



Churches for Middle East Peace (CMEP) Welcomes Legislation for Assisting Palestinian Entrepreneurs

On Wednesday, June 5, Senators Tim Kaine, Chris Coons, Lindsey Graham, and Cory Gardner together with Representatives Nita Lowey and Jeff Fortenberry [introduced legislation](#) to establish the Palestinian Partnership Fund for Peace. This fund would promote economic development in the Palestinian territories by encouraging collaboration between Palestinian entrepreneurs with U.S. and Israeli businesses. While welcoming this legislation as a positive step toward relieving economic pressure in the Palestinian territories exacerbated by the complete elimination of U.S. foreign aid, Churches for Middle East Peace (CMEP) fervently reiterates that only a negotiated end to the Israeli occupation can lead to a lasting peace. A political solution that works toward a just peace and lasting resolution to the conflict must be addressed alongside efforts to address the economic situation.

The Partnership Fund for Peace Act of 2019 authorizes \$50 million a year to create a fund financing partnerships between Palestinian entrepreneurs and U.S. and Israeli small and medium-sized businesses as well as not-for-profit organizations that engage in people-to-people peacebuilding work. This fund will be supplemented by contributions from international governments. Palestinian entrepreneurs looking to receive start-up funding from the Partnership Fund for Peace must apply together with an Israeli or U.S. business partner.

CMEP concurs that “building a viable Palestinian economy is central to preserve the possibility of a two-state solution.” As of 2018, unemployment in the West Bank stood at 18 percent while a staggering 53.7 of Palestinians in Gaza remain unemployed. GDP growth in the Palestinian territories has declined substantially over the past three years. This legislation aims to reverse these trends by facilitating much needed private-sector growth. CMEP also affirms the importance of ensuring Palestinians are provided with the opportunity to make their own decisions regarding how best to allocate funds and build their economy.

The Trump Administration’s complete elimination of U.S. foreign aid and termination of funding for UNRWA have exacerbated the already strained economy in the Palestinian territories. CMEP opposes these policies, which disproportionately harm the most

vulnerable members of Palestinian society and threaten regional security. As Congress debates measures to rebuild the Palestinian economy, CMEP encourages them to amend the Anti-terrorism Clarification Act of 2018 that in effect cuts off all U.S. aid by imposing overly burdensome legal liabilities upon the Palestinian Authority.

CMEP stresses that preventing businesses from profiting from the ongoing occupation is a necessary precondition for peace. CMEP hopes the Congressional sponsors of this legislation would support measures to ensure that Israeli companies operating in settlements in the Palestinian territories would not be eligible to receive funds. Economic independence is vital for establishing a truly sovereign Palestinian state.