oPt Humanitarian Fund Concept Note

9 June 2017

I. Humanitarian context in the country

The humanitarian context of the oPt is unique amongst today's humanitarian crises and remains directly tied to the impact of Occupation, now in its 50th year, resulting in a protracted protection crisis. The first challenge is the continuing need for protection measures for at least 1.8 million Palestinians experiencing, or at risk of, conflict and violence, displacement and denial of access to livelihoods, among other threats. Second, is the need to ensure delivery of essential services such as water and health care for the most acutely vulnerable households, currently denied or restricted in access. Third is the need to support vulnerable households to better cope with the prolonged nature of the humanitarian crisis and the recurrent cycle of shocks, natural and manmade. These dynamics are significantly magnified in the Gaza context by the ten-year long blockade, imposed by Israel citing security concerns after the takeover of Gaza by Hamas, and three major escalations of hostilities in six years: combined, these factors have devastated public infrastructure, disrupted the delivery of basic services and undermined already vulnerable living conditions. Across the oPt, one in two Palestinians, or roughly two million people, need some form of humanitarian assistance in 2017.

Although the August 2014 ceasefire continues to hold in the Gaza Strip and some advances have been made on the movement of goods and on reconstruction, the situation remains dire. Only 3,917 out of the destroyed 11,000 housing units have been reconstructed, although work on an additional 1,820 is underway. Over 35,000 remain displaced with negative consequences for access to services and livelihoods.[1] The World Bank estimates that $1.6 billion of the $3.5 billion pledged for Gaza at the October 2014 Cairo conference have been disbursed and that "GDP losses in Gaza, since the blockade of 2007, are above 50 per cent - in addition to large welfare losses."[2] [3] Unemployment, at 42 per cent, is more than twice as high as in the West Bank while youth unemployment in Gaza currently stands at 58 per cent.

Since April 2017, the Gaza Strip has entered a precarious and high-risk stage, fueled by two nearly simultaneous events: the shut-down of the Gaza's sole Power Plant and the reduction in the salaries of public employees paid by the Palestinian Authority. Electricity deficits increased dramatically, the delivery of basic services was severely undermined, and an already frail economy was further threatened, risking to push high levels of food insecurity, poverty and unemployment even higher.

The Energy Crisis

While electricity deficits have been ongoing for nearly a decade to varying degrees, the situation has steadily deteriorated since June 2013 when the Egyptian-subsidized (smuggled) fuel used to operate the Gaza Power Plant (GPP) - the second largest provider of electricity to Gaza - ceased to be available.

[1] Shelter Cluster factsheet, January 2017
[2] World Bank, Economic Monitoring Report to the Ad Hoc Liaison Committee, 19 September 2016, p.5.
[3] Ibid, p.7.

The resulting rise in fuel expenditures and political impasse between Gaza and Ramallah over fuel tax and revenue issues has forced the GPP to operate only two of its four power-generating turbines. On 16 April 2017, the situation reached a critical point after the GPP exhausted all fuel reserves that had been funded by the states of Qatar and Turkey during the previous months. The supply of electricity purchased from Israel (up to 120 MW) and Egypt (approximately 25 MW) has also been repeatedly disrupted. Since mid-April, when the GPP shut down, only about 205 MW (32 per cent) of the total demand of 450 MW is available. To cope with the shortages, the Gaza Electricity Distribution Company (GEDCO) has been implementing an electricity rationing system, entailing rolling power cuts of 12 to 16 hours per day on average across the enclave.

The energy situation remains poised to deteriorate further. In April and May 2017, the Government of Palestine in Ramallah indicated to the Government of Israel that it would reduce its payments for the Israeli-provided electricity lines, providing only 70 per cent of the previous costs. Accordingly, the Israel Coordinator for Government Activities in the Territories (COGAT) has indicated that the amount of electricity provided to Gaza would be reduced to 70 per cent of previous totals (i.e. from 120 MW to 84 MW).

Humanitarian Impact of the Energy Crisis

Since the GPP shut down in April 2017, basic health, water and sanitation, and solid waste services have been reduced. In the health sector, there has been an 80 per cent reduction in supporting services like cleaning, catering and sterilization. Potentially thousands of elective surgeries have been postponed while other patients are released prematurely after the completion of their surgeries, raising associated post-operative risks.

In terms of water services, desalination plants reduced operations to just 15 per cent of their capacity. Piped water is supplied to houses for just six to eight hours every four days. Some 100,000 cubic meters of raw and poorly treated sewage is discharged to the Mediterranean Sea every day – the equivalent of 40 Olympic-sized swimming pools of sewage.

Livelihoods are also being affected, with an over 65 per cent increase in price of irrigation water and a related significant decrease in frequency of irrigation and a 15-25 per cent increase in prices of fresh vegetables at local markets. The three largest fishing farms are also at risk, due to potential collapse of oxygenation systems; increase in fish prices at local market.

To prevent the full collapse of these critical services, the international community assists with the provision of **emergency fuel supplies** to the most vital, life-saving health, WASH, and municipal facilities. The aims of this emergency fuel provision are to: maintain critical hospital/health services; ensure clean drinking water, prevent raw sewage from overflowing into the streets, allow some treatment of waste water; and ensure adequate solid waste management. Some 186 critical facilities have been identified, including: 32 in the health sector, 124 in the water and wastewater sector, and 30 in the solid waste management sector. These facilities provide 1.44 million people with solid waste management services; 1.27 million people with critical health services; and at least 910,000 people with water and wastewater services.

If emergency fuel were to be unavailable, the impacts would be catastrophic. Some 51 surgical and obstetric operation theatres, 5 haemodialysis centers, and emergency departments with almost 4,000 patients daily would close. Some 113 newborns in neonatal intensive care units, 100 patients in intensive care units, and over 650 patients receiving hemodialysis would lose life-saving treatment. Some 55 waste water treatment sites would be at risk of sewage overflow/flooding; the risk of

waterborne diseases would increase; and 1,700 tons of solid waste would not be collected. Piped water supplied for only few hours once a week and families would have to increase on (often unclean) tankered water for domestic use.

Humanitarian situation, access and movement restrictions increase in 2017

This highly precarious situation is further exacerbated by an increase in movement restrictions in 2017. In April 2017, more than 42 per cent of the 1,980 patient applications for an Israeli permit to leave Gaza for medical treatment were denied (3 per cent) or delayed (39 per cent). Business people have also been affected by the reduced access to the Erez crossing, with almost half of those who held Israeli-issued permits having had their permits cancelled or not renewed. The permit approval rate for Gaza-based UN staff during May was 24 per cent, far below the average rates displayed during 2014 (74 per cent) and 2015 (77 per cent). The rate of UN-staff permit requests pending with the Israeli government has increased considerably since January 2017, from 4 per cent to 71 per cent in May 2017. The Rafah crossing to Egypt has remained closed for all but 10 days in 2017 (January to April), leaving some 20,000 people waiting to cross.

Humanitarian space in Gaza and the movement of humanitarian staff have also been negatively impacted by restrictions imposed by the *de facto* authorities in Gaza. A severe internal closure was imposed from 26 March to 6 April, preventing 117 patients from crossing out to Israel and the West Bank for critical medical services. Fisherman were not permitted to go to sea. Civilians – including humanitarian staff, particularly Palestinian staff and INGO staff – were restricted from entering and leaving Gaza via Erez. INGO humanitarian activities were restricted in border areas.

II. Supporting Gaza via the oPt Humanitarian Fund

Donors that are interested to support the growing humanitarian needs in the Gaza Strip are encouraged to channel their donations to the oPt Humanitarian Fund (HF). The HF is an OCHA-managed country-based pooled fund under the leadership of the Humanitarian Coordinator. The aim of the HF is two-fold: first, to provide funding towards strategic needs of the humanitarian operation in the oPt, in support of the inter-agency Humanitarian Response Plan, and second, to provide rapid and flexible allocations in the event of unforeseen circumstances and emergencies. The former is accomplished through a twice-yearly "standard allocation" and the latter is financed from a special reserve set aside for unforeseen developments (hence referred to as a "reserve allocation").

Donations to the HF cannot be earmarked, however, donors wishing to contribute towards the myriad of deepening needs brought on by the current and growing crisis could indicate an interest to contribute towards 'assisting the deteriorating situation in Gaza'. This would enable the Humanitarian Coordinator to open a reserve allocation for Gaza and to channel new contributions to that allocation.

The comparative advantage of channeling funding via the HF is flexibility. It enables the Humanitarian Coordinator to direct funding where it is needed most at the moment, within the parameters of the allocation strategy, keeping pace with the fast-changing dynamics of the Gaza crisis.

The ultimate decision on the use of any and all contributions to the HF remains with the Humanitarian Coordinator, as stipulated in OCHA's global operational manual on country-based pooled funds. The Humanitarian Coordinator is authorized to determine the timeframe and grant amounts, guided by the partner risk level, as outlined in the manual. Once authorized, funds will be disbursed within 10

working days. Additional details on the global technical guidelines can be read on OCHA oPt's website (https://www.ochaopt.org/content/opt-humanitarian-fund).

III. oPt Humanitarian Fund: Background, Purpose and Structure

Country Based Pooled Funds (CBPF) such as the oPt HF enable humanitarian partners operating in countries affected by natural disasters and armed conflict to deliver timely and effective life-saving assistance to people who need it most. They allow donors to pool their contributions in support of a particular emergency and for allocation under the direction of the Humanitarian Coordinator.

A. HOW CBPFs WORK

CBPFs are established by the UN Emergency Relief Coordinator (ERC) when a new emergency occurs or when an existing humanitarian situation deteriorates. In oPt, the HF was established in 2007 in response to two sudden emergencies in the oPt, the Avian Flu outbreak which swept the oPt and Israel in 2006, and the flood from the Beit Lahia sewage plant in the Gaza Strip which killed five people and displaced thousands more. CBPFs are managed locally by the Humanitarian Coordinator (HC) in consultation with the humanitarian community. Contributions—mainly from Governments—are collected into single, unearmarked funds to support local humanitarian efforts. The fund is primarily aligned to support the delivery of strategic humanitarian response identified under Humanitarian Response Plan while retaining the flexibility to allocate funds to unforeseen events or special requirements through an inclusive and transparent process.

B. oPt HF MANAGEMENT

oPt HF is locally managed by the UN Office for the Coordination of Humanitarian Affairs (OCHA) under the leadership of the HC. An Advisory Board oversees the management of oPt HF, providing advice on key decisions, and ensuring that they are efficiently and effectively managed in compliance with policies and standards. At the global level, the Pooled Fund Working Group brings together key stakeholders (representing donors, NGOs and UN agencies) to provide policy guidance. OCHA's Funding Coordination Section in its New York headquarters provides support and guidance to OCHA country offices and HCs on matters related to management of CBPFs including policy, operations, finance and administration, and oversight and compliance.

C. oPt HF OBJECTIVES

The oPt HF has five main objectives. These are:

i. Support life-saving and life-sustaining activities while filling critical funding gaps;
ii. Promote needs-based assistance in accordance with humanitarian principles;
iii. Strengthen coordination and leadership primarily through the function of the HC and by leveraging the cluster system;
iv. Improve the relevance and coherence of humanitarian response by strategically funding priorities as identified under the Humanitarian Response Plan (HRP);
v. Expand the delivery of assistance in hard-to-reach areas by partnering with national and international NGOs.

Further, the oPt HF aims to ensure that humanitarian needs are addressed in a collaborative manner, fostering cooperation and coordination within and between clusters and humanitarian organizations.

As such, the oPt HF contributes to improving needs assessments, enhancing the HRP as the strategic planning document for humanitarian action, strengthening coordination mechanisms, the cluster system, and improving accountability through an enhanced monitoring and reporting framework.

Interventions supported by the oPt HF are to be consistent with the core humanitarian principles of humanity, neutrality, impartiality and independence.

D. FUND RECIPIENTS

Funding from oPt HF is directly available to UN agencies, national and international NGOs and Red Cross/Red Crescent organizations. In 2016, oPt allocated more than $8 million to 19 partners to support 29 critical humanitarian projects. These projects targeted 536,000 beneficiaries with healthcare, food aid, clean water, shelter and other life-saving assistance. Over 72.5 per cent of the projects were implemented by national NGOs, either directly or in partnership with international NGOs/UN agencies, making oPt HF an important source of funding for national NGOs.

IV. HOW TO CONTRIBUTE

Member States, observers and other authorities that wish to contribute to CBPFs can contact the OCHA Donor Relations Section at email: ocha.donor.relations@un.org

For general information about CBPFs, please contact Tomas de Mul in OCHA's Funding Coordination Section at demul@un.org, or visit: http://www.unocha.org/our-work/humanitarian-financing/country-based-pooled-funds-cbpfs