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The Gaza Aid Package: Time to Rethink U.S. Foreign Assistance to the Palestinians

James Phillips

The Obama Administration has announced a huge aid package of \$900 million to help ease the humanitarian plight of Palestinians in Gaza and to shore up the bankrupt Palestinian Authority (PA). This surge of soft power is aimed at strengthening Palestinian moderates and helping to clear the way for revived Israeli–Palestinian negotiations. But as long as Hamas remains free to rain rockets down on Israel, these ambitions remain little more than wishful thinking.

Since the 1993 Oslo peace accords, the U.S. has showered \$2.2 billion in bilateral aid on the Palestinians, in addition to more than \$3.4 billion for humanitarian aid funneled to the Palestinians through dysfunctional U.N. organizations since 1950. This aid has:

- Subsidized the welfare of Palestinian refugees;
- Contributed to a culture of victimization and shrill anti-Israeli and anti-Western radicalism; and
- Freed up some Palestinian groups to focus on destroying Israel rather than on providing for and advancing the long-term interests of the Palestinian people.

Given the searing economic crisis that the United States presently faces, the Obama Administration should:

- Significantly reduce these overly ambitious aid goals;
- Halt the funding of U.N. agencies that do not adequately screen their workers for terrorist connections or permit external audits; and

- Tighten restrictions on the disbursement of aid to ensure that the aid will not be diverted for hostile purposes.

A Soft-Headed Soft Power Approach to Middle East Peace. Last week, Secretary of State Hillary Clinton announced the Obama Administration's pledge of \$900 million in aid at an international donors conference in Sharm el-Sheikh, Egypt. The aid package includes \$300 million for humanitarian aid to Palestinians in Gaza, \$200 million in budget support for the PA, and \$400 million to support the PA's Palestinian Reform and Development Plan in the West Bank.

The Obama Administration maintains that this massive aid package will not end up in the pockets of Hamas and other terrorist groups. It plans to funnel assistance through the PA, NGOs, and U.N. agencies. But the PA remains a weak and problematic institution hobbled by corruption, despite recent reforms. And U.N. agencies often have their own agenda as well as an anti-American and anti-Israeli tilt.

The largest U.N. body involved with facilitating aid to the Palestinians is the U.N. Relief and Works Agency for Palestinian Refugees (UNRWA), a noto-

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(202) 546-4400 • heritage.org

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riously opaque and dysfunctional institution that has been infiltrated by Hamas supporters and other Palestinian radicals.¹ Even though it receives over a third of a billion dollars in international funding every year, and despite recurrent reports of inefficiency and corruption, UNRWA is not externally or publicly audited. Such lack of accountability is particularly troubling for an organization that has been chronically dogged by controversy.

There are numerous reports documenting that UNRWA has been infiltrated by Hamas terrorists. According to the U.S. Government Accountability Office (GAO), at least 16 UNRWA staff had been detained by Israeli authorities for security-related crimes, and three had been convicted in military courts of terrorism-related activities.² UNRWA's leadership has admitted in the past that Hamas, which the U.S. government has designated as a Foreign Terrorist Organization, has been able to infiltrate the U.N. agency. Peter Hansen, then-commissioner-general of UNRWA, sparked a political storm in 2004 when he remarked in an interview with the Canadian Broadcasting Corporation that "I am sure that there are Hamas members on the UNRWA payroll, and I don't see that as a crime. Hamas, as a political organization, does not mean that every member is a militant, and we do not do political vetting and exclude people from one persuasion as against another."³

Specific examples of radicals working for UNRWA are readily available. For instance, Said Sayyam, the Hamas minister of interior, worked as a teacher at UNRWA schools in Gaza, while the headmaster of another UNRWA school, Awas al-Qiq, was the leader of a cell that build rockets for the Islamic Jihad terrorist group. Several

other UNRWA employees left their jobs to run in the 2006 Palestinian elections as Hamas candidates. Despite the fact that the United States is the biggest single donor to UNRWA, that agency continues to resist reform and refuses external audits of its operations. Incredibly, the UNRWA Web site that includes information on its "Special Gaza Appeal" instructs donors to send money through the Commercial Bank of Syria, which has been sanctioned by the U.S. Treasury Department for money laundering and suspected involvement in moving money to terrorist groups.⁴ Clearly, the UNRWA bureaucracy takes an extremely lax attitude on fighting terrorism and should not be trusted to handle aid provided by the U.S. government.

No Taxpayer Subsidies for Terrorist Groups. Given the penetration of UNRWA and other NGOs by terrorist groups, the United States must be absolutely sure that its aid does not end up being diverted. Congressman Mark Kirk (R-IL) has warned that "to route \$900 million to this area, and let's say that Hamas was only able to steal 10 percent of that, we would still become Hamas's second-largest funder after Iran."⁵

Congress needs to scrutinize the Obama Administration's aid plans to make sure that there is absolutely no chance that funds provided by American taxpayers end up being pocketed by members of terrorist groups—a development that would violate section 301c of the Foreign Assistance Act. The Senate should pull funding for UNRWA and the Palestinian Authority from the \$410 billion spending bill currently before Congress. And both houses of Congress should hold hearings and exercise their oversight powers to make sure that future aid to the

1. See Nile Gardiner and James Phillips, "Congress Should Withhold Funding from the U.N. Relief and Works Agency for Palestinian Refugees (UNRWA)," Heritage Foundation *WebMemo* No. 987, February 6, 2006, at <http://www.heritage.org/Research/MiddleEast/wm987.cfm>.
2. U.S. Government Accountability Office, *Department of State and United Nations Relief and Works Agency Actions to Implement Section 301(c) of the Foreign Assistance Act of 1961*, GAO-04-276R UNRWA, November 17, 2003, p. 28, at <http://www.gao.gov/new.items/d04276r.pdf> (March 9, 2009).
3. Sean Gordon, "Members of Hamas 'on UN Payroll,'" *National Post*, October 4, 2004.
4. Claudia Rosett, "Can We Give to Gaza Without Giving to Hamas?" *Forbes*, March 5, 2009.
5. Joel Mowbray, "Lawmakers Worry Whether U.S. Can Keep Gaza Aid Away From Hamas," Fox News, March 2, 2009, at <http://www.foxnews.com/politics/first100days/2009/03/02/lawmakers-worry-gaza-aid-away-hamas> (March 9, 2009).

Palestinians is dispensed on a more modest scale via closely vetted NGOs, not through corrupted U.N. bodies operating at cross-purposes with U.S. foreign policy goals.

—James Phillips is Senior Research Fellow for Middle Eastern Affairs in the Douglas and Sarah Allison Center for Foreign Policy Studies, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.