

Building Palestine

By [admin](#) • Jun 25th, 2008 • Category: [Last Word](#)



Senior engineer Nabil Barghouthi clicks the cursor on his computer, displaying buildings in red and roads in green, on a masterplan that could make Palestinian history.

"This area is left for a secondary school," says Barghouthi, of the Bayti Real Estate and Investment Company. "The clinic must be in a residential area – at a higher point, where the air is cleaner and it should be close to the main road."

Amir Dajani, Bayti's deputy general manager, motions to the screen in front of him and then adds, "This is the pedestrian commercial area. Now they are working on the details. All the buildings are at the exact place they should be. It's not random."

Indeed, what is taking place these days around the computers in the Bayti offices on a quiet Ramallah Street is an attempt to create the first-ever planned Palestinian town, to be called Rawabi ("Hills").

The effort could be a major Palestinian milestone, or a case study in futility. Which one it becomes depends on Israel's stance and the ability of Bayti, a subsidiary of Massar International (which has developed housing projects in Morocco) to deliver in the volatile West Bank.

Rawabi will be situated 10 kilometers north of Ramallah, the West Bank's commercial capital and the seat of the Palestinian Authority. While Israel has been altering the West Bank beyond recognition since 1967 by constructing new Jewish settlements, Rawabi promises to be the first time Palestinians will have taken matters into their own hands and tried to change the map.

Bashar al-Masri, Bayti's chairman, says the \$300 million project is aimed at addressing a housing shortage in the West Bank. "Our motivation is to bring our experience and that of others who work with us in the region to Palestine in order to help jump start the economy and create jobs," he says.

The project is deemed "affordable" housing but it is not low-income. It will give households with a combined income of at least \$800 a month a chance to buy a home. That should put Rawabi within the reach of some Palestinian Authority employees, Masri says.

According to the plans, the town will initially house 25,000 people in 5,000 units on land Bayti has purchased from private owners, and will eventually ex-pand on. Its commercial area will include shops, restaurants, groceries and offices. Masri hopes high-tech firms can be at-tracted to set up shop. He believes that the first houses can be built by April 2009.

The Palestinian Authority is supposed to provide sewerage, roads, water, electricity and other off-site infrastructure for the project.

Two other towns are to be constructed if the project succeeds – one further north and one to the south, near Hebron. “We are definitely changing the map of the West Bank in real estate terms,” Masri says.

That’s bold talk for a conflict zone where destruction is far more common than construction. It also may be overly optimistic. Israel is so far blocking plans for a crucial arterial road to the town. And although the project is seen by many as a blessing, it’s not without its Palestinian critics.

Some say Bayti has too much control over what is supposed to be a public-private sector partnership: choosing the city’s location, drawing the master plan, even selecting the name for the town. A weak Palestinian Authority (PA), critics say, has allowed Bayti so much power that the project risks being implemented solely according to the company’s interest, not necessarily the public’s.

Blurring the lines. Planning for the new town shifted into high gear in the run-up to the May 21-23 Palestine Investment Conference (PIC) in Bethlehem, hosted by the PA with assistance from the international community’s Middle East envoy, Tony Blair. The hope of the conference was to convince skeptics to invest in the West Bank.

On May 1, Palestinian Prime Minister Salam Fayyad told a London meeting of international investors and bankers, “it’s possible to make money in Palestine notwithstanding all the difficulties and complexities that businesses have to endure on a daily basis.” Rawabi will be a major [test](#) of that.

Meanwhile, a World Bank report provided fuel for pessimists in advance of the conference. It estimated there would be no economic growth in the West Bank in 2008 despite a massive infusion of international donor money.

The report faulted continued Israeli restrictions on access and movement, including the hundreds of checkpoints that fragment the West Bank. (Israel says they are necessary to thwart attacks.)

Hassan Abu Libdeh, the PIC’s CEO, told [TRENDS](#) that Rawabi “shows that in spite of all that might be happening, there are still investments possible and there are investors who see the opportunity in investing in Palestine.” He termed it “one of the biggest projects to be implemented by the private sector in many years,” and described it as, “very important to the Palestinian economy.” The PA hopes to raise \$20 million to \$30 million from donor countries to fund the infrastructure, Abu Libdeh added.

But enthusiasm for implementing the project – at least as Bayti envisions it – does not appear to be something shared by Israel, the ultimate power in the West Bank. Bayti and the PA have maintained that there is no reason Israel should thwart the plans because Rawabi is to be situated exclusively in territory relinquished to the PA under the 1993 Oslo agreement.

Land woes. But a new road that Bayti envisions will provide easy access to Rawabi would have to pass through 2.8 kilometers of “area C” – territory that remains under full Israeli control according to the Oslo agreement. The new road, says Dajani, Bayti’s deputy general manager, “is a prerequisite. It is critical and essential.”

“For a town of 25,000 people, having to travel on [the existing] small village road will simply have catastrophic environmental and traffic implications on the local communities of the small villages en route to Rawabi,” says Dajani.

“We are working with the Israelis [on the road issue] with the support of the PA,” he says, adding that a PA-appointed liaison has been attending their meetings with the Israelis.

Masri adds “we’re also asking for checkpoint-free access. No one is going to live there knowing there’s a permanent checkpoint there.” He says Bayti had been told there was Israeli approval “in principle” for the access road, but “we are waiting to hear from them in writing.”

It could be a long wait. Asked for Israel’s view of the road plan, Peter Lerner, a spokesman for the Israeli Defense Ministry’s Office in the West Bank, responded that, “building roads in area C is problematic.”

"It is mainly a rural area and new roads can enable terrorists to move freely and create security problems," he says. "The road could be misused. And it is not necessary because we have now removed the checkpoint that was blocking access to the area. There is no need to build a new road."

If Israel adheres to its stance, its Rawabi policy could lend further weight to accusations it is stifling the West Bank economy despite declaring that it wants to boost the standing of Salam Fayyad, the PA prime minister, and Mahmoud Abbas, the PA president. (As reported in TRENDS last month, a \$600 million investment in a second Palestinian mobile phone company by the Qatari-owned Wataniya Telecommunication Company is also being held up in part because Israel refuses to relinquish the cellular frequencies it needs.)

Problems from within. Internally, the Rawabi project has both its proponents and its detractors. "For the last 10 to 15 years, PA planning has always been traditional planning and zoning without vision for the next five or 10 years," says Mahdi Abdul-Hadi, director of the Palestinian Academic Society for the Study of International Affairs. "But now, Prime Minister Fayyad sees where things are going demographically and in terms of the development of society. Since he has been close to the private sector, he is receptive" to Rawabi.

Abdul-Hadi says the project could be seen as a response to occupation, confinement and Israel's separation barrier in the West Bank. "It's a way to get out of the prison culture, the walls culture," he says. "People have to expand on their own territory and this comes to meet some of their expectations."

But some observers are wary of what they view as the PA's failure to fulfill its proper role in building a new city. Bayti will only seek PA endorsement after it has drawn up the master plan. So planning for the schools, fire department and municipality building is occurring without government input.

Bayti says other companies will be allowed to develop Rawabi land that's not owned by Bayti, but only if they comply with the zoning requirements of the master plan. That plan will cover 5,000 dunams (five square kilometers) – including all the areas that could be used by other developers – even though Bayti only owns one square kilometer of land in Rawabi.

Ramallah [business](#) consultant and entrepreneur Sam Bahour says the process is skewed. "Master planning has to come from the government," he says. "Questions such as whether you put the city next to Ramallah or Hebron or how close it should be to water resources are questions that only government can answer because it has the full picture of the development of the nation."

Abu Libdeh disputes that the PA has relinquished parts of its role to Bayti. "Even if they draw the master plan it will be approved by the government," he says. "This is a company that decided to invest its own money in a housing project. They presented their plans to the government concerning size, benefits and feasibility, and it is the role of the government to provide off-site infrastructure not only for this part of the country, but for all parts of the country. Those who think this company is taking advantage of the government, or bending the government this or that way – this is incorrect."