

# West Bank and Gaza

## The Challenge

Recently, major developments have taken place in the West Bank/Gaza, including Israel's disengagement from Gaza and four northern West Bank settlements, Palestinian Authority (PA) control of the Egypt/Gaza Rafah border crossing, and Hamas' victory in the Parliamentary elections and strong showing in municipal elections. The possibility that Hamas, a designated Foreign Terrorist Organization, could form the next PA Government has resulted in a comprehensive interagency review of all U.S. Government assistance to ensure that USG assistance continues to reflect U.S. policy goals and is fully compliant with U.S. law. Given the short time between the elections and the publication of the Congressional Budget Justification (CBJ), it is not possible to complete the review and make any resultant program changes before submission of this document. Therefore, USAID will postpone submission of the West Bank/Gaza CBJ until the review is completed and specific changes to the program are known.

## Objectives, Sectors and Workforce

MCA Status: Currently Not Eligible

Mission Director: James Bever

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Stand Alone

<b>Program Budget (Appropriations by Account)</b>	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Development Credit Authority	0	430	0	0	N/A
Economic Support Fund	74,558	224,400	148,500	150,000	101.2%
PL 480 Title II	4,955	5,991	0	0	N/A
<b>Total</b>	<b>79,513</b>	<b>230,821</b>	<b>148,500</b>	<b>150,000</b>	<b>88.6%</b>

<b>Workforce</b>	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	15	21	22	22	46.7%
US Non Direct Hires	7	13	16	16	128.6%
Foreign Nationals	78	105	106	106	35.9%
<b>Total</b>	<b>100</b>	<b>139</b>	<b>144</b>	<b>144</b>	<b>44.0%</b>

<b>Operating Expense</b>	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,863	2,141	2,155	2,685	44.1%
Travel	299	409	278	149	-50.2%
Transportation of things	123	201	235	79	-35.8%
Rent	1,074	1,162	1,220	1,497	39.4%
Security	100	132	150	209	109.0%
Equipment	281	366	149	15	-94.7%
ICASS - Operating Expense only	597	651	712	845	41.5%
Other Operating Expense	1,116	1,017	1,002	933	-16.4%
<b>Total OE Budget</b>	<b>5,453</b>	<b>6,079</b>	<b>5,901</b>	<b>6,412</b>	<b>17.6%</b>
US direct hire salary and benefits	2,790	2,961	2,928	3,244	16.3%
Program Funded Administrative Expenses				6,160	
<b>Country Total Administrative Budget</b>				15,816	
<b>Percent of Bureau OE Total</b>				8.7%	

<b>Country Summary</b>	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	5,301	10,991	6,750	6,818
Program per All US (\$000)	3,614	6,789	3,908	3,947
Program per Position (\$000)	795	1,661	1,031	1,042
Operating Expense as % of Program Funding				4.3%
Program Funded Admin Expense as % of Total Admin				38.9%
Total Admin Expense as % of Program Funding				10.5%

## West Bank and Gaza PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Development Credit Authority	0	430	0	0
Economic Support Fund	74,558	74,400	148,500	150,000
ESF - 05 Global War on Terror & Tsunami Relief	0	150,000	0	0
PL 480 Title II	4,955	5,991	0	0
<b>Total Program Funds</b>	<b>79,513</b>	<b>230,821</b>	<b>148,500</b>	<b>150,000</b>

On January 25, 2006, the Palestinian people voted for the Palestinian Legislative Council in an electoral process that was free, fair, and secure. A new government has yet to be formed. The situation is in flux and at this time USAID cannot predict the political outlook through to 2007.

The Administration is currently reviewing all assistance programs to the West Bank and Gaza through an interagency process, taking into account the U.S. Government's (USG) interest in providing for the humanitarian well-being of the Palestinian people. USAID will ensure that our assistance program continues to reflect U.S. policy objectives and is fully compliant with U.S. law. Significant redirection is anticipated as a result of this review and the Administration will advise and consult with Congress on the outcome upon completion.

Mission Director,  
James Bever