

# The Funding for Peace Coalition

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March 12, 2008

International Development Committee  
Committee Office,  
House of Commons,  
7 Millbank, London SW1P 3JA  
Via email: [indcom@parliament.uk](mailto:indcom@parliament.uk)

Dear Committee Members,

Subject: Humanitarian and Development Situation in the Occupied Palestinian Territories

1. The Funding for Peace Coalition (FPC) is an ad hoc group of concerned citizens, interested in peace and alarmed at the absence of adequate controls and of fundamental responsibility in the management of European aid to the Middle East.
2. Further to past submissions, we ask the Committee to please note our new website and email addresses.
3. Once again, we of the FPC commend the commission for the above inquiry. There is a clear moral imperative to assist the Palestinian people out of their current state of poverty. There is no doubt in our minds that international aid to the Palestinian people is a vital element of hope that peace can be nurtured in this troubled area of the Middle East.
4. We refer the Committee to past submissions by the FPC to IDC inquiries, and to our March 2007 submission to the House of Lords Select Committee, which is attached here for reference.
5. We note that while certain progress has been made toward peace between the Palestinian Authority and the Israelis since our last submission, several disturbing elements have remained or become severely aggravated. Aside from recent alarming statements in Arabic by the Palestinian President<sup>1</sup>, which call into question the seriousness with which the PA desires peace, violence continues to emanate from all elements of the Palestinian political scene, both internally and against Israeli citizens.
6. Of greater concern to the FPC is that there is little evidence of adequate controls and transparency over the Palestinian Authority Budget or over international aid. The situation in Gaza has spun out of control, with indications that the Hamas take-over there could very easily spill over into the West Bank. Past events have shown that pouring

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<sup>1</sup> [http://pmw.org.il/Bulletins\\_feb2008.html#b280208](http://pmw.org.il/Bulletins_feb2008.html#b280208)

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money and resources into the Abbas government will not, on their own, remedy this problem.

7. As evidence of this lack of controls, we refer committee members the recent internal report presented to the Palestinian President: "*The Investigative Committee on the Matter of the Failure of the Confrontation with the Illegal Armed Militias*", which was led by Tayeb Abdel Rahim. Amongst the catalogue of disasters, this Palestinian report details financial waste and corruption, along with government incompetence. The heart of the failings commences with the President personally, which should serve as a warning to potential Western donors.
8. Similarly, the TIM has been replaced with PEGASE, which returns to a formula of directly substituting payments for PA salaries, social benefits and other obligations with international aid funds.
9. Aside from there being no evidence of an improvement in the controls over direct aid to the Palestinian Authority that existed in the past, by paying salaries and social benefits, the international community is directly supporting the "terrorist insurance schemes" that we referred to in the past. Here, we remind the commission:
  - a. Many Palestinian terrorists have been incorporated into the PA payroll, with the payroll itself still inflated and out of control as a result.
  - b. Terrorist activity by PA employees continues, meaning that terrorist salaries are being funded by the international community. Recent examples include Fatah members Amar Taha and Ali Dandanes who shot and killed Israelis Ahikam Amihai and David Rubin near Hebron. Another example is the case of PA Security Force members – brothers Dafer and Abdullah Birham who shot Israeli civilian Ido Zoldan in December 2007. Under investigation, they implicated fellow PA National Security employee Fadi Jama of involvement in the plot.
  - c. The PA pays a raft of social benefits, largely administered by the Prisoners' Affairs department, to terrorists who have been caught or killed in the act and to their families.
  - d. While it can be argued that these various employment and social benefit schemes are designed to "keep the terrorists off the street", the FPC believes that this is a dubious moral argument. This is a *de facto* "insurance scheme", encouraging terrorism. Further, terrorists who receive these benefits and even receive amnesties in various deals to encourage peace often are involved in future terrorist activities. Specific recent examples include the brothers Ibrahim and Y'abl Mesemyia, who together with three other "pardoned" terrorists were caught on February 27<sup>th</sup> of this year, conducting a terrorist act while they were supposedly incarcerated in a PA detention facility.<sup>2</sup>
10. In addition, the funding of the education system (whether directly or via UN agencies), without insisting on significant reforms, promotes and gives added credence to the anti-peace messages being engendered in the next, impressionable generation. A clear example of this was the slaying of eight seminary students recently in Jerusalem, an act motivated by hate and celebrated joyously in the Palestinian territories.

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<sup>2</sup> <http://worldnetdaily.com/index.php?fa=PAGE.view&pageId=57466>

11. The FPC demands the same standards as applied to any other payment by central government to domestic or overseas organizations; strict transparency and accountability, ensuring beyond all reasonable doubt that the money will not be abused nor contribute to violence. Neither previously nor today can that rule be seen to be enforced. Neither political correctness nor expediency justifies the flouting of these basic laws of governance.
12. The Commission has requested specific input regarding the humanitarian situation in Gaza: The situation is very hard to judge from afar, without detailed investigation and visits not guided by vested interests. While there is clear hardship, it is difficult to judge the extent of manipulation by the Hamas regime. Firstly, there is clear evidence of Hamas manipulation of the messages being transmitted from Gaza. Photographs of candlelight demonstrations with street lights blazing, candle-light meetings with daylight peeking through drawn curtains, babies in supposedly electricity deprived incubators – while the monitor is operating, “starving” Palestinians bursting the border to Egypt bringing back luxury electrical items they have purchased etc. etc. do not inspire confidence in the reports of humanitarian crises. [It was subsequently proven that Israel temporarily reduced the electricity supply by only 1% for a few days]. And with reports of Hamas seizing humanitarian supplies to distribute to their military wing instead of distribution to the people, it is hard to estimate the real extent and causes of the hardships.
13. While the desire for open borders is clear and just, it must be balanced by the genuine security needs of Israel. The recent breach in the border with Egypt has been exploited to import advanced weaponry and foreign trained operatives, directly resulting in a significant escalation in violence against Israeli civilians, in turn resulting in retaliatory action which harms Palestinian civilians. Attacks on the border crossings themselves, as well as their exploitation of even humanitarian shipments for the smuggling of weaponry are also an obvious cause of the restrictions on free transport of goods.
14. With Israel claiming that the borders allow the passage of humanitarian supplies and with a shared border with Egypt that should also allow passage of such supplies, the only thing that can be said with certainty is that there is plenty of cash and opportunity to replenish the never-ending supply of weaponry.
15. With clear war-crimes being committed by Gazan military groups – indiscriminate shooting of rockets at civilian targets, using civilians as human shields, turning Gazan civilians into deliberate collateral damage in the event of reprisals or preventative military acts - it is very clear that it is in the power of the Palestinian people to end immediately their hardships by simply stopping these inhuman acts.
16. Having said all of the above, it is clear that UK foreign policy, which can be supported by the judicious allocation of foreign aid, must be directed in a fashion that corrects rather than exacerbates the underlying violence. To this end, we reproduce here our recommendations in this area:

*Recommendation No 1:*

Future help needs to be delivered in a transparent and accountable manner, directed towards ethically defensible projects. An independent and public monitoring system should immediately be introduced for all funds provided to the Palestinians.

It is difficult to justify pouring more resources into politicised NGOs or even UNRWA. As former UNRWA Commissioner-General, Peter Hansen, declared in 2005: *“There is no doubt that, at some point, the Palestinian Authority should take over all of UNRWA's capacity in Gaza and the West Bank.”*

Recommendation No 2:

When considering infrastructure projects, donors are advised to consider the "Pound for Pound" concept. It will also encourage the local populace to take pride in its own economic revival and not rely on long-term charity.

The alternative was exemplified when Mr Wolfensohn sought overseas investors to purchase the greenhouses in Gaza left by the Israeli settlers. Once the Israelis had ceased to protect the region, Palestinians ransacked the agricultural facilities. It can be surmised that if the investors had included local personalities, such malicious waste may not have occurred.

Recommendation No 3:

The UK / EU should consider the creation of a seed fund to co-invest in a growing number of Palestinian start-ups. The ExpoTech 2005 in Ramallah, sponsored by the Palestinian Information Technology Association, demonstrated that there are clear opportunities for investment, which will encourage both employment opportunities and long-term economic growth.

Recommendation No 4:

All investment recommendations should carry a pre-requisite of decommissioning of militias and private armies. Both in Northern Ireland and in Afghanistan, this stipulation has provided a greater sense of internal stability for the local population. It has also decreased the potential for distortions in the judicial, financial and democratic processes.

Yours faithfully,

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Spokesperson

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