

115TH CONGRESS  
2D SESSION

# S. 3549

To establish the Palestinian Partnership Fund to promote joint economic development and finance joint ventures between Palestinian entrepreneurs and companies in the United States, Israel, and countries in the Middle East to improve economic cooperation and people to people exchanges to further shared community building, peaceful coexistence, dialogue, and reconciliation between Israelis and Palestinians.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2018

Mr. COONS (for himself, Mr. GRAHAM, Mr. KAINE, and Mr. GARDNER) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To establish the Palestinian Partnership Fund to promote joint economic development and finance joint ventures between Palestinian entrepreneurs and companies in the United States, Israel, and countries in the Middle East to improve economic cooperation and people to people exchanges to further shared community building, peaceful coexistence, dialogue, and reconciliation between Israelis and Palestinians.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Palestinian Partner-  
3 ship Fund Act of 2018”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) While the United States and its inter-  
7 national allies continue to support diplomatic and  
8 political negotiations between the representatives of  
9 the parties to the Israeli-Palestinian conflict and  
10 others, in the long run, such efforts require broad  
11 popular support among people to succeed. In order  
12 to achieve lasting peace in the Middle East, the peo-  
13 ple who live there must, over time, sustain any po-  
14 tential high-level agreements.

15 (2) Through support for joint economic initia-  
16 tives and people-to-people exchanges, millions of or-  
17 dinary Israelis and Palestinians affected by this con-  
18 flict can assist in building support for lasting peace.

19 (3) The Palestinian technology sector is grow-  
20 ing by approximately 10 percent annually and, as of  
21 2018, accounts for approximately 6 percent of the  
22 Palestinian gross domestic product.

23 (4) In the Palestinian territories, each new job  
24 in the technology sector contributes an estimated  
25 \$98,000 in value added per year, compared to

1       \$16,000 of value added per year, on average, that is  
2       contributed by jobs in other sectors.

3           (5) Palestinian entrepreneurs could greatly ben-  
4       efit from more start-up experience and improved ac-  
5       cess to experienced investors, professional networks,  
6       and foreign partners.

7   **SEC. 3. SENSE OF CONGRESS.**

8       It is the sense of Congress that—

9           (1) building a viable Palestinian economy is  
10       central to the effort to preserve the possibility of a  
11       2-state solution;

12          (2) technology-led economic development in the  
13       Palestinian territories will create much needed em-  
14       ployment, stem “brain drain” of Palestinian talent,  
15       and contribute to regional stability;

16          (3) cooperation between the Palestinian, United  
17       States, and Israeli technology sectors will benefit the  
18       Palestinian, American, and Israeli people and should  
19       be encouraged;

20          (4) strengthening cooperation between the Pal-  
21       estinian territories, the United States, and Israel in  
22       the areas of applied technology industry and people-  
23       to-people exchanges will—

24            (A) increase the bonds of friendship and  
25       understanding between the people living in the

1           Palestinian territories and the people of the  
2           United States and Israel; and

3                   (B) advance the state of research and de-  
4           velopment to the benefit of all parties; and

5           (5) United States and international support for  
6           grassroots people to people efforts aimed at shared  
7           economic growth, reconciliation, and fostering toler-  
8           ance can help serve as an antidote to false propa-  
9           ganda by terrorist groups and the growing issue of  
10          incitement.

11 **SEC. 4. PALESTINIAN PARTNERSHIP FUND.**

12          (a) ESTABLISHMENT.—

13               (1) IN GENERAL.—The Secretary of State, in  
14          consultation with the Secretary of Commerce, the  
15          Secretary of the Treasury, and the Administrator of  
16          the United States Agency for International Develop-  
17          ment, shall establish the Palestinian Partnership  
18          Fund (referred to in this section as the “Fund”),  
19          which shall be funded with amounts appropriated  
20          pursuant to section 5.

21               (2) CONTRIBUTIONS.—The Secretary of State,  
22          in consultation with the Secretary of Commerce, the  
23          Secretary of the Treasury, and the Administrator of  
24          the United States Agency for International Develop-  
25          ment shall make every effort to seek additional con-

1        contributions for the Fund from Middle Eastern coun-  
2        tries, Europe, and the rest of the international com-  
3        munity.

4            (3) GOVERNANCE.—The Majority Leader and  
5        the Minority Leader in the Senate, and the Speaker  
6        and the Minority Leader in the House of Represent-  
7        atives, shall each appoint a representative to the  
8        governing entity of the Fund. The governing entity  
9        of the Fund should oversee, and include experts in,  
10       program integrity, monitoring, and evaluation and  
11       assessment.

12        (b) PURPOSE.—The purpose of the Fund is to facili-  
13       tate and finance—

14            (1) joint ventures in Israel, the West Bank, and  
15        Gaza, including between Palestinian entrepreneurs  
16        and companies in the United States, Israel, and  
17        countries in the Middle East to improve economic  
18        cooperation in research and development and in the  
19        technology industry; and

20            (2) people to people exchanges to further  
21        shared community building, peaceful coexistence,  
22        dialogue, and reconciliation between Israelis and  
23        Palestinians.

24        (c) USES OF FUNDS.—Amounts deposited into the  
25        Fund may be used—

1           (1) to support joint research, economic develop-  
2           ment, and technology industry activities of mutual  
3           benefit to the Palestinian territories, the United  
4           States, and Israel;

5           (2) to promote the integration of the Pales-  
6           tinian economy into the international business sys-  
7           tem through private sector engagement between Pal-  
8           estinian entrepreneurs and businesses and the pri-  
9           vate sector in the United States, Europe, and the  
10          Middle East (including Israel);

11          (3) to fund joint project costs involving Pales-  
12          tinian entrepreneurs and companies in the United  
13          States, Israel, and countries in the Middle East;

14          (4) to generate mutually beneficial cooperation  
15          between the private sectors of the Palestinian, Amer-  
16          ican, and Israeli high tech industries, including  
17          start-ups and established organizations; and

18          (5) to support people to people exchanges,  
19          shared community building, peaceful coexistence,  
20          and reconciliation between Israelis and Palestinians.

21          (d) ELIGIBILITY.—

22           (1) NATIONAL GOVERNMENTS.—National gov-  
23           ernments are not eligible to receive a grant from the  
24           Fund.

1           (2) GEOGRAPHIC DISCRIMINATION PROHIB-  
2           ITED.—In selecting grant recipients under this sec-  
3           tion, the administrators of the Fund may not dis-  
4           criminate against any community or entity in Israel,  
5           the West Bank, or Gaza due to its geographic loca-  
6           tion.

7           (3) LIMITATIONS.—None of the funds made  
8           available pursuant to this Act may be made available  
9           for assistance for any individual or group that the  
10          administrators of the Fund, in consultation with the  
11          heads of other relevant agencies of the United States  
12          Government, determines to be involved in, or advo-  
13          cating, terrorist activity or a member of a foreign  
14          terrorist organization, as designated pursuant to sec-  
15          tion 219 of the Immigration and Nationality Act (8  
16          U.S.C. 1189).

17          (4) SAVINGS PROVISION.—Assistance from the  
18          Fund shall be subject to all relevant laws relating to  
19          Federal Government assistance.

20          (e) ANNUAL REPORT.—

21               (1) IN GENERAL.—At the end of each fiscal  
22               year in which the United States Government makes  
23               any contribution to the Fund under this section, the  
24               Secretary of State shall submit a written report to  
25               Congress that describes the extent to which the

1 Fund, and United States contributions to the Fund,  
2 have contributed—

3 (A) to promoting and supporting joint eco-  
4 nomic development;

5 (B) to integrating the Palestinian economy  
6 into the international business system; and

7 (C) to furthering contact, cooperation, dia-  
8 logue, and reconciliation between Israelis and  
9 Palestinians.

10 (2) MATTERS TO BE INCLUDED.—Each report  
11 required under paragraph (1) shall include—

12 (A) information regarding—

13 (i) contributions pledged to, contribu-  
14 tions (including donations from the private  
15 sector) received by, and projects funded by  
16 the Fund; and

17 (ii) the mechanisms established for  
18 transparency and accountability in the  
19 grant making and investment process;

20 (B) a description of the Fund's operations,  
21 activities, budget, receipts, and expenditures for  
22 the preceding 12-month period, including an  
23 audited report of the Fund's finances, including  
24 statements of financial position, operations, and  
25 cash flows, in accordance with generally accept-

1 ed government auditing standards prescribed by  
2 the Comptroller General of the United States;

3 (C) insights gleaned from what improves  
4 the efficacy of people-to-people relationships;  
5 and

6 (D) a description of potential strategies for  
7 getting to sustainability for civic institutions  
8 that the Fund creates or supports, including  
9 novel financing mechanisms.

10 **SEC. 5. AUTHORIZATION OF APPROPRIATIONS.**

11 There is authorized to be appropriated \$100,000,000,  
12 for each of the fiscal years 2019 through 2024, which shall  
13 be used for United States contributions to the Fund estab-  
14 lished pursuant to section 4, and shall remain available  
15 until expended.

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