

US freezes Palestinian aid budget



Palestinian Authority President Mahmud Abbas addresses the United Nations General Assembly at the UN in New York on September 30, 2015

Jewel Samad (AFP)

The United States has quietly frozen its aid to the Palestinian Authority (PA) pending review, *i24NEWS* has learned. The move comes two months after Congress passed the Taylor Force Act, which aimed to force the PA to terminate its “pay-for-slay” policies of paying stipends to convicted terrorists in Israeli jails and to the families of dead terrorists.

The act orders that US assistance to the West Bank and Gaza “that directly benefits the PA” be suspended unless the Secretary of State certifies that the Palestinian Authority has met four conditions: terminating these payments to terrorists, revoking laws authorizing this compensation, taking “credible steps” to end Palestinian terrorism, and “publicly condemning” and investigating such acts of violence.

The Taylor Force Act was passed as part of an omnibus \$1.3 trillion spending bill on 23 March 2018. It was named for the US army veteran who was murdered by a

Palestinian terrorist in Jaffa in March 2016, in an attack that injured eleven people.

A Senate Foreign Relations Committee aide told *i24NEWS*, “Our understanding is that US funding to the West Bank and Gaza is on hold pending an administration review.”

Separately, *i24NEWS* understands that the West Bank and Gaza office of USAID — the American international development agency — has not received its budget for the upcoming fiscal year and therefore has not been able to put its projects out to tender.

The funding freeze has caused the suspension of certain programs run by international agencies. An official at the HALO Trust, which performs landmine clearance operations in the West Bank, told *i24NEWS* that it had suspended operations because the United States had stopped transferring funds at the end of May, leaving a major funding shortfall.

The withholding of USAID’s total budget as well as third-party projects means the administration is taking an expansive interpretation of what assistance “directly benefits” the PA, viewing humanitarian projects that would otherwise need to be paid for by the PA as constituting direct assistance to that organization.

A Palestinian official confirmed the report, saying the Trump administration had told the PA in mid-January 2018 that it was reexamining its Palestinian aid budget. He said the United States had informed the PA after the emergency Organization of Islamic Cooperation meeting in Istanbul in mid-May, which convened in protest at the relocation of the US Embassy to Jerusalem and the situation in Gaza, that the assistance had been put on hold and placed under review.



Israeli Prime Minister Benjamin Netanyahu walks with US President Donald Trump in Washington on March 5, 2018 but now he returns home to what may be the most crucial stretch of his long career with corruption probes encircling him
MANDEL NGAN (AFP)

The United States was, till now, the world's largest financial backer of the PA. Although it did not provide the PA direct budgetary assistance, unlike the European Union, it contributed massive funds for humanitarian projects in the West Bank and Gaza Strip as well as for UNRWA, the UN's Palestinian refugee agency.

The total aid budget requested by the State Department for fiscal years 2018 and 2019 stood at \$215 million annually for projects designed to boost the Palestinian economy, develop infrastructure, and boost institutional capacity among other goals.

The suspension of this aid means the Secretary of State has not certified that the Palestinian Authority has taken the steps the Taylor Force Act demanded. Palestinian Authority President Mahmoud Abbas has defended these payments as "social responsibility".

The committee aide also confirmed that the State Department has submitted to

Congress its criteria for determining assistance that directly benefits the Palestinian Authority, as the act required. The US State Department declined to share this unclassified report.

The PA has long had a policy of paying stipends to convicted terrorists in Israeli jails and to the families of dead militants. In 2017, the total budget for “prisoners’ payments” stood at \$345 million, equivalent to half of the international contributions to the PA’s budget. The stipend is pegged to the length of the convicted terrorists’ prison sentences, meaning it is indirectly pegged to the severity of the crime.

The Trump administration slashed US payments to UNRWA in January 2018. UNRWA says \$305 million have been withheld, plunging the agency into its “largest funding crisis ever” and forcing it to scramble for emergency contributions from other nations.

The funding cut comes at a time of an unprecedented diplomatic crisis between the United States and the PA, which is boycotting Trump administration officials and rejecting in advance the Israeli-Palestinian peace plan they intend to launch soon.

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