from getting access to, there are banners posted on the wall saying, “Palestine never existed and never will”—a message to the 180,000 Palestinians from the 400 settlers. When we asked the Israeli authorities why these were allowed, they said, “People have the right to free expression.” One would have thought they might have been taken down. Then you go into the sort of synthetic market, to be honest, that has been created in the old city, which is all very attractive, but it is too far away for most people to be a very viable commercial market, and the netting where the settlers are tossing missiles down.

Sir Peter Luff: Missiles? Objects.

Chair: Well, a brick, a bottle—whatever you would call it in that sense.

Tony Laurance: I do not think it is too far away to be a viable market; it is because of the settler presence that it is no longer viable as a market.

Chair: Yes, but this brick had been thrown down on to the marketplace by a settler standing beside an Israeli defence post, who watched.

Yossi Mekelberg: Did you ask the Israelis if the Palestinians have the same right of expression as the settlers?

Chair: I just described what we saw, and that is what we were supposed to see and hear, I guess, from both sides. The point is: what can organisations like DFID and donors do to try to address this? The Israeli authorities say, “We do not approve of the settlers,” but they do not do anything about them.

Tony Laurance: At the end of the day, what can one say except “ratchet up the political pressure”? I do feel that it is making a difference. There have been some notable events over the past 12 months that have really hurt Israel. One was Trading Away Peace and the other was the decision about scientific grants and so on. When Europe takes a stand on some of these settlement issues, it matters. Israel cares. They care about being part of the Western, developed, democratic world.

Q116 Mr McCann: Forgive me for interrupting, Chair, but the point that you made earlier was extremely important for me. When people are walking about in Tel Aviv and they have got no concept or clue what is going on miles away from where they are, then how is it possibly going to change the Israeli mindset?

Tony Laurant: Exactly. It is a while since I read them, but there are some quite surprising and encouraging polls about what the silent majority of Israel wants to see, but they are disconnected from all of that. The economy is doing fine; the wall and the security apparatus around Palestine have “maintained the peace” so far as they are concerned. Their sons and daughters have to serve in the army and they do not like that one little bit, but that is the equation that has got to change. Opinion here and in Europe and elsewhere is shifting, and the Government can do its bit to continue that shift and to continue to point out that Israel’s policies are not acceptable.

Chair: We do understand the genuine security issues, the right of Israel to survive and the right of Israel to defend and protect itself, and I am sure our report will make that abundantly clear, but quite a lot of these issues are not about security and they do not seem to be about trying to achieve peace. When it appears that either side is not serious about peace, there have to be consequences, because, as you pointed out, Tony, we are all paying for it. We have paid for it for decades; for how many more decades can we do it if there is not a serious degree of progress? That is the dilemma for our Committee to solve.

I said we would have to finish at 11.45 and I am afraid we really do, because we are going to lose our quorum, but I want to thank you very much indeed for coming in. It was a really helpful exchange of views and evidence. Also, as I say to everybody, if there are any further thoughts you have on the basis of the discussion we have had and you want to feed them back to us, please feel free to do so; we would be happy to take them on board. Thank you very much indeed. Please excuse me if I just rush off.