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The End to US Funding to UNRWA: Opportunity or Threat?

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On August 31, 2018, the Trump administration announced that the United States will cease funding UNRWA, citing the organization's operational-business model as unsustainable, given its "endlessly and exponentially expanding community of entitled beneficiaries." This decision is no less than historic. Although the Palestinians view it as a serious blow, if it is presented as a necessary step on the path to Palestinian statehood, it has the potential to harbor long term, positive implications. While Israel should certainly prepare for negative scenarios that such a policy move may generate in the near term, it is unwise to cling to the current paradigm that distances the Palestinian leadership's pragmatic and ethical responsibility for rehabilitating and resettling Palestinian refugees within the Palestinian territories. With staunch Israeli, American, and international incentives and policy initiatives, the US decision to cease funding UNRWA can serve as a wake-up call to the Palestinian leadership and potentially inject new life into the Israeli-Palestinian process.

On August 31, 2018, the Trump administration announced that the United States will cease funding UNRWA (UN Relief and Work Agency for Palestinian Refugees in the Near East), citing the organization's operational-business model as unsustainable given its "endlessly and exponentially expanding community of entitled beneficiaries." This decision follows an American budget cut to UNRWA in January 2018; the relocation of the US Embassy from Tel Aviv to Jerusalem; a \$200 million American budget cut in Palestinian assistance; and reports speculating that the US intends to recognize only half a million out of over 5 million UNRWA-recognized Palestinian refugees.

UNRWA was created in 1949 to support some 650,000-850,000 Palestinians who fled or were driven from their homes in the hostilities surrounding the establishment of the State of Israel. The agency operates schools and provides food, health care, and other social services to Palestinian refugees in the West Bank, Gaza Strip, Jordan, Lebanon, and Syria. All other refugees from other conflicts are aided by a different UN Agency: UNHCR (United Nations High Commissioner for Refugees).

Comparing the work of both agencies highlights three central differences. The first is how UNRWA and UNHCR define refugees: UNHCR does not automatically grant

refugee status to descendants of refugees, and may weigh the revocation of refugee status in light of socio-economic considerations, the acquisition of citizenship in another country, and involvement in crimes against humanity or war crimes. UNRWA, however, adds some 10,000 new fifth and sixth generation refugees to its lists per month; recognizes some two million Jordanian citizens of Palestinian descent as Palestinian refugees; and grants refugee status to convicted terrorists.

The second difference concerns the agencies' operational and budgetary infrastructure – with UNRWA employing nearly 30,000 employees (the clear majority of whom are Palestinian) to care for 5.6 million Palestinian refugees; and UNHCR employing 9,300 people (the clear majority of whom are nationals of host countries) to address the needs of 39 million refugees and displaced persons. In addition, the budget allocated to each Palestinian refugee under the auspices of UNRWA is 40 percent higher than the budget allocated to refugees under UNHCR auspices.

The third difference concerns the agencies' respective objectives: while UNHCR strives to resettle refugees under its care and thus reduce their numbers, UNRWA's operational framework reinforces the paradigm that the situation of Palestinian refugees (and their descendants) can only be improved upon return to their ancestral homes. It also appears that in Gaza, UNRWA facilities have been used by Hamas to stockpile weapons and launch rockets on Israeli population centers.

United States contributions to UNRWA exceeded those of any other country, and were three times the sum contributed by the European Union. One tangible manifestation of the US budgetary cutback to date is UNRWA's warning that while half a million Palestinian students in the West Bank and Gaza Strip have returned to the 700 UNRWA-operated schools after the summer break, the current budget reportedly does not suffice to keep the schools open past the current month.

President Trump's aims with the cessation of funds to UNRWA include two non-mutually exclusive alternatives. The first is consistent with the President's "America First" policy and the desire to see other governments help cover UNRWA's costs. Should US cuts indeed be covered by other players, such a scenario is unlikely to harbor change in UNRWA's mandate and performance, other than a potential decrease in the scope of the organization's activities and an increase in its beneficiaries' sense of insecurity.

The second alternative is that the current administration wants to see UNRWA reformed or completely dismantled. Such a scenario may be motivated by an American desire to pressure the Palestinians to reverse their decision not to cooperate with Trump's Middle East team, which followed the relocation of the US Embassy to Jerusalem. It could also

be part of a larger move to prepare Israelis and Palestinians for the President's ultimate peace deal – which continues to hover above the region yet whose details and announcement date remain unknown. Either way, should such a scenario play out, the United States has already emphasized that it will intensify dialogue with the UN and relevant players regarding new models to address the issue of Palestinian refugees.

While Prime Minister Benjamin Netanyahu has spoken against UNRWA and supports the American policy, Israel's security establishment has reacted to the US move with concern. UNRWA provides an essential humanitarian lifeline to Gazans; is an instrumental stabilizing force; provides Israel with an important point of contact bypassing Hamas; and enables Israel's security apparatus to monitor the entrance of construction and dual-use substances into Gaza.

However, the security establishment's concerns, legitimate as they are, serve short-term interests. UNRWA in its current format is designed to perpetuate the Palestinian refugee status and cultivate the next generation of Palestinians on the ethos of returning to their ancestral homes in Israel. While dismantling UNRWA will not change the Palestinian narrative, prolonging the agency's current operational framework sends a message that does not help narrow conceptual gaps between the sides.

In any case, the dire humanitarian situation on the ground, particularly in Gaza, demands that alternatives to UNRWA be devised if and when it is dismantled. Despite anticipated antagonism from certain players in the international community, and the pledges of some states to fill the UNRWA budget vacuum, the current situation could be leveraged to create a better alternative. At the very least, several guidelines could help contain the potential damage.

First, there should be new criteria for determining who are Palestinian refugees. Palestinians residing in Gaza and the West Bank in areas that presumably would be part of a future Palestinian state, as well as Palestinians with Jordanian citizenship can no longer be accounted for as refugees. As such, humanitarian aid to Palestinians living in these areas should be granted depending on each person's actual needs, and not as a product of one's refugee status.

Second, funds for Palestinians in these areas should be channeled to the Palestinian Authority and the Jordanian government. The original Palestinian refugees in Syria and in Lebanon – who have not been granted citizenship in these states and have not been able to become integrated into the general society – should be transferred to the care of UNHCR. This will improve their chances of bettering, rather than prolonging their dire

situation, and will simultaneously help deflate the narrative that millions of Palestinians will one day return to live in Israel.

Third, a centralized UNRWA should be replaced gradually by different modular agencies: UNHCR in Lebanon and Syria; organizations under the official Jordanian and Palestinian leaderships in Jordan and the West Bank, respectively; and an alternative humanitarian organization in Gaza. Such a move should be complemented by political and economic initiatives to neutralize antagonism and increase the likelihood of leveraging the single step into a comprehensive political process.

The US decision to cease funding UNRWA is no less than historic. Although the Palestinians view such a step as a serious blow, if it is presented as a necessary step on the path to Palestinian statehood, it has the potential to harbor long term, positive implications. While Israel should certainly prepare for negative scenarios that such a policy move may generate in the near term, it is unwise to cling to the current paradigm that distances the Palestinian leadership's pragmatic and ethical responsibility for rehabilitating and resettling Palestinian refugees within the Palestinian territories. With staunch Israeli, American, and international incentives and policy initiatives, the US decision to cease funding UNRWA can serve as a wake-up call to the Palestinian leadership and potentially inject new life into the Israeli-Palestinian process.