



U.S. Funding Cuts to Palestine

The Impact on Programs and People



Anera Reports
on the ground in the Middle East

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ABRUPT END OF FUNDING | A TIMELINE

In an abrupt end to nearly 50 years of bipartisan support for Palestinian assistance, on August 24, 2018, the U.S. administration announced it was pulling the \$200 million in budgeted bilateral aid to Palestinians for the fiscal year. This assistance, administered by the United States Agency for International Development (USAID), is implemented by U.S. and international nongovernmental organizations, including Anera.

A week later, on August 31, the administration announced that it would cease all U.S. funding to the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), ending nearly 70 years of support. The funds had been under suspension since January, when the administration announced that they were “under review.”

In mid-September 2018, the U.S. administration halted funding of all remaining non-security assistance programs for Palestinians, including USAID projects focused on building ties between the youth of Israel and Palestine.

In the new fiscal year, the U.S. Congress again – as it had for decades – allocated bilateral aid, which the administration once again placed under review.

And, finally, in January, 2019 the American president indicated that any future U.S. aid to Palestinians was contingent upon peace negotiations.

End of Aid Accelerated by the Anti-Terrorism Clarification Act (ATCA)

Remaining aid operations in Palestine still operating on U.S.-funding from previous fiscal years came to a swift halt on January 31, 2019 as a result of the Anti-Terrorism Clarification Act, or ATCA, which took effect the following day, on February 1. Anera programs were among those affected. Congress passed and the president signed the law in October, 2018 with the stated aim of assisting American victims of international terrorism in securing, through U.S. courts, monetary damages from entities alleged to have aided and abetted terrorist attacks.

Initially given little notice, the prevailing legal interpretation of the legislation led to concern that allowing USAID-funded programs to operate in Palestine could open the Palestinian Authority to the jurisdiction of U.S. courts, where multimillion dollar lawsuits related to the second *intifada* are pending. The result on the ground was that USAID construction and other projects were terminated in order to limit any liability the Palestinian Authority might incur.

U.S. administration cuts to USAID and UNRWA combined total **more than \$500 million.**

With USAID funds, Anera built this 132,000-gallon ground water reservoir and connected it to the main pipeline in the West Bank village of Deir Abu Mash'al. Anera also installed 15 miles of new pipes and connected 650 homes to water. The 4,400 village residents now enjoy access to a steady and equitable supply of potable water all year around.



The only sports club in the village of Al-Mosadar, Gaza had to shut down after it sustained severe damage (left) during the 2014 bombings, forcing young people to play soccer and other games in the streets or other unsafe spaces. With USAID funds, Anera completely transformed the club from an abandoned, rundown space to a center of activity for the community, complete with a playing field and recreation rooms, and furnished with pool and pingpong tables as well as other amenities.



THE EFFECT OF FUNDING CUTS

USAID

USAID is one of the world's largest development agencies and, for the last two decades, had been one of the most important providers of aid to Palestine. In funding development projects around the globe, USAID deploys its resources with the stated purpose of promoting U.S. generosity and helping other nations become self-reliant.¹

USAID literature expresses the agency's aims as delivering aid in ways which:

- Improve daily life in impacted communities.
- Empower these communities to become self-sufficient and meet their own needs in the future.

Until recently, USAID administered a broad range of beneficial humanitarian and development initiatives in Gaza and West Bank. The current administration's freeze on any activities benefiting Palestinian civilians means that the millions of dollars that would have been used to help Palestinians will likely go to USAID programs in other regions.

The end of this bilateral aid has affected hundreds of thousands of Palestinians who live in vulnerable communities.

The \$200 million in USAID funding cuts have already had dramatic effects on international non-profits that provide aid to thousands of Palestinians. Catholic Relief Services, for instance, announced that the permanent cut in funding meant the number of Palestinians it supported in Gaza fell from 150,000 people in January 2018 to just 200 in October 2018, and they were forced to lay off most of their programming staff. In February, 2019, IntraHealth announced that the early termination of its USAID-funded programs would affect more than 120,000 medical patients. The closure of another program has meant that more than 1,000 breast cancer patients in Gaza no longer have access to treatment. As a result of the ATCA, even scholarships abroad for Palestinian students were abruptly terminated.

The cuts also impacted programs run by other organizations, such as International Medical Corps, CARE, Mercy Corps, Global Communities and Anera.

In January, due to U.S. cuts, the World Food Programme eliminated food aid to 27,000 Palestinians and reduced rations for another 165,000, mostly Gaza residents.²

In mid-April 2019, the USAID mission was preparing to lay off ~100 local staff in Palestine.³

Anera's USAID-Funded Work

Funding cuts to USAID have negatively affected some of Anera's largest projects and programs in the West Bank and Gaza. Since 1975, USAID has supported many of Anera's essential and sustainable long-term health, economic development and education projects for Palestinians throughout the region.

Most recently, USAID funded the \$100 million Palestinian Community Infrastructure Development (PCID) program, which provided Palestinians with improved infrastructure for water and sanitation services and aided with social assistance, education and emergency assistance. January marked PCID's seventh and final year of implementation (the program had been scheduled to end on December 31, 2019).

Anera used hundreds of contractors and directly employed 51 people for the PCID project. These **salaries supported large extended families as well as businesses and neighborhoods throughout the region.** The closing of USAID's programs in Palestine forced Anera to lay off two-thirds of its staff in Palestine.

Although bilateral USAID funding had already been cut, Anera's PCID projects continued under no-cost extensions with money from earlier fiscal years. The enactment of the ATCA legislation, however, brought that work to a close 11 months earlier than scheduled.

The USAID cuts meant Anera had to stop one project that was only partially completed, and abandon three planned projects in Gaza, including upgrades to water networks that would have provided 57,000 residents with vital access to water.

In the village of Al Jaba'a, outside of Bethlehem, Anera was in the midst of a USAID-funded \$1.4 million rehabilitation of the local school (photo left) to greatly expand its capacity, adding new learning facilities like a library and labs. Construction was only half-complete when work was suddenly halted at the end of January.

Since 2013, Anera has built vital infrastructure with USAID funding that **impacts the lives of 344,000+ Palestinians.** Work on these projects created 200,000 person days of employment, roughly the equivalent of nearly 11,000 short-term jobs – in a place where work opportunities are in short supply.



UNRWA

UNRWA was founded to care for thousands of Palestinian refugees displaced during the 1948 Arab-Israeli war. The organization's services help Palestinians meet basic needs, such as housing, health care, social services and education.

Until last year's announcement, U.S. funding supported about one-third of the \$1.1 billion UNRWA budget. The cuts threaten to have a devastating effect on the children who attend UNRWA schools, the millions of people who get health care and those who receive food assistance from the agency. If new sources of long-term funding are not found, the organization also will not be able to pay the 22,000 teachers it employs. Other nations, such as Germany, increased funding significantly to bridge funding deficit; however, obtaining adequate funding for 2019 and beyond to sustain UNRWA's programs at previous levels remains a serious challenge.

"This school has been caught in the middle. You would hope that reasonable minds would find a way to finish constructing it to allow the kids to learn."

– Anera President & CEO Sean Carroll

The difference USAID makes in people's lives



“When I run out of water, it is an emergency here. Water cannot be missed for 5 minutes in this business. Believe me!”

Mohammed El-Dosouqi is the owner of a bakery and sweet shop on a busy street in Rafah, Gaza. His day begins as he displays Palestinian treats like kanafeh, pastries and cakes that are a morning delight to passersby.

Mohammed used to buy water and fill his water tanks every two days because the area suffered from severe water shortages. He kept a long list of contact numbers for water suppliers close to hand.

“This shop is the only source of income for my family, and my parents live with me too.” Not having a regular supply of clean water was a threat to Mohammed’s shop and livelihood.

After Anera improved, with USAID funds, the water connections in Mohammed's neighborhood, he started saving money and time. “Now I only fill my tanks once a week...Having a regular supply of water is a huge relief!”

Because of USAID, 50,000 residents in the Jeneina, Mashro’a, Barazil and El-Salam areas of Rafah are now connected to a reliable source of water. Anera replaced and repaired the deteriorated and damaged water networks, reducing the water losses and improving the overall water situation and quality of life for Rafah’s residents.

Mohammed, Baker



See Odeh talking about his school renovations: anera.org/hattaschool

“Before the expansion of my school, we studied in rented storage rooms. The rooms were on a busy main road, which made focusing almost impossible. The classroom was really crowded with around 40 kids.

“The rooms were always cold, smelly and dark, because the windows were too small to let in any natural light or air. We never felt like we were learning in a proper classroom.

“But, now, we have come back to a bigger, brighter school. We have a great playground where we can play football, basketball, hide-and-seek and any other games we want. I love the new gym class and the new gym teacher.

“We have large classrooms with big windows that bring in air and sunshine. We also have a science and computer lab for the first time ever. We are learning how to use computers and get to do experiments in the science lab.”

USAID funds renovated the existing Hatta Basic Co-Educational School in the West Bank and added two additional floors. The school can now accommodate up to 400 students (up from 256), and features a new preschool, five additional classrooms, computer and science labs, a library, handicap-accessible facilities, a playground, and solar panels to make the school more energy efficient.

Odeh, 6th Grader

Examples from Anera's Palestinian Community Infrastructure Development Program



“My parents wanted me to be a doctor, a pharmacist or an engineer...but fashion design was my passion and it would have been impossible to do anything else.”

Since she was a child, Hanin has been fascinated by fashion design, but her parents were not pleased when their high achieving, straight-A daughter wanted to seriously pursue it.

Against the pleas of family and friends, Hanin studied for two years at an art school near Bethlehem and she met her husband there. He was very encouraging and supportive of Hanin’s ambitions.

“I truly believe that the only way a woman can make it – and by make it I mean be considered an equal to men in this world, in this life – is when she can first support herself, independently...Luckily, I came across a lady who works for the Dar Salah Women’s Association. I was introduced to all these other women, and looking at them was like looking into a mirror. They were all ambitious like me...Now, with the new Dar Salah Women’s Center, we are working together as a team, designing, embroidering, and selling – all under one roof as one.”

USAID funded construction of the Dar Salah Women's Center, a two-story building with a large multi-purpose training room, an embroidery room, an exhibition area, a food processing-kitchen, handicap-accessible amenities, administration offices, a fitness room, and a childcare room.

Hanin, Designer



“My children used to take bottles, jars and jugs and go fetch water for cleaning. I sometimes had piles of laundry collected for weeks. We hated waiting for our clothing to be laundered, as, sadly, we don’t have many clothes.” This was the reality for Asmahan, a long-time resident and mother in Al-Zana, Gaza.

Finding water is a daily challenge for many families in Gaza. The summer 2014 conflict exacerbated an already desperate water situation, causing damage to networks that left many communities like Asmahan's disconnected or reliant on unreliable connections. Asmahan and her neighbors often stayed up late at night waiting for water to come out of the tap. Families in her community would pay water tankers to come fill their tanks at a cost of 30 shekels (approx. \$8) each time, which is a lot of money in this impoverished area.

The water connections Anera built in Asmahan's neighborhood improved the quality of life for her and her neighbors. She smiles and says, “Now the containers are just piled up in the yard, used only for collecting rainwater. And there aren't piles of dirty laundry lying around.”

15,000 residents are now receiving reasonable quantities of water directly in their homes. USAID funded repair of the damaged water networks and replacement of old, deteriorated parts with new ones in the Al-Zana neighborhood.

Asmahan, Mother

ANERA MOVING FORWARD: HELPING HOPE FIND A WAY

While Anera's work has been affected by the U.S. funding cuts, particularly large infrastructure projects, we maintain hope for sustained efforts to assist this beautiful region. Anera retains the capacity to implement ambitious programs across sectors and maintains a list of shovel-ready projects that await funding.

The cessation of USAID mission programs in Palestine ends a productive relationship that stretches back to the 1970s. Anera and USAID have worked very successfully together to provide relief as well as sustainable, long-term health, education, and economic development in vulnerable Palestinian communities across the region and in the West Bank and Gaza.

It is important to stand up for the principle of providing aid on the basis of need, independent of political objectives or disputes. While Anera has responded to the loss of funding by appealing broadly to our supporters, only large institutional donors can fully match the impact that USAID had. The infrastructure projects that were possible under USAID are still badly needed, perhaps more so than ever in Gaza, where over a decade of blockade has left the territory crippled by unemployment, health and water crises.

Only 10 percent of people in Gaza have access to safe drinking water. Over 90 percent of households are connected to unsafe tap water where clean water once flowed. The impact on the already overburdened health system is substantial, with over a quarter of disease in Gaza water-related.

With the support of USAID, Anera's infrastructure projects have made a difference over the past decade, connecting nearly 400,000 people in Gaza to safe, reliable water or sewage networks. But for this work to continue, new institutional funders will need to step up, or the U.S. needs to renew its support, so that we can reach the many more people who remain disconnected from adequate water and sanitation networks.

USAID has also funded dozens of critically needed basic infrastructure projects in the the health and community sectors, building health facilities, parks and green spaces, libraries and sidewalks.

Strengthening the educational sector has also been a big USAID priority. Because Palestinian society is very youthful, education is critical to the future. Approximately 45 percent of the population in the West Bank and Gaza is under the age of 18. Over 16 percent of school-age children do not attend school.⁴ Many schools across the West Bank and Gaza suffer from deteriorated classrooms and facilities which not only impede student learning but are also hazardous to health. The Ministry of Education does not have sufficient funds to fully maintain or develop safe, engaging and healthy

With USAID funding since 2013, Anera

Improved access to drinking/domestic water for 140,770 people across Palestine

Installed 15 water networks

Constructed 9 water reservoirs

Built proper rainwater drainage/sewage systems in 6 communities

Renovated or constructed 7 schools, benefiting 2,037 students

Upgraded 4 internal access roads, serving 15,000 Palestinians

Renovated or constructed 3 youth centers, 2 public parks, 2 markets, 2 centers for children with disabilities, 1 women's center, 1 elderly care home and 1 health clinic

educational facilities. Even basics such as adequate sanitation and recreational facilities are lacking in many schools.

In recent years, Anera has implemented USAID-funded projects to construct, rehabilitate and expand educational facilities and youth centers, building additional classrooms and renovating existing ones, while improving and providing recreational facilities such as playgrounds and installing new sanitation facilities and water drinking units. But there is so much more to do.

The potential restoration of U.S. aid continues to be a subject of attention in the U.S. Congress. We hope to return to our longstanding and fruitful partnership with USAID in the future. In the meantime, Anera's non-USAID programs are continuing with funding from institutional and individual donors. Anera is still building schools, installing water networks, providing medicines to charitable clinics, fostering women's economic empowerment, and helping small family farmers.

Anera ensures the sustainability of projects by incorporating environmental mitigation measures and addressing the needs of women, youth and vulnerable groups. Anera works with local community leaders to identify, design and implement infrastructure projects. This cooperation helps to ensure that projects address priority needs and the community stays involved and committed.

Despite the new funding challenges, Anera stands firmly with Palestinians, envisioning a brighter future for Palestine. There is still a lot to be done in this region and, together, we can help hope find a way.

ENDNOTES

1. <https://www.usaid.gov/what-we-do>
2. [timesofisrael.com/funding-shortage-leads-to-cuts-in-un-food-aid-to-palestinians/](https://www.timesofisrael.com/funding-shortage-leads-to-cuts-in-un-food-aid-to-palestinians/) & <https://www.yahoo.com/news/u-n-world-food-programme-announces-cutbacks-food-115352763.html>
3. [npr.org/2019/04/17/714269010/u-s-aid-agency-is-preparing-to-lay-off-most-local-staff-for-palestinian-projects](https://www.npr.org/2019/04/17/714269010/u-s-aid-agency-is-preparing-to-lay-off-most-local-staff-for-palestinian-projects)
4. "H.E. Ms. Awad, Highlights The Palestinian Children's Situation On The Eve Of The Palestinian Child's Day, 05/04/2019" [pcbs.gov.ps/site/512/default.aspx?](https://www.pcbs.gov.ps/site/512/default.aspx?)

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ABOUT ANERA'S ON-THE-GROUND SERIES

The Anera on-the-ground series is designed to add a humanitarian voice to the story of life in the Middle East. With data from Anera's professional staff, people who live and work in the communities they serve, and with over 50 years of experience in the region, Anera has a unique opportunity to build a fuller understanding of what life is like for families struggling to survive within an atmosphere of severe political strife and daily turmoil.

Cover photo: Mohamed Zaanoun, photographer