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Arab Center for Research & Policy Studies

SITUATION ASSESSEMENT

Why Did the Trump Administration Cut off UNRWA?

Policy Analysis Unit | September 2018

The Trump Administration, Palestine, and the “Deal of the Century”

Series: Situation Assessment

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Introduction

Following weeks of internal debate, the Trump administration decided on 31 August 2018 to cease funding to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The Agency provides important services to Palestinian refugees — most significantly, education. UNRWA also embodied the recognition by the international community, which sanctioned the establishment of the state of Israel on Palestinian lands, of their responsibility towards Palestinian refugees, to whom they granted the right of return but never obligated Israel to enforce this right.

In early 2018, the Trump administration had decided to cut US annual aid to the Agency from \$ 365 million to \$ 125 million a year, of which only \$ 60 million has been provided in 2018. US funding for the agency previously accounted for one-third of its annual budget of \$ 1.24 billion, which has a dramatic impact on the lives of millions of Palestinian refugees dependent on UNRWA services in the West Bank, Gaza Strip, Jordan, Syria and Lebanon. But the president's main objective remains political: the liquidation of the Palestinian refugee issue, beginning with refuting its existence. This comes in the context of an American-Israeli understanding aimed at resolving the details of a final settlement that unilaterally eliminates the Palestinian cause. In December 2017, Trump recognized Jerusalem as the capital of Israel, transferring the US Embassy in May 2018. In July 2018, the Israeli Knesset adopted the Jewish Nation State law, which granted Jewish citizens of Israel alone the right to self-determination.

The decision to suspend UNRWA funding was accompanied by another decision taken by the Trump administration to withhold \$ 200 million in relief, medical and development aid that was supposed to be disbursed this year in the West Bank and Gaza Strip. In its latest decision, the US administration argued that there was no national interest in spending that amount in the West Bank and the Gaza Strip, especially in light of the alleged "Palestinian hostility" towards the United States.¹ But the administration has now gone public with its strategy to apply economic pressure on the Palestinians, pushing them to accept the ideas of the president's Middle East adviser and son in-law, Jared Kushner, and his allies on the extreme Israeli right.

¹ "Department Press Briefing," The State Department, 28/8/2018, accessed on 9/9/2018, at:

<https://goo.gl/tVyiNb>

Leading up to the Decision

The decision to cut US funding for UNRWA was no surprise. The White House announced in early 2018 that the annual US subsidy would be reduced by about two-thirds, and only about one-sixth was actually disbursed. In August 2018, Foreign Policy magazine revealed leaked emails explaining how Kushner had pressed other administration officials to engage in "a serious effort to clamp down on UNRWA."² According to US media reports, the decision to stop funding for UNRWA took place during a meeting between Kushner and Foreign Minister Mike Pompeo, while US Ambassador to the United Nations Nikki Haley played an important role in adopting the resolution³. Kushner and Haley are the biggest supporters of the resolution despite opposition from the Pentagon and US intelligence agencies, which have warned that the region is sliding into violence as a result of aid cuts. Both Kushner and Haley argued that UNRWA had created a state of "dependency" among the Palestinians, and that their insistence on the right of return contradicted the fact that the State of Israel was the "state of the Jewish people" and perpetuated the conflict, thus impeding the ability to achieve peace between Israel and the Palestinians. The Trump administration informed regional countries of its decision to stop funding to UNRWA weeks before its announcement and pressed refugee host countries, such as Jordan, to resettle Palestinian refugees on its territory in exchange for direct US financial aid, which Jordan rejected.

Official Reasons for the Decision:

Trump provided three reasons to justify the decision to stop funding to UNRWA:

- The Trump administration claims that UNRWA contributes to the sustained Palestinian-Israeli conflict. The insistence of the Palestinians on the right to return to the lands and homes they fled in 1948, in accordance with the provisions of international resolutions, specifically UN Security Council Resolution 194, completely contradicts a "Jewish" Israel, and thus impedes any possibility of achieving "peace" between the parties. The Trump administration believes that the survival of UNRWA continues to fuel the Palestinian insistence on the right of return.
- The Trump administration accuses UNRWA of "exaggerating" the number of Palestinian refugees and officially endorses Prime Minister Benjamin Netanyahu's argument that

² Colum Lynch & Robbie Gramer, "Trump and Allies Seek End to Refugee Status for Millions of Palestinians," Foreign Policy, 3/8/2018, accessed on 9/9/2018, at: <https://goo.gl/BoEYVn>

³ Clare Foran & Elise Labott, "US ends all funding to UN agency for Palestinian refugees," CNN, 1/9/2018, accessed on 9/9/2018, at: <https://goo.gl/DJZDcM>

"the dream of returning the descendants of refugees to Jaffa is fueling the conflict. UNRWA is thus part of the problem and not part of the solution"⁴. Kushner and Haley and other Trump officials believe that the definition of a Palestinian refugee is a real obstacle to peace between Palestinians and Israel, even though the United Nations defines refugees as those driven from their homes by war, persecution or violence. This includes their children and grandchildren, as long as the displacement continues. All refugees registered with the United Nations maintain an internationally recognized "right of return" to their lands and homes. Accordingly, UNRWA considers that Palestinian refugee status is inherited. As a result, since its founding in 1949, UNRWA has included children and grandchildren, even if they have other nationalities, living in Jordan, Syria and Lebanon or in the West Bank and Gaza Strip,⁵ with more than five million registered. The Trump Administration calls on UNRWA to cap the number of Palestinians considered refugees to a maximum of half a million persons, or 10 per cent of UNRWA's current refugee population⁶. Israel and officials in the Trump administration are pressing to transfer the responsibility for this 10 % to the UNHCR, like other refugees and displaced persons.

- Trump's administration believes that UNRWA's mandate and financial practices cause more harm than good and thus concluded that the United States would not make additional contributions to UNRWA.⁷

Objectives

The Trump administration aims to neutralize what it sees as an "obstacle" to Palestinian-Israeli negotiations, as it has already done with Jerusalem. According to Trump, his recognition of Jerusalem as the capital of Israel and the transfer of the US embassy to the city, has "taken Jerusalem off the table". He said, "every time there were peace talks, they never got past Jerusalem becoming their capital, so I said let's take it off the table".⁸ In other words, the Trump approach is based on removing the core and central issues that define the conflict and

⁴ Yolande Knell, "Palestinians fear cost of Trump's refugee agency cut," *BBC News*, 30/1/2018, accessed on 9/9/2018, at: <https://goo.gl/CdXUzq>

⁵ "Palestine refugees," UNRWA, accessed on 9/9/2018, at: <https://goo.gl/bB6fmr>

⁶ *Trump to Demand Recognized Palestinian Refugees Be Capped at Tenth of Current Number, Report*, Haaretz, 25/8/2018, accessed on 9/9/2018, at: <https://goo.gl/9hTFhX>

⁷ "Department Press Briefing."

⁸ "Trump: Israel will pay 'higher price' for his Jerusalem recognition," *Ynet*, 22/8/2018, accessed on 9/9/2018, at: <https://goo.gl/hEJNgx>

fall within the so-called "final status issues", making issues such as Jerusalem and the right of return unnegotiable.

By neutralizing the Jerusalem question and attempting to do the same with the refugee issue, in total agreement with Israel, the parameters of the Trump plan to liquidate the Palestinian cause, in what he has called the "deal of the century", have become clear. This is especially so given Israel's ramped-up settlement construction within the major settlement blocs in the West Bank, as well as in the Jerusalem region, including Area A, which links Jerusalem with the settlement of Ma'aleh Adumim and would end any Palestinian territorial contiguity in the West Bank. Israel's relentless attempts to expel the inhabitants of Khan al-Ahmar, east of Jerusalem, reinforce this endgame. Contrary to the traditional US line, the White House refrained from criticizing Israel's efforts to intensify settlements and swallow up Palestinian land; this can only be understood as US acquiescence to these Israeli colonialist efforts.

It seems that Trump is in fact practicing what he preaches and is following through on his promises to Israel. He does not abide by the formula of a two-state solution based on the 1967 borders, but rather cuts the "deal of the century" with negotiations on unlimited imaginary borders within the West Bank, with no offer of sovereignty for the Palestinians. In fact, Trump is actively seeking to besiege the Palestinians by cutting off the lifeline that UNRWA represents to millions of Palestinian refugees with the aim of forcing them to "accept the big deal" he intends for them. He also seeks to alleviate what he sees as financial burdens borne by the United States, and to hand over the responsibility of funding UNRWA to the rich Arab Gulf states. He will use this to pressure the Palestinians into returning to the negotiating table under US-Israeli conditions.

Conclusion

Trump's decision to suspend UNRWA funding reflects the end of a US policy that has endured for seven decades, during which the United States committed itself to providing about a third of the Agency's budget to help the Palestinian people displaced by Israel from their homeland. Washington played a central role in the establishment of the Agency, to be exclusively concerned with providing assistance to the Palestinian people pending a peaceful solution. Trump overturned this policy and turned it into a tool of pressure in settling this issue. Trump and his aides have calculated this decision without considering possible serious consequences. Rather, they are pandering to the ruling right-wing coalition in Israel. The interruption of

UNRWA's educational, health and relief assistance to millions of Palestinians could lead to a new eruption of violence in the occupied Palestinian territories, as well as the destabilization of host countries receiving assistance from UNRWA, namely Jordan, Syria and Lebanon. This particular fear has prompted countries such as Germany and Japan to announce their intention to increase their aid to UNRWA, but they are unlikely to be able to cover the deficit left by the US withdrawal. In any case, the United States and Israel will not succeed in neutralizing the Palestinian refugee problem, nor in aborting the Palestinians' aspirations for the right of return. As long as there is occupation and displacement, this right will persevere.