



Intelligence and Terrorism Information Center

June 2009

**The Gaza Strip after Operation Cast Lead: The rebuilding of the civilian and military infrastructure in the Gaza Strip carried out by Hamas. At the same time, Hamas continues entrenching its control of the Gaza Strip.  
(Updated to June 2009)**



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## Overview

1. Operation Cast Lead caused severe damage to Hamas's military, security, administrative and civilian structures in the Gaza Strip, as well as to the infrastructure and public installations from or near which Hamas operated during the fighting. In the six months since the fighting ended, Hamas has made an effort to restore its internal security forces and military-terrorist wing (the Izz al-Din al-Qassam Brigades) to their previous strength and to upgrade their capabilities. At the same time, Hamas strives to control and supervise the rebuilding process, while not allowing the Palestinian Authority to gain a foothold.

2. However, in attempting to do so, Hamas has encountered basic difficulties:

i) **The internal Palestinian rivalry between Hamas and Fatah:** The rivalry did not abate after Operation Cast Lead but rather **increased**, and no real progress has been made so far at the internal Palestinian dialogue held in Cairo. The separation process between the Gaza Strip and Judea and Samaria, which intensified after Hamas took over the Gaza Strip in June 2007, continued after Operation Cast Lead. **Two separate administrative entities have taken hold**, each ruled by a different establishment, each with its own policies and economy (although funds from the Palestinian Authority continue flowing into the Gaza Strip). One of the results is a fierce struggle between Hamas and the Palestinian Authority for the generous amounts of financial aid (\$4.5 billion) promised to the Gaza Strip at the Sharm el-Sheikh conference, in effect **preventing the money** from being used to rebuild the Gaza Strip infrastructure.

ii) **Hamas's belligerent ideology and strategies have remained the same:** Hamas continues to adhere to its rigid fundamental positions, including the use of terrorism ("resistance"), refusal to recognize Israel and to accept previous agreements reached between Israel and the PLO. With regard to practical matters, Hamas continues its intransigence, for example the issue of Gilad Shalit, which is extremely sensitive for Israel. One result is Hamas's continued isolation in the Arab world and in the international arena, and so far no practical arrangements have been made between Israel, Egypt, the Palestinian Authority and Hamas which would normalize the movements of civilians and merchandise through the Gaza Strip crossings and make it possible for the raw materials needed for rebuilding to enter (such as steel and concrete, prevented by Israel). The continued restrictions on passage through the crossings and the difficulties posed by Egypt on operating the tunnel industry (especially after a

Hezbollah network was uncovered in the region) also make it hard to rebuild the infrastructure and Hamas's military capabilities damaged during the war.

3. The aforementioned difficulties notwithstanding, to restore normal life and advance rebuilding Hamas has adopted a policy of **restrained attacks** in recent months which it tries to enforce (although not entirely successfully) on rogue terrorist networks, especially those affiliated with the global jihad. The policy is accompanied by presenting a Smiley face to the Obama administration with the **overall objective of achieving a time-out**, even if only a tactical one, to give Hamas the time to strengthen its hold over the Gaza Strip, find solutions for the everyday problems of the populace, and **restore and even upgrade the security and military forces damaged by Operation Cast Lead**.

4. An **interim summary** of the rebuilding processes, **which are still far from complete**, indicates the following:

i) With regard to the **military networks**: Hamas is rebuilding and strives to upgrade its military-terrorist wing (the Izz al-Din al-Qassam Brigades). That includes replacing the weapons lost with new ones (including advanced weapons) by smuggling them in through the tunnels (despite Egypt's intensive counter-activities). So far Hamas has smuggled in dozens of standard rockets, hundreds of mortar shells, dozens of anti-tank and anti-aircraft missiles, and tens of tons of standard explosives and raw materials for the manufacture of homemade weapons. The smuggling allows Hamas to extend the range of its rockets and to improve its anti-tank and anti-aircraft capabilities. In addition, the tunnel system in the Rafah region is in use again and is a vital channel for smuggling weapons (as well as food, equipment and fuel). Weapons are being manufactured again, and military training and instruction have been renewed (although for the time being the Izz al-Din al-Qassam Brigades are keeping a lower profile than they did before Operation Cast Lead).

ii) With regard to **security systems**: Hamas is particularly concerned about restoring its internal security forces, which were severely damaged by the fighting, and to strengthen its control over the Gaza Strip. Five months after the end of Operation Cast Lead, Hamas succeeded in restoring the forces' daily functioning, as can be seen by their increased deployment and visibility. The oppression of Hamas opponents (primarily Fatah) has been renewed to ensure that they do not try to regroup. In addition, new operatives are being recruited and an emergency exercise was being held to simulate emergency deployment and dealing with an Israel attack (a lesson learned from the blow delivered by the IDF at the beginning of Operation Cast Lead). Headquarters have been assigned

temporary quarters, most of them in civilian locations, to find solutions, even temporary, for the problems involved in restoring the apparatuses which were attacked.

iii) With regard to **administration and control**: Hamas is making an enormous effort to establish its political control by suppressing its opponents. Fatah activists have been detained and executed and Hamas has increased its control of various civilian systems (education, health, unions, NGOS, clans). One of the ways it strengthens its control is by a process of Islamization, turning radical Islam into an obligation whose influence on Gazan daily life is increasing. Two of the manifestations of Islamization after Operation Cast Lead were the establishment of a new national Islamic bank and of an Islamic insurance company, which promote Hamas's objective of controlling the economy of the Gaza Strip (although their activities are limited at this stage). In addition, local reconciliation committees were established to operate according to Islamic religious law, and are controlled by Hamas (in competition with the traditional reconciliation committees), laws were passed to keep Internet surfers from logging on to sites considered immoral, the markets were closed on Fridays and religious themes were imposed on youngsters' summer camps. **All of the above have enabled Hamas to retain its control of the Gaza Strip, and today there is no internal threat to the stability of its regime.**

iv) With regard to the Gaza Strip's **economy**: In the months since Operation Cast Lead, Hamas has transferred humanitarian assistance and funds to many sectors of the population which were harmed during the fighting. That has helped stabilize the situation and prevented an immediate humanitarian crisis, but it has not provided fundamental solutions for rebuilding housing and public institutions. Administrative functions and symbols of power have not been restored (for example, constructing a building for the Palestinian Legislative Council). At this stage it can be said that **during the period since Operation Cast Lead Hamas has not managed to put into motion significant processes for rebuilding the Gaza Strip** (beyond immediate repairs to the infrastructure such as water and electricity). In the absence of progress in physical rebuilding and because of public criticism, Hamas has tried to market the idea of a "resistance economy" to the Gazans. That involves constructing an economy which supports Hamas's terrorist strategy and is based on the resources of the Gaza Strip to reduce dependence on external aid to a minimum. In practical terms, it means building mud huts for the homeless, employing the unemployed in local agriculture, growing food demanded by the local market while banning the cultivation of export growths, such as strawberries and flowers. The degree to which the idea can be implemented is questionable, but it is a useful propaganda tool to show that Hamas is coping with the economic constraints of the Gaza Strip.

5. The political, social and military processes put into motion by Hamas in the Gaza Strip (which continued after Operation Cast Lead) have **increased the separation between Hamas's political entity in the Gaza Strip and the Palestinian Authority in Judea and Samaria**. The separation has created a **fundamental difficulty** for the Palestinians in implementing the road map, because the Hamas de-facto administration in the Gaza Strip continues its refusal to recognize Israel and stresses terrorism as the solution to the conflict. That embarrasses and confuses the United States and the international community because the Palestinian Authority does not have effective tools, especially not at this stage, to change the problematic situation in the Gaza Strip and to restore the status quo ante. Thus efforts are being invested to strengthen the Palestinian Authority in Judea and Samaria as the core of the "state in the making," with the hope that the future will provide the tools and a chance to deal effectively with the issue of the Gaza Strip.

## **Section One – Hamas and the other Palestinian terrorist organizations strive to rebuild and upgrade their military-defensive capabilities**

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### **Overview**

6. Since the Israeli disengagement from the Gaza Strip and especially during the year before Operation Cast Lead, Hamas **undertook an accelerated buildup of its military force**, concentrating on two systems (with a considerable degree of overlap): **Internal Security**<sup>1</sup> (formerly the Executive Force), which is Hamas's chief arm for controlling the internal arena; and its **military-terrorist wing**, the Izz al-Din al-Qassam Brigades, which are responsible for terrorist attacks against Israel and defensive deployment within the Gaza Strip.

7. The buildup was in high gear when the IDF initiated Operation Cast Lead and has not yet ended. The operation struck Hamas's military and security systems, especially **Internal Security**. As a result, Hamas stopped its rocket and mortar fire into Israel because needed **time out to improve and upgrade** its military capabilities, both defensive and offensive, in order to renew and escalate its attacks on Israel. Hamas has apparently undertaken a

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<sup>1</sup> A force composed of the Hamas police, the coast guard the naval police and the and the intervention force, the national security service, the internal security service, the security and guard service and the civil defense service.

methodical investigation of its operative failures in Operation Cast Lead to learn its lessons and apply the results.<sup>2</sup>

8. The process of **rebuilding Hamas's military-terrorist wing** includes replacing the arms destroyed by smuggling them into the Gaza Strip through the vast network of tunnels under the Egypt-Gaza border. The weapons are of high quality and include advanced anti-tank and anti-aircraft weapons and rockets with a range of more than 40 kilometers, or about 25 miles. The military buildup is supported by Iran, which provides military assistance, including a naval route to Sudan and from there overland to Egypt, where smugglers bring the weapons into the Gaza Strip. The route was exposed when a Hezbollah network was uncovered in Egypt and in media reports about the attack on an arms convoy coming from Sudan to the Gaza Strip. In addition, the training program for Izz al-Din al-Qassam Brigades operatives was renewed and the manufacture of rockets and mortar shells, struck during the operation, was reinstated.

9. There is a tremendous gap between the damage inflicted on Hamas's military- security-defensive capabilities by Operation Cast Lead and the "victory narrative" marketed to the Gazans (and the world) by Hamas's media campaigns. Its "victory" campaign included mass demonstrations throughout the Gaza Strip, military parades and displays of force which attempted to prove that the military wing had not been hit by the IDF (Hamas was holding "victory parades" as early as January 20, 2009, two days after the fighting stopped<sup>3</sup>).



One of the victory parades held in the Gaza Strip, attended by thousands thronging to celebrate the "victory of the resistance" (Al-Aqsa TV, January 20, 2009).

<sup>2</sup> See the article in the March 26, 2009 *Jane's Defence Weekly*, which reported that Hamas had completed its post-Operation Cast Lead investigation of the failure of its defense plan. According to the article, in view of the findings 50 field commanders were expected to be dismissed in the future for not performing their duties properly. The evaluation of the investigation results stressed the need to improve the morale and motivation of Hamas operatives to prevent them from manifesting "weakness and fear during real fighting." Conclusions of the investigation dealt with new fighting and training techniques, which Hamas will in all probability adopt, and improvements in logistics and communications.

<sup>3</sup> For further information see our January 20, 2009 bulletin "The battle for hearts and minds" at [http://www.terrorism-info.org.il/malam\\_multimedia/English/eng\\_n/pdf/hamas\\_e048.pdf](http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_e048.pdf).



Ceremony honoring the emergency rescue teams which operated during Operation Cast Lead ( Hamas's Palestine-Info website, February 12, 2009).

## Rebuilding the defensive and emergency civilian apparatuses

10. On the eve of Operation Cast Lead Hamas's internal security forces had about 10,000 operatives, 6,000 of whom were police, most of them former Executive Force operatives.<sup>4</sup> Many operatives of the internal security forces also served in the Izz al-Din al-Qassam Brigades, and **during Operation Cast Lead were integrated into its defense plans.** The internal security forces are of particular importance for Hamas as symbols of its rule and as a centralized means of enforcing its control over the Gaza Strip

11. **Operation Cast Lead dealt a severe blow to Hamas's security forces and their ability to function was seriously hampered.** Islam Shahwan, Hamas police spokesman in the Gaza Strip, reported that 230 policemen, including General **Tawfiq Jabber**, were killed (Ma'an News Agency, January 20, 2009). **Sa'id Siyam**, interior minister in the Hamas de-facto administration and in charge of the internal security forces, was also killed. However, as soon as the fighting ended, Hamas made an effort to present the image of "business as usual" regarding its security forces to demonstrate its ability to govern the Gaza Strip. The effort was successful and within a short time the security forces were functioning relatively effectively. They renewed their positions and roadblocks, their operatives again became visible and they were widely covered in the Palestinian media, to show they were in control of the situation.

<sup>4</sup> The Executive Force was an internal security force established by Hamas a few months after its victory in the January 2006 Palestinian Legislative Council elections. It served as a public law enforcement militia and as an additional police force which competed with the Palestinian Authority police force (and was more successful, primarily due to the use of excessive force). After Hamas took over the Gaza Strip in June 2007, the Executive Force was dismantled and a new internal security apparatus was established to replace it under Hamas control. That apparatus includes the Hamas police force (which includes the naval police and the rapid intervention force), the

12. At the beginning of February Islam Shahwan reported that the internal security forces were back to 70% of their pre-Operation Cast Lead strength. He said an order had been given to all police to go to work in uniform and to ride in patrol cars (PalMedia website, February 8, 2009). He also said that the internal security forces were planning to accept new operatives to replace those killed in Operation Cast Lead, and that “there are divisions which were wiped out” which had to be remanned (Filastin al-‘An website, February 15, 2009).



Hammas police graduation ceremony, attended by the interior minister (Al-Aqsa TV, June 14, 2009).

13. Immediately after Operation Cast Lead the Hamas security forces set up new headquarters to replace those which had been destroyed. A small number returned to previous locations (mainly those which had not been attacked or which had not suffered serious damage). Most of the headquarters were set up in **civilian locations**, such as hospitals, schools, town halls, youth centers, mosques and private homes. The locations were chosen both on the basis of availability and to make it difficult for the IDF to attack them. In other instances tents and temporary structures were set up on the ruins of former headquarters (situating military installations in civilian locations and in the heart of the civilian population, and using civilians as human shields is a familiar Hamas modus operandi, in use before Operation Cast Lead.<sup>5</sup>) The construction of buildings and installations out of mud is also planned as an intermediate solution until building materials can enter the Gaza Strip (See below).

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national security service and civil defense. Hamas's internal security apparatus deals with criminal elements, disperses violent demonstrations, controls riots and intervenes in inter-clan disputes, etc.

<sup>5</sup> For further information see our January 2009 bulletins [Civilians as Human Shields](#), [Using civilians as human shields: launching rockets at Israel from locations close to buildings and schools](#), [Using the Civilian Population in the Gaza Strip as Human Shields](#) and [Hammas Exploitation of Civilians as Human Shields](#).



The offices of the ministry of the interior of Ismail Haniya's de-facto administration reopen in tents on the ground where the previous structure stood ( Hamas's PALDF forum, March 25, 2009).

14. Another example of the internal security forces' return to routine activities was the appointment of senior Hamas figure **Fathi Hamad** as interior minister to replace Sa'id Siyam (killed on January 15, 2009).<sup>6</sup> He is known for his belligerent positions, especially regarding Fatah and other Gazan focal points of power. He was appointed toward the end of Operation Cast Lead, Hamas's way of indicating it intended to continue and possibly intensify Sa'id Siyam's tough policies regarding internal Gazan affairs, including dealing harshly with opposition forces (especially Fatah) and Palestinians suspected of collaborating with Israel.



**Fathi Hamad, new interior minister in the Hamas de-facto administration, tours the northern Gaza Strip. He replaced Sa'id Siyam, killed during Operation Cast Lead.**  
( Hamas's Palestine-Info website, June 15, 2009).

15. As part of learning the lessons of Operation Cast Lead, the Hamas de-facto administration **investigated the functioning of its emergency services**, among them medical services,

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<sup>6</sup> **Fathi Hamad**, 48, a resident of the Jabaliya refugee camp in the northern Gaza Strip and father of 15 children. In 2003 he established the Sawt Al-Aqsa radio station and in 2006 was responsible for the establishment of Al-Aqsa TV,

the ministry of health, civil defense and the police. The means available to the various groups, the training received by Palestinian functionaries and their performance during the fighting were all examined.

16. The results of the investigation prompted the following measures:

- i) A joint operations room would be established to direct the activities of all the aforementioned groups during an emergency situation. It would be staffed by representatives of the various bodies and all data concerning casualties and damages would be channeled into it.
- ii) The Gaza Strip districts would be redivided for emergency situations and equipment would be distributed accordingly.
- iii) Emergency storehouses would be rebuilt and improved.
- iv) Joint exercises of the bodies involved would be held.
- v) The interior ministry would carry out inspections.

17. As part of implementing the lessons learned, during the first half of May the police force carried out an **emergency exercise** simulating a wartime scenario during which the police were evacuated from their headquarters and deployed in previously-determined areas (a lesson learned from the IDF's first strike during Operation Cast Lead). Islam Shahwan said that the exercise was the largest ever held and that all the security forces participated in it, including civil defense. Its objective was to prepare for every possible emergency situation in view of continued Israeli threats. It included the detention of suspects, evacuating casualties and providing aid for the wounded in cooperation with the civil defense forces (PalToday website, May 18, 2009).

## **Rebuilding Hamas's military-terrorist wing**

### **Overview**

18. Rebuilding and upgrading the Izz al-Din al-Qassam Brigades includes the recovery of its rocket- and mortar shell-manufacturing capabilities; smuggling weapons into the Gaza Strip, including high-quality weapons; rebuilding the smuggling tunnel network and to a certain extent renewing training and instruction courses. **The process has not matured and has not yet been completed.**

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which he directed until his appointment as interior minister. He was a member of the negotiating team for exchanging Palestinian prisoners with Gilad Shalit and considered close to the Izz al-Din al-Qassam Brigades.

## Reestablishing rocket and mortar shell manufacturing capabilities



Hamas operatives carrying a Grad rocket ( Hamas's Palestine-Info website, May 7, 2009).

19. In the year before Operation Cast Lead, Hamas made an effort to improve its independent capabilities for manufacturing the weapons it needed, to reduce its dependence on external sources. A particular effort was made to manufacture rockets and mortar shells of various ranges. Hamas has made considerable strides forward in those fields and has also acquired capabilities for manufacturing various Qassam rocket models with ranges of 13 kilometers, or about 8 miles, and improved rockets with ranges of 19 kilometers, or about 12 miles.

20. During Operation Cast Lead the IDF attacked most of the sites where Hamas manufactured its rockets and hit them hard. It destroyed a large percentage of Hamas's rocket stockpile (estimated at hundreds, most of them self-manufactured) as well as tens of tons of raw materials used in rocket production. In addition, dozens of rocket-manufacturing operatives were killed, most of them holding senior positions.

21. **During Operation Cast Lead Hamas did not fully exploit its rocket- and mortar shell-launching capability to attack Israel, neither with respect to the number of projectiles fired nor their ability to hit their targets.** Since the fighting ended Hamas has worked to apply the lessons learned in those fields and to rebuild its damaged manufacturing network. To that end it has carried out many test firings within the Gaza Strip, in our assessment to improve the range and precision of its rockets, a process which has not yet been completed.

22. To restore its anti-Israeli deterrent capabilities and the balance of terror based, among other things, on its ability to attack Israeli population centers, Hamas's military-terrorist

operatives have frequently mentioned the **Izz al-Din al-Qassam Brigades' rocket capabilities**. For example:

i) **Hamas's information office in the northern Gaza Strip** issued a report called The Salvation Campaign, summarizing Operation Cast Lead, in which **Abu Malek**, Izz al-Din al-Qassam Brigades artillery commander, said that Hamas's rocket power had not been damaged but had grown and developed. **He said that Hamas had rockets whose range was greater than those used during Operation Cast Lead**, adding that Hamas's artillery bases had been almost unaffected and that only a few of its artillery operatives had been attacked while launching rockets. In response to allegations that Hamas's rocket arsenal had been depleted, he said **it had been restored to its pre-war capability** (Filastin al-'An website, February 19, 2009).

ii) **Al-Arabiya TV** broadcast an interview with a Fatah/Al-Aqsa Martyrs Brigades operative named Abu Dajaneh, who described how his organization manufactured rockets. He said that in recent years he himself had manufactured between 300 and 500. He displayed a rocket which he claimed had a range of 15-20 kilometers, or about 9-12 miles, whose components included glucose, sugar and nitrate. He said that ball bearings, nails and shrapnel had been added to the warhead, which would spread further on explosion (Al-Arabiya TV, February 5, 2009).



A Fatah operative describes the rocket-making process used by Fatah's military-terrorist wing (Al-Arabiya TV, February 5, 2009).

iii) **The Hamas website** posted an article glorifying its rocket capabilities, especially Grad rockets (Hamas's Palestine-Info website, June 2, 2009). A man named "Abu Muhammad," an artillery operative, said that the Grad 122mm rockets used by Hamas during Operation Cast Lead had a range of between 18 and 45 kilometers, or 11 and 28 miles, noting that during the operation Hamas rockets had reached Beersheba. He added that Hamas engineers had succeeded in extending the range of Grad rockets to 50 kilometers, or 31 miles, and that such a rocket had been fired at the Israeli Air Force base at Palmahim (north of the Israeli city of Ashdod).



Hamas displays its weapons in Izz al-Din al-Qassam Brigades posters (Hamas's PALDF forum, February 15, 2009).

## Smuggling weapons into the Gaza Strip

23. Standard weapons are supplied to Hamas and the other terrorist organizations by various sources. Most of them are smuggled into the Gaza Strip through tunnels in the Rafah region. Once Operation Cast Lead ended, Hamas **returned to its routine weapons smuggling**, including advanced weapons.

24. It has been estimated that so far, dozens of tons of standard explosives and other raw materials used in manufacturing rockets and other weapons have been smuggled in, as have

scores of standard rockets, hundreds of mortar shells and dozens of anti-tank and anti-aircraft missiles.<sup>7</sup> According to Israel Security Agency head Yuval Diskin, the smuggling has enabled Hamas **to extend its rocket range and to improve its anti-tank and anti-aircraft capabilities** (Ynet, May 31, 2009).



Renewal of smuggling through the tunnels (Hamas's PALDF forum, January 24, 2009).

## Media exposure of the smuggling route from Iran to the Gaza Strip via Sudan

25. In March 2009 the media revealed a smuggling route from Iran through Sudan to the Gaza Strip.<sup>8</sup> The American (and Arab) media reported that Israel had attacked an arms convoy in **Sudan** on its way to the Gaza Strip (Israeli spokesmen had no comment):

i) On March 25 **CBS** reported that in January Israeli planes had attacked a 20-truck arms convoy in Sudan on its way to the Gaza Strip. According to the report, the attack was carried out in the desert southwest of Port Sudan, and 39 men were killed.

ii) According to the March 29 issue of *Time Magazine*, the arms shipment which was attacked had left Iran and included long-range Fajr missiles capable of reaching Tel Aviv. The convoy, composed of 23 trucks, was attacked by dozens of fighter planes, and when

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<sup>7</sup> Israel Security Agency head Yuval Diskin reported that Hamas was trying to acquire rockets which would reach the Tel Aviv region, but that there was no proof that it had already acquired them. (Haaretz, Ma'ariv, May 20, 2009). For further reports by Yuval Diskin at meetings of the go and the Knesset foreign affairs and defense committee regarding smuggling weapons into the Gaza Strip after Operation Cast Lead, see *Haaretz* (February 16 and March 30, 2009), and Ynet (May 31, 2009).

<sup>8</sup> For information about Iran's massive support of Hamas see our January 12, 2009 bulletin "[Iranian Support of Hamas](#)." If the information is true, it is another Iranian attempt to send weapons to the arena of the Palestinian-Israeli conflict which are liable to **significantly upgrade** the operative capabilities of the terrorist organizations (such as the affair of the Iranian arms meant for the Palestinian Authority aboard the *Karin A*, captured by the IDF in January 2002).

photographs taken by drones revealed that it had been only partially destroyed, the planes returned and attacked again.



Pictures broadcast by Al-Jazeera TV, reportedly photographed at the site of the attack in Sudan (Al-Jazeera TV, March 26, 2009).

26. After Operation Cast Lead **Egypt upgraded** its activities to prevent arms smuggling. Its security forces have operated along the border and stopped smugglers on the Egyptian side, uncovering weapons intended for the Gaza Strip. Egypt has also publicized the exposure of a Hezbollah network on its territory, one of whose activities was smuggling weapons into the Gaza Strip (primarily in the time leading up to Operation Cast Lead).<sup>9</sup> However, **the Egyptian measures are not sufficiently effective to hamper the military buildup undertaken by Hamas and the other terrorist organizations** since the end of Operation Cast Lead.

## Rebuilding the tunnel network

27. Hamas and the other terrorist organizations have networks of **hundreds of tunnels** dug under the Egypt-Gaza Strip border in the Rafah region and along the Egypt-Gaza border. The tunnels are used to deliver arms, merchandise, equipment and fuel, all necessary for Hamas's rebuilding processes.

28. As soon as the fighting stopped in January 2009, Hamas began repairing and rebuilding the tunnels attacked by the IDF. At the same time, Hamas permitted the Arab and Western media to cover its smuggling activities in order to send the world the message that Israel, Egypt and the international community had failed to end them.<sup>10</sup> The owners repaired and

<sup>9</sup> For further information see our April 28, 2009 bulletin "Exposure of a Hezbollah network in Egypt: state of affairs, implications, and reactions in Egypt and in the Arab and Muslim world" at [http://www.terrorism-info.org.il/malam\\_multimedia/English/eng\\_n/pdf/hezbollah\\_e011.pdf](http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hezbollah_e011.pdf).

<sup>10</sup> For further information see our January 22, 2009 bulletin "[Hamas Invites Foreign Correspondents to the Egyptian Border to Prove Some Smuggling Tunnels Still Operating after Operation Cast Lead.](#)"

rebuilt damaged and destroyed tunnels as quickly as they could while continuing smuggling through the tunnels which had not been affected.

29. Two weeks later, at the end of January, the tunnel owners claimed that 40% were already operational and that in less than a month the figure would be 90% (*Al-Ayyam*, January 27, 2009). On January 26 Al-Jazeera TV broadcast a report on the tunnels, showing their openings. A masked smuggler claimed that even though the tunnels had been destroyed, the activity to rebuild them would continue because of their economic importance. A January 26 German News Agency article described the smuggling of generators and food through one of the tunnels.



Left: Al-Jazeera TV correspondent Mike Kirsch reporting from a tunnel in Rafah. Right: Tunnel between Egypt and the Gaza Strip in operation (Al-Jazeera TV in English, January 26, 2009).



Rebuilding the tunnels a tunnel attacked in Operation Cast Lead ( Hamas's PALDF forum, January 24, 2009).



Rebuilding the tunnels attacked in Operation Cast Lead ( Hamas's PALDF forum, January 24, 2009).



Smuggling through tunnels under the Egypt-Gaza Strip border (Al-Arabiya TV, February 1, 2009).

## Renewing military training

30. Hamas recently renewed its military training but has so far kept a low profile. A website affiliated with Fatah reported that at the beginning of June, Hamas renewed its military training on the outskirts of inhabited areas in locations attacked by Israel during Operation Cast Lead. The training included target practice, detonating IEDs and night operations (Fatah-affiliated Amad website, June 1, 2009).

## The terrorist organizations return to routine activities

31. Alongside rebuilding and upgrading Hamas's military networks, other terrorist organizations have also returned to their routine training and other activities. They have publicized their activities to show that their military capabilities were not harmed by the fighting. As part of the propaganda campaign, only two weeks after the fighting, the Arab and Islamic media operating in the Gaza Strip reported that Palestinian terrorist operatives were again being trained.



Pictures from an Al-Alam TV (Iran) report on training the Palestinian Islamic Jihad's Jerusalem Battalions (Al-Alam TV, February 1, 2009).



Pictures from an Al-Jazeera TV reporter who accompanied the Palestinian Islamic Jihad's Jerusalem Battalions during training exercises (Al-Jazeera TV, February 1, 2009).



Pictures from an Al-Arabiya TV report which followed a training session of the Popular Resistance Committees' Salah al-Din Brigades. The operatives simulated abducting an Israeli soldier, using a method similar to that used in the abduction of Gilad Shalit (Al-Arabiya TV, February 2, 2009).

## Section Two – Restoring everyday life and entrenching Hamas control

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### Providing for immediate civilian needs

32. Immediately after Operation Cast Lead, Hamas was required to deal with significant administrative challenges it had not faced since it took over the Gaza Strip in June 2007. They included dealing with the physical destruction wrought by the operation and rebuilding its internal security apparatuses hit by Israel during the operation. During the first stage Hamas, which is responsible for the daily lives of 1.5 million Gazans, was faced with the need to provide immediate aid for those whose houses and sources of income had been destroyed, and had to deal with basic repairs to the civilian infrastructure damaged during the fighting.



**Fathi Hamad, interior minister, visits the military sites and headquarters in the northern Gaza Strip (Al-Aqsa TV, June 14, 2009).**

33. As early as January 21 (three days after the fighting stopped), Hamas de-facto administration workers returned to their jobs and organized first responses to the problems of everyday life. Many administrative offices, damaged during the operations, were moved to improvised sites to enable them to function. On January 24 the children went back to school, and the police and other internal security forces which had suffered serious blows gradually showed themselves in public places and began functioning.



**The office of the interior ministry of Ismail Haniya's de-facto Hamas administration, temporarily housed in tents where the previous building stood, which was destroyed in Operation Cast Lead (Hamas's PALDF forum, March 25, 2009).**



The first meeting of the Palestinian Legislative Council in the Gaza Strip since Operation Cast Lead, held amid the rubble of the Gazan council building and headed by acting council chairman Ahmed Bahar (Al-Alam TV, June 11, 2009).

34. In addition to restoring routine life, as soon as the fighting stopped Hamas made great efforts **to raise Gazans' morale** and reinforce their "firm stance." Many events were held, including rallies and marches, intended to establish the myth that Hamas had won the war,<sup>11</sup> while others dealt with various issues on the Palestinian political agenda. There were victory parades glorifying Hamas's "firmness," demonstrations protesting the evacuation of houses in the Silwan neighborhood of Jerusalem, rallies to honor and mark "*shaheed* week" on dates close to those when Ahmed Yassin and Abd al-Aziz Rantisi were killed, launching the "Jerusalem capital of Arab culture" festival and rallies in support of Al-Aqsa mosque. Most of the events were organized by Hamas's information department and local participation was not always spontaneous.

35. To establish its position and control over the Gaza Strip, when the fighting ended Hamas distributed humanitarian assistance and cash to the Gazans. They announced that anyone who had been harmed would be recompensed and set the following criteria: €4,000 for a house that had been destroyed, €2,000 for a house which had been damaged, €1,000 per Palestinian fatality and €500 for every wounded Palestinian (Al-Bayan Center website, January 25, 2009). The distribution of funds began on February 15 and sites were opened for that purpose, sometimes mosques, the majority of which were controlled by Hamas, and sometimes locations such as post offices.

<sup>11</sup> For further information see our January 20, 2009 bulletin "[The battle for hearts and minds](#). Within Hamas's effort to perpetuate a victory myth in Operation Cast Lead, its spokesmen release false descriptions about events of the fighting and their false successes" at [http://www.terrorism-info.org.il/malam\\_multimedia/English/eng\\_n/pdf/hamas\\_e048.pdf](http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_e048.pdf).



**Doling out money in the Al-Muhta mosque in the Tufah neighborhood in Gaza City ( Hamas's PALDF forum, January 25, 2009).**

36. The distribution of aid and reparations to various groups and sectors has continued since Operation Cast Lead. For example:

- i) The allotment of \$100 to 80,000 workers who stayed at home during the operation ( Hamas's Palestine-Info website, February 12, 2009).
- ii) The distribution of €27 million to 14,000 Gazans by the Hamas de-facto administration's finance ministry. The funds were divided among bereaved families and those whose houses were destroyed ( Interior ministry website, April 12, 2009). Each bereaved family received €1,000 at post office branches near their homes and were asked to bring the notice sent them by the ministry (*Felesteen*, February 9, 2009).
- iii) \$8 million were distributed to 80,000 families of workers, farmers, fishermen and industrialists through the ministry of labor. The payments were made through the post office bank (*Felesteen*, February 12, 2009).



**Distributing humanitarian aid ( Hamas's PALDF forum, February 2, 2009).**

37. As the first payments were made, Hamas was exposed to accusations by local residents and its opponents in Fatah of not delivering the funds according to the established criteria and that some of them were channeled to Hamas supporters. In our assessment, Hamas did not distribute the funds fairly and **there was a discrepancy between what Hamas publicly committed itself to and what actually reached the Gazan population.**

38. The struggle for control of the funds was manifested in a February 23 article posted on Hamas's PalMedia website entitled **"Who will stop the anarchy of the aid in Gaza?"** It was written by a journalist named Samir Hamato, who writes for the Palestinian Authority paper *Al-Hayat Al-Jadeeda*. It **criticized the anarchy in the distribution of humanitarian assistance reaching the Gaza Strip though the Hamas de-facto administration.** According to the article, in the rush to provide aid to those harmed by Operation Cast Lead, a situation of **anarchy, randomness and disorder** was created, either by the NGOs, the [Hamas] administration or UNRWA and other external organizations. In addition, the committees established to evaluate damages and the high commission for aiding the victims were not felt on the ground. Those in need received promises of "fantastic sums" but in reality did not receive much. The distribution was unsupervised and the aid did not reach genuinely needy cases (PalMedia website, February 23, 2009).



**Anarchy in humanitarian assistance, a report by Samir Hamato on the PalMedia website (Palestinian information network Al-Shabaka al-I'lamiyya al-Filastiniyya, February 21, 2009).**

39. In addition, according to the article, the "anarchy of aid" was **liable to increase** in view of the large sums of money pledged at the Sharm el-Sheikh conference for rebuilding the Gaza Strip. The donor countries would have to devise a mechanism which would ensure that the money did in fact advance the rebuilding of the Gaza Strip and establish a system which

would control how the funds were used. Otherwise, the article implied, the money might reach focal points of power in the Gaza Strip, especially Hamas, and not necessarily the needy population. In our assessment, so far, such a mechanism had not come into being.



The black market in humanitarian aid  
(From the report by Mike Kirsch on Al-Jazeera TV in English, February 12, 2009).

## Renewal of internal security forces

40. To restore everyday life, prevent anarchy and entrench its control, Hamas needed to **promptly** resume the activities of its internal security forces, badly hit in IDF attacks during Operation Cast Lead. Therefore, as soon as the fighting ended, Hamas policemen and operatives belonging to other security apparatuses were returned to their regular activities as an *acte de présence* and to restore public order even before the internal security apparatuses were rebuilt and had resumed full operational capabilities.

41. The apparatuses' activities included monitoring the prices of fuel and cooking gas, and taking care of various routine matters which troubled the residents. At the same time, the security forces took action (occasionally using brutal force) against their opponents, most of them Fatah operatives, who were detained and even executed after being accused of collaboration with Israel. In retrospect, it appears that **Hamas was, indeed, able to restore everyday life and entrench its control over the population shortly after the end of Operation Cast Lead.**

## The struggle with the Palestinian Authority for control of external assistance to the Gaza Strip

42. Hamas regards control of **the external aid funds transferred to the Gaza Strip** as an **important means** for entrenching its control and increasing its political power. Immediately following Operation Cast Lead, humanitarian assistance and funds from countries, NGOs, and private individuals started flowing in and are still grounds for a fierce struggle between Hamas and the Palestinian Authority, and also between Hamas and UNRWA. The bone of contention is **who gets to control the assistance to the Gaza Strip and to which groups and sectors it is distributed**. The Palestinian Authority considers it a means to strengthen its political authority and to weaken Hamas. For the same reason, Hamas insists that it alone should control the distribution of the humanitarian aid as well as assistance for rebuilding the infrastructure, without any significant intervention from the Palestinian Authority.

43. The first signs of the struggle appeared after the end of Operation Cast Lead. "Those who want to rebuild the Gaza Strip should transfer the funds directly to the Gaza Strip," said Hamas senior **Ismail Radwan** (Al-Jazeera TV, January 24, 2009). On the other hand, the Palestinian Authority Labor Minister **Muhammad Hassouneh** said that "The Arab assistance falls within the responsibility of the Palestinian Authority. For example, when Saudi Arabia decided to grant one billion dollars, it elected to do so through the Palestinian Authority." He further added that the government had drawn up short-term and long-term emergency plans for rebuilding the Gaza Strip, and that the Palestinian Authority was able to act in the Gaza Strip even though it did not control it (*Al-Sharq al-Awsat*, January 22, 2009).

44. Palestinian Authority PM **Salam Fayyad** referred to the issue in the first speech he made after being appointed the prime minister of the transitional government (May 19, 2009). He said that one of the new government's **priorities** was **rebuilding the Gaza Strip**, and that the government would exert pressure on all the parties which had pledged funds for rebuilding the Gaza Strip at the Sharm el-Sheikh conference to fulfill their obligations. He also said the government would work to secure international support to lift the "siege" of the Gaza Strip and open the crossings, because they were integral to rebuilding the Gaza Strip.<sup>12</sup> **In practice, however, the Palestinian Authority's real ability to control the funds transferred to the Gaza Strip is extremely limited.**

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<sup>12</sup> See our May 21, 2009 Information Bulletin: "[New Palestinian Authority Government Headed by Salam Fayyad \(Initial Report\)](#)"

## Restricting UNRWA's activities

45. In addition to managing the international assistance funds, the Hamas administration also attempts to control the international aid organizations in the Gaza Strip, especially **UNRWA**, and to channel assistance according to its own considerations and interests. Hamas's struggles for control of the humanitarian aid flowing into the Gaza Strip not only with the Palestinian Authority but also with UNRWA, which is perceived as a competitor for channeling humanitarian aid (even though not as strong a competitor as the Palestinian Authority). The Hamas administration wants **exclusive** control of **aid distribution**, a position reflected in the Hamas-controlled media and statements made by its operatives.

46. Following Operation Cast Lead, Hamas operatives did not hesitate to use force to take control of UNRWA convoys and warehouses, stealing supplies and humanitarian aid. For example, it was reported that on January 20, gunmen hijacked trucks carrying humanitarian assistance from Jordan bound for UNRWA warehouses. When the trucks entered the Gaza Strip through the Kerem Shalom crossing, gunmen directed them to alternative warehouses (Jordanian News Agency, January 20, 2009). **Such incidents have resulted in tension between UNRWA and Hamas.**

47. One manifestation of Hamas's policy of taking over the assistance was a statement made by **Subhi Radwan**, the Deputy Welfare Minister in Haniya's administration, which noted that the Hamas Welfare Ministry was responsible for distributing emergency aid. He even threatened the international institutions, saying that while they had enjoyed complete freedom of action in the Gaza Strip for the past several years, that would no longer be the case. He also said that the Welfare Ministry sought to coordinate its efforts with all the donors, and even endeavored to establish a "national committee" for the various organizations. He claimed that the ministry distributed the aid fairly, while admitting that there had been some "wrongful deeds" committed by the ministry's employees. He stressed that the Welfare Ministry was responsible for emergency aid in every country in the world, and that it was unacceptable that it be ignored (Al-Bayan Human Rights Center website, May 14, 2009).

48. Another channel for increasing Hamas leverage of UNRWA is **its influence in the UNRWA labor union in the Gaza Strip**. On March 25, 2009, Hamas won the union elections and took 17 out of 27 seats. Hamas spokesman Fawzi Barhoum said that the victory was a sign that "all the Palestinian people followed the resistance and its successful path," and that it was proof of the popularity of Hamas (Al-Bayan Center website, March 25). A Hamas member elected to the union said anonymously that the UNRWA code prohibited

elected members from openly declaring their affiliation with an organization (such as Hamas), and that those who did so were fired. He added, however, that in practice Hamas was able to market its Islamic ideas through the UNRWA labor union elections. Another member of the labor union said that the significance of the elections was their potential social influence, because **UNRWA employees in the Gaza Strip supported 10,000 families** (*Felesteen*, May 30, 2009).

## **Increasing Hamas control of NGOs and other organizations**

49. The Hamas administration also attempts to increase its control of NGOs, international organizations, private businessmen and charitable societies that are not controlled by Hamas. Apparently, **Hamas seeks to take over all the public activities carried out in the Gaza Strip** and it uses the various administrative tools it has available to enforce its policy on NGOs and other organizations.

50. For example, on May 11 the Hamas de facto administration's ministry of economic affairs published a new set of rules for NGOs operating in the Gaza Strip (including human rights organizations), restricting their activities. One of the new restrictions was that the organization boards could no longer receive wages or funding from any non-Palestinian party (any such funds must be approved by the Registrar of Companies and explanations must be provided about the source of the funds and the reasons for their transfer). **Those rules hamper the functioning of the NGOs and other organizations, since they rely on funding obtained mostly from foreign sources.** The organizations asked the Hamas administration to revoke the decision, claiming it was another attempt to increase its control of the Gaza Strip.

51. For example, the Al-Mizan Human Rights Center accused the Hamas police of taking over assistance belonging to the Al-Ataa charitable society in Bet Hanoun, which was donated by an international organization. The center also noted that the assistance was eventually distributed by the Hamas police. Following the incident, the Al-Mizan Center denounced the intervention of the Hamas administration in charitable society activity, asking it to prevent the reoccurrence of such incidents (Ma'an News Agency, May 11, 2009).

52. On the other hand, the Hamas administration increases its cooperation with the network of Hamas-controlled charitable societies, including the organization of joint social activities, such as the distribution of aid to 20 families of Gazans injured in early June when gas tanks exploded in Khan Yunis (Ma'an News Agency, June 13, 2009).

## **Strengthening the control of the Hamas de-facto administration**

53. Even as it rebuilds its military strength and restores everyday life, Hamas continues to **oppress its opponents, particularly those affiliated with Fatah**. Fatah frequently reports executions, arbitrary arrests and threats against its Gaza Strip operatives, even after Operation Cast Lead.

54. Hamas also continues its efforts to **strengthen its political control of the Gaza Strip** by assigning its operatives and supporters to key administrative positions, and by dismissing employees affiliated with Fatah. For example, over 30 Fatah-affiliated Education Ministry employees, including superintendents and school principals, have recently been replaced by Hamas members. The Palestinian Authority employees who were fired denounced the PA's Education Minister for continuing her coordination with the Hamas Education Ministry in spite of those persecutions (Al-Ahed website, April 8, 2009). In another incident, Hamas operatives were reported to have taken over the building of the sewing shop and textile factory union in Gaza City, probably because the union was affiliated with Fatah (Fatah's forum, April 10, 2009).

55. **Socially**, Hamas continues building up its strength by weakening the power and authority of the clans, an important source of social power. It is the continuation of a process which began after the Hamas military takeover in June 2007 and resulted in a significant weakening in the status of the Gaza Strip clans.<sup>13</sup> Hamas has not only militarily confronted those clans (such as the Dugmush and Hilles families) but also undermined their civilian status. One example is the way Hamas, following Operation Cast Lead, was able to increase its foothold in the local civilian reconciliation committees, previously almost the exclusive territory of the clan leaders and a source of influence and power for them.

56. Following Operation Cast Lead the Hamas administration announced it would set up 36 reconciliation committees on behalf of the Gaza Strip association of clerics, which was subordinate to the Interior Ministry. Those committees were in turn supervised by a general administration of clan affairs and social reconciliation. They were scattered throughout the Gaza Strip, with one regional reconciliation committee responsible for each region. According to reports, the Hamas police force does not allow clan conflicts to be resolved by the traditional reconciliation committees, but sends its members to collect testimony and make

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<sup>13</sup> When the Palestinian Authority still controlled the Gaza Strip, the clans were an important social power which sought to undermine the Palestinian Authority administration, contributing to the security-related anarchy. Prior to the Hamas military takeover, the Palestinian Authority preferred to avoid confrontation with the clans.

arrests. Some of the traditional committees have been disbanded on their members' own initiative or by order of the Interior Ministry, in order to prevent their involvement in public order.

## **Continuing and intensifying the Islamization process of the Gaza Strip**

57. While rebuilding the Gaza Strip, the Hamas administration continues the ongoing process of Islamization which has been accelerated since it seized control in June 2007. As part of that process, the Hamas administration is turning the radical Islamic code into an obligatory way of life which has increasing influence on the daily lives of the population,<sup>14</sup> and also serves as a way of strengthening Hamas's political and economic control.

58. One example was the establishment of a financial institution called the **National Islamic Bank**, which officially opened in March 2009. Its chairman of the board said that the bank would carry out its activities in accordance with Islamic views on funding projects and providing services. Gaza City Mayor Rafiq Makki stressed how important it was to have an Islamic bank which would serve "national interests" (Agence France Presse, April 21, 2009). **As soon as the bank opened, the Hamas administration called upon its employees to transfer their accounts to it.** In late April, the bank took over the role of the post office as responsible for paying the administration employees' salaries (*Felesteen*, April 14, 2009). In the political, economic and internal Palestinian sphere, the establishment of the bank is also meant to provide an answer for the Hamas de-facto administration's inability to work with Palestinian Authority banks, thus strengthening the Hamas administration's economic control of the Gaza Strip.

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<sup>14</sup> See our November 13, 2008 Information Bulletin: ["Yet another step in the establishment of a totalitarian "Islamic Emirate" in the Gaza Strip"](#)



The National Islamic Bank in Gaza (<http://almoslim.net/node/111188>, May 6, 2009)

59. In addition, an **Islamic insurance company called Al-Multazem** announced it had opened branches in the Gaza Strip and that it was the first insurance company to operate in accordance with Islamic religious law. According to the company's chairman of the board, Dr. Sa'ad Ashour, unlike other companies Al-Multazem would refrain from interest-based transactions or investments relying on interest (which is forbidden under Islamic law) (*Felesteen*, April 22, 2009).

60. As part of Hamas's strategy of strengthening its control of the Gaza Strip, and as part of the Islamization process, Hamas, as noted, took action to weaken local clan-based reconciliation committees **and to increase the influence of such reconciliation committees which operate in accordance with Islamic law and are controlled by the Hamas administration.** The committees mainly resolve family problems and ensure domestic tranquility, **bypassing the Palestinian Authority's formal judicial system.** Committee members hold degrees in religious law and fundamentals. Many people appeal to the committees for assistance, because the legal processes which are usually drawn out in the official court system often take less time when the committees deal with the issues (*Felesteen*, April 25, 2009).

61. **Regarding the media,** the Legislative Council passed an amendment to the penal code which was designed to "**safeguard Palestinian society.**" The amendment dealt with the use of electronic devices for purposes which threaten "the wellbeing of the society." The new laws impose punishments for using the Internet, cell phones or other communications devices for espionage or spreading "profane contents" (Palestine-info, May 27, 2009). The amendment to the penal code is designed to increase Hamas's control over the media and can also be seen as another step toward enforcing the Islamic code on the Gaza Strip population.

62. The Islamization process is also evident in the annual **summer camps for teenagers**. This year, Hamas is encouraging religious-themed summer camps where children will memorize chapters from the Qur'an; such camps now enjoy more popularity than in previous years. Taleb Abu Shaar, the Minister of Religious Endowment and Affairs in the Hamas de facto administration, who encouraged the opening of such summer camps, said that 6,000 students from all across the Gaza Strip had enrolled in the second Qur'an-memorizing summer camps opened by his ministry (Ma'an News Agency, June 13, 2009). According to reports from the Gaza Strip, 20,000 young people aged 12 to 20 signed up for all the summer camps (Al-Quds, June 14, 2009).

63. As the Islamization process becomes more and more pronounced in everyday life, Hamas is working to **increase its control** of local networks affiliated with the ideology of global jihad. The main reason for that is that Hamas, with its radical Islamic ideology, will not tolerate any competition in controlling the population --competition whose affiliation and loyalty does not lie with Hamas. Hamas is interested in subjecting rogue terrorist organizations, including those affiliated with the global jihad and embracing radical Islam, to its own strategy of struggle against Israel, **which stems also from administrative considerations and constraints and not only from purely radical Islamic jihadist ideology**.

## Section Three – Rebuilding the infrastructure

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Tent camp in the northern Gaza Strip for residents whose homes were destroyed (PaIToday, May 2009)

### The international community's commitments to rebuilding the Gaza Strip and the difficulties encountered

64. During Operation Cast Lead, extensive damages were caused to buildings and public institutions in the Gaza Strip near which Hamas and the other terrorist organizations carried out by the IDF and fired rockets at Israel. Shortly after the operation, on March 2, 2009, **an international convention was held in Sharm el-Sheikh** to enlist donations for rebuilding the Gaza Strip. It was attended by 70 representatives from across the globe, including Middle Eastern and other leaders, who pledged to transfer a sum of about **\$4.5 billion for rebuilding the Gaza Strip**. The main donors were:

- i) **Saudi Arabia:** The Saudi Arabian king promised to donate one billion dollars.
- ii) **France:** French President Nicolas Sarkozy said France would fund the building of hospitals in the Gaza Strip and provide assistance to those harmed by Operation Cast Lead.
- iii) **The United States:** Secretary of State Hillary Clinton pledged a donation of \$900 million on behalf of the US. She said that the money would be coordinated with the Palestinian Authority and that it was meant for the Gaza Strip and for the West Bank.
- iv) **Russia:** Russian Foreign Minister Lavrov said that Russia would provide the Palestinian Authority with 50 APCs and two civilian helicopters. It also promised to deliver a supply of flour and drugs.

v) **Italy:** Italian Prime Minister Silvio Berlusconi said his country had allotted \$100 million for rebuilding the Gaza Strip. He noted that Italy intended to present a Marshall Plan that would include the construction of an airport and increase tourism to the Palestinian Authority.

vi) Other donations were pledged: the European Commission pledged \$554 million to Gazans in 2009; Germany €150 million; Japan \$220 million; Qatar \$250 million; the Persian Gulf emirates \$174 million; and Turkey \$50 million



Egyptian President Hosni Mubarak at the opening ceremony of the Sharm el-Sheikh convention (Al-Jazeera TV, March 2, 2009).



PA Chairman Abu Mazen speaking at the Sharm el-Sheikh convention (Al-Jazeera TV, March 2, 2009).

65. However, the practical implementation of the generous pledges has run into **significant difficulties**, the result of internal Palestinian politics and Hamas's strategy and ideology (although Hamas often lays the responsibility for the difficulties at Israel's door). The international community and pro-Western Arab countries which support Mahmoud Abbas and the Palestinian Authority would like to transfer the assistance through the PA instead of sending it directly to Hamas. Hamas's belligerent strategy and its inflexibility vis-à-vis Israel (the Gilad Shalit affair, for example) have contributed to the lack of a stable formal ceasefire and the lack of agreements with Israel, Egypt and the Palestinian Authority, which would allow for more goods to pass through the crossings and allow them to open, although on the ground there is quiet in the Gaza Strip and western Negev.

66. Therefore, mostly due to Hamas policy, **there has been no significant progress in the restoration of the civilian administration in the Gaza Strip**. Even buildings of symbolic importance such as the Parliament or the major road crossing the Gaza Strip from north to south (Saladin Road)<sup>15</sup> have yet to be rebuilt.<sup>16</sup> Most of the generous sums of money

<sup>15</sup> In the weekly session held in early June, Ismail Haniya's administration allocated \$85,000 for removing the rubble from Saladin Road and expanding it (Ma'an News Agency, Filasteen al-'An website, June 11, 2009).

<sup>16</sup> On June 11, the Legislative Council convened on the ruins of its building in Gaza City, destroyed in Operation Cast Lead and not yet rebuilt. The meeting dealt with the Palestinian Authority's activity against Hamas in Qalqilya.

pledged for rebuilding the Gaza Strip have not yet been transferred (even though the Palestinian Authority and Hamas blame Israel for that). With no progress and with public criticism, and pessimistic regarding the chances of getting the massive foreign aid, Hamas has come up with the idea of a **“resistance economy,”** by which it means building up the Gaza Strip economy based on locally available resources and reducing insofar as possible the need for massive external assistance. Hamas’s (probably realistic) assessment is that the massive international assistance will not be transferred in the near future, and that the problem of the crossings will not be resolved soon.

## The “resistance economy”

67. The idea of the resistance economy was born out of the heavy political constraints faced by Hamas regarding the rebuilding of the infrastructure. It was also developed because of internal criticism over the lack of meaningful progress in the restoration process. The idea, based on **reducing the Gaza Strip’s dependence on Israel** and external aid, is recently being marketed to Gaza Strip residents by Hamas, **even though it seems impractical to implement it** (considering the overwhelming dependence of the Gaza Strip economy on outside sources). However, it does provide some sort of answer to public criticism and the bleak sentiments of Gaza Strip residents, who are forced to deal with severe day-to-day hardships.

68. **Alaa al-Din al-Rifati**, a professor of economy in the Islamic University of Gaza and chairman of the board of the Islamic National Bank, said the following about resistance economy: **“The Palestinian economy must not be built in a way that is incompatible with the atmosphere of resistance and war,** because it may be destroyed at any moment. The emphasis should be on smaller projects, assuming that if they are hit by the occupation, the repercussions will be less severe [...] There should be a true partnership between the banking sector and the private sector, providing the necessary funding for the development of projects so that the private sector can play a significant role in the restoration [...]” (*Felesteen*, March 15, 2009).

69. The practical applications of the resistance economy idea as marketed to Gazans by Hamas propaganda include:

- i) Strict control by Hamas of the various sectors, such as the establishment of the Department for Agricultural Resistance Economy in the Agriculture Ministry.
- ii) Gradual decrease of the dependence on goods imported from Israel, accompanied by a media campaign designed to tell the population to boycott such goods.

iii) The Hamas administration will take strong measures to prevent cash from flowing out of the Gaza Strip (although it appears that Hamas will have difficulties keeping a constant level of cash in the Gaza Strip, in light of the extensive smuggling activity carried out through the tunnels).

iv) Encouraging the private sector as a motivating economic force, and making it possible for “popular economic activities” to develop (even though at times that contradicts the desire to enforce law and order). The institutionalized smuggling system through the tunnels (which has become an important sphere of economic activity) and building mud houses are reflections of the “popular economy.”

### **Financial support for various sectors and institutions**

70. In the months since Operation Cast Lead, Hamas has been allocating funds to various sectors and institutions to make it easier for them to cope with the results of the fighting. Those funds originate in donations from various countries and institutions in the Arab and Muslim world and in Western countries. There is apparently no effective coordination between the various ministries of the Hamas administration, giving rise to complaints that most of the funds end up in the pockets of Hamas and its supporters. The distribution of the funds is often accompanied by impressive ceremonies which have a significant psychological effect on the population and which are meant to increase the Gazans' sense of allegiance to the Hamas administration.



**The Hamas administration holds a funds distribution ceremony in the Gaza neighborhood of Al-Tuffah (Hamas forum, February 2, 2009)**

71. Following are examples of funds distributed in recent months:

i) The Hamas administration paid \$5 million to the industrial and agricultural sectors and to various social institutions. Of the \$5 million, \$2 million were allocated to the industrial sector as part of emergency assistance to factory owners, \$1 million to the agricultural sector to repair damages to land and assist animal farmers. Emergency assistance was

also given to sports teams, charitable societies, municipalities, mosques, and other sectors (Al-Aqsa TV, February 20, 2009).

ii) Hamas's Social Affairs Committee together with the Islamic Center distributed 280 shopping coupons worth 200 shekels each in the neighborhood of Saja'iya. They also distributed food packages (Qudsnet website, April 29, 2009).

iii) The Hamas administration published a list of 8,000 students from various universities in the Gaza Strip who were eligible for a \$100 scholarship each. Students from the Fatah-affiliated Al-Azhar University have recently complained that the Hamas administration favors students from the Islamic University, affiliated with Hamas, over other universities (Hamas forum, May 21, 2009).

## Immediate solution for housing problems

72. Following Operation Cast Lead, some 25-35,000 residents found themselves homeless. About 3,000 families who lost their homes are still waiting for the Hamas administration to build houses for them (*Al-Hayat al-Jadeeda*, May 16, 2009). As time passes, temporary solutions are found for most of the homeless: initially they are put in tents, then they are given compensation to allow them to rent apartments. Today, several hundred people still live in tents, mostly in the northern Gaza Strip.

73. Some people stay with relatives in severely crowded conditions. The Hamas administration, which was called upon to provide an immediate solution for the problem, ran into difficulties, mostly from the lack of construction materials (cement, iron, etc.). Hamas's main tactic is trying to buy time (by finding immediate, improvised solutions) to please the civilians. Thus, Hamas leaders held trips to areas where houses had been destroyed, met with people, and promised to rebuild the houses to restore calm.



Temporary residence in tents (Hamas's PALDF forum, February 11, 2009)

74. As a result of the constraints faced by the Hamas administration following the operation, it started to rebuild Gaza Strip buildings **using alternative construction materials instead of cement**. One of the ideas marketed in the Gaza Strip by a media campaign was building with a mixture of wet mud and straw, both readily available. **However, the Hamas administration realized that it was a short-term solution since buildings constructed from such materials can hardly withstand difficult weather and can only be built with a limited number of floors**. Furthermore, Hamas activists also expressed their concern that the construction of mud buildings could not be completed due to the lack of materials such as iron, glass, and wood (*Felsteen*, May 9, 2009).



The stages of building a mud house (*Filastin al-Youm*, April 30, 2009).



Building mud houses (Hamas forum, April 29, 2009).

75. There have been reports that the demand for mud has increased among homeless people who want to find alternative places to live and people willing to repair war-damaged houses. Truck drivers in Rafah say that the demand for mud, which originates in dirt taken out of the Rafah tunnels, increases daily. One resident said that he was surprised to see how well one of his friends managed to repair his house using mud, which prompted him to do the same, seeing that it was both cheap and simple (*Al-Ayyam*, May 12, 2009).

76. The construction of mud houses can be seen as part of the “resistance economy” concept. The director of the engineering, organization, and planning department in the Ministry of Public Works introduced a work plan drawn up by his ministry called “Emergency housing for war victims and economic alternatives.” One of its components is referred to as “**resistance housing**” (that is, associating the finding of housing solutions for Gaza Strip residents with the strategy of “resistance,” i.e., terrorism). The concept “resistance housing” means building with locally available materials through economic alternatives **to avoid dependence on donations from other countries**. As part of the program, he said, mosques, schools, and other projects would be built using the mud-brick method (Felesteen, May 18).

77. **Some residents were skeptical** about the idea of building mud houses. Skepticism appeared in numerous web surfers’ comments on the Hamas forum (**PALDF**), where suspicions were expressed about the concept’s feasibility. One surfer noted, “It is a lovely, yet impractical idea” (April 30). Another said that the solution was to open the crossings rather than go back to the Stone Age (April 30). Yet another said that the product would be a “tent made of mud taken from agricultural areas, which would therefore hurt agriculture” (May 10). *Al-Ayyam*, a Palestinian Authority-affiliated newspaper influenced, published an article titled: “Gaza -- mud houses between truth and reality, in the eyes of those whose homes were destroyed.” The article cited families who wondered whether mud houses could survive the weather and the day-to-day fighting taking place in the Gaza Strip (*Al-Ayyam*, May 11, 2009).

78. The building of mud houses is relevant not only to solving housing problems but to rebuilding the administrative infrastructure, including police stations and other internal security buildings hit in the war. Fathi Hamad, the Hamas Interior Minister, said during a visit to damaged facilities on June 1 that the Interior Ministry would start rebuilding them using mud until construction materials could enter the Gaza Strip. He said that in the second stage the buildings would be expanded, and that in the third stage (“final restoration”) buildings from commonly used materials would be built, that is, when the “siege” ended and construction materials were allowed to enter (Ma’an News Agency, Al-Aqsa TV, June 11, 2009).

79. At the same time, Hamas continues its efforts **to improvise other housing solutions**. The Ministry of Public Works announced plans to distribute **190 prefabricated units** to the campsites and to bring in more through the Rafah crossing. Ibrahim Radwan, Hamas’s Deputy Minister of Public Works, said recently that within two weeks his ministry planned to distribute units donated by a Turkish organization. He added that the number which would be

distributed between the various campsites was small and insufficient for the needs of the homeless. He noted that other organizations had promised to provide prefabricated units and that the Hamas administration was waiting for Egypt to let them cross into the Gaza Strip through the Rafah crossing (*Filastin al-Youm*, May 11, 2009).



Prefabricated units brought into the Gaza Strip (Hamas website, May 11, 2009)

## Restoring and strengthening media empire

80. Operation Cast Lead caused extensive damage to Hamas's media empire. During the fighting, IDF forces attacked the broadcasting center of Hamas's Al-Aqsa TV channel and the offices of *Al-Risala*, Hamas's mouthpiece. Also hit was the network of the movement's local websites.

81. When the fighting ceased, **the Hamas administration gave high priority to restoring and strengthening its media empire**, due to the considerable importance it places on its proper functioning. Hamas kicked its propaganda machine into high gear following Operation Cast Lead, running internal and external campaigns not only about day-to-day affairs (its relations with the Palestinian Authority and the conflict with Israel) but also about the challenges of the rebuilding process and the spread of the victory narrative.<sup>17</sup>

82. However, the Hamas administration **did not settle** for restoring the damaged media. It also started **upgrading its existing media network, focusing on improving the propaganda capabilities of the Hamas institutions in the Gaza Strip**. The following measures were taken:

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<sup>17</sup> See our January 20, 2009 Information Bulletin: "[The battle for hearts and minds](#). Within Hamas's effort to perpetuate a victory myth in Operation Cast Lead, its spokesmen release false descriptions about events of the fighting and their false successes" at [http://www.terrorism-info.org.il/malam\\_multimedia/English/eng\\_n/pdf/hamas\\_e048.pdf](http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_e048.pdf).

i) **Publishing a new official weekly called *Al-Rai***, first issue appearing in early March 2009. The weekly serves as a mouthpiece for the Hamas administration and is expected to become a daily later on. It includes reports, articles and announcements from the Hamas administration, and it is monitored by the administration's information bureau.



The logo of *Al-Rai*, the Hamas administration's new weekly

ii) **Resuming the broadcasts of Al-Aqsa TV**, whose headquarters were hit in the fighting (Note: Shortly before Operation Cast Lead Hamas launched another official TV channel called **Al-Quds**, broadcasting from Lebanon).

iii) **Upgrading the Interior Ministry website** by merging the ministry's news website with its official website. The newly upgraded site is available in Arabic, English and French, and includes reports on the Interior Ministry's activities.

iv) **Launching a religious radio station owned by the Religious Endowment Ministry**, called Al-Quran al-Karim. The ministry also intends to launch its own television channel in the near future.

v) **The Hamas administration's Agriculture Ministry published a professional leaflet called *Al-Zira'ah***, dealing with the problems of Palestinian farmers and fishermen in the Gaza Strip. It emphasizes the damages caused to the agricultural sector by Operation Cast Lead.

vi) **Redesigning the major websites** affiliated with Hamas, such as Hamas's main online forum (PALDF), the Palestine-info website, Pal-media, Filastin al-'An, etc. (not all of which operate from the Gaza Strip).



*Gaza Here*, a local paper.



*Al-Zira'ah*, a leaflet published by the Agriculture Ministry.

vii) The Haniya administration's information office is working on **publishing a book** that will collect the personal stories of Palestinian journalists during Operation Cast Lead.

vii) In February 2009 the Gaza City municipality started distributing a new local monthly newspaper called *Gaza Here*, which includes news from the city, interviews with key personalities and announcements for Gazans.

83. To resume the activities of **radio stations** broadcasting from the Gaza Strip and tighten its control of them, the Telecommunications Ministry of the Hamas administration has fully exempted them from paying registration fees for 2009. It also exempted them from paying debts incurred in previous years, provided they coordinated their activities with the Telecommunications Ministry by late July 2009 (*Filastin al-Youm*, May 17, 2009).

84. To tighten its control over the propaganda messages disseminated to Gazans from the Gaza Strip, the Hamas administration is once again banning Palestinian Authority newspapers which reject the movement's political line. The Information Ministry has banned the publication of the Palestinian Authority-affiliated newspapers *Al-Quds*, *Al-Ayyam*, and *Al-Hayat al-Jadeeda* in the Gaza Strip (*Al-Hayat al-Jadeeda*, February 19, 2009).

## Rebuilding the educational system

85. Following Operation Cast Lead, the Hamas administration scrambled **to repair the damaged schools, while increasing its influence over the Gaza Strip's education system**. Youssef Ibrahim, the Deputy Education Minister, said that the ministry had begun repairing several schools partially damaged in the operation, using tools and materials that could be obtained in the Gaza Strip. According to Ibrahim, because the crossings were closed, the ministry could not implement its plans, and therefore the repairs were not intended to completely restore the schools. The funding for the repair works is obtained

directly from the Islamic Welfare Organization, the Islamic Bank, as well as from Qatar's Charitable Society (Ma'an News Agency, May 5, 2009).

86. Muhammad Asqoul, the Education Minister, said that the ministry intended to approve the payment of regular salaries to 2,000 teachers who were appointed as substitute teachers following a teachers' strike in the Palestinian Authority several months ago (Ma'an News Agency, May 12, 2009). That is another move designed to harm teachers affiliated with Fatah and to entrench Hamas's control of the Gazan education system.

## **Rebuilding the agricultural system**

87. Hamas also promotes the concept of the "resistance economy" in agriculture, emphasizing which **nurturing the local agricultural market and reducing the dependence on Israel and foreign markets**. The Agriculture Minister, Dr. Muhammad Ramadan al-Agha, said that as part of the reorganization of the Agriculture Ministry and to meet the existing challenges and the need for self-reliance, several bodies had been established which would be involved in "**agricultural resistance economy**" and monitoring imports (*Felesteen*, March 19, 2009). The Agriculture Ministry intends to hire unemployed people for agricultural work to promote its agricultural economic policy and compensate farmers for the losses they took because of the sharp drop in the prices and their inability to export abroad.

88. Agriculture Minister Muhammad al-Agha announced the launching of a five-year plan for rebuilding the agricultural system, supposed to last until 2014. He said that the plan would be based on a reorganization of Gaza Strip agriculture, according to the needs of the population and in keeping with the "agricultural resistance economy" concept. Such agriculture would adapt itself to a situation of closed crossings and farmers would plant what he referred to as "resistance crops," that is, cheap crops which did not need much water and enjoy local demand, such as figs, olives, and dates (*Felesteen*, May 1, 2009). The Hamas administration also plans to build fish farms in the southern Gaza Strip and use the former Israeli Gush Katif area in the southern Gaza Strip to increase available agricultural land. Farmers, however, will not be allowed to grow such crops such as strawberry and flowers, which cannot be exported and are not in demand in the Gaza Strip.



Preparing land for farming as part of the Agriculture Ministry's plan  
( Hamas's Palestine-Info website, June 15, 2009)

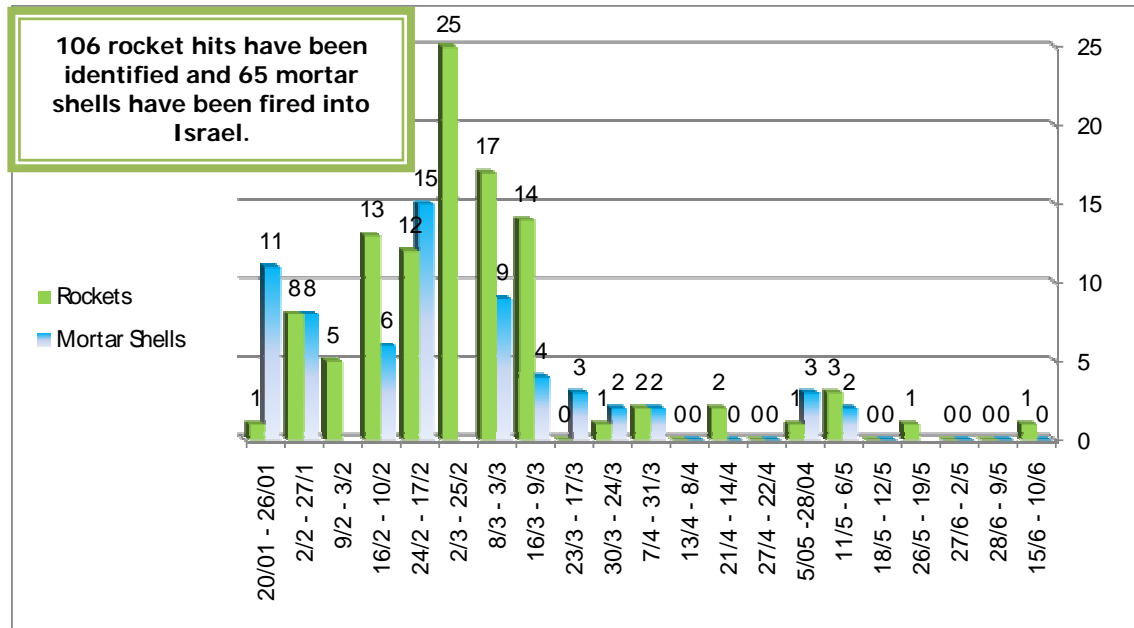
## Section Four – The influence of the rebuilding process on Hamas's terrorist policy

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89. Following Operation Cast Lead, and particularly in the past four months, Hamas has followed a **policy of restraining rocket and mortar shell fire from the Gaza Strip**. The policy includes the cessation of attacks by Hamas's Izz al-Din al-Qassam Brigades and the stopping fire carried out by rogue terrorist organizations (including global jihad networks) which do not acknowledge Hamas's authority (by placing roadblocks in rocket and mortar shell launch sites and even occasionally detaining rogue terrorist operatives).<sup>18</sup> As a result, the current situation in the Israeli western Negev has become relatively calm for the first time several years. However, **Hamas's policy of restraint mostly pertains to rocket and mortar fire, not to other forms of terrorist attacks launched from the Gaza Strip** (such as the occasional placing of IEDs, attacking IDF patrols and even infiltrating terrorists from the Gaza Strip into Israel).

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<sup>18</sup> The Palestinian media frequently reports enforcement activities carried out by Hamas. For example, eye witnesses reported that Hamas militias deployed in the northern Gaza Strip and set up military roadblocks to search vehicles and question Palestinians. They added that Hamas members in General Security uniforms deployed in the northern Gaza Strip, set up military roadblocks, and searched vehicles (Wafa News Agency, May 5, 2009). According to a Palestinian website operating in the Gaza Strip, during the week of April 25 Hamas forces deployed along the border with Israel to prevent rocket fire (Palestine Our Home website, April 29, 2009). Another Palestinian website reported that on May 1, Hamas security forces detained PIJ operatives, members of the Abu Tir family, east of the city of Khan Younis, claiming they attempted to fire rockets at Israel (Al-Ahed website, May 1, 2009).



90. Hamas's policy of restraint in firing rockets and mortar shells following Operation Cast Lead became more apparent after the fighting ceased, even though Hamas does not usually admit it in public. That policy reflects **Hamas's obvious interest in maintaining a timeout period** which will allow it to restore or even upgrade the military, security, governmental and civilian systems hit in the fighting, a process which it has yet to complete. Other contributing factors, in our assessment, are Hamas's concerns over another possible Israeli operation and the pressure exerted on Hamas by Egypt to maintain calm with Israel and prevent new Israeli attacks.

91. Therefore, maintaining calm is one of Hamas's **vital interests**, reflected in statements made by top Hamas leaders, such as Khaled Mashaal, as the head of the Hamas Political Bureau in Damascus.<sup>19</sup> Hamas usually manages to enforce its policy on rogue terrorist organizations which do not acknowledge its authority regarding firing rockets and mortar shells, and to a lesser extent, other forms of terrorist attacks. As far as results go, so far Hamas has been more efficient at enforcing its policy than during the "lull in the fighting" which preceded Operation Cast Lead (No alternative arrangement was reached after the operation due to Israel's demand for the return of Gilad Shalit as a precondition to any possible new arrangement). That state of affairs **may change** when the rebuilding is complete or in other scenarios in the conflict with Israel. Furthermore, Hamas's ability to

<sup>19</sup> Hamas presents a pragmatic façade to Westerners (e.g., *The New York Times* interview), however, in interviews geared towards the Gaza Strip target audience, Hamas leaders go to great lengths not to admit that they interfere with "resistance" activities against Israel. For example, see our May 11, 2009 Information Bulletin: "Hamas leader Khaled Mash'al has recently addressed the issue of rocket fire and of terrorism ("resistance") in general" at [http://www.terrorism-info.org.il/malam\\_multimedia/English/eng\\_n/pdf/hamas\\_e072.pdf](http://www.terrorism-info.org.il/malam_multimedia/English/eng_n/pdf/hamas_e072.pdf).

enforce its policy on rogue organizations is not absolute; a prime example of that being the thwarted attempt to perpetrate a showcase terrorist attack near the Nahal Oz fuel terminal by Jund Ansar Allah, a network affiliated with global jihad (June 8).



**Rocket launch tubes concealed in the ground to make them more difficult for the IDF to intercept (from a show aired on Al-Jazeera TV, February 28, 2009).**