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Summary

This report covers current issues in U.S.-Palestinian relations. It also contains an overview of Palestinian society and politics, along with descriptions of key Palestinian individuals and groups —chiefly the Palestine Liberation Organization (PLO), the Palestinian Authority (PA), Fatah, Hamas (a U.S.-designated Foreign Terrorist Organization), and the Palestinian refugee population. The "Palestinian question" is important not only to Palestinians, Israelis, and their Arab state neighbors, but to many countries and nonstate actors in the region and around the world—including the United States—for a variety of religious, cultural, and political reasons. U.S. policy toward the Palestinians is marked by efforts to negotiate a peaceful resolution to the Israeli-Palestinian conflict; counter Palestinian terrorist groups; and establish norms of democracy, accountability, and good governance. Since the signing of the Oslo Accord in 1993, Congress has committed more than $5 billion in bilateral assistance to the Palestinians.

Lack of progress on a nearly-25-year-old U.S.-supported peace process with Israel has led the PLO to consider alternative pathways toward a Palestinian state. Such alternatives were initially intended to obtain more widespread international recognition of Palestinian statehood in the West Bank (including East Jerusalem) and the Gaza Strip. A November 2012 resolution in the U.N. General Assembly identified "Palestine" as a "non-member state." Palestinians also have encouraged international legal and economic pressure on Israel, perhaps to improve their negotiating position. The Palestinians acceded to the Rome Statute of the International Criminal Court (ICC) in April 2015, and the ICC could conceivably investigate Israeli, Palestinian, or other individuals for alleged crimes committed in the West Bank and Gaza.

Palestinian leaders have expressed openness to exploring the Trump Administration's proclaimed desire to broker an Israeli-Palestinian peace agreement. But Palestinian leaders are reportedly concerned about possible U.S. favoritism of Israel and perceived gaps between the Trump Administration's rhetoric and its willingness to help renew Israeli-Palestinian negotiations. Administration officials, as part of larger efforts to stop Palestinian incitement to violence, have called upon PA and PLO leaders to cease payments to those who have committed terrorist acts and their family members. Congress has already reduced U.S. economic aid to Palestinians as a result of these payments, and is considering suspending major portions of this aid unless the Palestinians end the payments and meet various related conditions.

Among the issues in U.S. policy toward the Palestinians is how to deal with the political leadership of Palestinian society. Hamas retains de facto control over security in the Gaza Strip, despite forswearing formal responsibility. The United States has sought to bolster Fatah head and PA President Mahmoud Abbas—who also chairs the PLO—vis-à-vis Hamas. The Abbas-led PA exercises limited self-rule over specified areas of the West Bank. However, some Members of Congress have manifested concern about Abbas's periodic dealings with Hamas, international diplomatic tactics, and allegations of increasingly authoritarian domestic leadership. Anticipation that Abbas may be approaching the end of his tenure may be fueling political posturing among possible successors and influencing Abbas's own decisions.

Gaza also presents a dilemma. Humanitarian and economic problems persist, in the context of a small, population-dense territory that has been the site of three major conflicts involving its militants and Israel over the past decade (2008-2009, 2012, and 2014). Israel and Egypt maintain tight control over access to and commerce with Gaza. They and other international actors seem reluctant to take direct action toward opening Gaza's borders fully because of legal, political, and strategic challenges to dealing with Hamas. Political support and economic assistance from Iran and other state or private benefactors may bolster Hamas's rule and, combined with other factors, exacerbate the Palestinian political divide.

In October 2017, Fatah and Hamas reportedly reached an agreement that could allow the Fatah-led PA greater administrative control over Gaza and its border crossings by December. It is unclear to what extent talks in fall 2017 about possibly ending the West Bank-Gaza split might mirror some past situations in which Fatah and Hamas either failed to reach agreement or to implement an agreement. As in those situations, the current case appears to center on Hamas's willingness to cede control of security in Gaza to the PA. Abbas has insisted that he will not accept a situation, like that of Hezbollah in Lebanon, where PA control is undermined by Hamas's militia. One Hamas figure has suggested that possible financial support for Gaza from Saudi Arabia and the United Arab Emirates may provide incentives for Fatah and Hamas to bridge previously insuperable divides.

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Issues for Congress

Congress plays a significant role in U.S. policy toward the Palestinians, which is marked by efforts to facilitate a negotiated solution to the Israeli-Palestinian conflict; to counter Palestinian terrorist groups; and to establish norms of democracy, accountability, and good governance. Since the signing of the Oslo Accord (Declaration of Principles) in 1993, Congress has committed more than $5 billion in bilateral assistance to the Palestinians. Since FY2015, actual annual bilateral economic assistance has decreased from previous levels of close to $400 million to between $200 million and $300 million. Congress has regularly appropriated tens of millions of dollars of additional annual nonlethal security and justice sector assistance for the Palestinian Authority (PA) since FY2008. See CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti, for more detailed information on this topic. A number of other international actors have also sought to assist the PA. Additionally, the United States remains the largest single-state donor to the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Some Members of Congress question the continuation of U.S. budgetary, security, and/or developmental assistance to the Palestinians. Three concerns predominate. First, many Members are troubled by Palestinian terrorist acts targeting Israelis. Some Members seek reductions or complete cutoffs in U.S. economic assistance to the Palestinians because of funding that the PLO or PA provides to individuals who have allegedly committed terrorist acts, or to those individuals' families (see "Efforts to Stop PA Terrorism-Related Payments" below). Second, some Members oppose a Palestine Liberation Organization (PLO)/PA effort to pursue international initiatives—including at the United Nations and the International Criminal Court (ICC)—outside of negotiations with Israel. Third, some Members express concern regarding periodic efforts by Fatah (the faction that dominates the PA) to consult with Hamas (a Sunni Islamist group and political movement that is a U.S.-designated terrorist organization) regarding the members of the PA's government.

The Consolidated Appropriations Act, 2017 (P.L. 115-31), includes conditions on U.S. aid to the Palestinians that address these concerns. Draft appropriations legislation for FY2018 includes similar conditions, but the merits and sufficiency of these conditions remain subject to debate.

As Congress weighs the effectiveness and appropriateness of U.S. aid to the Palestinians and exercises oversight over Israeli-Palestinian developments, Members may consider the following:

- Prospects for a negotiated solution between Israel and the PLO—with or without Palestinian diplomatic initiatives aimed at statehood or international legal action.
- Threats of terrorism and armed conflict—both Israeli-Palestinian and intra-Palestinian—and options (military, political, economic) to prevent, counter, or mitigate these threats.
- The possible impact of regional developments and concerns on stability in Syria, Iraq, Egypt (especially the Sinai Peninsula), Lebanon, and Jordan.
- Palestinian leadership and civil society developments, including (1) the division of control between the PA in the West Bank and Hamas in Gaza [and possible changes to this division based on talks between Fatah and Hamas as of late 2017—see "Gaza: Hamas, PA, Israel, and Egypt (Sinai)"]; and (2) concerns about growing authoritarianism and succession disputes in the absence of elections and other institutional mechanisms, checks, or reforms.
- Palestinian economic development and humanitarian considerations.

Overview

The "Palestinian Question," Israel, and Key Recent Developments

The Palestinians are Arabs who live in the geographical area that constitutes present-day Israel, the West Bank, and the Gaza Strip, or who have historical and/or cultural ties to that area. Since the early 20th century, the desire to establish an independent state in historic Palestine has remained the dominant Palestinian national goal. Over time, Palestinians have differed among themselves, with Israelis, and with others over the nature and extent of such a state and the legitimacy of various means to achieve it. Today, the "Palestinian question" focuses on whether and how Palestinians can overcome internal divisions and external opposition to establish a viable, independent state capable of fulfilling their national aspirations. Along with the Palestinians of the West Bank, Gaza, and East Jerusalem (which include more than 2 million U.N.-registered refugees), more than 3 million Palestinian U.N.-registered refugees outside these territories, in addition to a wider diaspora, await a permanent resolution of their situation.[1]

Historical Background

Historians have noted that the concept of Palestinian national identity is a relatively recent phenomenon and in large part grew from the challenge posed by increased Jewish migration to the area that now makes up Israel, the West Bank, and Gaza during the eras of Ottoman and British control in the first half of the 20th century.[2] Palestinian political identity emerged during the British Mandate period (1923-1948), began to crystallize with the 1947 United Nations partition plan (General Assembly Resolution 181), and grew stronger following Israel's conquest and occupation of the West Bank and Gaza Strip in 1967. Although in 1947 the United Nations intended to create two states in Palestine—one Jewish and one Arab—only the Jewish state came into being. Varying explanations for the failure to found an Arab state alongside a Jewish state in mandatory Palestine place blame on the British, the Zionists, neighboring Arab states, the Palestinians themselves, or some combination of these groups.[3]

As the state of Israel won its independence in 1947-1948, roughly 700,000 Palestinians were driven or fled from their homes, an occurrence Palestinians call the *nakba* ("catastrophe"). Many from the diaspora ended up in neighboring states (Egypt, Syria, Lebanon, and Jordan) or in Gulf states such as Kuwait. Palestinians remaining in Israel became Israeli citizens. Those who were in the West Bank (including East Jerusalem) and Gaza were subject to Jordanian and Egyptian administration, respectively. With their population in disarray, and no clear hierarchical structure or polity to govern their affairs, Palestinians' interests were largely represented by Arab states with conflicting internal and external interests.

1967 was a watershed year for the Palestinians. In the June Six-Day War, Israel decisively defeated the Arab states who had styled themselves as the Palestinians' protectors, seizing East Jerusalem, the West Bank, and the Gaza Strip (as well as the Sinai Peninsula from Egypt and the Golan Heights from Syria). Thus, Israel gained control over the entire area that constituted Palestine under the British Mandate. Israel's territorial gains provided buffer zones between

[1] See http://www.unrwa.org/where-we-work for a place-by-place breakdown of U.N.-registered refugees.

[2] See Rashid Khalidi, *Palestinian Identity: The Construction of Modern National Consciousness,* New York: Columbia Univ. Press, 1997.

[3] See, e.g., Edward Said, *The Question of Palestine,* New York: Times Books, 1979; Barry Rubin, *Israel: An Introduction,* New Haven: Yale University Press, 2012.

Israel's main Jewish population centers and its traditional Arab state antagonists. These buffer zones remain an important part of the Israeli strategic calculus to this day.

Ultimately Israel only effectively annexed East Jerusalem (as well as the Golan Heights), leaving the West Bank and Gaza under military occupation. However, both territories became increasingly economically interdependent with Israel. Furthermore, Israel presided over the settlement of thousands of Jewish civilians in both territories (although many more in the West Bank than Gaza)—officially initiating some of these projects and assuming security responsibility for all of them. Settlement of the West Bank in particular increased markedly once the Likud Party, with its vision of a "Greater Israel" extending from the Mediterranean Sea to the Jordan River, took power in 1977. This presented some economic and cultural opportunities for Palestinians, but also new challenges to their identity, property rights, civil liberties, morale, political cohesion, and territorial contiguity. These challenges persist and have since intensified.

The Arab states' humiliation in 1967, and Israeli rule and settlement of the West Bank and Gaza, allowed the Palestine Liberation Organization (PLO) to emerge as the representative of Palestinian national aspirations. Founded in 1964 as an umbrella organization of Palestinian factions and militias in exile under the aegis of the League of Arab States (Arab League), the PLO asserted its own identity after the Six-Day War by staging guerrilla raids against Israel from Jordanian territory. The late Yasser Arafat and his Fatah movement gained leadership of the PLO in 1969, and the PLO subsequently achieved international prominence on behalf of the Palestinian national cause—representing both the refugees and those under Israeli rule in the West Bank and Gaza—although often this prominence came infamously from acts of terrorism and militancy.

Although Jordan forced the PLO to relocate to Lebanon in the early 1970s, and Israel forced it to move from Lebanon to Tunisia in 1982, the organization and its influence survived. In 1987, Palestinians inside the West Bank and Gaza rose up in opposition to Israeli occupation (the first *intifada*, or uprising), leading to increased international attention and sympathy for the Palestinians' situation. In December 1988, as the intifada continued, Arafat initiated dialogue with the United States by renouncing violence, promising to recognize Israel's right to exist, and accepting the "land-for-peace" principle embodied in U.N. Security Council Resolution 242.[4] Arafat's turn to diplomacy with the United States and Israel may have been partly motivated by concerns that if the PLO's leadership could not be repatriated from exile, its legitimacy with Palestinians might be overtaken by local leaders of the intifada in the West Bank and Gaza (which included Hamas). These concerns intensified when Arafat lost much of his Arab state support following his political backing for Saddam Hussein's 1990 invasion of Kuwait.

After direct secret diplomacy with Israel brokered by Norway, the PLO recognized Israel's right to exist in 1993, and through a succession of agreements (known as the "Oslo Accords"), gained limited self-rule for Palestinians in Gaza and parts of the West Bank—complete with democratic mechanisms; security forces; and executive, legislative, and judicial organs of governance under the PA. The Oslo Accords were gradually and partially implemented during the 1990s, but the expectation that they would lead to a final-status peace agreement has not been realized.

Many factors—including violence, leadership changes and shortcomings, rejectionist movements with sizeable popular followings (particularly Hamas on the Palestinian side), a continued Israeli

[4] UNSCR 242, adopted in 1967 shortly after the Six-Day War, calls for a "just and lasting peace in the Middle East" based on (1) "Withdrawal of Israeli armed forces from territories occupied in the [1967 Six-Day War]" and (2) "Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force."

security presence, expanded Israeli settlement of the West Bank and East Jerusalem, and international involvement—have contributed to the failure to complete the Oslo process. A second Palestinian intifada from 2000 to 2005 was marked by intense terrorist violence inside Israel and actions—asserted by Israel to be necessary to safeguard its citizens' security—by Israeli security forces that rendered much of the PA infrastructure built over the preceding decade unusable.

During the second intifada, U.S.- and internationally supported efforts to restart peace negotiations under various auspices failed to gain traction. After Arafat's death in 2004[5] and his succession by Mahmoud Abbas, Israel unilaterally withdrew its settlers and military forces from Gaza in 2005. However, the limited self-rule regime of the PA was undermined further by Hamas's legislative election victory in 2006, and its takeover of Gaza in 2007. These developments, along with subsequent violence and regional political changes, have since increased confusion regarding questions of Palestinian leadership, territorial contiguity, and prospects for statehood.

Present and Future Considerations

Today, Fatah and Hamas are the largest Palestinian political movements (see **Appendix A** for profiles of both groups). The positions that their leaders express reflect the two basic cleavages in Palestinian society:

1. Between those (several in Fatah) who seek to establish a state by nonviolent means—negotiations, international diplomacy, civil disobedience—and those (Hamas) who insist on maintaining violence as an option; and
2. Between those (Fatah) who favor a secular model of governance and those (Hamas) who seek a society governed more by Islamic norms.

Many Palestinians assert that U.S. policy reflects a pro-Israel bias and a lack of sensitivity to PA President/PLO Chairman Mahmoud Abbas's domestic political rivalry with Hamas and other groups. Citing a lack of progress on the peace process with Israel, Abbas and his colleagues have considered alternative pathways toward a Palestinian state. This approach was initially based on the strategy of obtaining more widespread international recognition of Palestinian statehood in the West Bank (including East Jerusalem) and the Gaza Strip, and now may also be encouraging or taking advantage of international legal and economic pressure on Israel to improve Palestinians' political position.[6] For more information, see CRS Report R44281, *Israel and the Boycott, Divestment, and Sanctions (BDS) Movement*, coordinated by Jim Zanotti.

[5] Arafat fell ill in Ramallah, West Bank, in October 2004, was transported to a military hospital in France, and died there. Records indicate that he died of a stroke resulting from a bleeding disorder caused by an unidentified underlying infection. Many Palestinians maintain that he was poisoned, with several theories blaming Israel and/or one or more of his Palestinian rivals or potential successors. Evidence revealed by Arafat's widow Suha indicating the presence of polonium on articles of Arafat's clothing led in August 2012 to French authorities opening an inquiry into his death and in November 2012 to the exhumation and reburial of his remains. Three parties—the French probe, a Swiss medical laboratory, and a group of Russian experts appointed by the PA—were involved in conducting tests on samples taken from Arafat's exhumed remains. "Yasser Arafat died of natural causes - Russian report," *BBC News*, December 26, 2013. The French case was closed in September 2015 due "a lack of sufficient evidence." "Arafat poisoning case closed without charges filed," Jewish Telegraphic Agency (JTA), September 2, 2015.

[6] In December 2016, during the U.S. presidential transition, the Obama Administration decided to abstain from (rather than veto) a U.N. Security Council resolution (UNSCR 2334) that reaffirmed the illegality of settlements—UNSCR 465 (1980) made a similar affirmation—under international law in "Palestinian territory occupied since 1967, including East Jerusalem." President-elect Trump denounced the Administration's abstention. In February 2011, the Obama

According to reports and periodic statements, Abbas has considered other alternative strategies for the West Bank. Such alternatives include encouraging greater Palestinian nonviolent resistance to Israel and even dissolving the PA altogether.[7] Some Palestinian and international intellectuals continue to advocate the idea of a "binational" or "one-state" idea as an alternative to a negotiated two-state solution, even though polls indicate that sentiment among Israelis and Palestinians leans predominantly toward separate states and national identities.[8]

The "Palestinian question" is important not only to Palestinians, Israelis, and their Arab state neighbors, but to many countries and nonstate actors in the region and around the world—including the United States—for a variety of religious, cultural, and political reasons. Over the past 70 years, if not longer, the issue has been one of the most provocative in the international arena. Various global jihadist groups, Iran, and others seeking to garner support for and/or mobilize Arab and Muslim sentiment against the United States, Israel, and/or other Western nations routinely use the Palestinian cause as a touchstone for their grievances. In past years, analysts had often debated whether the Palestinian question was central to the region's and world's problems, with some contending that more often than not it is used by various actors as a pretext to deflect attention from matters more central to their respective interests. U.S. and international attention to Palestinian issues appears to have declined somewhat this decade.

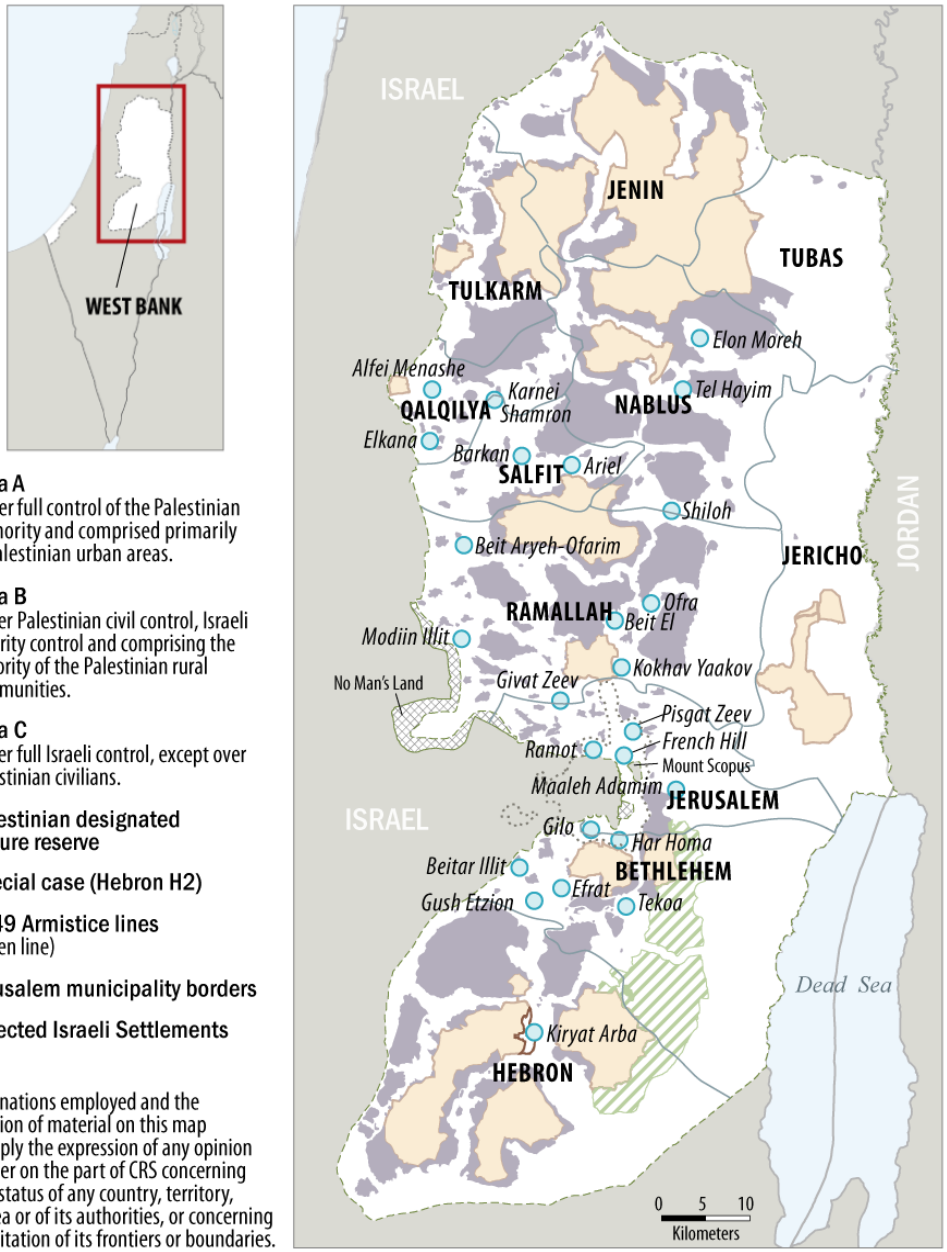
Administration had vetoed a draft U.N. Security Council resolution (UNSCR)—approved by all 14 other members of the Security Council—that also would have characterized Israeli settlements in the West Bank and East Jerusalem as illegal, and demanded cessation of settlement activities. The 2011 draft UNSCR did not contain language similar to UNSCR 2334 condemning terrorism and calling for actors to prevent violence and refrain from incitement.

[7] Those who support the idea of dissolving the PA apparently believe that Israel's motivation for agreeing to Palestinian sovereignty in the West Bank (and possibly Gaza) might increase considerably were it to again shoulder the full burden of governing the territory and its residents. Others dismiss the plausibility of the idea, largely over concerns about possible destabilization given the direct reliance of over 150,000 Palestinians (and their families) on PA employment.

[8] See, e.g., Palestinian Center for Policy Survey and Research (PCPSR) and others, Palestinian-Israeli Pulse: A Joint Poll, June-July 2017. Most scenarios envisioning a binational Israeli-Palestinian state would apparently fundamentally change or abrogate the Zionist nature of Israel's institutional and societal makeup. Such developments would by almost all accounts be unacceptable to a large majority of Israelis.

Figure 1. Map of West Bank

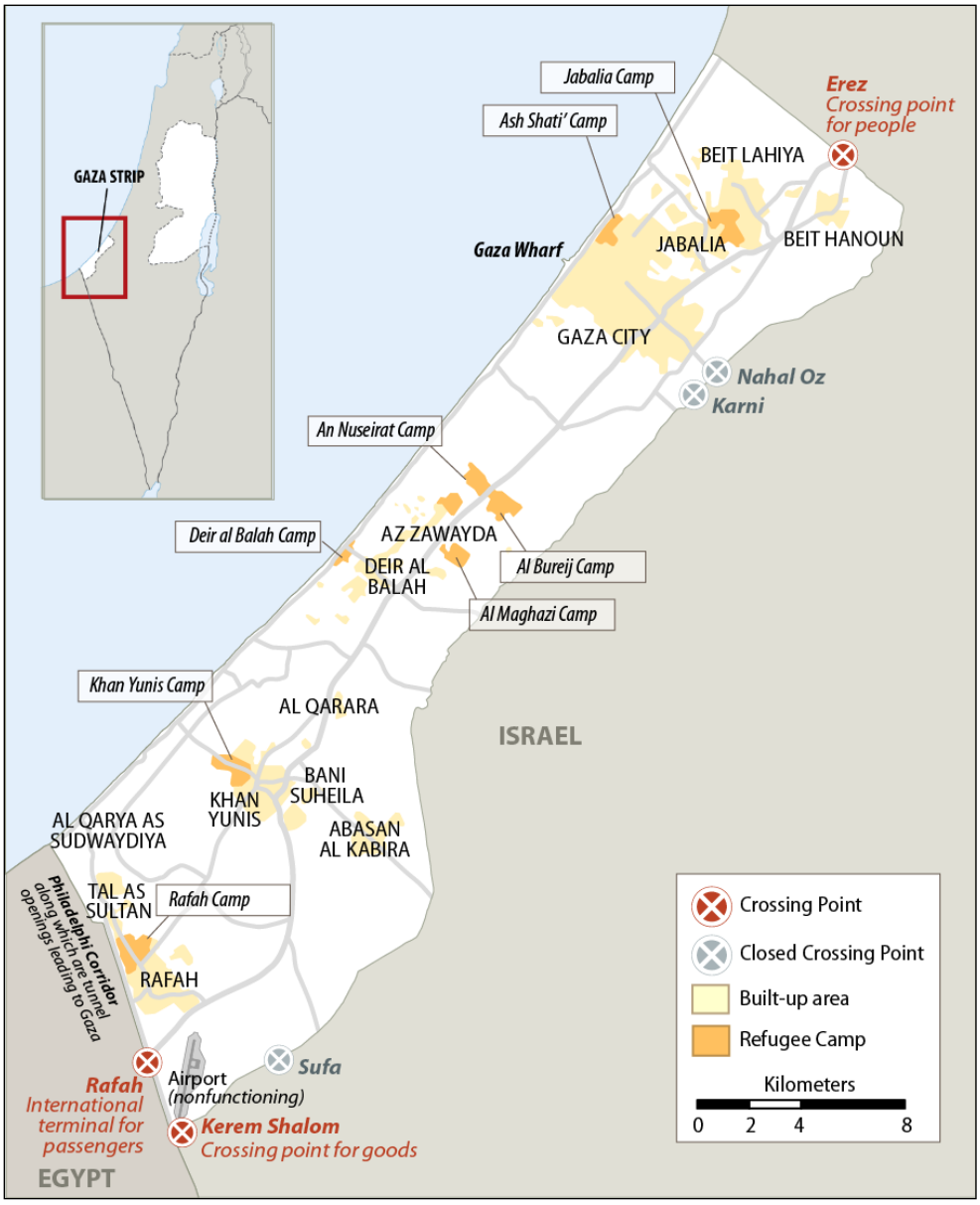
PA Governorates; Areas A, B, and C; and Selected Israeli Settlements



Source: CRS, adapted from the U.N. Office for the Coordination of Humanitarian Affairs.

Notes: All boundaries and depictions are approximate. Israeli settlements are not drawn to scale and do not reflect the full scope of Jewish residential construction in the West Bank and East Jerusalem. Areas A, B, and C were designated pursuant to the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995. H2 was designated pursuant to the Protocol Concerning the Redeployment in Hebron, dated January 17, 1997. Additional Israeli settlements exist within Area C but are not denoted, particularly a group of settlements with small populations located along the Jordanian border (the Jordan Valley).

Figure 2. Map of Gaza Strip



Source: U.N. Office for the Coordination of Humanitarian Affairs and UNOSAT, with additional data from UNRWA; adapted by CRS.

Developments During the Trump Administration and 115th Congress

Diplomatic Prospects

PA President Abbas and key Palestinian diplomats have stated that they are open to exploring the Trump Administration's proclaimed desire to broker an Israeli-Palestinian peace agreement. In May 2017, Abbas visited President Trump at the White House and signaled a willingness to return

to negotiations using the 2002 Arab Peace Initiative as a starting point.[9] Trump then visited Israel and the West Bank later in May. A May media report indicated that Arab Gulf states may be willing to normalize some economic relations with Israel in exchange for overtures on its part. Such overtures might include limits on Israeli settlement construction in the West Bank or loosening restrictions on imports into the Gaza Strip.[10] Observers have discussed the possible merits and drawbacks of an "outside-in" strategy that could seek support from Arab states in an attempt to compensate for challenges such as the West Bank-Gaza split, questions regarding future Palestinian leadership, and resistance to compromise among Israeli and Palestinian populations.[11]

However, Israeli-Palestinian tensions during summer 2017 (including over Jerusalem) and various political developments have raised questions about whether and when a new U.S.-backed diplomatic initiative might surface.[12] Abbas voiced support in a September 2017 speech before the U.N. General Assembly "for the efforts being undertaken by President Donald Trump and the Quartet and international community as a whole to achieve an historic agreement that brings the two-state solution to reality."[13] Nevertheless, Palestinian leaders have expressed concern about possible U.S. favoritism of Israel and perceived gaps between the Trump Administration's rhetoric and its willingness to help renew Israeli-Palestinian negotiations.[14] To date, President Trump has not explicitly advocated a two-state solution (a conflict-ending outcome that has been a declared aim of U.S. policy for about 15 years and a presumed aim since the Israeli-Palestinian peace process began in the 1990s).

Some aspects of the Israeli-Palestinian conflict appear unchanged by recent diplomatic developments. Israel maintains overarching control of the security environment in Israel and the West Bank. Palestinians remain divided between the Abbas-led PA administration with limited self-rule in specified West Bank urban areas, and the de facto Hamas administration in the Gaza Strip. Both the PA and Hamas face major questions regarding future leadership. There has been little or no change in the distance between Israeli and Palestinian positions on key issues of dispute since the last round of direct talks broke down in April 2014. Since 2011, Arab states that

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[9] White House Office of the Press Secretary, Remarks by President Trump and President Abbas of the Palestinian Authority in Joint Statement, May 3, 2017. The Arab Peace Initiative offers a comprehensive Arab peace with Israel if Israel were to withdraw fully from the territories it occupied in 1967, agree to the establishment of a Palestinian state with a capital in East Jerusalem, and provide for the "[a]chievement of a just solution to the Palestinian Refugee problem in accordance with UN General Assembly Resolution 194." The initiative was proposed by Saudi Arabia, adopted by the 22-member Arab League (which includes the PLO), and later accepted by the 56-member Organization of the Islamic Conference (now the Organization of Islamic Cooperation) at its 2005 Mecca summit. The text of the initiative is available at http://al-bab.com/documents-section/arab-peace-initiative-2002.

[10] Jay Solomon and Gordon Lubold, "Arab States Make an Offer to Israel—Gulf states set to take steps toward better relations in return for move by Netanyahu," *Wall Street Journal*, May 16, 2017.

[11] Ian Fisher and Ben Hubbard, "Trump's Shift to 'Outside-In' Strategy for Mideast Peace Is a Long Shot," *New York Times*, February 14, 2017; Charles Krauthammer, "Why Middle East Peace Starts in Saudi Arabia," *National Review*, May 25, 2017; Ilan Goldenberg, "Trump's 'Outside-In' Approach to Israel-Palestine Won't Work Right Now," *Foreign Policy*, February 13, 2017.

[12] Neri Zilber, "Trump's Mideast Peace Plan is Crashing Against Political Reality," foreignpolicy.com, July 11, 2017; Ben Caspit, "Trump's plan for Mideast peace fades," *Al-Monitor Israel Pulse*, July 31, 2017; Ben Sales, "Jared Kushner on Israeli-Palestinian peace: 'There may be no solution,'" Jewish Telegraphic Agency, August 1, 2017.

[13] "FULL TEXT: Palestinian President Mahmoud Abbas' Address to UN General Assembly," haaretz.com, September 20, 2017. The members of the "Quartet" or international Quartet include the United States, European Union, Russia, and the U.N. Secretary-General's Office.

[14] See, e.g., Uri Savir, "Palestinians want to be called 'state under occupation,'" *Al-Monitor Palestine Pulse*, September 3, 2017.

have traditionally championed the Palestinian cause have been more preoccupied with domestic and other regional concerns, and many have built or strengthened informal ties with Israel based on common views regarding Iran and its regional influence.

Efforts to Stop PA Terrorism-Related Payments

As part of efforts to revive the Israeli-Palestinian peace process, President Trump has called upon Palestinian leaders to "speak in a unified voice against incitement to ... violence and hate."[15] In line with this position, Administration officials have called upon PA and PLO leaders to cease payments to those who have committed terrorist acts and their family members. In a June 13, 2017, Senate Foreign Relations Committee hearing, Secretary of State Rex Tillerson claimed that he was informed that the Palestinians had changed their policy and that "their intent is to cease the payments to the family members of those who have committed murder or violence against others." However, a PA official with responsibility for prisoner affairs denied that the Palestinians' policy had changed, being quoted as follows:

> By virtue of my job as head of the [prisoners'] administration, I know that the allowances were paid this month, and they will be next month too. I have no information that they won't be paid to the prisoners and families who receive them, based on the clear, known parameters under Palestinian law.[16]

In testimony the following day (June 14) before the House Foreign Affairs Committee, Secretary Tillerson clarified that Palestinian leaders had indicated to him that they were in the process of changing their practices, but that they cited a need to support "widows and orphans." Secretary Tillerson stated that the U.S.-Palestinian dialogue on the matter would continue, and that he had relayed the following viewpoint to Palestinian interlocutors:

> Widows and orphans is one thing. Attaching payments as recognition of violence or murders is something the American people could never accept or understand.[17]

In July 2017, one media outlet cited Palestinian sources involved with prisoner affairs for the assertion that the PA had "suspended payments to families of 277 prisoners and ex-prisoners at the beginning of June."[18]

Palestinian Payments for "Martyrs" and Prisoners

According to a 2016 article, the Palestinian practice of compensating families who lost a member (combatant or civilian) in connection with Israeli-Palestinian violence dates back to the 1960s.[19] Palestinian payments on behalf of prisoners or decedents in their current form apparently "became standardized during the second *intifada* [uprising] of 2000 to 2005."[20] Various PA laws and decrees since 2004 have established parameters for payments.[21] Lawmakers and the Trump Administration have condemned the practice, focusing particular criticism

[15] White House Office of the Press Secretary, Remarks by President Trump and President Abbas of the Palestinian Authority in Joint Statement, May 3, 2017.

[16] Jack Khoury, "Rebuffing U.S. Claims, Palestinians Vow to Continue to Pay Terrorists' Families," *Ha'aretz*, June 14, 2017.

[17] Testimony of Secretary of State Rex Tillerson, House Foreign Affairs Committee hearing, June 14, 2017.

[18] "Palestinians warn ending payouts to jailed terrorists could trigger crisis," Agence France Presse, July 13, 2017.

[19] Naomi Zeveloff, "EXCLUSIVE: Does Aid to Palestinians Subsidize the Families of Terrorists?" *Jewish Daily Forward*, August 23, 2016.

[20] Eli Lake, "The Palestinian incentive program for killing Jews," Bloomberg, July 11, 2016.

[21] Yossi Kuperwasser, "Incentivizing Terrorism: Palestinian Authority Allocations to Terrorists and their Families," Jerusalem Center for Public Affairs, at http://jcpa.org/paying-salaries-terrorists-contradicts-palestinian-vows-peaceful-intentions/; Testimony of Yigal Carmon of the Middle East Media Research Institute, transcript from hearing of the

on an apparent tiered structure that provides higher levels of compensation for prisoners who receive longer sentences.

Congressional scrutiny of Palestinian terrorism-related payments increased during a late 2015-early 2016 wave of Israeli-Palestinian violence, with particular focus on the March 2016 death of Taylor Force. Force, a U.S. citizen and war veteran, was studying abroad in Israel as a private civilian when he was fatally stabbed by a Palestinian attacker. Legislation bearing Taylor Force's name was introduced in 2016 and 2017, and many of the provisions have been placed in the version of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018 (S. 1780) that was reported by the Senate Appropriations Committee in September 2017. These provisions' main function would be to replace a mandate for "dollar-for-dollar" reductions to U.S. economic aid for the PA based on certain terrorist-related payments (found in annual appropriations legislation since FY2015)[22] with a mandate that suspends most economic aid directly benefitting the PA unless and until the Palestinians cease terrorist-related payments and meet some related conditions. The Administration has expressed support for the proposed legislation.[23]

Facing domestic political challenges, Palestinian leaders have publicly denounced the proposed legislation,[24] and it is unclear whether its enactment would enhance the PA's willingness to suspend payments or otherwise change how they are made in order to maintain U.S. budget support. According to PA financial statements from calendar years 2013 to 2016, U.S. budget support has averaged around 13% of the PA's annual external support and 3.5% of annual PA spending (calculated on a commitment basis) over that time.[25] Clearance revenues (tax and customs amounts due to the PA that Israel collects on its behalf and transfers to it per a 1994 agreement)[26] over the same period averaged around 50% of annual PA spending.

For more information, see CRS Insight IN10761, *Taylor Force Act: Palestinian Terrorism-Related Payments and U.S. Aid*, by Jim Zanotti and Jeremy M. Sharp.

Periodic Israeli-Palestinian Conflict and Continuing Tension

Hamas and Gaza

Israel and Hamas (along with other Palestinian militants based in Gaza) have engaged in three major conflicts in the past decade: one in December 2008-January 2009, one in November 2012, and one in July-August 2014. Though distinct, each arguably featured mutual tests of military capability, domestic political cohesion, and deterrence in times of political change. Each of the three conflicts also featured heated debate over respective culpability and the targeting or reckless endangerment of civilians, who have suffered death, injury, and massive displacement and

House Foreign Affairs Subcommittee on the Middle East and North Africa, July 6, 2016.

[22] Consolidated Appropriations Act, 2017, P.L. 115-31 Section 7041(*l*)(3).

[23] Richard Lardner, "Trump administration backs bill to halt aid to Palestinians," Associated Press, September 14, 2017.

[24] "PLO condemns US lawmakers for bill targeting payments to terrorists," *Times of Israel*, August 15, 2017. A June-July 2017 public opinion poll found that 91% of Palestinians in the West Bank and Gaza Strip opposed the suspension of payments to prisoners in Israeli jails. PCPSR Public Opinion Poll No. 64, June 29-July 1, 2017.

[25] PA financial statements accessible at the Ministry of Finance website at http://www.pmof.ps/en/41.

[26] http://www.mfa.gov.il/mfa/foreignpolicy/peace/guide/pages/gaza-jericho%20agreement%20annex%20iv%20-%20economic%20protoco.aspx.

property damage. In the aftermath of each conflict, much international attention focused on the still largely elusive tasks of

- improving humanitarian conditions and economic opportunities for Palestinians in Gaza; and
- preventing Hamas and other militants from reconstituting arsenals and military infrastructure.

The various cease-fires contemplated subsequent talks involving Israel, Fatah, and Hamas to discuss possible ways to ease restrictions on Gaza's commerce and to address Israeli security concerns and concerns from humanitarian suppliers about possible diversion of resources to Hamas. However, no significant breakthrough has since occurred to reconcile civilian infrastructure needs with security considerations. Developments in Palestinian and regional politics have contributed to a situation in which Hamas's leadership is more concentrated in Gaza, which may make events there more important for the movement's future. Abbas and the PA, Israel, Egypt, Iran, and Gulf states each can influence Hamas's stance and prospects for future conflict. By all accounts, Hamas remains the key security provider in Gaza, even though it forswears formal responsibility for governance. For more information, see "Gaza: Hamas, PA, Israel, and Egypt (Sinai)" below.

Major Israel-Hamas Conflicts Since 2008

December 2008-January 2009*: *Israeli codename "Operation Cast Lead"

- Three-week duration, first meaningful display of Palestinians' Iranian-origin rockets, Israeli air strikes and ground offensive
- Political context: Impending leadership transitions in Israel and United States; struggling Israeli-Palestinian peace talks (Annapolis process)
- Fatalities: More than 1,100 (possibly more than 1,400) Palestinians; 13 Israelis (three civilians)

November 2012*: *"Operation Pillar of Defense (or Cloud)"

- Eight-day duration, Palestinian projectiles of greater range and variety, Israeli airstrikes, prominent role for Israel's Iron Dome antirocket system
- Political context: Widespread Arab political change, including rise of Muslim Brotherhood to power in Egypt; three months before Israeli elections
- Fatalities: More than 100 Palestinians, six Israelis (four civilians)

July-August 2014*: *"Operation Protective Edge/Mighty Cliff"

- About 50-day duration, Palestinian projectiles of greater range and variety, Israeli air strikes and ground offensive, extensive Palestinian use of and Israeli countermeasures against tunnels within Gaza, prominent role for Iron Dome
- Political context: Shortly after (1) unsuccessful round of Israeli-Palestinian peace talks, (2) PA consensus government formation and end of Hamas's formal responsibilities for governing Gaza, (3) prominent youth killings
- Fatalities: More than 2,100 Palestinians, 71 Israelis (five civilians), and one foreign worker

Individual Palestinian Attacks

Since 2014, various incidents related to holy sites in Jerusalem have contributed to rounds of Israeli-Palestinian violence and political tension.[27] A wave of mostly "lone wolf" attacks by Palestinians against Israeli security personnel and civilians started in fall 2015, intensified for several months, tailed off in 2016, and has periodically resurfaced since then.[28] Reports indicate

[27] For more information, see CRS Report R44245, *Israel: Background and U.S. Relations in Brief*, by Jim Zanotti.

[28] More than 40 Israelis and 270 Palestinians have been killed as a result of that violence. "Israeli Police, Palestinian Militants Deny IS Claim in Fatal Stabbing of Policewoman," Voice of America, June 17, 2017.

that, in general, Israeli and PA security officials have continued to coordinate efforts discreetly, though some observers assert that coordination has become increasingly precarious given tensions and political stalemate.[29]

Palestinian Leadership and Succession Questions

Mahmoud Abbas (aka "Abu Mazen")

Abbas, by virtue of his status as the current PLO chairman, PA president, and head of Fatah, is generally regarded as the leader of the Palestinian national movement, despite Hamas's large measure of control over Gaza.

Born in 1935 in Safed in what is now northern Israel, Abbas and his family left for Syria as refugees in 1948 when Israel was founded. He earned a B.A. in law from Damascus University and a Ph.D. in history from Moscow's Oriental Institute.[30] Abbas was an early member of Yasser Arafat's Fatah movement, joining in Qatar, and became a top deputy to Arafat and head of the PLO's national and international relations department in 1980. Abbas initiated dialogue in the 1970s with civil society movements seeking to facilitate Israeli-Palestinian diplomacy, and, as the head of the Palestinian negotiating team to the secret Oslo talks in the early 1990s, is widely seen as one of the main architects of the peace process.[31]

Abbas returned to the Palestinian territories in 1995 and took residences in Gaza and Ramallah. Together with Yossi Beilin (then an Israeli Labor Party government minister), Abbas drafted a controversial "Framework for the Conclusion of a Final Status Agreement Between Israel and the PLO" (better known as the "Abu Mazen-Beilin Plan") in October 1995.[32] In March 2003, Abbas was named the first PA prime minister, but never was given full authority because Arafat (the PA president) insisted on retaining ultimate decisionmaking authority and control over security services. Abbas resigned as prime minister in September 2003, apparently as a result of frustration with Arafat, the United States, and Israel.

Following the death of Yasser Arafat in November 2004, Abbas succeeded Arafat as chairman of the PLO's Executive Committee, and he won election as Arafat's successor as PA president in January 2005 with 62% of the vote. His presidency has been marked by events that include

- Israel's 2005 unilateral withdrawal from Gaza;
- the January 2006 Hamas legislative electoral victory;

[29] See, e.g., Shlomi Eldar, "Israel, PA discreetly resume security coordination," *Al-Monitor Israel Pulse*, August 10, 2017.

[30] Some Jewish groups allege that Abbas's doctoral thesis and a book based on the thesis (entitled *The Other Side: The Secret Relationship Between Nazism and Zionism*) downplayed the number of Holocaust victims and accused Jews of collaborating with the Nazis. Abbas has maintained that his work merely cited differences between other historians on Holocaust victim numbers, and has stated that "The Holocaust was a terrible, unforgivable crime against the Jewish nation, a crime against humanity that cannot be accepted by humankind." "Profile: Mahmoud Abbas," *BBC News*.

[31] One of the Black September assassins involved in the 1972 Munich Olympics terrorist attack that killed 11 Israeli athletes has claimed that Abbas was responsible for financing the attack, even though Abbas "didn't know what the money was being spent for." Alexander Wolff, "The Mastermind," *Sports Illustrated*, August 26, 2002.

[32] The Abu Mazen-Beilin plan contemplated a two-state solution that, among other things, would create a special mechanism for governing Jerusalem that would allow it to function as the capital of both Israel and Palestine, and would resolve the Palestinian refugee issue by allowing return to Israel only in special cases and providing for a compensation regime and resettlement elsewhere in most others. Its existence was denied for five years until its text was made public in 2000. Text available at http://www.bitterlemons.org/docs/beilinmazen.html.

- the June 2007 Hamas takeover of Gaza;
- the 2007-2008 U.S.-supported Annapolis negotiating process with Israeli Prime Minister Ehud Olmert; and
- subsequent diplomatic efforts that have alternated between negotiations with Israel and initiatives in various international fora.

Abbas may be motivated by a complex combination of factors that include resisting challenges to his personal authority, preventing destabilization and violence, and maintaining as many political and diplomatic options as possible. Some analysts have asserted that, without a functioning Palestinian legislature and with the prospect of future PA elections uncertain, the rule of President Abbas is becoming less legitimate and more authoritarian and corrupt.[33]

Possible Succession Scenarios

Abbas's age and the lack of a clear successor to his leadership, as well as questions about the process by which a potential successor would be selected, have contributed to widespread speculation about who might lead the PLO and PA next. It is possible that Abbas could give up either the PLO position or the PA position and retain the other for some period of time. Given that the two entities are structurally and functionally separate (though their roles may overlap in some respects),[34] it is not guaranteed that one person would succeed to both leadership positions. Possible successors to Abbas from Fatah/PLO circles include the following:

- **Marwan Barghouti** often leads in opinion polls,[35] but is imprisoned by Israel for terrorist-related offenses allegedly committed during the second intifada.
- **Muhammad Dahlan** was a top security figure in Gaza under Arafat who enjoys support from some Arab states, but he was expelled from Fatah in 2011 after a falling out with Abbas and is currently based in the United Arab Emirates (UAE). Some media reports suggest that Hamas has allowed Dahlan and his associates to exercise greater influence in Gaza partly due to assistance provided for Gazans from Egypt and the UAE in 2017.[36]
- **Mahmoud al Aloul** and **Jibril Rajoub** are longtime figures within Fatah whose appointments to senior factional leadership positions in early 2017 could indicate future internal support.
- **Majid Faraj** (arguably Abbas's most trusted security figure), **Saeb Erekat** (a top PLO negotiator), and **Salam Fayyad** (a previous PA prime minister) have some prominence with outside actors, but relatively little political clout with domestic constituencies.

A succession could present Hamas with opportunities to increase its influence, especially if the succession process is slow and does not definitively concentrate power around one or more non-Hamas figures. Hamas exercises a significant measure of control in Gaza, maintains a majority in the currently suspended Palestinian Legislative Council (PLC), and appears to have a significant number of loyal Palestinian supporters. Additionally, despite reduced external support since 2012,

[33] See, e.g., Nur Arafeh, "The Political Alienation of Palestinian Youth," *Revitalizing Palestinian Nationalism: Options Versus Realities*, Carnegie Endowment for International Peace, 2017.

[34] For a description of the PLO, see **Appendix A**. For a description of the PA see "Palestinian Authority (PA)."

[35] See, e.g., PCPSR, Public Opinion Poll No. 65, September 2017.

[36] See, e.g., Majd al Waheidi, "An Attempt to Heal Gaza, and a Politician's Image," *New York Times*, September 14, 2017.

Hamas's ability to violently target Israelis and engage Israel's military in high-profile conflict remains an avenue for attracting popular support among Palestinians and the wider Arab world.

Under Article 37 of the Palestinian Basic Law, it appears that if Abbas were to leave office, the speaker of the Palestinian Legislative Council would take over his duties as president for a period not to exceed 60 days, by which time elections for a more permanent successor are supposed to take place. Although the PLC has not been in session since Hamas forcibly took control of Gaza in 2007 and Abbas dismissed the Hamas-led PA government in response, the PLC's speaker is Aziz Dweik, a member of Hamas. PA presidential elections only involve residents of the West Bank (including East Jerusalem) and Gaza, not diaspora Palestinians. Though Hamas members have not run in past presidential elections, one or more could potentially run in future elections.

In any case, the extent to which succession to the PA presidency will ultimately be determined by elections and/or under the Palestinian Basic Law is unclear. Abbas's term of office was supposed to be four years, with a new round of elections initially planned for 2009 that would have allowed Abbas to run for a second and (under the Basic Law) final term. However, the split between the Fatah-led PA in the West Bank and Hamas in Gaza has indefinitely postponed PA presidential and legislative elections. Elections may remain unlikely absent a change in the nature of Hamas's control over Gaza. In December 2009, the PLO's Central Council voted to extend the terms of both Abbas and the current PLC until elections can be held. This precedent could lead to PLO action in selecting or attempting to select a successor to Abbas as PA president if elections are not held shortly after he leaves office.

Demographic and Economic Profile

There are an estimated 4.82 million Palestinians living in the West Bank, Gaza Strip, and East Jerusalem (approximately 2.94 million in the West Bank and East Jerusalem, and 1.88 million in Gaza).[37] Of these, more than 2 million are registered as refugees (in their own right or as descendants of the original refugees) from the 1947-1948 Arab-Israeli war. (In addition, approximately 585,000 Jewish Israeli citizens live in the West Bank and East Jerusalem.) More than 3 million Palestinians are registered as refugees in Jordan, Lebanon, and Syria,[38] in addition to nonrefugees living in these states and elsewhere around the world.

Table 1. Estimated Palestinian Population Worldwide

Country or Region	Population
West Bank, Gaza Strip, and East Jerusalem	4,820,000
Israel	1,470,000
Arab states	5,460,000
Other states	685,000
Total	**12,435,000**

Source: Palestinian Central Bureau of Statistics. The figure for West Bank, Gaza Strip, and East Jerusalem is as of 2016; the other figures are as of 2015.

[37] Palestinian Central Bureau of Statistics (PCBS) figures for 2016. PCBS also reports that an additional 1.47 million Palestinians live as Arab citizens of Israel.

[38] https://www.unrwa.org/where-we-work.

West Bank Palestinians generally are wealthier, better educated, and more secular than their Gazan counterparts. Palestinians are relatively well educated among Arab countries, with an adult literacy rate of 97%. (Jordan and Egypt have a 98% and a 74% adult literacy rate, respectively.)[39] The Palestinian population in the West Bank and Gaza is approximately 98% Sunni Muslim; approximately 1% is Christian of various denominations.[40]

Table 2. Basic Facts for the West Bank and Gaza Strip

Statistic	West Bank	Gaza Strip	Combined
Population (2016 est.)	2,940,000	1,880,000	4,820,000
Refugees (2015 est.)	762,000	1,259,000	2,021,000
Median age (2016 est.)	20.4	16.9	-
Population growth rate (2016 est.)	1.8%	2.3%	-
Real GDP growth rate (2016 est.)	3.0%	7.7%	4.1%
GDP per capita (2016 est.)	$2,279	$1,038	$1,766
Unemployment rate (2016 est.)	18.2%	41.7%	25.0%
Inflation rate (2016 est.)	-	-	-0.2%
Exports (2016 est.)	-	-	$1.8 bil
Export commodities	stone, olives, fruit, vegetables	fruits, vegetables, flowers, fish	-
Export partners (2015 est.)	-	-	Israel 83.9%, Arab states 12.6%
Imports (2016 est.)			$6.1 bil
Import commodities	food, consumer goods, construction materials, petroleum, chemicals	food, consumer goods, fuel	-
Import partners (2015 est.)	-	-	Israel 58.3%, European Union 11.7%, Arab States 6.5%

Sources: Palestinian Central Bureau of Statistics, Central Intelligence Agency World Factbook, World Bank, *Economist Intelligence Unit*, UNRWA.

Notes: Population figures exclude Israeli settlers.

[39] U.N. Educational, Scientific, and Cultural Organization (UNESCO) data, available at http://data.uis.unesco.org/index.aspx?queryid=166.

[40] State Department International Religious Freedom Report for 2016, "The Occupied Territories."

The Regional and International Context

In General

Without sovereignty or a self-sufficient economy, Palestinians' fortunes depend to a large degree on the policies of other countries and international organizations with influence in the surrounding region. Almost every aspect of Palestinian existence has some connection with Israel given Israel's occupation of the West Bank; its effective unilateral annexation of East Jerusalem; and its large measure of control over borders, resources, and trade in both the West Bank and Gaza. Both Israelis and Palestinians continue to acknowledge that the United States helps define the regional and international frameworks within which they and other international actors address their issues.

Palestinian Diplomatic Initiatives at the United Nations and Elsewhere

Overview

As mentioned above, the PLO has pursued a number of international initiatives that are part of a broader effort to obtain greater international recognition of Palestinian statehood. Some 130 out of 193 U.N. member states reportedly have formally recognized the state of Palestine that was declared by the PLO in 1988, mostly outside of the group of North American and Western European countries that are the PA's main financial patrons and exercise considerable political influence in the region. In 2014, Sweden became the first Western European country to formally recognize Palestinian statehood, and nonbinding resolutions in favor of recognition have been passed in houses of parliament in a number of other European countries, including the United Kingdom, France, and Spain. In December 2014, the European Parliament passed a resolution expressing support in principle for Palestinian statehood.

On November 29, 2012, the U.N. General Assembly (UNGA) adopted Resolution 67/19 by a vote of 138 member states in favor (including 14 European Union countries—France and Spain among them), 9 against (including the United States and Israel), and 41 abstentions. The resolution changed the permanent U.N. observer status of the PLO (recognized as "Palestine" within the U.N. system) from an "entity" to a "non-member state."[41]

In April 2014, with the most recent round of U.S.-mediated Israeli-Palestinian negotiations on the verge of collapse, Abbas and the PLO applied to join a number of international treaties and conventions. This contributed to ensuring the talks' discontinuation. In late 2014/early 2015, the Palestinians applied to join additional treaties and conventions, including the Rome Statute of the ICC (see "International Criminal Court Actions" below). The United States and Israel have indicated concern that such steps could undermine prospects for U.S.-mediated negotiations or stoke popular unrest. In September 2017, the Palestinians obtained membership in Interpol.

[41] The PLO has had permanent observer status at the United Nations since 1974. Following the adoption of Resolution 67/19, "Palestine" maintains many of the capacities it had as an observer entity—including participation in General Assembly debates and the ability to co-sponsor draft resolutions and decisions related to proceedings on Palestinian and Middle East issues. Despite its new designation as a "state," "Palestine" is not a member of the United Nations, and therefore does not have the right to vote or to call for a vote in the General Assembly on resolutions. However, in November 2013, the "State of Palestine" participated in the balloting for a judge for the International Tribunal for the Former Yugoslavia. Article 13, Section 2(d) of the Statute for the Tribunal (Annex to U.N. Doc. S/25704, adopted pursuant to U.N. Security Council Resolution 827 (1993), as subsequently amended) includes "non-Member States maintaining permanent observer missions at United Nations Headquarters" in the election of the tribunal's judges.

Efforts to Obtain Membership in the U.N. or U.N. Entities

In September 2011, PLO Chairman Abbas applied for Palestinian membership in the United Nations. Officially, the application remains pending in the Security Council's membership committee, whose members did not achieve consensus during 2011 deliberations.[42] The application for Palestinian membership would likely face a U.S. veto if it came to a future vote in the Security Council. In fall 2011, the Palestinians obtained membership in the U.N. Educational, Scientific and Cultural Organization (UNESCO).[43]

Under U.S. laws passed in 1990 and 1994,[44] Palestinian admission to membership in UNESCO in 2011 triggered the withholding of U.S. assessed and voluntary financial contributions to the organization. If the Palestinians were to obtain membership in other U.N. entities, the 1990 and 1994 U.S. laws might trigger withholdings of U.S. financial contributions to these entities. Such withholdings could adversely affect these entities' budgets and complicate the conduct of U.S. foreign policy within the U.N. system and other multilateral settings.

For more information on this topic, see CRS Report R43614, *Membership in the United Nations and Its Specialized Agencies*, by Luisa Blanchfield and Marjorie Ann Browne.

International Criminal Court Actions[45]

In January 2015, Palestinian leaders deposited an instrument of accession for the "State of Palestine" to become party to the Rome Statute of the ICC, after declaring acceptance in December 2014 of ICC jurisdiction over crimes allegedly "committed in the occupied Palestinian territory, including East Jerusalem, since June 13, 2014." The ICC Prosecutor opened a preliminary examination into the "situation in Palestine" to determine "whether there is a reasonable basis to proceed with an investigation" against Israelis, Palestinians, or others, having found that the Palestinians have the proper capacity to accept ICC jurisdiction in light of the November 2012 adoption of U.N. General Assembly Resolution 67/19.[46] Palestinian leaders have provided information to the ICC on alleged Israeli crimes regarding both the summer 2014 Israel-Gaza conflict and settlement activity in the West Bank. In January 2015, the State Department spokesperson argued that the Palestinians were ineligible to accede to the Rome Statute.[47]

The ICC can exercise jurisdiction over alleged genocide, war crimes, and crimes against humanity ("ICC crimes") that occur on the territory of or are perpetrated by nationals of an entity deemed to be a State

[42] United Nations Security Council, "Report of the Committee on the Admission of New Members concerning the application of Palestine for admission to membership in the United Nations," S/2011/705, November 11, 2011. Paragraph 19 of this report provides a summary of the varying views that committee members advanced regarding Palestinian membership: "The view was expressed that the Committee should recommend to the Council that Palestine be admitted to membership in the United Nations. A different view was expressed that the membership application could not be supported at this time and an abstention was envisaged in the event of a vote. Yet another view expressed was that there were serious questions about the application, that the applicant did not meet the requirements for membership and that a favourable recommendation to the General Assembly would not be supported."

[43] For more information, see CRS Report R42999, *The United Nations Educational, Scientific, and Cultural Organization (UNESCO)*, by Luisa Blanchfield and Marjorie Ann Browne.

[44] P.L. 101-246 (Foreign Relations Authorization Act, Fiscal Years 1990 and 1991) and P.L. 103-236 (Foreign Relations Authorization Act, Fiscal Years 1994 and 1995).

[45] Matthew C. Weed, Specialist in Foreign Policy Legislation, assisted in preparing this subsection.

[46] ICC Press Release, "The Prosecutor of the International Criminal Court, Fatou Bensouda, opens a preliminary examination of the situation in Palestine," January 16, 2015.

[47] State Department Daily Press Briefing, January 7, 2015.

- after the Rome Statute enters into force for a State Party;
- during a period of time in which a nonparty State accepts jurisdiction; or
- pursuant to a U.N. Security Council resolution referring the situation in a State to the ICC.

Palestinian accession and acceptance of jurisdiction grant the ICC Prosecutor authority to investigate all alleged ICC crimes committed after June 13, 2014, by any individual—Israeli, Palestinian, or otherwise—on "occupied Palestinian territory."

Palestinian actions do not ensure any formal ICC investigation or prosecution of alleged ICC crimes. A party to the Rome Statute can refer a situation to the Court and is required to cooperate with the Prosecutor in her investigations, but it is the role of the Prosecutor to determine whether to bring charges against and prosecute an individual. In addition, a case is inadmissible before the ICC if it concerns conduct that is the subject of "genuine" legal proceedings (as described in Article 17 of the Statute) brought by a state with jurisdiction, including a state (such as Israel) that is not party to the Statute.

The ICC Prosecutor is required to notify all states with jurisdiction over a potential case, and such states are afforded the opportunity to challenge ICC jurisdiction over a case on inadmissibility grounds. For background information, see CRS Report R41116, *The International Criminal Court (ICC): Jurisdiction, Extradition, and U.S. Policy*, by Matthew C. Weed.

Matters of General Congressional Interest

U.S. and International Assistance to the Palestinians

Overview

The PA's dependence on foreign assistance is acute—largely a result of the distortion of the West Bank/Gaza economy in the five decades since Israeli occupation began and the bloat of the PA's payroll since its inception more than 20 years ago. Facing a regular annual budget deficit of over $1 billion, PA officials regularly seek aid from the United States and other international sources to meet the PA's financial commitments. Absent major structural changes in revenue and expenses, which do not appear probable in the near term, this dependence will likely continue.

The effectiveness of U.S. assistance to the Palestinians in furthering U.S. policy objectives is challenged, logistically and strategically, by the shifting and often conflicting interests of Israel, the PLO, the PA, Fatah, and Hamas. Effectiveness is also challenged by the U.S. interagency process, as well as the need to coordinate activities and assistance with other donor states and with international organizations and coordinating mechanisms such as the European Union, United Nations,[48] World Bank, the Office of the Quartet Representative, and the Ad Hoc Liaison Committee,[49] among others.

[48] Over the years, U.N. organs have set up a number of bodies or offices, as well as five U.N. peacekeeping operations, which have or had mandates or functions directly related to Palestine or the Arab-Israeli dispute.

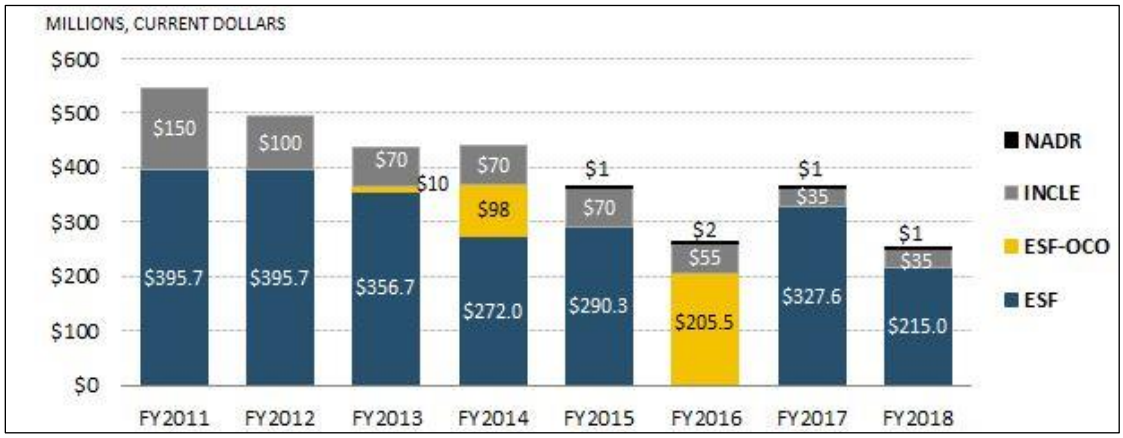
[49] The Ad Hoc Liaison Committee is a coordinating mechanism for Israel, the PA, and all major international actors providing assistance to the Palestinians that was established in the mid-1990s to facilitate reform and development in the West Bank and Gaza in connection with the Oslo process. Norway permanently chairs the committee, which meets periodically in various international venues and is divided into sectors with their own heads for discrete issue areas such as economic development, security and justice, and civil society.

See CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti, for a more detailed description of this topic and the particulars of U.S. assistance, the various conditions to which it is subject, and occasional informal congressional holds.

Palestinian Initiatives or Actions: Effect on U.S. Aid

The Palestinians have faced reprisals from the United States and Israel for various initiatives or actions, including informal congressional holds that occasionally delay disbursement of U.S. aid and temporary Israeli unwillingness to transfer tax and customs revenues due the PA.[50] Partly due to Palestinian terrorism-related payments (see "Efforts to Stop PA Terrorism-Related Payments" above), U.S. aid levels have generally declined since 2012. The United States and Israel may be reluctant to adopt drastic or permanent measures regarding aid because of concerns regarding the PA's financial fragility. Israeli leaders appear reluctant to step in to fill the void or calm the disorder that could result from undermining the self-rule institutions of Palestinians.

Figure 3. U.S. Bilateral Assistance to the Palestinians, FY2011-FY2018



Sources: U.S. State Department and USAID, adapted by CRS.

Notes: All amounts are approximate. Amounts stated for FY2017 remain subject to future allocation. Amounts stated for FY2018 have been requested, with ultimate FY2018 appropriation and allocation amounts to be determined. NADR = Nonproliferation, Antiterrorism, Demining and Related Programs, INCLE = International Narcotics Control and Law Enforcement, ESF = Economic Support Fund, OCO = Overseas Contingency Operations.

In previous public discussions of possible pros and cons of U.S. aid to the Palestinians, some have argued that despite alleged problems with Palestinian leadership, cutting aid could increase other countries' political influence at U.S. expense.[51] In July 12, 2017, testimony before the Senate Foreign Relations Committee, former U.S. Ambassador to Israel Dan Shapiro said that "Israeli officers charged with maintaining security and stability in the West Bank were very clear

[50] CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

[51] For example, in July 2016 congressional hearing testimony, David Pollock of the Washington Institute for Near East Policy stated, "I think it is quite possible in the real world, unfortunately, that if we and/or European donors reduce—not cut off, but reduce—the amount of assistance to the PA by the amount, say, with which they subsidize terrorists and their families, if we do that, it is quite possible that other unfriendly governments or not-so-friendly governments would jump in to fill the gap—Arab governments, perhaps others." Transcript from hearing of the House Foreign Affairs Subcommittee on the Middle East and North Africa, July 6, 2016. For one Palestinian perspective on how recent U.S. aid reductions may be decreasing U.S. influence with the Palestinians, see Daoud Kuttab, "Why Palestinians are unfazed by calls to cut off US aid," *Al-Monitor Palestine Pulse*, November 17, 2016.

with me that they did not welcome a sustained reduction of [certain types of] project assistance to maintain stability in the West Bank."

Terrorism and Militancy

Hamas and Other Groups: Rockets and Other Methods

Hamas (see **Appendix A** for an overview of the organization and its ideology, leadership, and external support) and seven other Palestinian groups have been designated Foreign Terrorist Organizations (FTOs) by the State Department: Abu Nidal Organization, Al Aqsa Martyrs' Brigades, Army of Islam, Palestine Liberation Front-Abu Abbas Faction, Palestine Islamic Jihad-Shaqaqi Faction, Popular Front for the Liberation of Palestine, and Popular Front for the Liberation of Palestine-General Command. Depending on the respective groups' ideologies, histories, and current leadership, some may be opposed to peace with Israel on principle, while others may view militancy and terror as tactics that can be used to improve the Palestinians' negotiating position. Since Oslo in 1993, these groups have engaged in a variety of methods of violence, killing hundreds of Israelis—both military and civilian.[52] Palestinians who insist that they are engaging in asymmetric warfare with a stronger enemy point to the thousands of deaths inflicted on Palestinians by Israelis since 1993,[53] some through acts of terrorism aimed at civilians.[54]

A pronounced trend since Israel's disengagement from Gaza in 2005 has been an increased firing of rockets and mortars from the territory, where Hamas controls security. The thousands of rockets and mortars fired indiscriminately by Palestinians since 2001 have killed tens of Israelis and wounded hundreds.[55] The persistent threat of rocket fire has by most accounts had a broad negative psychological effect on Israelis living in affected communities.[56]

Over the past decade-plus, tunnels leading from Egypt's Sinai Peninsula have allowed militants to smuggle prefabricated rockets (many of which are thought to come from Iran), as well as raw materials for building rockets, into Gaza. Although Egyptian military actions since late 2013 have apparently constrained smuggling activities through Sinai-Gaza tunnels, media reports indicated that during the summer 2014 Israel-Gaza conflict, weapons smugglers continued to operate through the tunnels[57] as part of a wider regional network to supply Gaza-based militants. A July 2014 *New York Times* article stated that rockets were smuggled to Gaza "via ship and tunnel from Iran, Libya, Sudan and Syria and, increasingly, manufactured from water pipes and household items in what a senior Israeli intelligence officer called Gaza's 'high-tech' sector—about 70

[52] Statistics available from B'Tselem (The Israeli Information Center for Human Rights in the Occupied Territories) website at http://www.btselem.org/statistics.

[53] Ibid.

[54] The most prominent attack by an Israeli civilian against Palestinians since 1993 was the killing of at least 29 Palestinians (and possibly between 10 to 23 more) and the wounding of about 150 more by Israeli settler Baruch Goldstein (a Brooklyn-born former military doctor) at the Ibrahimi Mosque (Mosque of Abraham) in the Cave of the Patriarchs in Hebron on February 25, 1994 (the Jewish holy day of Purim) while the victims were at prayer. See George J. Church, "When Fury Rules," *Time*, March 7, 1994. This incident has been cited by many analysts as a provocation for the Palestinian suicide bombing campaign that followed.

[55] http://www.btselem.org/statistics; "Rocket Threat to Israel: Palestinian Rocket & Mortar Attacks (February 2009-Present)," Jewish Virtual Library; "Q&A: Gaza conflict," *BBC News*, January 18, 2009.

[56] See, e.g., Irwin J. Mansdorf, "Unseen Scars of War: Psychological Consequences of the Hamas Attacks on the Israeli Civilian Population," Jerusalem Center for Public Affairs, July 20, 2014.

[57] "Exclusive: Militants, weapons transit Gaza tunnels despite Egyptian crackdown," *Reuters*, August 21, 2014.

makeshift factories staffed by 250 men and overseen by a few dozen engineers and chemists."[58] Gaza-manufactured rockets, which are mostly short-range and rudimentary, reportedly include some with ranges of 160 km (nearly 100 miles) or more.[59] Reports from that time indicated that Hamas's rocket production capabilities and other military capacities were being augmented through Iranian technological assistance and training (provided either directly or by proxy through the Lebanese Shiite group Hezbollah).[60]

From the time of Oslo to the end of the second intifada, Palestinian terrorist groups often carried out suicide bombings, claiming approximately 700 Israeli lives (mostly civilians within Israel proper).[61] After peaking between 2001 and 2003, suicide bombings have largely ceased since 2006. Many observers attribute the drop-off to enhanced Israeli security measures—the Israeli military's withdrawal from Gaza in 2005 and the general closure of its borders, the West Bank separation barrier, and tightening of border checkpoints. Additionally, some analysts have posited, as contributing factors, Hamas's entry into a position of power, the strengthening of PA security forces in the West Bank, and general Palestinian weariness with violence.

Isolated attacks still occur within Israel and the West Bank, often perpetrated by Palestinians using small arms or vehicles as weapons. Antipathy between Jewish settlers and Palestinian residents in the West Bank leads to occasional attacks on both sides. Militants also stage attacks and attempt to capture Israeli soldiers, including at or near Gaza border crossings, and since 2011 have engaged in a few instances of cross-border attack from redoubts within Egypt's Sinai Peninsula—an international border less vulnerable to Israeli reprisals.

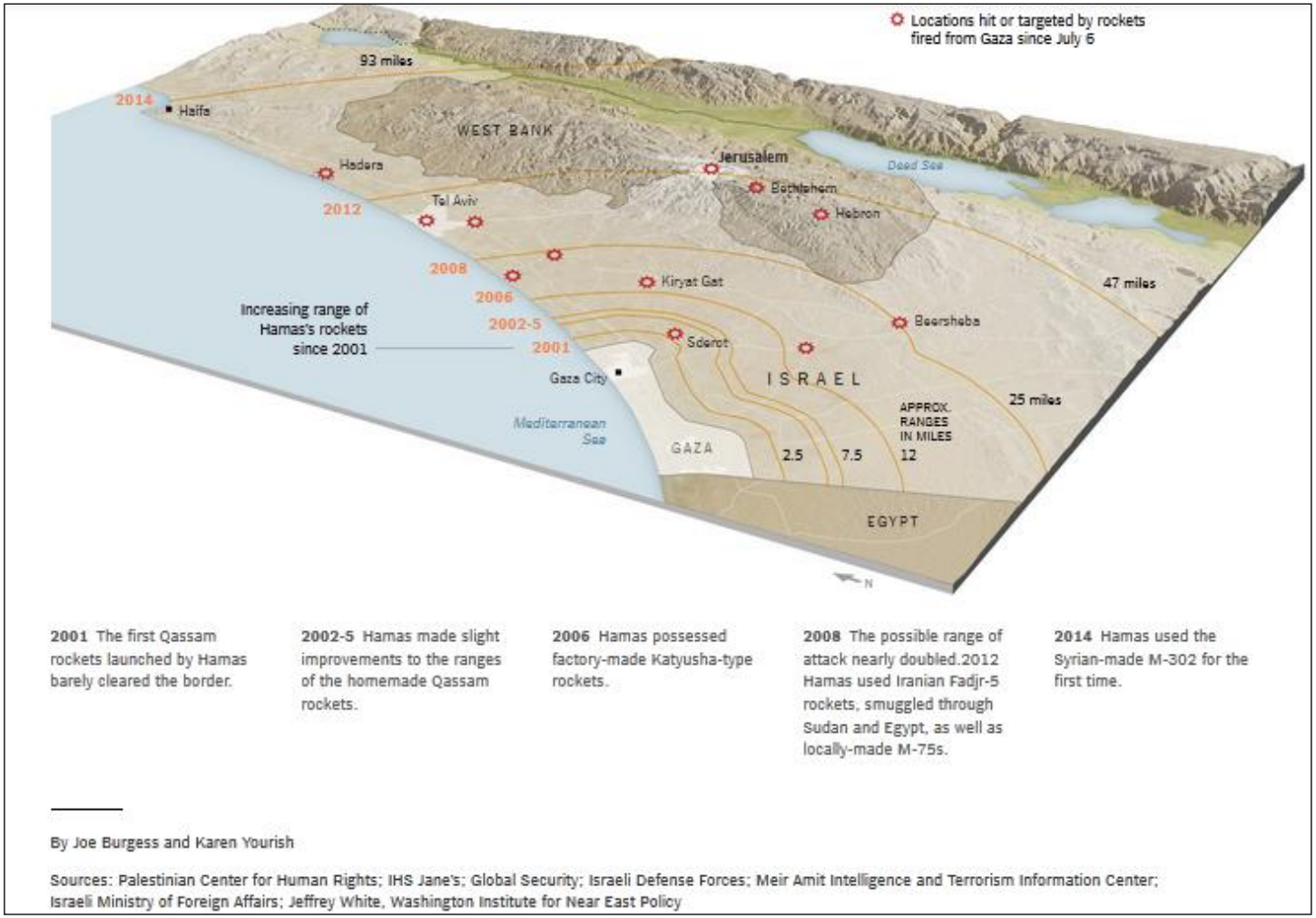
[58] Jodi Rudoren, "From Gaza, an Array of Makeshift Rockets Packs a Counterpunch," *New York Times*, July 17, 2014. An Israeli analyst claimed that some rockets used by Hamas were based on a Chinese design and were made in Syria after being licensed by the Chinese. Alastair Jamieson, "Hamas Firing China-Designed, Syria-Made M-302 Rockets: Israel," *NBC News*, July 10, 2014. One open-source intelligence report showed Hamas fighters using what appeared to be North Korean anti-tank guided missiles. Stijn Mitzer and Joost Oliemans, "North Korean anti-tank missiles in the Middle East," June 25, 2014, http://lewis.armscontrolwonk.com/archive/7370/oryx-blog-on-dprk-arms-exports.

[59] See, e.g., Jeremy Binnie, "Analysis: Hamas displays long-range rockets," *Jane's Defence Weekly*, December 17, 2014.

[60] See, e.g., Ronen Bergman, "How Hamas Beat Israel in Gaza," *New York Times*, August 10, 2014; Adnan Abu Amer, "With little help from Iran, Hamas fights Israel with homemade rockets," *Al-Monitor Palestine Pulse*, July 16, 2014.

[61] Suicide bombing figures culled from Israel Ministry of Foreign Affairs website at http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Palestinian+terror+before+2000/Suicide%20and%20Other%20Bombing%20Attacks%20in%20Israel%20Since.

Figure 4. Approximate Range of Rockets from Gaza



Source: *New York Times*, July 13, 2014.

Assessing and Countering Threats

Israeli authorities express concern that Palestinian militants might acquire longer-range rockets and precision targeting capabilities in the future that would increase the danger to larger population centers such as Tel Aviv. The possibility that a more dangerous rocket threat could emerge in the West Bank—especially in light of Iran's apparent transfer of weapons production know-how to Palestinian militants based in Gaza—is one factor underlying Israelis' reluctance to consider withdrawal as part of a conflict-ending agreement. The possibility also exists of a coordinated or simultaneous rocket attack by Palestinian militants from Gaza and by Lebanese Hezbollah.

In addition to developing and deploying the Iron Dome antirocket system,[62] Israel also continually seeks U.S. and international help to slow or stop the Gaza smuggling network. These concerns have been heightened by periodic attacks in recent years from Palestinians based in Sinai, including occasional rocket fire aimed at the Israeli Red Sea port of Eilat. As discussed above, Egypt has taken robust measures to disrupt Sinai-Gaza tunnel traffic since late 2013. Egypt has even periodically closed its passenger/commercial crossing with Gaza at Rafah, apparently owing largely to Egyptian allegations of Hamas complicity with Sinai Province of the Islamic State, or IS-SP. Although some reports point to possible links between Gaza-based militants and armed groups in Sinai,[63] Hamas leaders deny associating with IS-SP, underscoring possible Hamas disfavor or ambivalence toward the group and its proclaimed global jihadist aspirations, as well as a potentially competitive dynamic between the two groups for influence among militants and potential militants in Gaza.[64]

Palestinian Governance

Achieving effective and transparent governance over the West Bank and Gaza and preventing Israeli-Palestinian violence, while facing a continued Israeli settler and military presence, has proven elusive since the limited self-rule experiment began in 1994. Many observers say that the task became even more difficult following the split established in 2007 between the Abbas-led PA in the West Bank and Hamas in Gaza.

Palestinian Authority (PA)

The Palestinian National Authority (or Palestinian Authority, hereinafter PA) was granted limited rule under supervening Israeli occupational authority in the Gaza Strip and parts of the West Bank in the mid-1990s pursuant to the Oslo Accords.[65] Although not a state, the PA is formally organized like one—complete with executive, legislative, and judicial organs of governance, as well as security forces. Ramallah is its de facto seat, but is not considered to be the PA capital because of Palestinian determination to make Jerusalem (or at least the part east of the 1967 lines) the capital of a Palestinian state. The executive branch has both a president and a prime minister-led cabinet, the Palestinian Legislative Council (PLC) is its legislature, and the judicial branch

[62] For more information on Iron Dome, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti.

[63] Department of State, Country Reports on Terrorism 2016, "Israel, the West Bank, Gaza, and Jerusalem."

[64] See, e.g., Fares Akram, "Hamas militant killed by suicide bomber in Gaza," Associated Press, August 17, 2017.

[65] The relevant Israel-PLO agreements that created the PA and established its parameters were the Agreement on the Gaza Strip and the Jericho Area, dated May 4, 1994; and the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995.

has separate high courts to decide substantive disputes and to settle constitutional controversies, as well as a High Judicial Council and separate security courts. The electoral base of the PA is composed of Palestinians from the West Bank, Jerusalem, and the Gaza Strip.

After Hamas won January 2006 PLC elections, a factional standoff between Fatah and Hamas ensued—with Abbas as PA president and Hamas members as government ministers and a majority in the PLC.[66] These tensions ultimately led to armed conflict that led to Hamas's forcible takeover of the Gaza Strip in June 2007. In response to the Hamas takeover, PA President Abbas dissolved the Hamas-led government and appointed a "caretaker" technocratic PA government in the West Bank. The PLC is currently sidelined due to its lack of a quorum caused by the West Bank/Gaza split.

Because some PA leaders hold overlapping leadership roles within the PLO and various factions, it is difficult to gauge the degree to which Palestinians consider the PA truly authoritative or legitimate even within the West Bank. For example, until his death in 2004, Yasser Arafat served as PA president, PLO chairman, and head of Fatah. Following Arafat's death, Mahmoud Abbas succeeded him in each of these roles. It is unclear how the PLO and PA would coordinate their functions and be regarded by the Palestinian people at a future point when the leadership of the two institutions and of Fatah might be different. It is possible that the PA could somehow forge an identity completely independent from (and perhaps in competition with) the PLO. Alternatively, the PLO might attempt to restructure or dissolve the PA (either in concert with Israel or unilaterally) pursuant to the claim that the PA is a constitutional creature of PLO agreements with Israel.[67]

Prospects for Economic Self-Sufficiency

Lacking a self-sufficient private sector, the Palestinians have historically depended on easy entry into and exit out of Israel for their workers and goods. Yet, following the outbreak of the second intifada in 2000, this access largely ceased. Israel constructed a West Bank separation barrier and increased security at crossing points. Israel now issues permits to control access, and periodically halts the flow of people and goods altogether. Alternatives to Palestinian economic interdependence with Israel would likely be

- to attract investment and build a self-sufficient economy, which is probably years if not decades away;
- to look to neighboring Egypt and Jordan (which struggle with their own political and economic problems) for economic integration; or
- to depend indefinitely upon external assistance.

For the West Bank and Gaza to attract enough long-term investment to become self-sufficient, most observers agree that uncertainties regarding the political and security situation and Israeli movement restrictions would need to be significantly reduced or eliminated.[68] The PA routinely faces crises in finding budgetary funds from donors or lending sources, occasionally even

[66] This time, the United States and Israel supported increasing the power of the PA presidency at the expense of the Hamas prime minister and cabinet—a turnabout from their 2003 approach to the organs of PA governance when Arafat was PA president and the two countries encouraged the PA to establish the office of prime minister as a hoped-for counterweight to Arafat.

[67] The PA was originally intended to be a temporary, transitional mechanism for the five-year period prescribed for final-status negotiations, not an indefinite administrative authority.

[68] See, e.g., World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, September 18, 2017.

receiving emergency advances from Israel on the tax and customs revenues it regularly collects on the PA's behalf.

In the wake of Israel's tapping of natural gas fields off its coast, the PA reportedly discussed the prospect of developing the Marine (sometimes known as "Marine A") gas field discovered off Gaza's coast in 2000 with the British-led private venture that controls the rights to the field. Analysts have speculated about the possibility that the field could supply the Gaza Strip's energy-starved power plant.[69] Political and security concerns, particularly Hamas's security control over Gaza since 2007, have complicated this issue. Uncertainty regarding Israeli-Palestinian relations and the PA's future could affect the shipment of gas from resources off the Israel and Gaza coasts to Palestinians. In January 2014, the PA agreed with the companies developing Israel's Leviathan field to export gas that would power a new generation plant in the northern West Bank, but the PA subsequently canceled the plan.[70] In conjunction with a version of the Red-Sea-Dead Sea canal that Israel plans to pursue with Jordan, the Trump Administration supported a July 2017 PA-Israel agreement that would provide additional freshwater to Palestinians.[71]

West Bank: PA and Israel

The PA administers densely populated Palestinian areas in the West Bank subject to supervening Israeli control under the Oslo agreements (see **Figure 1** above for map).[72] Israel Defense Forces (IDF) soldiers regularly mount arrest operations to apprehend wanted Palestinians or foil terrorist plots, and maintain permanent posts throughout the West Bank and along the West Bank's administrative borders with Israel and Jordan to protect Jewish settlers and broader security interests. In defining these security interests and claiming its military prerogatives, the IDF sometimes takes measures that involve the expropriation of West Bank land or dispossession of Palestinians from their homes and communities.

Coordination between Israeli and PA authorities generally takes place discreetly, given the political sensitivity for PA leaders to be seen "collaborating" with Israeli occupiers. In 2002, at the height of the second intifada, Israel reoccupied PA-controlled areas of the West Bank (known as Operation Defensive Shield)—demolishing many official PA buildings, Palestinian neighborhoods, and other infrastructure; and reinforcing many Palestinians' opinion that Israel retained ultimate control over their lives.

Since 2007 (when the West Bank-Gaza split took place and Western efforts to bolster PA security forces in the West Bank resumed), some observers have noted signs of progress with PA security

[69] A venture led by BG Group (formerly British Gas) discovered the Marine field in 2000. It has an estimated resource base of 1 tcf. Development of Marine could contribute to greater Palestinian economic and political self-sufficiency, perhaps freeing up Israeli energy resources for domestic consumption or export to other places. Simon Henderson, "Natural Gas in the Palestinian Authority: The Potential of the Gaza Marine Offshore Field," German Marshall Fund of the United States, March 2014. Reduced Palestinian dependence on Israel could either heighten or reduce Israeli-Palestinian tensions.

[70] Simon Henderson, "Israel's Leviathan Gas Field: Politics and Reality," Washington Institute for Near East Policy, Policywatch 2636, June 23, 2016.

[71] The White House, Office of the Press Secretary, Donald J. Trump Administration Welcomes Israeli-Palestinian Deal to Implement the Red-Dead Water Agreement, July 13, 2017.

[72] The two agreements that define respective Israeli and PA zones of control are (1) the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995; and (2) the Protocol Concerning the Redeployment in Hebron, dated January 17, 1997. East Jerusalem is excluded from these agreements, as Israel has effectively annexed it.

capabilities and West Bank economic development.[73] It is less clear whether the progress they cite can be made self-sustaining absent a broader political solution with Israel, or can fuel a dynamic that could help to bring about such a solution.

Gaza: Hamas, PA, Israel, and Egypt (Sinai)[74]

Hamas's security control of Gaza presents a conundrum for the Abbas-led PA, Israel, and the international community. They have been unable to establish a durable political-security framework for Gaza that assists Gaza's population without bolstering Hamas. Breaking the deadlock on Gaza could include one or more of the following: (1) implementing a political reunification of Gaza with the West Bank under a PA governing arrangement, (2) a general opening of Gaza's borders, (3) a formal Hamas-Israel truce. Observers routinely voice concerns that if current arrangements continue, the dispiriting living conditions that have persisted since Israel's withdrawal in 2005 could contribute to further radicalization of the population, increasing the potential for future violence.[75] Israel disputes the level of legal responsibility for Gaza's residents that some international actors claim it retains—given its continued control of most of Gaza's borders, airspace, maritime access, and various buffer zones within the territory. See **Figure 2** above for a map of Gaza.

Hamas's preeminence in Gaza can be traced to 2006-2007. After victory in the 2006 PA legislative elections, internal Hamas political and military leaders in the West Bank and Gaza gained greater power, and then consolidated this power in Gaza—while losing it in the West Bank—through violent struggle with Fatah in June 2007. Hamas's security forces have maintained power in Gaza ever since, even after its de facto government publicly relinquished responsibility in June 2014 to the PA.

Since Hamas's 2007 takeover of Gaza, Israeli and Egyptian authorities have maintained strict control over Gaza's border crossings.[76] This is ostensibly meant to deny Hamas materials to reconstitute its military capabilities, but also limits commerce and—in some cases—delays humanitarian assistance. Hamas had routinely bypassed limitations on the import of construction materials and dual-use items by encouraging and facilitating the expansion of a network of smuggling tunnels leading into Gaza from Egypt's Sinai Peninsula. However, after Egypt's military regained national political control in July 2013, it disrupted Gaza's tunnel-based economy as part of a larger effort to counter Sinai-based insurgents.

In many respects, UNRWA and other international organizations and nongovernmental organizations take care of the day-to-day humanitarian needs of many of Gaza's residents. They play significant roles in providing various forms of assistance and trying to facilitate reconstruction from previous conflicts. However, international donations have not kept pace with

[73] See, e.g., Avi Issacharoff, "In Jenin, once the 'suicide bomber capital,' a fragile transformation," *Times of Israel*, April 25, 2015.

[74] For additional details on the Gaza-Sinai dynamic, see CRS Report RL33003, *Egypt: Background and U.S. Relations*, by Jeremy M. Sharp.

[75] See, e.g., Ahmed Fouad Alkhatib, "How to save Gaza: A Palestinian American argues it's time to bring in the UN and stop blaming Israel," *Jewish Journal*, July 12, 2017.

[76] In November 2005, Israel and the PA signed an Agreement on Movement and Access, featuring U.S. and European Union participation in the travel and commerce regime that was supposed to emerge post-Gaza disengagement, but this agreement was never fully implemented. In September 2007, three months after Hamas's takeover of Gaza, the closure regime was further formalized when Israel declared Gaza to be a "hostile entity." Depending on circumstances since then, Israel has eased and re-tightened restrictions on various imports and exports. Gisha – Legal Center for Freedom of Movement, "Graphing 10 years of closure," September 2017. Widespread unemployment and poverty persist.

stated needs, possibly at least partly owing to global economic factors as well as to humanitarian crises in Syria, Iraq, and other places. For more information on Palestinian refugees, see **Appendix A**.

Events in 2017 have raised questions about the future administration of Gaza and Fatah-Hamas relations, and appear to signal that Egypt has regained its previous role as a primary mediator among Palestinian factions:[77]

- In March, Hamas formed an "administrative committee" for Gaza.
- In April, the PA reduced salary payments to former PA employees in Gaza and stopped paying for the supply of Israeli electricity to Gaza.
- In July, Egypt agreed to provide fuel for electric power in Gaza in exchange for a greater role in Gaza for the UAE-based former Fatah security leader Muhammad Dahlan.
- In September, Hamas disbanded the administrative committee and agreed in principle to PA elections and greater PA involvement in Gaza.
- In October, Fatah and Hamas reportedly reached an agreement that could allow the Fatah-led PA greater administrative control over Gaza and its border crossings by December.[78] If implemented, the agreement could lead to the reversal of the April sanctions and maybe even a PA government formed via factional consensus.[79]

It is unclear to what extent talks in fall 2017 about possibly ending the West Bank-Gaza split might mirror some past situations in which Fatah and Hamas either failed to reach agreement or to implement an agreement.[80] As in those situations, the current case appears to center on Hamas's willingness to cede control of security in Gaza to the PA.[81] PA President Abbas has insisted that he will not accept a situation, like that of Hezbollah in Lebanon, where PA control is undermined by Hamas's militia.[82] One Hamas figure has suggested that possible financial support for Gaza from Saudi Arabia and the UAE may provide incentives for Fatah and Hamas to bridge previously insuperable divides.[83]

[77] A source for much of this paragraph and the bullets below it is Ghaith al-Omari, "The Hamas Announcement: Reconciliation or Reorientation?" Washington Institute for Near East Policy, Policywatch 2860, September 20, 2017.

[78] Loveday Morris, "Rival Palestinian factions Hamas and Fatah reach unity plan after 10-year split," *Washington Post*, October 12, 2017.

[79] Declan Walsh and David M. Halbfinger, "In Unity Deal, Respite for Gaza And Optimism for Palestinians," *New York Times*, October 13, 2017.

[80] Grant Rumley and Neri Zilber, "Can Anyone End the Palestinian Civil War?" foreignpolicy.com, October 16, 2017.

[81] Ibid; Saud Abu Ramadan, et al., "Hamas Deal to Cede Gaza Control Sets Up Showdown Over Guns," Bloomberg, October 2, 2017.

[82] Rory Jones, "Palestinian Talks Hit an Impasse," *Wall Street Journal*, October 4, 2017. For additional background, see Avi Issacharoff, "Sick of running Gaza, Hamas may be aiming to switch to a Hezbollah-style role," *Times of Israel*, October 1, 2017.

[83] Walsh and Halbfinger, op. cit.

Appendix A. Key Palestinian Factions and Groups

Palestine Liberation Organization (PLO)

The Palestine Liberation Organization (PLO) is recognized by the United Nations (including Israel since 1993) as the sole legitimate representative of the Palestinian people, wherever they may reside. It is an umbrella organization that includes 10 Palestinian factions (but not Hamas or other Islamist groups). As described above, the PLO was founded in 1964, and, since 1969, has been dominated by the secular nationalist Fatah movement. Organizationally, the PLO consists of an Executive Committee,[84] the Palestinian National Council (or PNC, its legislature), and a Central Council.[85]

After waging guerrilla warfare against Israel throughout the 1970s and 1980s under the leadership of the late Yasser Arafat from exile in Jordan, Lebanon, and Tunisia, the PNC declared Palestinian independence and statehood in 1988. This came at a point roughly coinciding with the PLO's decision to publicly accept the "land-for-peace" principle of U.N. Security Council Resolution 242 and to contemplate recognizing Israel's right to exist. The declaration had little practical effect, however, because the PLO was in exile in Tunisia and did not define the territorial scope of its state.[86] The PLO recognized the right of Israel to exist in 1993 upon the signing of the Declaration of Principles (Oslo Accord) between the two parties.

While the Palestinian Authority (PA) maintains a measure of self-rule over various areas of the West Bank, as well as a legal claim to self-rule over Gaza despite Hamas's security presence,[87] the PLO remains the representative of the Palestinian people in negotiations with Israel and with other international actors. The PLO has a representative in Washington, DC (although it is not considered a formal diplomatic mission). Under the name "Palestine," the PLO is a member of UNESCO and Interpol, maintains a permanent observer mission to the United Nations in New York and in Geneva as a "non-member state," and has missions and embassies in other countries—some with full diplomatic status. The PLO also is a full member of both the Arab League and the Organization of Islamic Cooperation.

Fatah

Fatah, the secular nationalist movement formerly led by Yasser Arafat, has been the largest and most prominent faction in the PLO for decades. Since the establishment of the PA and limited

[84] "Abbas shuffles PLO Executive Committee, ousts Qaddoumi," *Ma'an*, September 14, 2009.

[85] The PNC is supposed to meet every two years to conduct business, and consists of approximately 700 members, a majority of whom are from the diaspora. The PNC elects the 18 members of the Executive Committee, who function as a cabinet—with each member assuming discrete responsibilities—and the Executive Committee elects its own chairperson. The Central Council is chaired by the PNC president and has over 100 members—consisting of the entire Executive Committee, plus (among others) representatives from Fatah and other PLO factions, the Palestinian Legislative Council, and prominent interest groups and professions. The Central Council functions as a link between the Executive Committee and the PNC that makes policy decisions between PNC sessions. See http://www.mideastweb.org/palestianparties.htm#PLO as a source for much of the PLO organizational information in this paragraph.

[86] The declaration included the phrase: "The State of Palestine is the state of Palestinians wherever they may be." The text is available at http://www.mideastweb.org/plc1988.htm.

[87] The PA's legal claim to self-rule over Gaza is subject to the original Oslo-era agreements of the 1990s, the agreements between Israel and the PA regarding movement and access that were formalized in November 2005 shortly after Israel's withdrawal from Gaza, and the June 2014 formation of a PA government with formal sway over both the self-rule areas in the West Bank and Gaza.

self-rule in the West Bank and Gaza in 1994, Fatah has dominated the PA, except during the period of Hamas rule in 2006-2007. Yet, problems with internecine violence, widespread disenchantment with Fatah's corruption and poor governance, and the failure to establish a Palestinian state have led to popular disillusionment. Arafat's 2004 death removed a major Fatah unifying symbol, further eroding the movement's support as Mahmoud Abbas took over its leadership.

Additionally, the image of Fatah as the embodiment of Palestinian nationalism and resistance to Israeli occupation has gradually faded away. Although he is the head of the movement, Mahmoud Abbas generally carries out his PLO and PA leadership roles without close consultation with his nominal allies in Fatah.

For years, analysts have pointed to a split within Fatah between those of the "old guard" (mainly Arafat's close associates from the period of exile) and those of a "young guard" some believe to be more attuned to on-the-ground realities—personified by leaders such as the imprisoned (by Israel) but popular Marwan Barghouti. Cleavages and overlaps within and among these groups and the political coming-of-age of even-younger Fatah partisans, combined with factors mentioned above that have eroded Fatah's support base and credibility, have created doubts regarding Fatah's long-term cohesion and viability.

Fatah's 1960s charter has never been purged of its clauses calling for the destruction of the Zionist state and its economic, political, military, and cultural supports.[88] Abbas routinely expresses support for "legitimate peaceful resistance" to Israeli occupation under international law, complemented by negotiations. However, some of the other Fatah Central Committee members are either less outspoken in their advocacy of nonviolent resistance than Abbas, or reportedly explicitly insist on the need to preserve the option of armed struggle.[89]

Other PLO Factions and Leaders

Factions other than Fatah within the PLO include secular groups such as the Popular Front for the Liberation of Palestine (PFLP, a U.S.-designated Foreign Terrorist Organization), the Democratic Front for the Liberation of Palestine, and the Palestinian People's Party. All of these factions have minor political support relative to Fatah and Hamas.

A number of Palestinian politicians and other leaders without traditional factional affiliation have successfully gained followings domestically and in the international community under the PLO's umbrella, even some who are not formally affiliated with the PLO. Although these figures—such as Salam Fayyad, Hanan Ashrawi (a female Christian), and Mustafa Barghouti—often have competing agendas, several of them support a negotiated two-state solution, generally oppose

[88] This is the case even though Fatah is the predominant member faction of the PLO, and the PLO formally recognized Israel's right to exist pursuant to the "Letters of Mutual Recognition" of September 9, 1993 (although controversy remains over whether the PLO charter has been amended to accommodate this recognition).

[89] The Al Aqsa Martyrs' Brigades is a militant offshoot of Fatah that emerged in the West Bank early in the second intifada and later began operating in Gaza as well. The group initially targeted only Israeli soldiers and settlers, but in 2002 began a spate of attacks on civilians in Israeli cities and in March 2002 was added to the State Department's list of Foreign Terrorist Organizations. According to terrorism experts, the group switched tactics to restore Fatah's standing among Palestinians at a time when Palestinian casualties were mounting, Hamas's popularity was rising, and Fatah was tainted by its cooperation with Israel during the Oslo years. Most of the Brigades' members were believed to have hailed from the Palestinian security forces. In line with the Abbas-led PA's effort to centralize control over West Bank security since Hamas's takeover of Gaza in mid-2007, the Brigades (mainly voluntarily, partly through various amnesty programs) disbanded or at least lowered its profile in the West Bank. However, some reports have recently speculated about a possible resurgence in militant activity by elements within Fatah. See, e.g., Grant Rumley, "The End of the Abbas Era," *The American Interest*, August 9, 2017.

violence, and appeal to the Palestinian intellectual elite and to prominent Western governments and organizations.

Hamas and Other Non-PLO Factions

Hamas

Overview

Hamas grew out of the Muslim Brotherhood, a religious and political organization founded in Egypt in 1928 with branches throughout the Arab world. Since Hamas's inception, it has maintained its primary base of support and particularly strong influence in the Gaza Strip, while also having a significant presence in the West Bank and outside these territories in various Arab countries. Hamas's politicization and militarization can be traced to the first Palestinian intifada that began in the Gaza Strip in 1987 in resistance to what it terms the Israeli occupation of Palestinian-populated lands.

Hamas combines Palestinian nationalism with Islamic fundamentalism. Its founding charter commits the group to the destruction of Israel and the establishment of an Islamic state in all of historic Palestine, comprised of present-day Israel, the West Bank, and Gaza.[90] Written in 1988, Hamas's charter is explicit about the struggle for Palestine being a religious obligation. It describes the land as a *waqf*, or religious endowment, saying that no one can "abandon it or part of it." It calls for the elimination of Israel and Jews from Islamic holy land and portrays the Jews in decidedly negative terms, citing anti-Semitic texts. Some Hamas leaders have stated or implied that Hamas might be willing to contemplate a Palestinian state that does not include all of historic Palestine, and then would be open to allowing Palestinians to revisit their stance vis-à-vis Israel.[91] In the event that Hamas may show pragmatic flexibility on some such issues, it remains unclear whether key Hamas leaders and members would be willing to compromise on core principles like maintaining the ability to resort to violence and refusing a permanent peace or territorial compromise with Israel. Its leaders have generally not indicated a willingness to disarm and have publicly rejected suggestions that a future Palestinian state be demilitarized.[92]

Hamas emerged in opposition to Palestinian nationalist leader Yasser Arafat and his secular Fatah movement in the West Bank and Gaza Strip in the 1980s and 1990s—largely by using violence against Israeli civilian and military targets just as Arafat began negotiating with Israel. After Hamas took a leading role in attacks against Israeli targets, including multiple suicide bombings against civilians, during the second intifada between 2000 and 2005, the group decided to directly involve itself in politics shortly following Arafat's 2004 death. In 2006, a year after the election

[90] For the English translation of the 1988 Hamas charter, see http://avalon.law.yale.edu/20th_century/hamas.asp.

[91] After more than a decade as Hamas' international face, outgoing political bureau chief Khaled Meshaal publicly presented a new political document in May 2017. The document—summarizing positions that Meshaal and other Hamas political leaders had informally articulated in previous years, but that may not have full backing within the movement's political or military wings—accepts the possibility of a Palestinian state in an area smaller than what Britain administered until 1948 (comprising present-day Israel, the West Bank, and Gaza Strip), states that Hamas opposes Zionism rather than Judaism, and does not reference Hamas's Muslim Brotherhood roots. But the document voices Hamas's continued commitment to armed "resistance" and does not recognize Israel. "Hamas says it accepts '67 borders, but doesn't recognize Israel," CNN, May 3, 2017. Israeli officials rejected the notion that the document reflected a change in Hamas's worldview or position.

[92] CBS *Face the Nation* transcript from July 27, 2014 of interview of Khaled Meshaal by Charlie Rose, available at http://www.cbsnews.com/news/face-the-nation-transcripts-july-27-2013-netanyahu-mashaal-klimkin-rogers-albright/.

of Fatah's Mahmoud Abbas to replace Arafat as PA president, and just a few months after Israel's military withdrawal from the Gaza Strip, Hamas scored a stunning electoral upset of Fatah in Palestinian Legislative Council elections. Subsequent efforts by Israel, the United States, and the international community to neutralize or marginalize Hamas by military, political, and economic means may have changed the outward nature of its influence, but have not squelched it.

Though some fundamental aspects of Hamas's operations and resourcing appear to remain fairly constant, a number of changes in the regional environment since 2011 have affected them. Hamas's external political leadership departed Syria for Qatar by 2012 due to tensions involving the Asad regime's operations against Sunni Muslim groups in Syria's civil war. Although this created some distance between Hamas and Iran (Asad's main patron), the Hamas-Iran relationship has revived and persisted partly because of a decrease in support for Hamas in various ways from Egypt, Qatar, and Turkey.[93] In 2017, Hamas reportedly improved its relations with Egypt somewhat by distancing itself from the Muslim Brotherhood and from Sinai-based militants,[94] and by accepting a larger role for former Fatah security official Muhammad Dahlan in "managing Gaza's external relations and in resolving its humanitarian situation."[95]

Leadership

The leadership structure of Hamas is opaque, and much of the open source reporting available on it cannot be independently verified. Hamas has a variety of movement-wide and regional leadership organs, and often seeks to distinguish among its political, military, and social branches. It is unclear who controls overall strategy, policy, and financial decisions. The group's leadership features a range of personalities who apparently share many similarities but also maintain some variation in ideological, strategic, and tactical outlooks.

Overall policy guidance comes from a Shura Council, with reported representation from major constituent areas inside and outside the West Bank and Gaza. In May 2017, Gaza-based Ismail Haniyeh replaced Qatar-based Khaled Meshaal as the leader of Hamas's political bureau (politburo).[96] In October 2017, Saleh al Arouri was named as deputy leader.[97] Yahya Sinwar, a top commander of Hamas's military wing, replaced Haniyeh as the movement's leader in Gaza in February 2017.[98] Other key figures are located in Egypt and Lebanon. More than a decade ago, the politburo approved a more direct role for Hamas in Palestinian politics while reportedly

[93] See, e.g., Shlomi Eldar, "Hamas turns to Iran," *Al-Monitor Israel Pulse*, July 6, 2017; Sevil Erkus, "Turkey: Hamas leader Arouri not in Turkey," *Hurriyet Daily News*, August 12, 2015; Chelsea Mosery Birnbaum, "Saleh al-Arouri, Hamas' most wanted member, leaves Qatar for Beirut," Jerusalem Online, July 3, 2017.

[94] See, e.g., Nidal al-Mughrabi and Tom Finn, "Hamas softens stance on Israel, drops Muslim Brotherhood link," May 1, 2017; Fares Akram, "Hamas militant killed by suicide bomber in Gaza," Associated Press, August 17, 2017.

[95] Katherine Bauer and Ghaith al-Omari, "Defusing the Electricity Crisis in Gaza -- For Now," Washington Institute for Near East Policy, June 22, 2017.

[96] Fares Akram, "Hamas says Ismail Haniyeh chosen as Islamic group's leader," Associated Press, May 6, 2017.

[97] "Hamas picks new deputy chief whom Israel blames for helping spark Gaza war," Reuters, October 6, 2017. Israel alleges that Arouri masterminded the June 2014 triple kidnapping/murder of Israeli teens in the West Bank that was part of the run-up to the July-August 2014 Israel-Gaza conflict.

[98] Adel Zaanoun, "Yahya Sinwar, the new Hamas 'strongman' in Gaza," Agence France Presse, February 24, 2017.

maintaining a variety of funding sources (discussed below) and a militia armed largely by Iran. The militia, known as the Izz al Din al Qassam Brigades,[99] is led by Muhammad Deif.[100]

The internal dynamics of Hamas's leadership are unclear. With recent changes in top leadership posts indicating a more Gaza-centric Hamas, some reports speculate that Qassam Brigades leaders use their control over security as leverage to drive political decisions.[101] In previous years, some external leaders reportedly sought to move toward a less militant stance in exchange for a significant role in the PLO, which is generally recognized internationally as the representative of the Palestinian national movement. Historically, groups splitting from Palestinian Muslim Brotherhood-inspired movements—such as Palestine Islamic Jihad (PIJ) and several of Gaza's other militant groups—have gone in the other direction, seeking a more radical and violent approach.

External Support

Hamas reportedly receives external support from a number of sources, including some states and nonstate groups or networks. Along with several other major non-PLO factions that absolutely reject or only conditionally accept the concept of peace with Israel, Hamas has historically received much of its political and material support from Iran. This may include augmentation of Hamas's military capacities through Iranian technological assistance and training (provided either directly or via Lebanese Hezbollah).[102] Some media reports indicate that Iran agreed in 2017 to resume financial backing for Hamas that had been disrupted by Iran-Hamas tensions over the Syrian civil war.[103]

Historically, Qatar was identified by various Israeli sources as Hamas's main external source of funding.[104] Qatari officials have denied that their government supported Hamas financially and argued that their policy is to support the Palestinian people. In 2014, a Treasury Department official stated publicly that Qatar "has for many years openly financed Hamas."[105] Media reports from 2017 suggest that Qatar's assistance to Palestinians in Gaza has been disrupted by ongoing tensions between Qatar and other Gulf states,[106] though Qatari officials insist that they remain committed to funding projects in Gaza.[107]

In addition to external assistance from states, Hamas has other sources of support. According to the State Department's profile of Hamas in its Country Reports on Terrorism for 2016:

> The group [Hamas] also raises funds in the Gulf countries and receives donations from Palestinian expatriates around the world. Hamas also receives donations from its charity

[99] Izz al Din al Qassam was a Muslim Brotherhood member, preacher, and leader of an anti-Zionist and anticolonialist resistance movement in historic Palestine during the British Mandate period. He was killed by British forces on November 19, 1935.

[100] For a profile of Deif, see Nidal Al-Mughrabi and Maayan Lubell, "Has Hamas military chief, Mohammed Deif, escaped death again?" *Reuters*, August 20, 2014.

[101] See, e.g., Eldar, "Hamas turns to Iran," op. cit.

[102] See, e.g., Ronen Bergman, "How Hamas Beat Israel in Gaza," *New York Times*, August 10, 2014.

[103] Yasser Okbi, et al., "Report: After Iranian Elections, Tehran-Hamas Ties Warming Up," jpost.com, May 30, 2017.

[104] Elhanan Miller, "Israel singles out Qatar as key Hamas terror sponsor," *Times of Israel*, July 23, 2014.

[105] Remarks of Under Secretary for Terrorism and Financial Intelligence David Cohen before the Center for a New American Security on "Confronting New Threats in Terrorist Financing," March 4, 2014.

[106] Moath al-Amoudi, "Qatar's charity funding in Gaza dries up as Gulf crisis continues," *Al-Monitor Palestine Pulse*, June 21, 2017.

[107] "Qatar pledges Gaza support despite Saudi pressure," Agence France Presse, July 11, 2017.

organizations. Hamas' supply lines have suffered since the crackdown on smuggling tunnels in the Sinai Peninsula by the Egyptian military.

According to one 2014 analysis, Hamas fundraising ventures may include "trade-based money-laundering schemes."[108]

Other Rejectionist Groups

Several other small Palestinian groups continue to reject the PLO's decision to recognize Israel's right to exist and to negotiate a two-state solution. They remain active in the West Bank and Gaza and retain some ability to carry out terrorist attacks and other forms of violence to undermine efforts at cooperation and conciliation. Their activities sometimes complicate the challenges the Abbas-led PA and Hamas, respectively, face in maintaining security and internal order in the West Bank and Gaza—including when Gaza rocket attacks provoke Israeli reprisals. In Gaza, some observers speculate that Hamas permits or even supports some of these groups, including those which have presences in Egypt's Sinai Peninsula, without avowing ties to these groups. Such groups provide Hamas opportunities to tacitly permit or encourage attacks against Israel while avoiding direct responsibility.

Palestine Islamic Jihad (PIJ)

The largest of these other groups is Palestine Islamic Jihad (PIJ), a U.S.-designated Foreign Terrorist Organization that, like Hamas, is an offshoot of the Muslim Brotherhood and receives support from Iran. PIJ's secretary-general since 1995 has been Ramadan Abdullah Muhammad Shallah, who is reportedly based in Damascus, Syria. Since 2000, PIJ has conducted several attacks against Israeli targets (including suicide bombings), killing scores of Israelis.[109] PIJ, estimated at a few hundred members, emerged in the 1980s in the Gaza Strip as a rival to Hamas. Inspired by the Iranian revolution, it combined Palestinian nationalism, Sunni Islamic fundamentalism, and Shiite revolutionary thought. PIJ seeks liberation of all of historic Palestine through armed revolt and the establishment of an Islamic state, but unlike Hamas has not established a social services network, formed a political movement, or participated in elections. Perhaps largely for these reasons, PIJ has never approached the same level of support among Palestinians as Hamas.

Popular Front for the Liberation of Palestine-General Command (PFLP-GC)

Another—though smaller—Iran-sponsored militant group designated as an FTO is the Popular Front for the Liberation of Palestine-General Command (PFLP-GC). PFLP-GC is a splinter group from the PFLP and has a following among Palestinian refugees in Lebanon and Syria. PFLP-GC's founder and secretary-general is Ahmed Jibril. He is reportedly based in Damascus and allied with the Asad regime.

Salafist Militant Groups

A number of small but potentially growing Palestinian Salafist-Jihadist militant groups evincing affinities toward groups such as Al Qaeda or the Islamic State organization (also known as ISIS or ISIL) have arisen in the Gaza Strip. Some Salafist groups reportedly include several former Hamas militia commanders who have become disaffected with Hamas's informal cease-fires with

[108] Matthew Levitt, "Kidnapped Israeli Teens Compel Scrutiny of Hamas's International Finances Going after the 'Hamas HQ in Europe,'" *newrepublic.com*, June 24, 2014.

[109] See footnote 61.

Israel and other actions they perceive as having moderated Hamas's stance. They do not currently appear to threaten Hamas's rule in Gaza. Yet, with enough influential adherents or outside support, these groups could possibly either pressure Hamas to renew active confrontation with Israel or pose a long-term challenge to its rule, either directly or by provoking action from Egypt or Israel.

Palestinian Refugees

Of the some 700,000 Palestinians displaced during the 1947-1948 Arab-Israeli war, about one-third ended up in the West Bank, one-third in the Gaza Strip, and one-third in neighboring Arab countries. They and their descendants now number approximately 5 million, with roughly one-third living in refugee camps in the West Bank, Gaza, Jordan, Lebanon, and Syria. Jordan offered Palestinian refugees citizenship, partly owing to its previous unilateral annexation of the West Bank (which ended in 1988), but the other refugees in the region are stateless and therefore limited in their ability to travel. Refugees receive little or no assistance from Arab host governments and many (including those who do not live in camps) remain reliant on the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for food, health care, and/or education. For additional information on UNRWA (including historical U.S. contributions) and recent congressional action concerning it, see CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

For many years, Congress has raised concerns about how to ensure that UNRWA funds are used for the programs it supports and not for terrorist activities or corrupt purposes. Refugee camps are not controlled or policed by UNRWA, but by the host countries or governing authorities.[110] Concerns also have been expressed about the content of textbooks and educational materials used by UNRWA, with claims that they promote anti-Semitism and exacerbate tensions between Israelis and Palestinians. UNRWA responds that the host country, not UNRWA, provides the textbooks and determines their content because students must take exams in host country degree programs.[111] Additionally, UNRWA integrates human rights-themed education into its school programs.[112]

For political and economic reasons, Arab host governments generally have not actively supported the assimilation of Palestinian refugees into their societies. Even if able to assimilate, many Palestinian refugees hold out hope of returning to the homes they or their ancestors left behind or possibly to a future Palestinian state. Many assert a deep sense of dispossession and betrayal over never having been allowed to return to their homes, land, and property. Some Palestinian factions have organized followings among refugee populations, and militias have proliferated at various times in some refugee areas in Lebanon and Syria. The refugees exert significant pressure on both their host governments and the Palestinian leadership in the West Bank and Gaza to seek a solution to their claims as part of any final status deal with Israel.

[110] UNRWA's responsibilities are limited to providing its services to refugees and administering its own installations.

[111] Dov Lieber, "Palestinian PM, UNRWA head meet to discuss school impasse," *Times of Israel*, April 18, 2017.

[112] See http://www.unrwa.org/what-we-do/human-rights-education.

Author Information

Jim Zanotti
Specialist in Middle Eastern Affairs

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