

Casting a lifeline for cash-strapped Palestine

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MALAYSIA has pledged US\$16 million (RM57.6 million) to cash-strapped Palestine in a move to help its local government resume operations.

Datuk Seri Abdullah Ahmad Badawi said Malaysia, as chairman of the Organisation of the Islamic Conference (OIC), would also urge member nations to help Palestine.

The Prime Minister said he would ask donor nations to quickly resume aid to the strife-torn nation.

Abdullah made the offer in a meeting with Palestine president Mahmoud Abbas on Saturday.

Abbas will visit Malaysia soon to discuss with Abdullah how the aid will be channelled to Palestine.

Saturday's meeting, the first between the two leaders, came at a time when Palestine's economy is grinding to a halt and its political situation is facing fresh challenges not only from Israel but also from the sharpening crisis between the Fatah and Hamas factions.

The Palestinian Authority has been in the grip of a financial crisis since the Hamas faction's victory in the recent election.

The "Quartet" of Middle East negotiators — the United States, the European Union, the United Nations and Russia — immediately suspended Palestine's access to international funding and aid unless certain conditions were met.

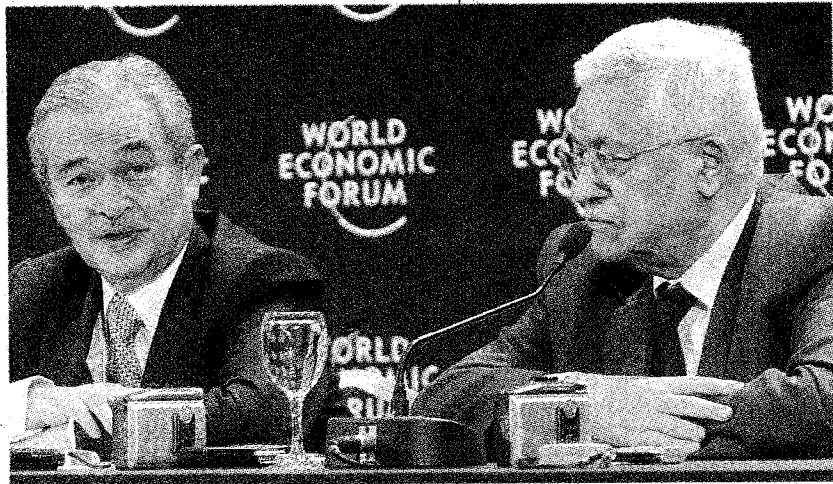
They wanted Hamas to renounce violence, recognise Israel and abide by existing interim peace deals.

At the same time, local, regional and international banks have also refused to deal with the Palestinian Authority, fearful of being hit by US anti-terrorism sanctions and lawsuits.

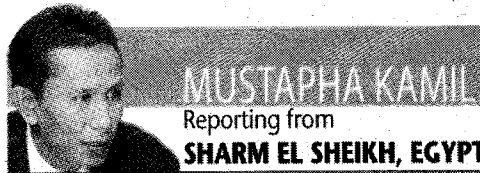
The World Bank has reported that Palestine's financial crisis was much deeper than earlier thought, and if left unattended could render the West Bank and Gaza ungovernable.

It now considers "underestimated" its projections in March this year that by the end of 2006, Palestinian poverty and unemployment levels would rise to 67 and 40 per cent respectively while personal incomes would drop by 30 per cent.

The Hamas-led Government has not been able to pay salaries to 165,000 public employees since March, giving rise to concerns of a humanitarian crisis that could degenerate into an upsurge in violence in West Asia.



Abdullah (left) and Abbas at a Press conference during the WEF in Sharm el-Sheikh, Egypt, on Saturday. — AFP picture



MUSTAPHA KAMIL
Reporting from
SHARM EL SHEIKH, EGYPT

While the EU recently backed the creation of a special trust fund to help the Government in Palestine pay salaries to at least health and education workers, diplomats say the US has been trying to block the proposal.

Abdullah's aides said the EU had shown willingness to allow Malaysia to play an important part in bringing the stalled peace process in Palestine back on track.

It is believed Abdullah will discuss the plight of the Palestinians with Russian President Vladimir Putin during his forthcoming visit to Moscow.

Abdullah's long involvement in the Palestinian issue, first as Malaysia's foreign minister and now as leader of the nation, makes him aware that Palestine's economic quagmire could rapidly plunge the state and the West Asian region back into violence.

On the widening divide between the Fatah and Hamas factions, Abdullah said outsiders should keep out of the matter.

He said the Palestinians should decide their own destiny and their democratically-elected

Government should be recognised by the international community.

Abbas said he was touched by the warmth shown by Abdullah's administration towards the Palestinian cause.

He said Palestine was committed to achieving lasting peace but would not accept unilateral decisions from any party.

Abbas, also known as Abu Mazen, was named chairman of the Palestinian Liberation Organisation (PLO) after the death of Yasser Arafat in November 2004.

He won a convincing victory in the January 2005 presidential elections. Abbas was also the man favoured by the international community and Israel to succeed Arafat.

He is one of the few surviving founders of Fatah, the main political grouping within the PLO.

Widely regarded in the region as a pragmatist, Abbas was one of the main initiators of the dialogue with Jewish left-wing and pacifist movements in the 1970s and in the difficult years thereafter, before negotiations were eventually opened between Israel and the Palestinians.

Abbas was also an architect of the Oslo peace process, and accompanied Arafat to the White House in 1993 to sign the Oslo Accords.

Abdullah's meeting with Abbas on Saturday was considered a landmark event, both in his capacity as OIC chairman and as leader of a nation that has remained consistent in its policy towards the Middle East peace process.