
Executive Summary

Twenty-seven years after Oslo, peace has never felt more distant. A generation of Israelis and Palestinians has grown up separated. 90% of Palestinians and 79% of Jewish Israelis do not trust the other. Dehumanization, zero-sum thinking, and support for violence are increasing. Trust, respect, and hope for peace are decreasing. Recent political and diplomatic events have not helped, but this downward spiral was well underway before the devastating violence of May 2021, hampering a series of well-intended U.S. diplomatic efforts. A succession of U.S. negotiators has learned that diplomacy in such an environment has little chance of success without a dramatic, systemic, and sustained intervention.

However, this historic low is also a moment of opportunity. The building blocks to reverse these trends have been quietly falling into place in recent years. Extremists are not the only ones hard at work. Hundreds of civil society initiatives that build cooperation, trust, mutual economic opportunities, and support for peace for thousands of people have gained strength. Long-term data show that after decades of evolution and maturation, these programs are more sophisticated and impactful than ever, and are proven to halt and reverse the very same attitudes that make diplomacy so unlikely to succeed.

Most significantly, the United States just delivered a game changer with the recently-enacted Nita M. Lowey Middle East Partnership for Peace Act (MEPPA). MEPPA offers the one thing that has always stood between proven civil society initiatives and widespread change: the promise of peacebuilding resources to operate at the same scale as the conflict itself. MEPPA creates the opportunity to do for the Middle East what the International Fund for Ireland (IFI) did in Ireland, where the U.S. and other governments created and funded the IFI to deliver and sustain peace.

On its own, MEPPA is the largest-ever investment by the international community in Israeli-Palestinian peacebuilding and can significantly expand these efforts. It is also a potential cornerstone and catalyst for even greater reach and impact. MEPPA calls for multinational leverage and investment. To the extent that the U.S. can lead a consortium of international partners in this effort, especially along the institutional model of the IFI, MEPPA's funding can achieve results of even greater quality and quantity, further leveraging the value of every dollar of U.S. taxpayer money invested.

Implementation of MEPPA now offers the opportunity to provide the resources, expertise, and credibility to steadily create generational change in Israeli and Palestinian lives and attitudes. It also allows the Biden Administration to take advantage of the goodwill and appetite among European allies and longstanding partners to work in tandem with the U.S. Moving quickly to establish this funding could provide key momentum and tools that complement diplomacy from the start and soften the ground for better diplomatic outcomes in the Administration's first term and far beyond.

Major Recommendations

- **At the earliest interval, the U.S. should plan a meeting of key allies**, with the aim of leveraging the multi-year American commitment of funds to achieve an even greater international commitment. Should the requisite interest and commitment be demonstrated, then the Administration should examine a model of an International Fund for Israeli-Palestinian Peace (International Fund), allowing MEPPA's investment to be multiplied both in size and nature via an institutionalized and multilateral approach with U.S. leadership firmly embedded at its core. This can also allow the impact of MEPPA to be sustained far beyond its initial five-year commitment without relying solely on U.S. support.

- **A strong Advisory Board should be assembled as quickly as possible, drawing upon the bipartisan reservoir of talent and expertise in the field of civil society peacebuilding.** The two Advisory Board seats reserved for international representatives should be filled at an early opportunity as many U.S.-allied governments are already demonstrating an interest in participating.
- **The U.S. Agency for International Development (USAID) and the Development Finance Corporation (DFC) are required to designate personnel to oversee MEPPA funding which should be coordinated with the State Department.** These agency officials are responsible for setting up programs, developing guidelines and funding opportunities, reviewing and vetting projects, and making funding recommendations.
- **Ensure that USAID and DFC appoint senior staff to be based locally in the region, ideally tied into the US diplomatic missions in the region, and ideally have them sharing the same physical space.** The two agencies should work cohesively on a joint economic and civic strategy as anticipated by MEPPA.
- **In its first year, the Administration should begin planning to implement MEPPA's People-to-People Partnership for Peace Fund (PFP) at USAID and Joint Investment for Peace Initiative (the JIP) at the DFC, in coordination with the State Department.** MEPPA delays establishment of the P2P Fund until one year after enactment (December 27, 2021) with a six-month delay for the Investment Initiative (June 27, 2021). Even at rapid speed, funds likely could not flow until at least 9 months later (following appropriate procurement processes). During this period, the Administration should both begin planning to roll out these programs and simultaneously convene our international allies to seek their partnership and determine whether they are committed to offer additional funding to achieve a multinational approach.
- **Funding should follow a two-phase plan,** with six distinct and interlocking funding priorities that, when taken together and fully resourced, will represent the most strategic and far-sighted approach to peacebuilding yet implemented in the Israeli-Palestinian conflict.

The Nita M. Lowey Middle East Partnership for Peace Act of 2020 (MEPPA)

MEPPA is a novel and unprecedented tool for the Biden Administration to work with international allies to address the very core of the conflict: the growing gap of trust between Israelis and Palestinians that has thwarted the last two decades of diplomacy.

Past U.S. funding for Israeli-Palestinian peacebuilding activities has involved \$8–12 million per year distributed by USAID, representing the largest single source of funding worldwide. By contrast, MEPPA authorizes a dramatic U.S. investment of \$250 million for the first five years in a new initiative. Most significantly, MEPPA's potential impact can be multiplied several times over if these funds are leveraged to secure further contributions from international partners to establish an independent international fund that becomes the sustainable institutional hub of a coordinated, multinational peacebuilding initiative.

Overview

The funds are divided into two programs: 1) The People-to-People Partnership for Peace Fund for

people-to-people projects, and 2) the Joint Investment for Peace Initiative for economic projects. Under the law, resources for the Peace Fund will flow through USAID accounts starting no earlier than twelve months after MEPPA's enactment. The Investment Initiative funds will flow through the DFC and are available six months after enactment.

Congress left to the Administration the initial determination of how much money to allocate to each purpose (subject, of course, to consultation with the House and Senate Appropriations Committees). This offers a critical role for the Administration to propose allocations of resources as needs and opportunities urge. In the early years, economic efforts may be more complicated while well-developed P2P initiatives are "shovel-ready" for expansion. Across sectors, some projects will be building blocks for others, like construction of a capital-intensive community center that will later be a hub for many other initiatives. Coordination between agencies will be critical, as many projects are interrelated and have both economic and P2P aspects.

As it relates to the Joint Investment for Peace Initiative, the DFC is authorized to provide investments to small and medium-sized Palestinian owned enterprises, with the express goal of strengthening the Palestinian economy in the West Bank and Gaza. Priority will be given to projects that increase economic cooperation between Palestinians and Israel. Finally, the initiative does not specify a specific sector of priority but the legislation does mention investments in the technology, agriculture, and other high value-added or emerging industries.

International Leverage and Opportunity

Importantly, while MEPPA recruits the expertise of two key U.S. agencies to engage in this effort, the U.S. need not go it alone in implementing the law. Indeed, MEPPA provides a platform for orders-of-magnitude greater impact. Working with other countries, and ideally concentrating efforts through a single international entity like an International Fund, does more than multiply resources. It allows work of an entirely different nature and impact, bringing more credibility on the street, centralizing expertise, enabling long-term/cross-sector strategy and coordination, and creating an ongoing institution to be both an innovation and support hub, as well as a primary booster of the peacebuilding field. *For a thorough review of how and why the International Fund for Ireland model was so successful, see [How an International Fund Helped Make Peace in Northern Ireland: Lessons from a Conflict Solved](#).*

Like the International Fund for Ireland that inspired it, the funding established by MEPPA provides all that the Administration needs to unlock truly large-scale resources through multinational cooperation. Provisions encouraging and enabling such international cooperation run throughout the law and the existing USAID/DFC authorities, providing an opening for the Administration to engage allies and, in consultation with Congress, undertake a truly multinational effort.

For example, MEPPA's findings repeatedly note shared goals and a united front by "the United States and its international partners" in supporting both diplomacy and people-to-people initiatives. See MEPPA § 8002(6). Congress saw a big opportunity when the U.S. works with its allies: "United States and international support for grassroots, people-to-people efforts aimed at fostering tolerance, and building support for such a solution, can help counter extremist propaganda and the growing issue of incitement." *Id.* § 8003(2) (emphasis added). Indeed, **MEPPA translates these goals of multinational cooperation into authority and action.** It specifically urges that "[t]he Administrator [of USAID] . . . is encouraged to work with foreign governments and international organizations to leverage the impact of United States resources and achieve the objectives of" the law. *Id.* § 8004(d)(1) (emphasis added).

Already, there is significant international interest in participating in such a project under U.S. leadership, with the Government of the United Kingdom having already endorsed the concept, and senior figures in the European Union and several of its member states giving it careful consideration as they await word of the U.S. implementation strategy for MEPPA.

Immediate Next Steps

After the monumental passage of MEPPA, there are several key “next steps” to ensure the funds and the bill reach their full potential and on-the-ground impact. Behind all of these recommendations is the recurring theme of maximizing connections and utilizing all available voices and perspectives to generate the most effective and context-specific infrastructure.

International Meeting

An international meeting, convened to discuss the future of people-to-people peacebuilding in Israel/Palestine and the possibility of an International Fund, is a critical next step for the Administration and should be a top priority. Such a conversation allows for the U.S. to discuss and confer with its allies and key stakeholders about how to use collective power in addressing the Israeli-Palestinian conflict, especially in light of the passage of MEPPA. A conference also presents the optimal platform for understanding where other key allies stand on this issue and where collaboration could occur. The sooner such an event is organized, the more effectively MEPPA can launch, and be ready to respond to the reality on the ground. .

This meeting could take one of several forms, depending on optimal connection to greater international organizations (such as the United Nations), timing, and level of publicity, among others. Below are several potential opportunities for organizing the meeting, including through existing frameworks:

1. Convening via G7 or G20 Summits

The precedent of the Global Fund for Aids suggests one possible route. The concept of a Global Fund was generated and developed over two years during G7 Summits, which provided a platform to address a critical need and opportunity for combined action. The G7 is unique in its separation from any other multinational organizations. It may also be an appealing forum since a number of its existing members already have exhibited interest in exploring an International Fund based on MEPPA. The U.K.-- this year's hosts-- officially endorsed the concept in 2018, and publicly reaffirmed their support for its principles and their interest in discussing it with the Biden Administration as recently as April 2021.

2. World Bank Spring or Annual Meeting

The World Bank's spring or annual meetings could function as an optimal platform for an international summit as the U.S. is a key player in the World Bank, and many of the relevant countries will already be involved. The topic is also consistent with World Bank efforts to promote shared prosperity through development and conflict mitigation.

3. U.N. Peace Summit, General Assembly or Meeting

Following the precedent of past U.N. Peace Summits, the U.S. could seek to organize an upcoming summit focused specifically on exploring the creation of an International Fund. In the past these have been convened by the U.N. General Assembly. Alternatively, the Security Council or the office of the U.N. Special Coordinator for the Middle East Peace Process (UNSCO) could host a coordinating meeting in partnership with the U.S. The upcoming U.N. General Assembly may also provide an ideal opportunity to convene stakeholders in one

place.

The People-to-People Partnership for Peace Fund Advisory Board

MEPPA requires that the USAID “Administrator shall establish an advisory board” of outside advisors (the “Board”). MEPPA § 8004(d)(1). An early top priority should be creating this Board. The Board must have at least 13 members but may have a total of 15. *Id.* § 8004(e)(2). That is because “the Administrator may appoint up to two additional members to the advisory board who are representatives of foreign governments or international organizations.” *Id.* § 8004(e)(2)(B). Allowing foreign governments to be represented enables and/or incentivizes them to contribute their own funds, grow the overall resources, and extend the funding’s credibility in partnership with countries close to both Israelis and Palestinians. This multinational involvement is an important element of MEPPA’s stated goals.^[1]

All Board members serve for renewable terms of three years. *Id.* § 8004(e)(2)(A) - (B). The 15 designated Board seats are appointed, respectively, by the:

1. USAID Administrator, in consultation with the Secretary of State (this seat is the Board chair).
2. Speaker of the House.
3. Minority Leader of the House.
4. Senate Majority Leader.
5. Senate Minority Leader.
6. Chair of the Senate Appropriations Committee.
7. Ranking Member of the Senate Appropriations Committee.
8. Chair of the House Appropriations Committee.
9. Ranking Member of the House Appropriations Committee.
10. Chair of the Senate Foreign Relations Committee.
11. Ranking Member of the Senate Foreign Relations Committee.
12. Chair of the House Foreign Affairs Committee.
13. Ranking Member of the House Foreign Affairs Committee.
14. USAID Administrator (seat for foreign government or international organization representative).
15. USAID Administrator (seat for foreign government or international organization representative).

For the 12 Board member positions other than the chairperson and reserved international representative seats, appointees ideally will bring a mix of backgrounds:

- **High-profile figures.** Two to four Board members could be high-profile figures with international connections and relevant political experience that would help elevate the profile of the programs and enable the Board to serve as a forum for multinational coordination and growth, including exploring and engaging additional donors for an International Fund. These might be former members of Congress, ambassadors, or other current or former senior officials.
- **Peacebuilding experts.** Five to six appointees could be experts in conflict resolution, people-to-people efforts, and peacebuilding activities. Most, if not all, of these should be familiar with such activities in the Middle East, in particular.
- **Regional experts.** Three to four Board members could be experts in Israeli-Palestinian or Arab-Israeli affairs, with or without peacebuilding expertise. These could include academics, former diplomats, and former Israeli and Palestinian leaders.

The Board chair should be someone with the profile, time, and leadership skills to meaningfully lead a group that includes both experts and VIPs. Former Congresswoman Nita Lowey, should she be

interested, would be a natural and ideal chair.

The two international seats may be quickly filled by foreign governments wishing to partner with the U.S. on these programs. Likeliest early participants include the E.U., the U.K., Denmark, France, Germany, or Arab governments.

Congress does not specifically explain in the text of MEPPA the reason for establishing the Board, nor does it describe in detail how the Board should work. However, the Act does define at least two functions as it relates to the PFP:

1. Advising on “types” of projects to fund. The Board is to “make recommendations to the Administrator regarding the types of projects that should be considered for funding.” *Id.*
2. Informing reports to Congress. The USAID Administrator, “in consultation with the Secretary of State, shall consult with the advisory board . . . to inform the reports [to Congress].” *Id.* § 8006(d).

These functions—and the expertise the Board is required to bring—suggest that the Board should provide high-level guidance and background to those managing PFP funds, but not direct operations or management. As a group, Board members will bring expertise in the Middle East, in conflict mitigation, and in people-to-people programs.

The Board should be well-positioned to help USAID determine the “types” of projects, if not the *particular* projects, to be funded, to inform reports to Congress, and to be a forum for seeking international collaboration and coordination. For example, the Board can provide and support:

- **Background and program expertise/advice.** Provide background knowledge and expertise on which programs may succeed, in what sequence, and under what conditions. Advise continually about ever-changing regional conditions, politics, and trends, particularly those relating to peacebuilding programs, that may impact program success.
- **Strategy.** Help develop, and periodically revisit, key goals and strategy for the overall program based on Board knowledge of the conflict and people-to-people programming.
- **Evaluation and reporting.** Assist USAID in evaluating and understanding program performance, especially as USAID prepares reports for Congress.
- **International coordination and growth.** MEPPA's inclusion of international representatives can help fulfill its call for multilateral cooperation and leverage. The U.K., the E.U., and others have expressed interest. Board members—especially those with international profiles—can help secure additional donor participation. With at least two international government representatives, the Board can also be a forum for coordinating multinational funding and exploring how donors can best join forces. This can include exploring the creation of a central international fund to achieve MEPPA's mission through a sustainable, long-term, institutionalized effort.

For a more thorough analysis and answers to top questions about MEPPA's advisory board, please see [ALLMEP Memo - MEPPA Advisory Board - What the Law Requires and How to Build the Board](#)

Locally-Based Senior Staff

Perhaps the most critical component of any funding structure is ensuring the existence of strong, local roots and relationships. All of the most successful regional programmatic organizations point to their intentional appointment of local staffers as key to prolonged success. Accordingly, USAID and DFC should appoint staff to the region with the goal of inter-agency cooperation and quality communication

with local actors. To bolster these relationships and facilitate tight coordination, both agencies should station their personnel in the same physical space. Regional staff should also be well-situated to coordinate with counterparts in allied governments as well as the staff of a potential future International Fund. If local staff cannot be appointed, then a liaison with mission staff should be designated to work with the offices in DC.

Snapshot timeline of establishment of the Nita M. Lowey Middle East Partnership for Peace Act

Mar – April 2021	Consult with Congress. MEPPA provides 90 days following enactment for USAID, the DFC, and the State Department to consult with the Committees on Appropriation about use of funds.
April – June 2021	<p>Appoint agency officials. USAID and the DFC should designate existing personnel or new-hire roles to be responsible for implementing MEPPA programming. These point personnel should coordinate centrally with the State Department to ensure that MEPPA is genuinely integrated with U.S. policymaking. These officials can begin preparing for establishing the respective MEPPA programs, which are not authorized to begin until six months (DFC) and 12 months (USAID), respectively, after enactment.</p> <p>Appoint USAID Advisory Board Chair for P2P Fund. The USAID Administrator selects the Board chair, who can then play a key role in coordinating the group.</p>
June – Aug 2021	<p>Convene an international meeting. This can be either a standalone meeting, a part of an existing conference, or a private meeting on the sidelines or an existing international summit such as those hosted by the G7 or World Bank. Invitees should include potential governmental and private sector donors, including appropriate corporations and major international foundations who may participate as funders. Potential parties with strong interest include the U.K., E.U., France, Germany, Japan, Australia, Canada, and Persian Gulf states, who can participate in such a forum for the first time in this conflict’s history. Appropriate Israeli and Palestinian officials could also participate. Major purposes of the summit are to:</p> <ol style="list-style-type: none"> 1. Seek funding commitments over initial five years. 2. Discuss/develop a draft organizational structure. 3. Agree on next steps, roles and timeline.
Aug – Nov 2021	State, DFC, and USAID develop short-term and medium-term strategic plans.
Oct 2021	Appoint/launch USAID Advisory Board, including two international seats. Congressional leaders and the USAID Administrator make the appointments.
Jan – Feb 2022	Finalize/publish first grant/investment opportunities. USAID and the DFC prepare and publish their invitations for initial grant/investment proposals, along with information about the process for applying and making award decisions.
Apr – Jul 2022	Review/issue first grants/investments.
Aug 2022	First round of obligations and investments are dispersed

Dec 2023	Report to Congress. MEPPA expects a report within 90 days after the end of the first fiscal year in which all MEPPA programs are operating (December 31, 2023).
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Future Steps

The previous steps outlined are just the first part of a long-term effort to rejuvenate and strengthen civil society, and thus move both societies closer to a place where peace is possible. Regardless of the direction, it is critical to continue building on these efforts and maintaining forward momentum. ALLMEP's analysis is that the most effective path forward is to utilize MEPPA as a cornerstone for establishing an International Fund for Israeli-Palestinian Peace. With MEPPA as the core mechanism for the U.S.'s involvement, the Biden Administration could launch a new era of strategic peacebuilding efforts that work over the long term to build the conditions necessary to reach and sustain real peace.