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.

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

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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Palestinian Partnership Fund Act of 2018”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) While the United States and its international allies continue to support diplomatic and political negotiations between the representatives of the parties to the Israeli-Palestinian conflict and others, in the long run, such efforts require broad popular support among people to succeed. In order to achieve lasting peace in the Middle East, the people who live there must, over time, sustain any potential high-level agreements.

(2) Through support for joint economic initiatives and people-to-people exchanges, millions of ordinary Israelis and Palestinians affected by this conflict can assist in building support for lasting peace.

(3) The Palestinian technology sector is growing by approximately 10 percent annually and, as of 2018, accounts for approximately 6 percent of the Palestinian gross domestic product.

(4) In the Palestinian territories, each new job in the technology sector contributes an estimated $98,000 in value added per year, compared to
$16,000 of value added per year, on average, that is contributed by jobs in other sectors.

(5) Palestinian entrepreneurs could greatly benefit from more start-up experience and improved access to experienced investors, professional networks, and foreign partners.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

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

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

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

(4) strengthening cooperation between the Palestinian territories, the United States, and Israel in the areas of applied technology industry and people-to-people exchanges will—

(A) increase the bonds of friendship and understanding between the people living in the
Palestinian territories and the people of the
United States and Israel; and
(B) advance the state of research and de-
velopment to the benefit of all parties; and
(5) United States and international support for
government people to people efforts aimed at shared
economic growth, reconciliation, and fostering toler-
ance can help serve as an antidote to false propa-
ganda by terrorist groups and the growing issue of
incitement.

SEC. 4. PALESTINIAN PARTNERSHIP FUND.

(a) Establishment.—
(1) In general.—The Secretary of State, in
consultation with the Secretary of Commerce, the
Secretary of the Treasury, and the Administrator of
the United States Agency for International Develop-
ment, shall establish the Palestinian Partnership
Fund (referred to in this section as the “Fund”),
which shall be funded with amounts appropriated
pursuant to section 5.

(2) Contributions.—The Secretary of State,
in consultation with the Secretary of Commerce, the
Secretary of the Treasury, and the Administrator of
the United States Agency for International Develop-
ment shall make every effort to seek additional con-
tributions for the Fund from Middle Eastern countries, Europe, and the rest of the international community.

(3) GOVERNANCE.—The Majority Leader and the Minority Leader in the Senate, and the Speaker and the Minority Leader in the House of Representatives, shall each appoint a representative to the governing entity of the Fund. The governing entity of the Fund should oversee, and include experts in, program integrity, monitoring, and evaluation and assessment.

(b) PURPOSE.—The purpose of the Fund is to facilitate and finance—

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

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

(c) USES OF FUNDS.—Amounts deposited into the Fund may be used—
(1) to support joint research, economic development, and technology industry activities of mutual benefit to the Palestinian territories, the United States, and Israel;

(2) to promote the integration of the Palestinian economy into the international business system through private sector engagement between Palestinian entrepreneurs and businesses and the private sector in the United States, Europe, and the Middle East (including Israel);

(3) to fund joint project costs involving Palestinian entrepreneurs and companies in the United States, Israel, and countries in the Middle East;

(4) to generate mutually beneficial cooperation between the private sectors of the Palestinian, American, and Israeli high tech industries, including start-ups and established organizations; and

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

(d) ELIGIBILITY.—

(1) NATIONAL GOVERNMENTS.—National governments are not eligible to receive a grant from the Fund.
(2) Geographic discrimination prohibited.—In selecting grant recipients under this section, the administrators of the Fund may not discriminate against any community or entity in Israel, the West Bank, or Gaza due to its geographic location.

(3) Limitations.—None of the funds made available pursuant to this Act may be made available for assistance for any individual or group that the administrators of the Fund, in consultation with the heads of other relevant agencies of the United States Government, determines to be involved in, or advocating, terrorist activity or a member of a foreign terrorist organization, as designated pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(4) Savings provision.—Assistance from the Fund shall be subject to all relevant laws relating to Federal Government assistance.

(e) Annual Report.—

(1) In general.—At the end of each fiscal year in which the United States Government makes any contribution to the Fund under this section, the Secretary of State shall submit a written report to Congress that describes the extent to which the
Fund, and United States contributions to the Fund, have contributed—

(A) to promoting and supporting joint economic development;

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

(C) to furthering contact, cooperation, dialogue, and reconciliation between Israelis and Palestinians.

(2) Matters to be included.—Each report required under paragraph (1) shall include—

(A) information regarding—

(i) contributions pledged to, contributions (including donations from the private sector) received by, and projects funded by the Fund; and

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

(B) a description of the Fund’s operations, activities, budget, receipts, and expenditures for the preceding 12-month period, including an audited report of the Fund’s finances, including statements of financial position, operations, and cash flows, in accordance with generally accept-
ed government auditing standards prescribed by the Comptroller General of the United States; (C) insights gleaned from what improves the efficacy of people-to-people relationships; and (D) a description of potential strategies for getting to sustainability for civic institutions that the Fund creates or supports, including novel financing mechanisms.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated $100,000,000, for each of the fiscal years 2019 through 2024, which shall be used for United States contributions to the Fund established pursuant to section 4, and shall remain available until expended.