

**ISLAMIC SOCIAL WELFARE
ACTIVISM IN THE OCCUPIED
PALESTINIAN TERRITORIES:
A LEGITIMATE TARGET?**

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ISLAMIC SOCIAL WELFARE ACTIVISM IN THE OCCUPIED PALESTINIAN TERRITORIES: A LEGITIMATE TARGET?

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The 11 September 2001 attacks in the U.S. and revelations that the al-Qaeda network made extensive use of charitable institutions to raise funds for its operations, have reinforced concerns about the relationship between Islamic social welfare activism and terrorism. The Palestinian Islamic Resistance Movement (Hamas), which has conducted a series of devastating armed attacks during the current conflict, particularly against Israeli civilian targets, and which supports an extensive network of social welfare organizations in the West Bank and Gaza Strip, has come in for particular scrutiny.

The concern that charitable activity and political violence are connected is legitimate and raises genuine policy dilemmas. These need to be addressed seriously but also with careful attention to distinctions and nuances rather than with a one-response-meets-all-contingencies approach. Eradicating Islamic social welfare activism would be unlikely to reduce seriously Hamas military activity, its attacks against Israeli civilians, or indeed its proclaimed goal of eliminating the state of Israel. Rather, it would worsen the humanitarian emergency, increasing both the motivation for Hamas to sustain its military campaign and popular support for it. And, without substantial evidence that welfare institutions systematically divert funds to support terrorist activity, it would be an overbroad and indiscriminate response.

Rather than a blanket ban, the test which should be applied, by the international community and the Palestinian Authority alike, is whether the charitable institution in question can be shown to have transferred monies to fund activities of paramilitary organisations, whether it helps recruit members for

such groups, or whether its educational teachings promote intolerance or violence.

Hamas activism presents a challenge to Palestinian and international policy-makers. It is a vital support for hundreds of thousands of Palestinians at a time when renewed conflict with Israel has produced a growing humanitarian emergency. But at the same time it has helped create that emergency by its escalation of indiscriminate bombing of civilian targets – attacks that, like all those that deliberately violate the laws of armed conflict, ICG unreservedly condemns.

The accusation that Hamas misuses Islamic charitable activities takes several forms. First, Hamas is suspected of diverting charitable funds to finance its military infrastructure and activities. Secondly, Islamic social welfare institutions affiliated with Hamas are charged with inciting violence and recruiting militants among beneficiaries of their services. Thirdly, the existence of a network of social welfare organisations affiliated with Hamas, and the demonstrated capacity of this network to support groups neglected by the Palestinian Authority (PA) and international donors, are considered central to the Islamist movement's growing appeal and, therefore, to its ability to sustain a campaign of violence.

Under pressure, the PA has taken some action. But too often it has sought mainly to assuage international opinion and fend off the Hamas threat to its own predominance rather than adopt a sound policy. It has periodically shut down Hamas-affiliated charitable institutions only to allow them to reopen later, while not cracking down on the movement's armed wing. Israel, meanwhile, has enhanced Hamas's standing in the Palestinian

community by actions that often go far beyond what security concerns could legitimately justify and significantly worsen the humanitarian situation in the West Bank and Gaza. Palestinian unemployment, poverty, and malnutrition rates – soaring to levels unprecedented since 1967 – have contributed to radicalisation of large segments of the population.

The international community has been both inconsistent and inefficient. The U.S. seeks to ban all assistance to Hamas-affiliated organisations; most of its Western partners, however, distinguish between support for Hamas's legitimate and illegitimate activity; and many Arab governments permit funds to be raised on their territory for Islamic social welfare and Islamist militant organisations without distinction. At the same time, neither the West nor the Arab world has provided sufficient humanitarian aid or persuaded Israel to loosen its stranglehold on the civilian population of the occupied Palestinian territories.

Any approach to the issue of Islamic charitable institutions – whether independent or affiliated with Hamas – must start from the premise that they are critical in Palestinian life. Hamas in particular has since its inception invested heavily in charitable work and considers this central to its identity and purpose. With the onset of the intifada, the ensuing devastation of the PA and other harsh Israeli measures, in particular closures, its welfare activity has become more vital than ever. Roughly two-thirds of Palestinians live below the poverty line, and Islamic social welfare organisations, directly or indirectly, provide emergency cash assistance, food and medical care as well as educational and psychological services, to perhaps one out of six. By most accounts, such institutions are more efficient than their secular or official counterparts, delivering aid without distinction as to religious belief or political affiliation. Certainly, they are perceived as such by the Palestinian public.

Over the longer run, the challenge is to steer the radical Islamist movement – an important component of Palestinian society – away from violence and terrorism, and toward a constructive role both in domestic Palestinian politics and in forging peace between Israel and the Palestinians. Though success so far is elusive, the Egyptian-sponsored intra-Palestinian dialogue is a significant attempt. For now, the PA and the international community should focus on stopping Hamas's attacks against civilian targets and whatever fund diversion to any violent or

paramilitary activity that exists. Any decision to shut down a social welfare institution or deny it funds should be closely based on proof that it either diverts funds for illicit purposes, is a platform for recruitment into Hamas's military wing or incites violence.

Rather than attack Islamic social welfare, a better response for those who seek to reduce its influence is to establish an equally effective social welfare network. Wholesale elimination of Hamas's Islamic social welfare sector would carry a heavy risk of backfiring, fuelling more violence and terror, and hurting a population already in a deteriorating humanitarian emergency.

There are inherent limits to what can be done in an environment of occupation, violence, closures and virtual PA collapse to set up an alternative welfare network, enforce rules against money laundering, or institute more rigorous accounting practices. Genuine reform of the charitable sector, like much else, probably must await an end of the current confrontation. On that, ICG has expressed its views: achieving a sustainable end to violence requires the international community to present and energetically promote a comprehensive endgame solution.¹ Still, in the absence of that step and within the boundaries of the existing situation, there are a number of measures that can be taken, as recommended below.

RECOMMENDATIONS:

To the Palestinian Authority:

1. Enforce its own laws, in particular Law N°1 on Charitable Societies and Civic Associations (2000), and mandate, inter alia:
 - (a) the registration of all such organisations with the PA, and their operation in accordance with transparent organisational and financial procedures;
 - (b) the annual submission of detailed and independently audited accounts of their finances and activities; and
 - (c) revocation of the charitable status of organisations that fail to operate in accordance with the law and with their own approved charters.

¹ See ICG Middle East Report N°2, *Middle East Endgame I: Getting to a Comprehensive Arab-Israeli Peace Settlement*, 16 July 2002.

2. Ratify, and enforce, the draft law on *zakat* committees currently before the Palestinian Legislative Council.
3. Amend its own laws by, where applicable, bringing them into line with the recommendations on “Combating the Abuse of Non-Profit Organisations” of the intergovernmental Financial Action Task Force on Money Laundering (FATF), particularly with respect to financial transparency, program verification, administration, and oversight.
4. Establish an independent expert committee that will both assist and actively monitor social welfare organisations in the West Bank and Gaza Strip to ensure that they strictly comply with the above legislation and are not used as platforms to advocate attacks against civilians or recruit members of military organisations.
5. Ensure, with all the means at its disposal, the integrity of its humanitarian operations.
6. Take active steps to delegitimise all acts of terrorist violence against civilians, in particular suicide bombings, in the media and other public information systems and through the criminal justice system.
7. Assign Ministry of Education inspectors to actively monitor schools operated by Islamic social welfare organisations in order to ensure religious instruction is not used as a platform for promoting intolerance or to incite violence.
8. Begin a process of establishing a general welfare program, with international help.
9. Cease arbitrary closures and seizures of social welfare organisations where no evidence of wrongdoing exists.

To the Islamic Resistance Movement (Hamas):

10. Cease all attacks against civilians and declare that it will not resort to such attacks in future.
11. Cooperate with the PA in implementing Law N°1 on Charitable Societies and Civic Associations.

To the Government of Israel:

12. Revoke, consistent with reasonable security requirements, economically punitive measures against Palestinians, and in particular, and consistent with the recommendations of the UN Secretary General’s personal humanitarian

envoy and Israel’s obligations as an occupying power:

- (a) allow access by the population to basic services and needs, including medical care, school and employment, by lifting unduly harsh closures and curfews;
- (b) ensure accelerated shipment and movement of humanitarian goods and services, whether of Palestinian or international origin, including ambulances, water tankers and other aid supplies; and
- (c) resolve the issue of purchase tax revenues withheld from the PA, releasing all outstanding monies.

To the Donor Community and Other Governments:

13. Provide technical and material support to assist the PA in implementing its own law regulating charitable institutions and, as a priority, in establishing a functioning general welfare system.
14. Increase assistance to international and local humanitarian organisations active in the West Bank and Gaza Strip.
15. Provide additional urgent humanitarian and financial assistance to the Palestinians and encourage the establishment of additional charitable networks that are effective and credible
16. Press Israel to rescind security measures that are not required by its legitimate interests and have contributed to the humanitarian crisis among the Palestinian population.
17. Harmonise policies toward charities in their own jurisdictions that are active in the occupied Palestinian territories and in particular:
 - (a) agree on and implement common regulations regarding accounting transparency, consistent with the recommendations of the inter-governmental Financial Action Task Force on Money Laundering (FATF);
 - (b) take legal action against charitable institutions found to be diverting funds to assist violent activity or advocating or promoting attacks against civilians; and

- (c) allow charitable organisations to raise and expend funds for strictly legitimate social purposes, irrespective of any association between the organisation and Hamas.
18. Press Arab states, particularly Saudi Arabia and the Gulf States, to ensure that funds raised in their territories for charitable institutions are used strictly for humanitarian purposes.

To Arab States, particularly Saudi Arabia and the Gulf States:

19. Cease any support for Hamas unless and until it agrees to halt attacks against civilians and takes the necessary steps to cease such activities.
20. Enhance monitoring of charitable organisations to ensure that funds are exclusively and verifiably allocated for humanitarian purposes.

Amman/Brussels, 2 April 2003

ISLAMIC SOCIAL WELFARE ACTIVISM IN THE OCCUPIED PALESTINIAN TERRITORIES: A LEGITIMATE TARGET?

I. INTRODUCTION

Among the numerous ripple effects of the 11 September 2001 attacks in the U.S., has been resurgent concern about the relationship between Islamic social welfare activism and terrorism. On 23 September 2001, President George W. Bush promulgated Executive Order 13224, which:

authorises the U.S. government to block the assets of individuals and entities that provide support, services, or assistance to, or otherwise associate with, terrorists and terrorist organizations designated under the Order, as well as their subsidiaries, front organizations, agents, and associates.²

In September 2002, the State Department's Office of Counter Terrorism proclaimed "ensuring that charities are not abused by terrorist groups" a "top priority in our war against terrorist financing",³ while a senior official vowed, "We will continue to block the assets and work with our allies to block the assets of charities that divert funds to terrorist purposes".⁴ At the international level, the inter-governmental Financial Action Task Force on Money Laundering (FATF) devised regulations to

prevent the abuse of non-profit organisations for purposes other than those defined in their mandates.⁵

The Palestinian Islamic Resistance Movement (Hamas),⁶ which has conducted devastating bombings, especially against Israeli civilian targets, has threatened to attack Western interests in the event of a war against Iraq,⁷ and supports an extensive network of social welfare organisations, has come in for particular scrutiny.⁸ During the past year, a number of states have acted against charitable institutions suspected of direct links with Hamas: Germany banned the Al-Aqsa Foundation and seized its assets, while the U.S. outlawed the Holy Land Foundation for Relief and Charity. Other states, including the Netherlands, have launched formal investigations into such institutions, or – as Saudi

² Executive Order 13224 at <http://www.state.gov/s/ct/rls/fs/2002/16181.htm>.

³ Celina B. Realuyo, Policy Advisor, U.S. Department of State, Office of Counter Terrorism, "Combating the Financing of Terrorism: Remarks to Western Union International Compliance Conference", 18 September 2002 at <http://www.state.gov/s/ct/rls/rm/14647.htm>.

⁴ Alan P. Larson, U.S. Under Secretary of State for Economic, Business, and Agricultural Affairs, "Testimony Before the House Committee on Financial Services", 19 September 2002 at <http://www.state.gov/e/rls/rm/2002/13598.htm>.

⁵ See, for example, FATF, "Combating the Abuse of Non-Profit Organisations: International Best Practices" (11 October 2002), at http://www.fatf-gafi.org/pdf/SR8-NPO_en.pdf. FATF membership includes the United States, the European Commission, the Gulf Cooperation Council, and many OECD governments.

⁶ Hamas, which translates as "zeal", is the Arabic acronym of the Islamic Resistance Movement's full name in Arabic (Harakat al-Muqawwama al-Islamiyya).

⁷ In an open letter, the founder of Hamas, Sheikh Ahmed Yassin, wrote of a possible war against Iraq: "As they fight us, we have to fight them and as they threaten our interests, we have to threaten their interests. . . Muslims will have to threaten and strike Western interests, and hit them everywhere." Reuters, 7 February 2003.

⁸ While Hamas is not the only Palestinian organisation that conducts both paramilitary and social welfare activities, it is the focus of this report because it is by far the most significant movement in this context. The other main Palestinian Islamist organisation, Islamic Jihad, is by contrast comparatively small and only marginally involved in social welfare activism. For a brief discussion of Islamic Jihad, see Section II B below.

Arabia and other Gulf states – have come under pressure to curtail their activities.⁹

Hamas presents the typical problem of an organisation that engages in both legitimate (humanitarian) and illegitimate (terrorist) activities, compounded in this instance by operating in a non-state environment, under conditions of foreign occupation and in which the recognised public sector (the Palestinian Authority, PA) no longer functions and was often ineffective while it did.

As exemplified by Executive Order 13224, the concerns about Islamic social welfare organisations affiliated with Hamas fall into three broad categories:

- Providing direct support to the Hamas military infrastructure through the illicit transfer of funds purportedly destined for humanitarian purposes. Hamas has been accused of using social welfare organisations as a cover to raise funds for the movement and its military infrastructure.¹⁰ Hamas-affiliated charitable institutions are also charged with providing payments to the families of suicide bombers.
- Providing direct support to Hamas through recruitment and incitement. Charitable institutions affiliated with Hamas are believed to serve as vehicles for the recruitment and indoctrination of potential militants.¹¹ The provision of financial assistance to the families of suicide bombers is viewed as a particularly reprehensible example.
- Providing indirect support to Hamas. Even assuming perfect segregation between Hamas'

military and social activities, the mere existence of a network of social welfare organisations affiliated with an organisation that deliberately targets civilians is considered unacceptable.¹² It legitimises an organisation that resorts to patently illegal acts and, by permitting it to garner support through the delivery of humanitarian assistance, ultimately strengthens it and the ideology and practices it promotes. In addition, some have argued that targeting the social network is essential to eliminating Hamas's military branch, because it offers the most effective leverage. "Nothing", claims former United States Special Envoy Dennis Ross, "is more likely to stop Hamas support for terror than to know that the Palestinian Authority is going to take over" its network of social welfare institutions.¹³

If the continued operation of Islamic social welfare organisations affiliated with Hamas poses a political and security dilemma, their disruption would raise a no less problematic socio-economic, humanitarian and indeed political predicament. Concern about the political impact of such institutions is predicated precisely upon their effectiveness at providing services. Under the combined impact of punitive Israeli sanctions against the West Bank and Gaza Strip population and the PA's disintegration, ordinary Palestinians are experiencing unprecedented hardship at a time when the capacity of their public sector to deliver much needed services continues to diminish. As a result, the role of informal support networks – including particularly those affiliated with Hamas – has increased commensurately. Eliminating Islamic social welfare organisations affiliated with it is likely to have only a negligible impact on Hamas's military activities, while the resulting increase in poverty and despair risks further radicalising the population and creating additional incentives for it to escalate its armed campaign.

This report takes a detailed look at the controversy surrounding Islamic social welfare organisations affiliated with Hamas and assesses the implications of their continued operation or enforced removal in a climate of crisis and conflict.

⁹ See, for example, Susan Schmidt, "Saudis Aided Subpoenaed Woman's Trip Out of U.S.", *The Washington Post*, 5 February 2003. U.S. officials interviewed by ICG assert that getting Gulf states to crack down on Hamas financing remains important, but concede that the priority in dealing with these states is to shut down any assistance to al-Qaeda. They also recognise that they have had far more success on the latter than on the former front. ICG interviews, Washington, February 2003.

¹⁰ According to the United States government, "Hamas's charitable organisations 'serve as a screen for its covert' component, thereby permitting the transfer of funds to its terrorist activity", Civil Action N°02-442 (GK), U.S. District Court for District of Columbia, Memorandum Opinion, *Holy Land Foundation v. Ashcroft*.

¹¹ The "charitable component is an effective way for Hamas to maintain its influence with the public, indoctrinate children and recruit suicide bombers", *Ibid*.

¹² ICG interview with U.S. officials, Washington, February 2003.

¹³ Dennis Ross, "Give Arafat an Ultimatum", *Washington Post*, 16 December 2001.

II. BACKGROUND

A. ISLAMIC SOCIAL WELFARE ACTIVISM¹⁴

Zakat, almsgiving, is one of the “five pillars” of Islam and is thus obligatory upon practising Muslims. In the contemporary Muslim world, the organised provision of social services to population sectors neglected by the state has been central to the emergence of Islamist opposition movements.¹⁵ Their dedication to the needs of the poor and the marginalized, often in sharp contrast to self-serving and disinterested state and religious establishments, significantly contributes to their political appeal.

The majority of Islamic social welfare organisations around the world are politically unaffiliated. Similarly, not all Islamist political movements have engaged in social welfare activism; most of the smaller, clandestine revolutionary groups all but eschew the field and prefer to concentrate their limited resources on the violent struggle against their enemies. Some, however, have created networks of social, charitable, financial and religious institutions noted for their professionalism, efficiency and integrity.

The social welfare activism of Islamist movements typically derives from political considerations as well as piety. In addition to responding to the obligation of *zakat*, such activism provides opportunities for *da'wa*, or proselytism,¹⁶ and may collectively be considered a form of *da'wa* itself. Similarly, such institutions can in various ways contribute to the Islamisation of the individual and society, a process which many Islamist movements – and reformist ones in particular – view as a necessary component of an eventual struggle for political power and as their

ultimate strategic objective.¹⁷ Although informed by specifically Islamic characteristics and objectives, Islamic social welfare activism is thus the product of a socio-political strategy that is neither uniquely Islamic nor limited to religious movements.¹⁸

B. THE PALESTINIAN CONTEXT

On account of Jerusalem's sacred status among Muslims, Palestine has historically possessed a multitude of Islamic social welfare organisations. Its most visible institutional expression has been the *waqf*, or religious endowment. While taking many forms, dedication to the public welfare in perpetuity of income deriving from property upon the owner's death (such as the assignation of rent derived from a commercial building to maintain a soup kitchen), is typical.¹⁹ Given the resources required, *waqf* endowments have generally been the preserve of the state and propertied elites and the religious establishment that regulates them. The organised provision of social welfare by autonomous social movements is, by contrast, a more recent phenomenon.

Although Islamic social welfare organisations proliferated throughout Palestine during the twentieth century, until 1967 these tended to have at best tenuous connections to Islamist socio-political movements and were limited in their ulterior objectives (to the extent these existed) to promoting religious consciousness and observance. The Israeli occupation of the West Bank and Gaza Strip that began that year, however, was a turning point. Israel's overwhelming military victory thoroughly discredited the defeated secular, nationalist, pan-Arabist regimes and to a lesser extent the ideologies that underpinned them, and set the stage for a revival of the Islamist movements they had successfully repressed and outflanked for the better part of two decades. At the same time, the 1967 War precipitated

¹⁴ In this report, “Islamic” refers to entities that are nominally or generically Muslim, while “Islamist” denotes entities which are self-consciously so, and formulate explicit political or ideological objectives on this basis.

¹⁵ Islamist movements are those that pursue political power in order to promote Islam as the dominant force in government and society. Although such movements differ widely both in their interpretation of Islam and on the means by which this is to be achieved, a commitment to the application of Shari'a, Islamic law, is their most common denominator.

¹⁶ Literally, “the Call [to Islam]”. Examples are networks of religious classes for Muslim pupils, broadly equivalent to Sunday Schools.

¹⁷ In the Islamist revolutionary tradition, by contrast, the Islamisation of society is viewed as a process that follows the seizure of political power, perhaps further explaining the comparative neglect of social welfare activism by such organisations.

¹⁸ In this respect, the “Preferential Option for the Poor” adopted by Catholic priests in Latin America espousing Liberation Theology, and the social services provided by socialist movements in Europe, are pertinent examples.

¹⁹ Waqf endowments were also established by Christians and Jews, and in accordance with Shari'a were established by both men and women.

the rapid rise of the independent Palestinian guerrilla organisations that came to dominate the Palestine Liberation Organisation (PLO) and by extension the Palestinian political arena.

Within the occupied territories, there was initially no inherent contradiction between the emergence of a largely secular, explicitly nationalist PLO with considerable leftist influences and the more gradual Islamist revival. Palestinian Islamist movements, including the largest, the Muslim Brotherhood (*al-Ikhwan al-Muslimin*),²⁰ were reformist during this period rather than revolutionary in character²¹ and as such more interested in *da'wa* than *jihad*.²² The PLO was primarily occupied with the struggle against Israel and on the whole avoided socio-economic issues it viewed as obstructive to the broad national consensus it sought to promote.²³ Islamist activists who lost patience with the generally quiescent approach of their parent organisations were easily accommodated within the mainstream Palestinian National Liberation Movement (Fatah) led by Yasir Arafat; alternatively, they could – and occasionally did – add to the plethora of Palestinian organisations by establishing yet another.

Nevertheless:

Beginning in 1967, the Muslim Brotherhood began to establish mechanisms to spread its ideas and increase its influence. The society

founded Islamic charity organisations, which supervised religious schools. It also managed nursery schools and kindergartens, which were usually attached to mosques. The Brotherhood also established neighbourhood libraries and sports clubs ... The Muslim Brotherhood used ... *zakat* ... to help thousands of needy families. And thousands of students and children were enrolled in schools and kindergartens run by the Islamic movement.²⁴

With the additional influence derived from sympathisers involved in the supervision of the “extensive network of [formal] *waqf* property” and the rapidly expanding number of mosques, the Muslim Brotherhood possessed “useful mechanisms for the spread of Islamic influence.”²⁵

The establishment and financing of such organisations was rarely problematic. The Israeli authorities generally took the view that the Islamist movement was less threatening than the militant PLO, that it could usefully absorb the energies of Palestinian youth and could be a valuable instrument to promote “disputes and schisms among Palestinians”.²⁶ They routinely furnished the required permits and encouraged the movement with funding and in other ways.²⁷ But even more than the Israeli

²⁰ The Muslim Brotherhood was established in Egypt in 1928 and during the next two decades set up chapters in most countries of the Levant. The Palestinian chapter was created in 1946 in Jerusalem. See further Richard P. Mitchell, *The Society of the Muslim Brothers* (Oxford, 1969); Khaled Hroub, “*Hammas: Political Thought and Practice*”, Institute for Palestine Studies, Washington, 2000, pp. 11-29, for an account of the Brotherhood’s emergence in Palestine during the British Mandate and development within the West Bank and Gaza Strip after 1948.

²¹ In practical terms, pre-occupied with social rather than political change.

²² Literally translated as “struggle”, *jihad* in Islamic theology – much like “crusade” in contemporary English usage – has numerous connotations, many of which are unrelated to armed conflict. In the context of Islamist movements’ struggles for power, *jihad* is most often translated – by participants and observers alike – as “holy war”, though “sacred struggle” is perhaps a more appropriate equivalent since in addition to armed conflict it can also entail non-violent action such as an election campaign or consumer boycott.

²³ This was particularly true of the Palestinian National Liberation Movement (Fatah), which since 1967 has largely dominated the PLO.

²⁴ Ziad Abu-Amr, *Islamic Fundamentalism in the West Bank and Gaza: Muslim Brotherhood and Islamic Jihad*, (Bloomington, 1994), pp. 14-15.

²⁵ *Ibid.*, p. 15, which also notes that the number of mosques in the West Bank and Gaza Strip more than doubled between 1967 and 1987, from 600 to 1,350, and that *waqf* endowments accounted for 10 percent of all property in the Gaza Strip. The network of charitable institutions was particularly strong in Gaza, where Shaikh Ahmad Yassin played an important role as head of the Islamic Association (*al-mujamma al-islami*). Jean-François Legrain, “*Vers Une Palestine Islamique?*”, *L’Arabisant* 35 (2001).

²⁶ Anat Kurz and Nahman Tal, “*Hammas: Radical Islam in a National Struggle*”, Jaffee Center for Strategic Studies, Jerusalem, 1997, at <http://www.tau.ac.il/jcss/memoranda/memo48su.html>.

²⁷ Abu-Amr, *Islamic Fundamentalism*, p. 35, citing Yitzhak Segev, former Israeli military governor of the Gaza Strip and New York Times correspondent David Shipler, who additionally discuss Israeli facilitation of Islamist attacks on PLO and Palestine Communist Party sympathisers; Graham Usher, “*What Kind of Nation? The Rise of Hammas in The Occupied Territories*”, in Usher (Ed.), *Dispatches from Palestine: The Rise and Fall of the Oslo Peace Process*, (London, 1999), p. 19; Kurz and Tal, *Hammas*, who confirm that until the late 1980s Israel “took a tolerant view” of Islamist organisations, adding that in 1984 the Israeli

and local financial contributions, the considerable wealth that flowed into the coffers of the conservative Gulf states and Palestinian expatriate communities after the oil price rises of 1973 provided Islamic organisations in the occupied territories with their major source of funds.

The 1979 Iranian revolution and the 1987-1993 Palestinian uprising were further major milestones. Though the Iranian Islamists emerged from a different religious and political tradition, their seizure of power fundamentally challenged the reformist current dominant within the Muslim Brotherhood. Influenced by both the Iranian experience and that of the clandestine Islamist revolutionary groupings emerging in Egypt (who were themselves influenced by developments in Iran), a number of Muslim Brotherhood activists in 1980 separated from the organisation to establish a radical, militant alternative, Islamic Jihad.²⁸

Less than a decade later, the eruption of the Palestinian *intifada* – which Islamic Jihad helped foment – threatened the Brotherhood with an even more severe split. It responded by taking the initiative and in February 1988 established Hamas, an explicitly activist movement openly dedicated to resisting the Israeli occupation.²⁹ The formation of Hamas reflected both increasing militancy among the Brotherhood's rank-and-file (and indeed West Bank and Gaza Strip Palestinians more generally), and the organisation's need to maintain credibility in the drastically altered political environment in the occupied territories.³⁰ The contest for the hearts and mind of the Palestinian people, which had been developing between the Muslim Brotherhood and

the PLO for several years, became a competition for leadership of the Palestinian people.³¹

As the PLO failed to convert the Palestinian uprising into an Israeli withdrawal from the occupied territories and confronted political and financial bankruptcy in the aftermath of the 1991 Gulf War (during which it sided with Iraq), the fortunes of Hamas steadily rose. After Israel and the PLO signed the Oslo agreement in 1993, Hamas's popularity became a barometer of political discontent with the peace process and the Palestinian Authority. The contrast between the modest life styles of its leaders and the more opulent preferences of many in the PLO, especially after they returned to the West Bank and Gaza, and between the integrity and efficiency of the Islamic social welfare apparatus on the one hand and the corruption and cronyism of its nationalist counterpart on the other, were among its most potent assets.³² Not insignificantly, the Hamas charter, unlike that of the PLO, makes specific mention of social solidarity:

The Muslim Society is a cooperative society (Article 20).

Part of social welfare consists of helping all who are in need of material, spiritual, or collective cooperation to complete various projects. It is incumbent upon the members of the Islamic Resistance Movement to look after

authorities permitted a leading Islamic organisation in the Gaza Strip to continue functioning despite the fact that arms were found on its premises; secular organisations would in similar circumstances have been immediately banned.

²⁸ Abu-Amr, op. cit., p. 93. At its inception, Islamic Jihad was more a loosely knit combination of various groups that shared a belief in the primacy of armed struggle against Israel. See Legrain, "Vers Une Palestine Islamique?" op. cit.

²⁹ See further Usher, "What Kind of Nation?", op. cit., pp. 18-33. Hamas, however, dates its establishment from December 1987.

³⁰ Abu-Amr, op. cit., pp. 63-69. See Hroub, Hamas, op. cit., pp. 33-36 for an account of increasing activism within the ranks of the Brotherhood leadership prior to the uprising.

³¹ For a more detailed examination of the development of the Brotherhood and the emergence of Hamas between 1967 and 1988 see Abu-Amr, op. cit., pp. 10-89; Hroub, op. cit., pp. 29-41; and Beverly Milton-Edwards, *Islamic Politics in Palestine* (London, 1999), pp. 73-146.

³² For a discussion of PA corruption largely based on Palestinian and internal PA sources, see ICG Middle East Briefing Paper, *The Meanings of Palestinian Reform*, 12 November 2002, pp. 4-6 and references cited. Israel's role in promoting Hamas during this early period – a role repeatedly alleged by PA officials, including Chairman Arafat – is more difficult to ascertain. ICG interviews, Ramallah, November 2002. Several Palestinians have made the claim that in 1988 the Israeli military would often enforce Hamas general strikes while sparing no effort to disrupt those called by the Unified National Leadership of the Uprising aligned with the PLO. Similarly, ICG interview, Wale Manners, Palestinian journalist, 23 February 2003, notes: "Hamas benefited greatly from Israeli complicity during its initial years. For example, during the first intifada, not a single person was arrested for being a member of a zakat committee, while a member of a [secular and largely PLO-affiliated] voluntary work committee – who is not necessarily politically affiliated – would be imprisoned for six months as punishment for such membership".

the needs of the people as they would their own needs. (Article 21)³³

One of Israel's clear objectives was to ensure that Palestinians would crack down against those among them who resorted to violence. As stated by Yitzhak Rabin in September 1994, the PA "will run their internal affairs without the High Court of Justice, B'Tselem [the Israeli Information Centre for Human Rights in the Occupied Territories], or all sorts of groups of mothers and fathers and bleeding hearts".³⁴ It seemed reasonable to expect that the security forces of the soon-to-be-established PA would incapacitate the Qassam Brigades, while visible progress in the peace process and widespread economic development would neutralise the political appeal of Hamas.

The reality was different. With few exceptions the PA proved unable and/or unwilling to confront Hamas and Islamic Jihad decisively,³⁵ while the gradual disintegration of the peace process and further deterioration of the Palestinian economy guaranteed the Islamists continued popular support. Here again, their willingness and ability to serve the neediest sectors of society enhanced their stature. Islamist social welfare organisations stood comparisons with PA ministries and agencies particularly well. While international attention was primarily focused on the relationship between the PA and successive Israeli governments, the Islamist movement in the West Bank and Gaza Strip continued to develop. Without relinquishing its

strategic objective (the establishment of an Islamic state throughout historic Palestine), Hamas gradually reduced its military actions, focusing instead on its religious and social activities.³⁶

As Israeli-Palestinian negotiations were replaced by violent confrontation in September 2000, it appeared that the political prospects of Hamas could only improve. The Qassam Brigades – whose participation in the Al-Aqsa intifada was initially marginal – eventually carried out many of the most devastating attacks against Israeli targets, including civilians, which, in a climate of protracted conflict and increasing suffering and hatred, garnered the Islamists widespread popular acclaim among Palestinians. At the same time, the immobilisation of PA institutions, their ineffectiveness in protecting the population from Israeli military assaults, and growing economic hardship – to a considerable extent a result of Palestinian attacks – only increased the demands for services offered by organisations affiliated with Hamas.

What seemed like a successful formula for Hamas suffered a major setback as a result of the international response to 11 September. The "war against terrorism" that subsequently was announced gradually developed into a broader campaign against militant Islamist movements around the globe. Hamas and the Islamic Jihad's actions were placed, particularly by the U.S., in the context of a cohesive, global struggle against terrorism.

Within this general framework, a variety of efforts were also launched to stem the flow of funds to institutions seen to contribute to the further development of the radical Palestinian Islamist movement. On 2 November 2001, the U.S. added Hamas to its list of terrorist organisations.³⁷ Pursuant to that decision, on 4 December 2001 Washington froze the assets of the Holy Land Foundation for Relief and Development, a U.S.-based charity that had been accorded tax-exempt status. According to President Bush, "Money raised by the Holy Land Foundation is used by Hamas to support schools and indoctrinate children to grow up into suicide bombers ... [and] also used by Hamas to recruit

³³ "The Charter of Allah: The Platform of the Islamic Resistance Movement", Articles 20 and 21. Reproduced in Hroub, Hamas, op. cit., p. 280.

³⁴ Quoted in Jessica Montell, "Peace by any Means Necessary?" *Tikkun* (May/June 1999).

³⁵ One of the most notable exceptions came in 1996, when, in the wake of a series of deadly suicide bombings against Israelis, PA security forces, in coordination with Israeli security services, launched a widespread campaign against the Hamas and Islamic Jihad militias that effectively neutralised their capabilities. In March of that year, "dozens of Islamist institutions – kindergartens, charitable institutions, mosques – are searched and placed under the control of [the PA]." Charles Enderlin, *Shattered Dreams* (New York, 2003), pp. 33-34. Although the PA took these steps, and in particular subordinated the mosques to Ministry of Religious Affairs supervision, it simultaneously "sustained a quiet dialogue" with the Hamas political leadership and ultimately left its social welfare infrastructure "largely intact". See further Graham Usher, "The Politics of Atrocity", in Usher, *Dispatches*, op. cit., p. 84; Hroub, Hamas, op. cit., pp. 107-109.

³⁶ See Legrain, "Vers Une Palestine Islamique?", op. cit.

³⁷ "Comprehensive List of Terrorists and Groups Identified Under Executive Order 13224", at <http://www.state.gov/s/ct/rls/fs/2002/12327.htm>. The U.S. State Department had designated Hamas a "Foreign Terrorist Organisation" several years previously.

suicide bombers and to support their families”. Proclaiming that “the terrorists benefit from the Holy Land Foundation”, President Bush called upon “other nations to suppress the financing of terror”.³⁸ In effect, Islamic social welfare activism was designated as a vital component of the terrorist infrastructure.

III. PALESTINIAN ISLAMIC SOCIAL WELFARE ORGANISATIONS

A. TYPOLOGY

Islamic social welfare organisations fall into two broad categories. Charitable institutions are primarily engaged in the provision of alms, typically in the form of financial subsidies and food support, but also other items such as clothing and shelter. Service organisations by contrast provide benefits such as education, vocational training and medical relief. Such distinctions are not absolute, as organisations primarily engaged in one field will also work in the other – a pattern that has become more evident since September 2000.

According to Sara Roy, who conducted extensive fieldwork in the Gaza Strip, in 1999 Islamic institutions “comprise[d] anywhere from 10-40 percent of all social institutions in the Gaza Strip and West Bank” and “directly reach[ed] tens of thousands of people and impact[ed] hundreds of thousands more”.³⁹ In 1997, for example, 22,615 families comprising 278,348 individuals received assistance from such institutions.⁴⁰ The principal recipients of assistance provided by Islamic social welfare organisations are low-income households. Beneficiaries of regular programs include families headed by divorced women and widows and those in which the husband is chronically ill, permanently disabled, unemployed, or imprisoned.

Assistance to orphans has always enjoyed a special status in the Islamic tradition of social welfare – in part because the Prophet Muhammad was orphaned at a young age. All but two of 40 Islamic social welfare organisations surveyed by ICG identified orphans as a specific target group.⁴¹

Palestinian Islamic social welfare organisations play a disproportionately large role in a number of critical sectors. For example, the PA Ministry of Education estimates that in the Gaza Strip, where the school system is so overwhelmed that pupils are educated in

³⁸ “President Announces Progress on Financial Fight Against Terror: Remarks by the President on Financial Fight Against Terror, The Rose Garden”, at <http://www.whitehouse.gov/news/releases/2001/12/20011204-8.html>. Mr. Bush stated that the Holy Land Foundation had raised U.S.\$13 million in 2000, and simultaneously announced that the United States had “blocked the accounts of an Hamas-linked bank, an Hamas-linked holding company based in the West Bank”.

³⁹ Sara Roy, “The Transformation of Islamic NGOs in Palestine”, *Middle East Report*, 214 (Spring 2000), p. 25. The population of the occupied Palestinian territories is approximately 3 million.

⁴⁰ Palestine Poverty Report 1998, p. 70.

⁴¹ ICG survey of 40 Islamic social welfare organisations in the West Bank and Gaza Strip, 2002.

shifts, Islamic organisations account for 65 per cent of all educational institutions below secondary level – suggesting the sector would collapse without their continued involvement.⁴² They are similarly active at the university level, providing tuition support to many students. In many localities, furthermore, Islamic social welfare organisations hold a virtual monopoly on assistance to the disabled and are the third largest source of moral and psychological support to traumatised village children.⁴³ Education also takes place through mosques, where Hamas influence is considerable. Indeed, the organisation has traditionally used them as forums to convey political messages.

1. Islamic Charitable Institutions

Zakat is not a formal tax in Palestinian law nor is it collected by the PA.⁴⁴ Because Muslim Palestinians are thus free to determine whether, to what extent and how to disburse *zakat* payments, it is for all intents and purposes impossible to determine what percentage of the population participates in this practice, or how much money is raised on an annual basis. Nevertheless, a decentralised network of *zakat* committees, which since 1996 operate under the supervision of the Ministry of Religious Affairs, exists in various West Bank and Gaza Strip localities. These committees disburse *zakat* payments received from local residents, additional voluntary donations (*sadaqa*) made by individuals, organisations, corporations and governments, and allocations from *zakat* funds in foreign countries.⁴⁵

Zakat committees, with their clear associations to obligatory religious practice (*fard*), are among the most established Islamic institutions in the occupied Palestinian territories (and indeed throughout the

wider Arab and Islamic worlds). Although it is difficult to estimate their share of overall Islamic social welfare activity in either organisational or financial terms, collectively they are predominant among charitable institutions.

Such committees are generally governed by a board of local community and religious leaders and typically provide assistance to low-income households (usually families without a male breadwinner), orphans, the chronically ill and disabled and students in financial need. Some have also been involved in the establishment and operation of service-oriented organisations like hospitals and medical clinics.⁴⁶

The Ramallah *Zakat* Committee, for example, is led by local businessman Shaikh Husni Abu Awad. It sponsors orphans, assists needy families, operates a medical clinic, and counts ten Christian families among its beneficiaries.⁴⁷ The Gaza *Zakat* Committee, which is considerably larger and has more than 50 employees, provides more than 5,000 beneficiaries with cash assistance, food, medicine, free health care, and interest-free loans for housing and university education. Like many other such organisations, it cooperates with the local authorities in selecting recipients, determining which services to provide, and in the actual distribution.⁴⁸

2. Islamic Service Organisations

Islamic service organisations comprise a wide range of institutions providing a large variety of services to Palestinian society. At its most basic, such an organisation can consist of several volunteers who give extra-curricular Quranic instruction to neighbourhood schoolchildren. In their more elaborate manifestations, such as orphanages and vocational training centres, they have all the attributes of a functioning organisation, including employees, governing bodies, annual budgets and internal elections, and perhaps marketing and fundraising operations well. Many are local and provide only a single service; others offer a wider range and may be part of a larger network including local branches.

⁴² Roy, "The Transformation of Islamic NGOs in Palestine", op. cit., p. 25.

⁴³ Bocco et. al., International and Local Aid during the Second Intifada, op. cit., p.100.

⁴⁴ John Esposito, *Islam: The Straight Path* (Oxford, 1994), pp. 90-91, notes that *zakat* is "usually" calculated at 2.5 percent of the value of all assets (including income) per annum. Milton-Edwards, op. cit., p. 127, describes it as 7 per cent of annual income.

⁴⁵ According to the PA's "Palestinian Poverty Report 1998", p. 69 (fn.24), there were 62 *zakat* committees in 1998. An unpublished UN study found only 30 such committees in 2001 (fourteen in the West Bank and sixteen in the Gaza Strip). See UNSCO and OCHA, "Food and Cash Assistance Programmes, October 2000-August 2001: A Brief Overview", p. 5.

⁴⁶ "Palestine Poverty Report 1998", p. 70.

⁴⁷ ICG interview, Shaikh Husni Abu Awad, Ramallah, 23 February 2003.

⁴⁸ ICG survey of 40 Palestinian Islamic social welfare organisations.

The case of the Islamic Assembly of Gaza, one of the large Hamas-affiliated organisations, is illustrative. Aside from providing cash assistance to roughly 5,000 orphans and hundreds of poor families, it distributes food, school bags and winter clothing, organises wedding parties and sponsors nurseries, clinics and sports clubs. Its impact probably is felt in varying degrees by tens of thousands of Palestinians.⁴⁹

In addition to confirming that “management and staff are typically well educated, highly trained and professional”, Roy finds that

the services provided by Islamic NGOs are generally of high quality and are perceived as such by the population ... Islamic NGOs almost uniformly define niches and work in sectors and localities where considerable needs are largely unmet. Their constituencies are mostly the poor and marginalized ... and in some localities ... Islamic NGOs appear to be the only ones working with these groups ...⁵⁰

The comparative advantage enjoyed by Islamic social welfare organisations relative to both the PA and other NGOs has been widely noted. According to a former NGO activist in the Gaza Strip:

[This advantage] derives from their organic links with the grassroots, which in contrast to others they sustained throughout. Where other NGOs became increasingly pre-occupied with political and institutional issues like development and capacity building, the Islamic organisations retained their emphasis on social service delivery, and did this very professionally. As a result, they were easily able to maintain their links to their constituencies. The other factor is the deteriorating economic situation since Oslo. The increased poverty levels created additional

needs, underscored the relevance of their work and approach, and meant that they were able to expand their constituencies even further.⁵¹

Similarly, the former director of an EU humanitarian agency spoke highly of the professionalism of Islamic social welfare organisations: “Their lists of beneficiaries are quite impressive in their exactitude, and represent those truly in need. Some international organisations even double-check their own lists with theirs”.⁵²

B. LEGAL STATUS

Islamic social welfare organisations in the occupied Palestinian territories are independent legal entities or branch organisations of such entities. This holds true for those affiliated with political movements such as Hamas, as well as for those with no apparent political orientation.

In terms of their legal status, the vast majority of registered Islamic social service organisations were until 1994 defined as charitable associations, reflecting the general nature of their activities as well as the official classification of social service organisations prior to the advent of the PA. After 1994, all such institutions were required to obtain an additional operating license from the PA ministry responsible for their particular field of activity (e.g. health, education). In 2000, new Palestinian legislation came into effect that consolidated the regulation of NGOs, private voluntary organisations (PVOs), and charities according to a single standard, and pursuant to which such institutions had to obtain new certificates of registration from the Ministry of Interior.⁵³ Organisations previously licensed by a PA ministry (or, prior to 1994, the Israeli authorities) obtained these with relative ease, though there is good reason to question how closely their activities have been monitored by the PA for compliance with its laws. New and previously unrecognised organisations could only obtain Ministry of Interior

⁴⁹ ICG interviews, Gaza, Spring 2002. As Roy describes it, Islamic organisations “play an important and visible role in the following areas: relief and charity work; preschool, primary and elementary education; library development; the education and rehabilitation of physically and mentally disabled children and adults; primary and tertiary health care ... women’s income-generating activities; literacy training; the care of orphans (which includes all aspects of their life from infancy to age 16); the care of the elderly; the care and placement of ‘illegitimate’ children, who come to them as abandoned infants; and youth and sports activities”. Roy, *op. cit.* pp. 25-26.

⁵⁰ Roy, *op. cit.*, p. 26.

⁵¹ ICG interview, Wafa Abdel-Rahman, former coordinator of the Palestinian NGO Network (PNGO), in the Gaza Strip, Ramallah, 10 October 2002.

⁵² ICG interview, former head of EU ECHO, New York, October 2002.

⁵³ Law N°1 on Charitable Societies and Civic Associations (2000).

registration upon the consent of the relevant supervisory ministry.⁵⁴

In theory, the new law includes strict safeguards against any exploitation of registered organisations for the illicit movement of funds. In addition to providing for thorough organisational transparency, it requires registered organisations to appoint a certified accountant to supervise their budgets, keep detailed and verifiable records of all income and expenditures, and submit “detailed” and independently audited accounts (along with full accounts of all activities), to the PA on an annual basis. If an organisation is found to be violating its approved charter and fails to heed formal warnings, the PA is entitled to launch legal proceedings to close it down, and take additional measures to ensure that any remaining assets are disbursed in accordance with the objectives for which the organisation was established.⁵⁵ As a result of the intifada and ensuing destruction of the PA, there has been no opportunity to test whether it would rigorously enforce the law. According to a Palestinian NGO activist: “The law is if anything too intrusive. . . . The problem with it is that it is not being enforced, because the PA is no longer capable of this after its virtual destruction by Israel”.⁵⁶

Zakat committees have been governed by a more complex set of regulations. While some are registered as charities, most are regulated by laws deriving from Jordanian and Egyptian legislation that applied to the West Bank and Gaza Strip prior to 1967. Pursuant to the latter, they are accountable to the Ministry of Religious Affairs, in whose names their bank accounts are registered and which audits their finances on a weekly basis.⁵⁷ A draft law on *zakat* committees is currently before the Palestinian Legislative Council, which would consolidate the anomalies in this sector and retain and modernise the PA’s organisational and financial controls.

The Islamic social welfare sector as a rule has been more diligent about the registration process than its secular counterpart and therefore encountered fewer difficulties. Two factors explain this. First, their focus on service provision has been perceived by the PA as less of a threat than the network of secular NGOs devoted to human rights, democratisation and related issues. “In fact,” states a former NGO activist, “the activities of the Islamic social welfare sector complemented rather than competed with the services provided by the PA; because of the PA’s limited resources in the provision of social services, the effect of Islamist social welfare activism was to reduce popular pressures on the PA”.⁵⁸ A senior Interior Ministry official in 1999 confirmed this view: “we ‘look the other way’ with many Islamic institutions because they provide excellent services and this helps us [the PA] a great deal”.⁵⁹

Secondly, Islamic organisations appear to have been less reticent than their secular counterparts to comply with PA requirements. While others have sought to demonstrate that they maintained a critical distance and independence from the PA, Islamic organisations had the opposite concern: that excessive distance from the PA would make them exceedingly vulnerable to PA and foreign pressure. As a result, they went out of their way to avoid confrontation with PA officials. For example, while there was widespread opposition in the NGO community to the PA registration requirements (on the ground that NGOs needed to preserve their independence and there first should be a law guaranteeing this independence), Islamic organisations often were among the first to register.⁶⁰

C. POLITICAL AFFILIATION

Because Islamic social welfare organisations are formally independent entities, their political affiliations are not immediately apparent. Some are politically as well as legally independent. Others are affiliated with a political entity, such as Hamas, Fatah, or the PA itself. Affiliation, in turn, is often a matter of degree.

⁵⁴ ICG interview, PA Ministry of Interior official, Ramallah, 11 October 2002. The 2000 law effectively eliminated the role of the Ministry of Non-Governmental Organisations, which until that time was in any event unclear. In a further cabinet reshuffle in late 2002, the NGO Ministry was abolished altogether although it continues to exist in a non-ministerial capacity.

⁵⁵ Articles 11, 13, 30, 38. and 39, Law N°1 on Charitable Societies and Civic Associations (2000)

⁵⁶ ICG telephone interview, Wafa Abdel-Rahman, 4 February 2003.

⁵⁷ ICG interview, Abu Awad.

⁵⁸ ICG interview, Abdel-Rahman, Ramallah, 10 October 2002.

⁵⁹ Roy, op. cit., p. 26, adding that “all Islamic NGOs [in the Gaza Strip] are official and legally registered with the appropriate Palestinian ministries, as they were with the Israeli authorities before 1994”.

⁶⁰ ICG interview, Palestinian NGO activist, February 2003.

In many cases, such as the extensive network of institutions in Khan Yunis in the Gaza Strip known as the Islamic Association (*al-Mujamma' al-Islami*) or that of the Islamic University in Gaza City, the affiliation of a particular social welfare organisation with Hamas is readily apparent and all but official.⁶¹ In others it can be inferred from a combination of factors such as the identity of the founders, composition of governing bodies, funding and staffing. While there is nothing scientific or rigorous to this process, Palestinians interviewed by ICG stated that the Hamas affiliation of a particular relief organisation, pre-school education centre, *zakat* committee or mosque is generally a matter of common knowledge so that people can state with some assurance that "this mosque is Hamas" and that one is not.

It is generally held that Hamas is far more influential within the social welfare sector than any other Palestinian political organisation, including the PA. In addition to the Hamas members who supervise the movement's own network of organisations, others (and/or their sympathisers) sit on the boards of *zakat* committees and service organisations, help fund them and are employed by them in various capacities, and are otherwise involved in their activities.

What such apparent dominance means in practice is a different matter. In the words of a senior USAID official with extensive experience in both the West Bank and Gaza Strip, "what exactly does political 'affiliation' mean in a context where everyone is either affiliated with a political movement to some degree or labelled as such? Can you assign political 'affiliation' to an organisation if it does not have a political agenda and its leader is not affiliated to the extent that he acts on behalf of a political movement as opposed to his institution?"⁶² The same official notes that the capacity of one or two board members affiliated with Hamas to influence decision-making and dictate organisational policy is overstated, if only because such governing boards generally have limited powers on account of poor chain-of-command, and the organisations tend to be staff-driven.⁶³ Moreover, many independent NGOs have

sought broad and diverse political participation on their boards in order to ensure that they are deemed representative and responsive to community needs. The presence of Islamists is, under this view, a necessary requirement.

Although there are no official and precise figures regarding Hamas-affiliated social welfare organisations operating in the West Bank and Gaza Strip (and bearing in mind that "affiliation" is an inherently problematic concept), it is believed their number, if branch organisations are excluded, lies somewhere between 70 and 100.⁶⁴ While they may not dominate the NGO landscape numerically, they are widely seen as its most dynamic component.

D. FUNDING MECHANISMS

The funding available to Islamic social welfare organisations is impossible to ascertain precisely, primarily on account of the large variety of sources. This funding is anything but centralised. The organisations themselves maintain that all money is raised independently from local, Arab and foreign individuals and organisations, and includes both program support and unsolicited donations. The Ramallah *Zakat* Committee, for example, claims to be funded by a combination of local merchants, Palestinian expatriates, and Palestinian philanthropic associations.⁶⁵ The Al-Salah Islamic Association, considered one of the largest Hamas-affiliated organisations in the Gaza Strip, obtains support from a variety of local and foreign organisations on the basis of project proposals it submits.⁶⁶ The independent Wafa Charitable Society, also in the Gaza Strip, has received program support.⁶⁷ The Al-Bira Islamic Charitable Society in the West Bank, which obtains part of its funding from Islamic charities in Australia and Saudi Arabia, charges tuition fees for its schools (orphans study free).⁶⁸

Unsolicited donations are either paid directly to such organisations, or raised on their behalf by individuals

⁶¹ For example, Sheikh Ahmad Bahr, head of the aforementioned Islamic Assembly of Gaza, is a well-known Hamas member.

⁶² ICG interview, USAID official, Jerusalem, 13 September 2002.

⁶³ ICG interview, USAID official, Jerusalem, 21 May 2002.

⁶⁴ ICG interviews, Palestinian and international institutions, West Bank and Gaza Strip, May, April, and September 2002, provide the basis for this estimate.

⁶⁵ ICG interview, Shaikh Husni Abu Awad, Chairman of the Ramallah Zakat Committee.

⁶⁶ ICG E-mail interview with Al-Salah Islamic Association, 25 February 2003.

⁶⁷ ICG telephone interview, 24 February 2003.

⁶⁸ ICG interview, Mahmoud Misleh, Director of the Al-Bira Islamic Charitable Society, 23 February 2003.

and institutions familiar with and supportive of their activities. This has become an increasingly common practice during the current uprising, for example as a result of telethons in Gulf states held in support of the Palestinian people or on the occasion of important Islamic holidays. While it does not appear that Islamic social welfare organisations affiliated with Hamas have been directly funded by governments, they have benefited extensively from charitable societies active in the Gulf (some of which “operate under royal patronage”),⁶⁹ Europe, and North America. Although Palestinian, Arab and Muslim expatriate communities play an important role in contributing to such charities, the majority of foreign funding has traditionally come from the Gulf region.

Islamic social welfare organisations also benefit from informal support networks; in some cases, Palestinian expatriates are approached with cash donations and asked to distribute them to Palestinians in the occupied territories. They either transport or – using personal connections – transfer such funds to the West Bank and Gaza Strip, where they are hand-delivered to needy families. In order to ensure the integrity of the process, an Islamic social welfare organisation considered trustworthy by the distributor of such funds will be approached to provide a list of eligible beneficiaries, as well as a representative to witness and confirm the disbursements. Such funds are as a rule not transferred to the budgets of the organisations involved, but are nevertheless perceived as part of their activities.⁷⁰

According to Hamas spokesperson Abd-al-Aziz Rantisi, the organisation “does not fund” Islamic social welfare organisations, and the latter deny this just as emphatically.⁷¹ According to Rantisi, Hamas provides assistance directly to Palestinians and thus has no need for the intermediary services of Islamic

social welfare organisations.⁷² For their part, the social welfare organisations consistently emphasise their financial probity and transparency, as well as their strict compliance with PA regulations. According to the Al-Salah Islamic Association:

Our accounting is done by our internal accounting department, certified by an external auditor, and monitored by the [PA] General Comptroller’s Office and Ministry of Interior ... We provide funders with financial statements for the project ... If any counterpart should request to see our entire budget, the Association has no objection to this.⁷³

In another case, the Al-Bira Islamic Charitable Association did not hesitate to provide its books to ICG for inspection when queried about its finances. Indeed, the professional integrity of Islamic social welfare organisations was consistently emphasised by Palestinians, foreign diplomats, and representatives of international organisations interviewed by ICG.

While the picture painted by Hamas and Islamic social welfare organisations may well be technically accurate, and the Islamist movement’s direct role in the development and financing of such institutions appears to have been limited to their start-up phase,⁷⁴ it seems beyond question that Hamas continues to play an indirect, yet significant role in the financing of affiliated organisations. Most importantly, this would include funds from local and particularly foreign individuals and charities that are channelled directly to such organisations upon the recommendation of Hamas activists and sympathisers.

⁶⁹ Human Rights Watch Report, “Erased in a Moment: Suicide Bombing Attacks Against Israeli Civilians”, pp. 101-102, 2 November 2002.

⁷⁰ ICG interviews, Palestinians residents of the occupied territories involved in such disbursements, Amman, January 2003. The individuals concerned, who are not members of any political organisation, had received an unsolicited sum of U.S.\$15,000 provided by multiple non-Palestinian Arab donors for this purpose, and related a number of similar cases of this practice to ICG, at times involving significantly higher amounts.

⁷¹ ICG telephone interview, Abd-al-Aziz Rantisi, 22 February 2003; ICG E-mail interview with Al-Salah Islamic Association; ICG interview, Mahmoud Misleh, Al-Bira Islamic Charitable Society.

⁷² ICG telephone interview, Abd-al-Aziz Rantisi, who substantiated his point by citing an example in which Hamas founder Shaikh Ahmad Yasin in early 2003 personally distributed funds to shopkeepers whose premises had been destroyed during an Israeli incursion into the Shuja’iyya quarter of Gaza City.

⁷³ ICG E-mail interview with Al-Salah Islamic Association.

⁷⁴ ICG interview. Rantisi notes that these organisations “were established prior to Hamas and acquired registration certificates to conduct their activities from the Israeli occupation as early as 1978, while Hamas was established in 1987”. In other words, most were established by the Muslim Brotherhood. Abdel-Rahman, in a telephone interview with ICG, concurred that Hamas “might help a newly established organisation to start up, but these organisations are very professional in their work and don’t need Hamas to keep funding them”.

It is primarily in this sense that the concept of Hamas funding for Islamic social welfare organisations should be understood. Thus, according to the U.S.-based Council on Foreign Relations, Hamas “devotes much of its estimated U.S.\$70 million annual budget to an extensive social services network”. Israeli scholar Reuven Paz adds that “approximately 90 per cent of its work is in social, welfare, cultural, and educational activities”.⁷⁵ Others have estimated the Hamas budget to be in the range of U.S.\$40-70 million, of which 85 per cent is raised abroad and 15 per cent locally, with 95 per cent of the total allocated to social services.⁷⁶ While these figures vary widely, they do highlight the importance of Hamas’ continued involvement in the funding of affiliated institutions. And while it is also impossible to give an accurate proportional breakdown of the various funding mechanisms that benefit Islamic social welfare organisations, the indirect involvement of Hamas in the process through “mediation” can be assumed to be vital for any number of such institutions.

E. DELIVERY MECHANISMS

Most Islamic social welfare organisations rely on a combination of applications and field surveys to identify and select eligible beneficiaries, although, due to the social stigma associated with soliciting assistance, the latter method predominates.⁷⁷

Selection by *zakat* committees generally is based on socio-economic need rather than the piety or political affiliation of beneficiaries. Although such institutions accept applications from the needy, they also rely on cases being brought to their attention by members of the community and social workers, and seek to identify beneficiaries themselves. Decisions on individual cases are based on independent verification by sub-committees located in towns, villages, and refugee camps.⁷⁸ These employ a variety of methods to determine

need, among which are field investigations, interviews and recommendations.⁷⁹ In cases where *zakat* committees provide cash assistance, beneficiaries receive monthly cheques upon presentation of personal identification.⁸⁰ Food assistance is distributed directly from warehouses upon presentation of coupons.⁸¹ Individuals and families supported by such committees are regularly monitored during the period of assistance.

Beneficiaries of Islamic service organisations ordinarily receive cash payments directly to their bank accounts. Such organisations often locate their offices and recruit staff in the immediate area of operations, which increases the efficiency of beneficiary selection process. They also often take the presence or absence of other service providers into account when opening offices in order to avoid duplication.⁸²

⁷⁵ See www.terrorismanswers.com/goups/hamas3.html. Hamas’s military and to a lesser extent political activities would thus appear to consume only a fraction of the organisation’s finances and overall efforts.

⁷⁶ Bluma Zuckerbrot-Finkelstein, “A Guide to Hamas”, Jewish Post of NY (www.jewishpost.com/jp0203/jpn0303.htm).

⁷⁷ Only two of the 40 organisations surveyed by ICG considered solicitation a valid form of needs identification.

⁷⁸ ICG survey of 40 Islamic social welfare organisations, 2002.

⁷⁹ Palestine Poverty Report 1998, p.70.

⁸⁰ Ibid., p.17.

⁸¹ UNSCO-OCHA, “Food and Cash Assistance Programmes”, p.16

⁸² Among the organisations surveyed by ICG, 40 per cent chose demand as their criterion for office location, and 28 per cent the location of homes of their personnel.

IV. ISLAMIC SOCIAL WELFARE ACTIVISM DURING THE AL-AQSA INTIFADA

A. BENEFICIARIES AND SERVICES

The intifada has significantly worsened the humanitarian situation in the West Bank and Gaza. Within two months of renewed Israeli-Palestinian hostilities, the PA Ministry of Social Affairs stated there were about 200,000 people in need of emergency assistance.⁸³ From the beginning of the uprising to 2003, average incomes declined by roughly 50 per cent. By mid-2002, UNSCO estimated that the World Bank's worst-case scenario for the year "has already been reached", with overall poverty levels at 60 percent – up from 21 per cent in September 2000 – and those in the Gaza Strip 10 percent higher.⁸⁴ "Each employed Palestinian is supporting nine persons on average, against less than five prior to the crisis".⁸⁵ Over half the population is unemployed.⁸⁶ In January 2003, Christian Aid estimated that "almost three quarters of Palestinians now live on less than U.S.\$2 a day – below the United Nations poverty line".⁸⁷ A recently released World Bank report states:

Over half a million Palestinians in this formerly middle-income economy are now fully dependent on food aid. Per capita food consumption has declined by 30 per cent in the past two years, and the incidence of severe malnutrition recently reported in Gaza by Johns Hopkins University is equivalent to

levels found in some of the poorer sub-Saharan countries.⁸⁸

These developments, most directly attributed to Israel's closures of Palestinian territory and draconian restrictions on movement imposed in response to Palestinian violence, occurred just as the ability of the PA to provide social services was collapsing and as demand for such services was increasing. Facing significantly diminished tax and other revenues, the PA has been forced to slash spending.⁸⁹ At the same time, demand for food and emergency assistance rose, as did demands on the health sector because of injuries sustained during the conflict. Access to health facilities and schools was severely curtailed by movement restrictions and by physical damage. All in all, and despite the infusion of much needed foreign assistance (much of it for budgetary support, including the salaries of over 100,000 PA employees, and most of it from Arab governments),⁹⁰ the relative impact and importance of Islamic organisations has risen significantly, and they have played a vital role in preventing an even more dramatic humanitarian emergency. Though no reliable estimates exist, external financial assistance to such organisations has substantially increased.⁹¹ A Palestinian activist strongly opposed to Hamas went so far as to argue that "today, and particularly in

⁸³ Press statement by PA Minister of Social Affairs Intissar al-Wazir, 25 November 2000. See www.pmic.gov.ps.

⁸⁴ UNSCO, "The Impact of Closure and other Mobility Restrictions on Palestinian Productive Activities: 1 January 2002 – 30 June 2002", p. 2. As the report's title indicates, the Israeli blockade has been the primary cause of the increase in poverty. Given that it has largely intensified since June 2002, current poverty levels are almost certainly higher than they were in mid-2002.

⁸⁵ Informal Ad Hoc Liaison Committee Meeting, London, 18-19 February 2003, Chair's Summary.

⁸⁶ World Bank Report, "Two Years of Intifada, Closures and Palestinian Economic Crisis", 5 March 2003.

⁸⁷ "Malnutrition in Gaza 'as bad as Zimbabwe' says Clare Short/30.01.03" at <http://www.christian-aid.org.uk/news/stories/030130s.htm>. For the full report, see Christian Aid, "Losing Ground: Israel, Poverty, and the Palestinians", January 2003, at <http://www.christian-aid.org.uk/indepth/0301isra/losing.htm>.

⁸⁸ World Bank, "Two Years of Intifada", op. cit. See also "Clare Short backs Losing Ground, Christian Aid's new report on Palestinian poverty", "children in Gaza, according to UNICEF figures, are now as seriously malnourished as children in Congo and Zimbabwe ... and it is getting worse", 30th January, 2003. Full text available at www.christian-aid.org.uk.

⁸⁹ "As a result of rising unemployment, reduced demand and the Government of Israel's withholding of taxes collected on the PA's behalf, monthly revenues dropped from U.S.\$91 million in late 2000 to U.S.\$19 million today". World Bank, "Two Years of Intifada", op. cit. See also World Bank, "Statement of the Task Force on Palestinian Reform", 20 February 2003.

⁹⁰ Between September 2000 and the end of 2002, "the PA had received about U.S.\$1 billion in budget support ... from Arab League states, the EU and Norway." "Chair's Summary", Informal Ad Hoc Liaison Committee Meeting, The PA employs roughly a third of all Palestinians currently working and pays roughly half of all wages paid in the West Bank and Gaza. See World Bank, "Two Years of Intifada", op. cit.

⁹¹ See World Bank, "Fifteen Months", op. cit., p. 58, which estimates that Islamic NGOs received roughly U.S.\$100 million in external private flows in 2001. The comparative figure offered for 1999 is U.S.\$35 million, though the Bank assumes it in fact was higher.

Gaza, Hamas and its charitable networks have de facto assumed the essential social functions.”⁹²

According to a recent UN study, “NGOs and charitable organisations (as a whole) are the major service providers, reaching about 60 per cent of the total beneficiaries from regular and emergency programs, followed by UNRWA (more than 34 per cent) and the PA Ministry of Social Affairs (6 per cent)”.⁹³ Prior to the uprising, *zakat* committees – which overall account for a minority of beneficiaries – assisted 450 families with cash. Today, they are assisting an additional 6,550 families, a fifteen-fold increase.⁹⁴

An increasing number of beneficiaries are receiving emergency as opposed to regular program relief.⁹⁵ Since the outbreak of the intifada, there has been a pronounced shift towards the provision of emergency food and cash assistance in particular.⁹⁶ In 2001, Islamic social welfare organisations (including *zakat* committees) were collectively the largest food donor in the occupied Palestinian territories after UNRWA. A recent United Nations study that compiled statistics from the four largest Islamic social welfare organisations found that they were providing food assistance to 145,450 households.⁹⁷ According to a senior official of the Swiss Development Agency, upwards of “half a million people” may currently be benefiting from emergency cash and food assistance from such institutions.⁹⁸

Since September 2000, Islamic social welfare organisations have established emergency programs (essentially food and cash provision) that benefit families whose breadwinners lost their jobs, whose homes have been demolished, who have lost family members to the conflict (“martyrs”),⁹⁹ or

members of whom have been wounded, imprisoned or traumatised. According to the Al-Salah Islamic Association:

“What is new about this uprising is that it has created new types of need, which has increased the number of eligible beneficiaries and diversified the social groups requiring such assistance. These [new] groups currently include landowners, owners of agricultural greenhouses, and those whose homes have been demolished by Israeli bulldozers.”¹⁰⁰

In the words of the Chairman of the Ramallah Zakat Committee, Shaikh Husni Abu Awad, “the increase in poverty has vastly increased the pressure upon our organisation, because we are receiving many more applications than before”.¹⁰¹

As a rule assistance is provided to families rather than individuals and is allocated on the basis of socio-economic rather than religious or political criteria. A family in economic distress need neither consist of practicing Muslims nor support Hamas in order to qualify for assistance. Indeed, heads of charitable institutions interviewed by ICG took pride in asserting that assistance was provided regardless of religious or political background.¹⁰² UN officials in the Gaza Strip confirmed that Islamic social welfare organisations refrain from demanding allegiance to Hamas as a condition or *quid pro quo* for services.¹⁰³ Sara Roy found the same in her research: “All heads of Islamic institutions interviewed adamantly maintained that anyone, regardless of socio-economic, religious or political background, could participate in their programs (typically, this question elicited laughter from the

⁹² ICG interview, Amman, February 2003.

⁹³ UNSCO-OCHA, Food and Cash Assistance Programmes, op. cit., p.18.

⁹⁴ Ibid., p.17.

⁹⁵ ICG survey of 40 Islamic social welfare organisations, 2002.

⁹⁶ While continuing to provide regular assistance, 85 per cent of 40 Islamic social welfare organisations surveyed by ICG have directed their efforts towards emergency relief.

⁹⁷ UNSCO-OCHA, “Food and Cash Assistance Programmes”, op. cit., p. 9. The organisations in question are: Al-Salah, Gaza Zakat Committee, Holy Land, Hebron Islamic Charitable Society.

⁹⁸ ICG interview, Jerusalem, 17 May 2002.

⁹⁹ A *shahid* (“martyr”) is routinely mistaken for a suicide bomber by outside observers. In the Palestinian lexicon, any Palestinian killed as a result of the conflict with Israel is

considered a *shahid*. Suicide bombers, who are termed *istishhadi* (“he who martyrs himself”), are in this scheme of things a sub-category, accounting for less than 10 per cent of the total.

¹⁰⁰ ICG E-mail interview with Al-Salah Islamic Association.

¹⁰¹ ICG interview, Abu Awad.

¹⁰² This point was emphasised by the head of a welfare organisation in the Gaza Strip, ICG interview, Gaza City, September 2002, and by the head of the Ramallah Zakat Committee, Shaikh Husni Abu Awad, ICG interview, Ramallah, 23 February 2003. In another interview ICG was told of a known Fatah activist who received food support from a Hamas-affiliated organisation after the first Israeli re-occupation of the city in 2002. ICG interview, Abu Walid, Ramallah, 24 February 2003.

¹⁰³ ICG interview, UNSCO officials, Gaza City, 24 May 2002.

respondent)".¹⁰⁴ "All those in need", the Al-Salah Islamic Association emphasised, "are equal to the Association".¹⁰⁵

Demand for service is highest where poverty is most concentrated: the refugee camps and West Bank villages.¹⁰⁶ UNRWA recently initiated programs in villages located along the 1967 boundary, "a region previously uncovered by social services providers except for Islamic organisations whose presence has often been unique".¹⁰⁷ According to a recent study, Islamic social welfare organisations account for fully a quarter of "food and other financial assistance in the West Bank".¹⁰⁸

Similarly, 65 per cent of Palestinians who receive medical assistance from such institutions are below the poverty line. The comparative figures for those receiving medical services from UNRWA and the PA are respectively 61 and 34 per cent, suggesting that Islamic social welfare organisations are both efficient in the identification of those in need and effective in reaching them.¹⁰⁹

It is impossible to provide a reliable estimate of the volume of cash assistance. The UN study found that in the Gaza Strip, charitable organisations and NGOs accounted for 87 per cent of all cash assistance, with the Al-Salah Islamic Association alone accounting for 33 per cent and the various *zakat* committees contributing an additional 21 per cent.¹¹⁰

¹⁰⁴ Roy, op. cit., p. 24. Though the general view was that Islamic organisations assist practicing as well as non-practicing Muslims, it should be noted that it was not unanimously held. Observant Muslims are believed by some to have better access to Islamic charitable assistance.

¹⁰⁵ ICG E-mail interview with Al-Salah Islamic Association.

¹⁰⁶ For a study of the more severe impact of the Israeli blockade in Palestinian rural areas, see Oxfam International Briefing Paper 28, "Forgotten Villages: Struggling to Survive Under Closure in the West Bank", September 2002.

¹⁰⁷ ICG interview, UNRWA headquarters, Jerusalem, April 2002.

¹⁰⁸ Riccardo Bocco et. al., "International and Local Aid during the Second Intifada: An Analysis of Palestinian Public Opinion in the West Bank and Gaza Strip on their Living Conditions, (mid-June – 31st October 2001)" Geneva, 2001, p.111. While such organisations are the largest single food distributor in villages, they are less important in refugee camps where UNRWA accounts for 83 percent of the total.

¹⁰⁹ Ibid., p. 76.

¹¹⁰ Ibid., pp. 18-19. Cash assistance is in some cases periodic and in others a one-off occurrence.

One of the other effects of the intifada appears to be better coordination between the Islamic institutions on the one hand and the PA and non-Islamic institutions on the other. Although Islamic NGOs appear to have made a concerted effort to comply with PA regulations, beyond that such coordination traditionally had been poor.¹¹¹ The current crisis is believed to have precipitated significant progress in this respect.¹¹² In the Gaza Strip, for example, the territory has effectively been sub-divided by the largest organisations in order to ensure better coverage, and in more than one case, Islamic organisations have coordinated with the PA in setting up emergency plans.¹¹³ Such cooperation, which takes the form of information-sharing, compiling lists of beneficiaries and joint provision of services, further underscores the reluctance and functional inability of the PA to curtail the Islamic social welfare sector.

B. DISRUPTION OF ISLAMIC SOCIAL WELFARE ACTIVITIES BY THE PA

On a number of occasions since September 2000, the PA has demonstratively sealed the premises of various Islamic social welfare organisations affiliated with Hamas, imposed external supervision upon their governing bodies and/or frozen their assets. According to PA officials, some 50 such organisations had been closed as of January 2002; a U.S. consular official told ICG that the assets of twenty to 25 Islamic social welfare organisations have been frozen.¹¹⁴ Typically, such measures have been taken in the wake of particularly devastating attacks in Israeli cities, although no charges of illegal conduct are filed, few if any specific allegations are made and the closure orders are generally rescinded

¹¹¹ "Islamic institutions do not typically work with non-Islamic institutions ... [and] there is no comprehensive social program or master plan (at the macro level) among Islamists or within the Islamic movement that serves as a framework for institutional development or programme planning". Roy, op. cit., p. 26.

¹¹² 92 per cent of organisations surveyed by ICG noted an improved level of cooperation with the PA, and of coordination with other NGOs, especially since September 2000.

¹¹³ This was the case, for example, in Jenin in the wake of Israel's massive April 2002 incursion into the city and its refugee camp.

¹¹⁴ Cited in World Bank, "Fifteen Months," op. cit., p. 81; ICG interview, U.S. consular official, Jerusalem, 24 May 2002.

or permitted to lapse within several weeks. Palestinians interviewed by ICG confirmed the impression that recent PA closures of such institutions are conducted primarily “for show” in an effort to alleviate foreign pressures.¹¹⁵

There are various explanations for such measures. One is that the PA is either unable or unwilling to confront the Qassam Brigades or the Hamas political leadership, and therefore seeks to deflect international pressure – and vent its own anger at Hamas – by going after “soft” and easily accessible targets. Another is that the PA is sending a message to Hamas that if it does not bring the Qassam Brigades to heel, it risks the existence of that wing of the Islamist movement – the network of social welfare organisations – that it has traditionally valued more than any other.

There is less disagreement as to why such organisations are permitted to resume business with an almost unseemly haste. With poverty levels rising to over 60 per cent while Israel withholds tax receipts that prior to the uprising accounted for two-thirds of PA revenues,¹¹⁶ the PA “is effectively bankrupted. ... [and] services have begun to break down”.¹¹⁷ The PA, as a result, has basically been reduced to meeting the salary costs of public sector employees and operational costs of essential services. Given UNRWA’s chronic funding shortages and the extremely limited excess capacity of secular NGOs, the role of Islamic organisations is vital and, in some instances, irreplaceable.¹¹⁸ With at least one in every six Palestinians receiving assistance from an Islamic social welfare organisation in some form, their

prolonged incapacitation would result in a further and probably dramatic surge in poverty and despair, thus confronting the PA with a dilemma of major humanitarian, social and political proportions.

The decentralised and dispersed nature of many such organisations further reduces the effectiveness of PA closures; in order to immobilise a single organisation, the PA would have to move against multiple branches as well, in the process affecting even more beneficiaries and generating greater hostility. Rather than pursue such a course, a senior EU official in the Gaza Strip notes, “the organisations and the PA are constantly reshaping deals with each other since the PA cannot take responsibility for those left with nothing. It does not have the appropriate tools”.¹¹⁹ A U.S. consular official in Jerusalem concurs that the PA “lacks the administrative capacity to systematically take over” such institutions.¹²⁰

¹¹⁵ ICG interviews, Ramallah, September and October 2002. Most of those interviewed by ICG – including PA officials – emphasised the arbitrary nature of such closures, stating that in the majority of cases they were media events staged in the wake of a Hamas suicide bombing on the basis of such institutions’ affiliation with Hamas rather than any presumption of illegal activity.

¹¹⁶ World Bank, 15 Months, op. cit., p. v. After strong American involvement, Israel and the PA reached an agreement on the transfer of Palestinian revenues. Monthly revenues transfers have now resumed. The payment of revenue withheld since December 2000 has begun. If the agreement is fully implemented, the PA is expected to receive all outstanding revenue by the end of 2003.

¹¹⁷ Ibid., pp. v-vi, 24-25. The World Bank notes that without foreign subsidies which have kept the budget shortfall in the range of 35 percent, “all semblance of modern economy would have disappeared by now”.

¹¹⁸ ICG interview with Karim Nashashibi, head of the International Monetary Fund, Jerusalem, May 2002.

¹¹⁹ Ibid.

¹²⁰ ICG interview, U.S. consular official, Jerusalem, 24 May 2002.

V. HAMAS, ISLAMIC SOCIAL WELFARE ACTIVISM AND TERRORISM

The question of Hamas's role in relation to Islamic charities involves three distinct concerns: that the charities in question might divert funds for illicit purposes; that they might serve as recruitment or propaganda vehicles for Hamas's violent activities; and, more broadly, that they help maintain and strengthen Hamas's political role in the occupied territories.

A. TRANSFER OF FUNDS

Particularly after the 11 September attacks, concern has grown about the possibility that Islamic charities in the Palestinian territories may be funnelling money to terrorist activities. For some in the international community, choking off so-called charitable funding to groups engaged in deliberate attacks against civilians is vital to the success of the current campaign, and requires a comprehensive approach that ignores distinctions between funding for their legitimate and illegitimate activities. This is viewed as particularly important given the fungible nature of financial contributions.

Others, however, believe that Hamas is especially careful to compartmentalise its activities, both because it is a subject of international scrutiny and in order to maintain political support among Palestinians.¹²¹ Hamas itself categorically rejects the charge. In the words of its spokesperson, Abd-al-Aziz Rantisi, "Hamas does not fund, nor is it funded, by local welfare organisations. If these organisations were providing us with money that would mean that the PA is complicit with us and is looking the other way, and that's an impossibility. Also, if these organisations were really part of Hamas, we would not accept any support from them because that would destroy them".¹²² Heads of charitable institutions interviewed by ICG were equally adamant in their denials, and claimed that their books were fully

scrutinised and audited by the PA.¹²³ According to the Al-Salah Islamic Association, "social welfare organisations are monitored, and any official party can examine their programs and audit their budgets. Military organisations and their supporters are by contrast neither monitored nor audited".¹²⁴

The importance of crafting a sensible approach on which types of funding ought to be banned and which allowed is underscored by the variety of international contributors – including the EU, the World Bank, and United Nations agencies. But the difficulties in doing so are evidenced by the disharmony that currently characterises international policies on this matter. Key actors have developed their own strategies, weakening the effectiveness of the overall approach and creating unhealthy confusion and uncertainty among charitable organisations, many of which currently operate under a cloud of suspicion. Ironically, the uncertain atmosphere is liable to contribute to more, not less, secrecy in financial policy by those involved in Islamic social welfare activism, and donors are being scared off by fears of being accused of terrorist links.¹²⁵

One example of the lack of international coherence involves the Jala' Society for Culture and Art in Gaza City. It was established to help traumatised children recover through theatre and the arts and receives funds from a variety of sources including the EU, Japan, and Save The Children. Yet the U.S. government refused to fund it because one board member is a member of Hamas, despite the assessment of a USAID official that the organisation has no political agenda or content.¹²⁶

The attitude of various international actors can be summarised as follows:

¹²¹ This continues a pattern previously established by secular Palestinian organisations. See Joost R. Hiltermann, *Behind the Intifada: Labor and Women's Movements in the Occupied Territories*, (Princeton, 1991).

¹²² ICG telephone interview, 22 February 2003.

¹²³ ICG interviews, Ramallah, Betounia, Al Bireh, Gaza, February 2003.

¹²⁴ ICG e-mail interview with Al-Salah Islamic Association.

¹²⁵ ICG interview, Abdel-Rahman, 10 October 2002; Alan Cooperman, "Those Observing Islamic Tenet Want to Aid Poor but Fear Persecution: In U.S., Muslims Alter Their Giving", *The Washington Post*, 7 December 2002. Abdel-Rahman adds that fear of contributing to Islamic social welfare organisations appears to be particularly pronounced in the U.S. and Europe and less evident in Arab states, and that thus far, there are no indications that Islamic institutions in the occupied Palestinian territories are abandoning their traditional transparency in financial matters.

¹²⁶ ICG interview, USAID official, Jerusalem, May 2002.

□ The U.S., which has designated Hamas in its entirety as a terrorist organisation, currently considers any evidence of a U.S. charitable institution's affiliation with Hamas sufficient grounds for legal sanctions,¹²⁷ and has sought – unsuccessfully – to press others to adopt a similar approach.¹²⁸ A recent Council on Foreign Relations Task Force on Terrorist Financing echoed this policy, asserting that “funds raised by other branches of Hamas for purportedly humanitarian purposes are known to be used for terrorist attacks”. Although little evidence has been provided that such diversion is a widespread phenomenon or forms an important source for funding for Hamas or the Qassam Brigades,¹²⁹ U.S. officials take the view that the diversion of funds takes place on the ground, and often goes through several charitable “cut-outs”, making the precise tracking of funds difficult, if not impossible.¹³⁰ The U.S. approach is embodied in domestic law, which makes the establishment of any organisational link to Hamas – including targeted fundraising for its affiliated social welfare organisations – grounds for designation as a terrorist entity.¹³¹

¹²⁷ Pursuant to Executive Order 13224, legal sanctions may include banning the affiliated organisation, seizure of its assets, and prosecution of its executives. Within the occupied Palestinian territories, U.S. government funds may not be used to support any social welfare organisation considered to be affiliated with Hamas.

¹²⁸ ICG interview with U.S. counter-terrorism official, Washington, February 2003.

¹²⁹ Council on Foreign Relations, *Terrorist Financing: Report of an Independent Task Force Sponsored by the Council on Foreign Relations* (New York, 2002), p. 21. The report also asserts that European states “encourage...terrorist organisations to fundraise on their soil” but provides nothing to substantiate the claim.

¹³⁰ ICG interview with U.S. official, Washington, February 2003.

¹³¹ See *Holy Land Foundation for Relief and Development v. Ashcroft*, op. cit.; Human Rights Watch, “Erased in a Moment”, op. cit., p. 102. Supporting the view that the success of such organisations is based on their profiles as legitimate charities rather than a belief among contributors that they function as Hamas front organisations, President Bush stated, “I am confident that most of the donors to the Holy Land Foundation, and perhaps even some of the individuals who are associated with the Foundation, had no idea how its money was being used. They wanted to relieve suffering in the region of the world that has suffered too much”. See <http://www.whitehouse.gov/news/releases/2001/12/20011204-8.html>.

In what is perhaps the most high-profile case to date, U.S. authorities charged that the Holy Land Foundation for Relief and Development engaged in the illicit diversion of funds to benefit Hamas military activities. The evidence presented consisted of the membership of alleged Hamas militants on the boards of several organisations financed by the Foundation, the payment of funds to the families of Hamas suicide bombers, and the confession of a former Foundation employee to his Israeli police interrogators that he was involved in the diversion of funds.¹³²

□ Israel outlawed Hamas in 1989 and considers mere membership a punishable offence. It has urged the international community to shut down assistance to charitable organisations with links to Hamas. That said, it has chosen not to close down the network of affiliated social welfare organisations that operate in areas of the West Bank and Gaza Strip that have been under its physical or security control.¹³³

□ The EU, which has classified Hamas's Qassam Brigades but not Hamas as a whole as a terrorist organisation, has only taken measures against Islamic social welfare organisations affiliated with Hamas that additionally maintain links with its military wing. In their investigation of the Al-Aqsa Foundation, for example, the German and Dutch authorities did not consider its purported affiliation with Hamas sufficient grounds for closure. While confirming that the Al-Aqsa Foundation was “subject to investigation” by the Dutch intelligence agency AIVD, the latter's spokesperson stated, “Hamas also conducts social work in the Palestinian territories... We have until now been unable to demonstrate that money raised by Al-Aqsa in the Netherlands has been funnelled to terrorist

¹³² Palestinians and others point out that confessions often are extracted as a result of Israeli torture and, therefore, ought to be treated with extreme scepticism. See, e.g., B'Tselem, “Torture of Palestinian Minors in the Gush Etzion Police Station” (July 2001), at <http://www.btselem.org>.

¹³³ Israel has, however, closed down organisations within Israel and in East Jerusalem on the grounds that these are affiliated with Hamas. Given that Israel has pursued similar policies towards organisations affiliated with the PA and other Palestinian factions, such measures appear to stem from the general Israeli effort to assert sovereignty over East Jerusalem rather than a specific campaign against Hamas.

activities in the conflict region”.¹³⁴ Similarly, the German authorities only undertook legal measures against the Al-Aqsa Foundation after they determined otherwise.¹³⁵

An EU official interviewed by ICG made clear the issue is highly sensitive, refusing to discuss it in any detail and saying obliquely that it was “under consideration”.¹³⁶ The discomfort probably reflects competing considerations, on the one hand of U.S. pressure and on the other of continued EU mediation to secure a Palestinian cease-fire – efforts that require maintaining close channels of communication with the Hamas political leadership.

- The PA, which formally has espoused a position similar to that of the EU, in fact has in the past closed down Islamic social welfare organisations on the basis of their affiliation with Hamas rather than the Qassam Brigades as such, and at other times allowed organisations that the EU would have banned to continue functioning.¹³⁷

The limitations of the PA approach were evidenced in December 2001 when, responding to severe international pressure in the wake of a number of devastating Hamas attacks, it closed down one of the largest Islamic social welfare organisation, Al-Islah. A Palestinian involved in the case, Ziad Abu-Amr, chairman of the Political Committee of the Palestinian Legislative Council, remarked: “We examined their books carefully. There was nothing amiss.

I went to Arafat and said, ‘On what basis are you closing them down?’”¹³⁸

- Arab states have tended to consider Hamas a legitimate movement engaged in a lawful struggle against foreign military occupation, and – prior to coming under sustained international pressure on this issue – as a rule viewed affiliation as either irrelevant or an asset. Some, particularly Saudi Arabia, are beginning to take steps to supervise charitable societies based within their borders, introducing limited forms of financial regulation where none previously existed.¹³⁹ However, such initiatives are designed to prevent the illicit diversion of funds for military purposes, rather than to restrict funding to social welfare organisations affiliated with political movements.¹⁴⁰

B. RECRUITMENT AND INCITEMENT

Some in the international community see Hamas-affiliated institutions as recruitment offices for the organisation itself or, particularly in the case of mosques and schools, as vehicles for propaganda and incitement. Hamas officials deny this, arguing again that there is absolute separation between them and Islamic social welfare organisations, and stating that “the services provided by Islamic social welfare organisations do not benefit Hamas, and do not serve as advertising for the movement”.¹⁴¹ Again, the view was echoed by heads of charitable institutions, who claimed they did not “mix charitable with political work.”¹⁴² One went so far as to state that Palestinian

¹³⁴ “After German Banning: The Netherlands Investigates Al-Aqsa”, NRC Handelsblad 7 August 2002.

¹³⁵ Steven Derix and Joost Goes, “Al-Aqsa and the Hamas Connection”, NRC Handelsblad 14 August 2002. Specifically, the German branch of the Al-Aqsa Foundation was accused of raising money to support the families of Hamas suicide bombers, a charge denied by the Foundation.

¹³⁶ ICG interview, Brussels, February 2003.

¹³⁷ The latter primarily concerns organisations that provide financial and other assistance to the families of Palestinians who have conducted suicide bombings. See *infra* at IV.C. A former member of the PA security services told ICG that during the mid-1990s, he and his colleagues repeatedly pressed the U.S. to shut down U.S.-based charity organisations that allegedly provided funds to Hamas – only to be told by their American interlocutors that, under the law at the time, funding of legitimate welfare activity could not legally be barred. ICG interview, Ramallah, March 2003.

¹³⁸ Human Rights Watch, “Erased in a Moment”, p. 103. ICG interview, UNRWA headquarters, Jerusalem, 20 April 2002, confirmed that during the current uprising, the Hamas leadership has consistently conveyed the message that its social activities are firmly separated from its political and – even more so – its military activities.

¹³⁹ Karen de Young, “Saudis Detail Steps on Charities: Kingdom Seeks to Quell Criticism of Record on Terrorist Funding”, *The Washington Post*, 3 December 2002. A PA official informed ICG that U.S. pressure had achieved some success in curtailing Gulf Arab funding to Hamas. ICG interview, Ramallah, March 2003.

¹⁴⁰ U.S. officials told ICG that they regularly raise the issue of funding for Hamas or Hamas-affiliated organisations with Gulf capitals though neither with the intensity, nor the results, that occur with regard to al-Qaeda funding. ICG interviews, Washington, February 2003.

¹⁴¹ ICG telephone interview with Rantisi, 22 February 2003.

¹⁴² ICG interview, Mahmoud Misleh, Director of Islamic Charitable Society, Al Bireh, 23 February 2003. ICG

political factions “do not need social welfare organisations to recruit new members ... if a faction is unable to recruit members directly, then what is the justification for its existence, what is it doing?”¹⁴³ A rather sceptical secular Palestinian journalist took a more nuanced view, claiming that in addition to traditional recruitment avenues, it is the Islamic youth and sports associations, rather than charitable and social service institutions, that are used by Hamas for recruitment purposes.¹⁴⁴ Yet another pointed out that when welfare organisations affiliated with Hamas assist the families of Palestinian prisoners, they are undoubtedly promoting the Islamist organisation.¹⁴⁵

It is worth distinguishing between these two types of alleged activity. The first (recruitment of activists) purportedly is undertaken through social welfare organisations. But, as previously noted, Hamas seeks to derive prestige and political profit from social welfare activism precisely by maintaining the professionalism and integrity of such institutions rather than politicising them. It appears to understand better than others that if schools and medical clinics developed a reputation as recruitment centres, and services were provided in exchange for support, the crown jewels of the Islamist movement would be irretrievably debased in exchange for short-term gains of dubious value. “We are an organisation that offers social services to a society in need; if we cooperate with a specific political party, then we lose our social credibility and this will mean failure in our mission”, said Mahmoud Misleh, director of the Islamic Charitable Society of al-Bireh.¹⁴⁶ Senior UN officials working in the occupied Palestinian territories as well as Palestinian NGO activists interviewed by ICG concur that Hamas is strict about the compartmentalisation of its activities.¹⁴⁷ The independent Palestinian legislator Abu-Amr echoed this view: Hamas “will not jeopardise their social

institutions” in this manner. “That is their strength, their existence”.¹⁴⁸

In the more direct language of a USAID official with extensive experience in the occupied territories:

Provision of services certainly makes Hamas look good, but that does not make the beneficiaries natural candidates to become suicide-bombers. There is no evidence that social services organised by Islamic groups are used to recruit people to conduct attacks. Recruitment happens, but elsewhere, for example in mosques.¹⁴⁹

Where individuals working for or benefiting from social welfare institutions come to support or join Hamas, recruitment appears to derive from a confluence of factors. Personal bonds and respect for the organisation formed as a result of direct contact with its social welfare network may or may not be among these, and where present may or may not be a significant factor.¹⁵⁰

interview, 24 February 2003, invited sceptics “to ask the geriatrics we assist if they have become members of Hamas”.

¹⁴³ ICG interview, Amira Harun, head of the women’s section of the Islamic Salvation Party and Director of the Al-Fadila Womens’ Association, 25 February 2003.

¹⁴⁴ ICG interview, Wa’el Manasra, Ramallah, 23 February 2003.

¹⁴⁵ ICG interview with member of Fatah, Ramallah, March 2003.

¹⁴⁶ ICG interview, 23 February 2003.

¹⁴⁷ ICG interview, UNRWA Headquarters, Jerusalem, 20 April 2002; Abdel-Rahman, Ramallah, 10 October 2002.

¹⁴⁸ Human Rights Watch, “Erased in a Moment”, op. cit., p. 103. ICG interview, senior UN officials, Gaza City, May 2002 confirmed this view.

¹⁴⁹ ICG interview, USAID official, Jerusalem, 21 May 2002. Hamas officials, Israeli academics, and journalists alike have noted that the large number of Palestinians volunteering to conduct suicide bombings and other attacks during the current uprising has rendered traditional recruitment methods all but superfluous. See, for example, Eyad Sarraj, “Suicide Bombers: Dignity, Despair, and the Need for Hope”, *Journal of Palestine Studies*, XXXI:4, (Summer 2002); Lori Allen, “There are Many Reasons Why: Suicide Bombers and Martyrs in Palestine”, *Middle East Report* 223 (Summer 2002), pp. 34-37; Avishai Margalit, “The Suicide Bombers”, *The New York Review of Books*, 16 January 2003 at <http://www.nybooks.com/articles/15979>.

¹⁵⁰ Although concerns about recruitment in the context of Islamic social welfare activism go considerably beyond the phenomenon of suicide bombers, it is noteworthy that an Israeli writer who examined the profile of Palestinian suicide bombers concluded that “the Palestinian case is the only one in which civilians of one society regularly volunteer to become suicide bombers ... They may be chosen by Hamas to carry out a suicide bombing mission, but for the most part the volunteers have not been active members of these organisations”. Margalit, “The suicide bombers”, op. cit. Indeed, one individual with whom ICG came into contact stated that he “volunteered to conduct a suicide bombing for Hamas even though I do not feel close to them politically or even pray”. ICG interview, Jerusalem, May 2002. At the last moment, the individual decided not to conduct his assigned attack.

The second area of concern involves mosques dominated by Hamas activists and schools run by Islamic social welfare organisations. While Hamas spokesperson Rantisi likely is correct when he states that “nearly 99 per cent of mosques are under the supervision of the PA Ministry of Religious Affairs, which appoints their imams, pays their salaries, and covers all their expenses”, he also notes that a substantial proportion of those who attend such mosques are “supporters of Hamas”.¹⁵¹ If one adds to this that a significant number of PA appointed imams [clerics] are Hamas sympathisers, it is hard to refute the claim made by a Palestinian journalist that “Hamas exploits its extensive presence in the mosques to convene meetings and recruit youths [*shabab*]”.¹⁵² Other observers have noted that during periods of PA laxity in supervision of mosques, and particularly during periods of heightened confrontation with Israel, certain imams will deliver extremist sermons.¹⁵³

The issue of schools is more complex. Legally, all Islamic schools – the large majority of which are pre-schools – are private entities, but are nevertheless obliged to adhere to the formal PA curriculum and subject to monitoring by the Ministry of Education.¹⁵⁴ In the past, the Ministry has closed down schools that failed to comply with its regulations.¹⁵⁵ The problem, rather, is that there is no formal curriculum for pre-schools and that primary and secondary schools are essentially free to provide supplementary instruction to their students. Within the context of supplementary Islamic instruction in Hamas-affiliated schools, it is not unusual for teachers to present a highly intolerant interpretation of Islam, one which emphasises the difference and proclaims the inferiority not only of non-Muslims, but also of Muslims who do not

follow the orthodox strictures adopted by Hamas. Unveiled women and others who are less than strictly observant, for example, are presented as sinners destined for hell,¹⁵⁶ and such teachings doubtlessly undermine both the further development of a pluralistic Palestinian society and the prospects for Israeli-Palestinian reconciliation.¹⁵⁷

With respect to what many might consider more conventional forms of incitement, such as teachers who deliver diatribes against the Israeli occupation or eulogise Palestinians who meet their death attacking Israelis, this has since September 2000 become a fairly widespread phenomenon throughout the Palestinian school system. Palestinians, however, do not consider this particularly pernicious. According to a PA official, “the pupils are not in need of incitement; the daily practices of the occupation and what these pupils see with their own eyes is more than sufficient for this purpose”.¹⁵⁸ A secular NGO activist agrees that such practices are par for the course in the current circumstances, and unlikely to have a significant effect because in contrast to the indoctrination that can occur in Islamic schools “children are not being told anything they don’t already know and don’t experience everywhere else”.¹⁵⁹ Unlike other forms of abuse of Islamic social welfare organisations, those related to mosques and schools are inherently difficult to eliminate; the organisational recruitment that occurs in houses of worship is by its nature a clandestine and incidental process extremely difficult to detect, while those who preach intolerance in Islamic schools will maintain that they are doing nothing but engaging in the basic right to transmit their faith to the next generation.¹⁶⁰

¹⁵¹ ICG interview, Rantisi.

¹⁵² ICG interview, Wa’el Manasra, Palestinian journalist, 23 February 2003.

¹⁵³ ICG interviews, Ramallah 26 February 2003.

¹⁵⁴ Frequent charges have been levelled that the PA curriculum incites and encourages hatred. On the other hand, some experts who have examined the matter have concluded that these charges largely fail to withstand serious scrutiny. See, for example, Nathan J. Brown, “Democracy, History, and the Struggle over the Palestinian Curriculum”, The Adam Institute, November 2001, at http://www.geocities.com/nathanbrown1/Adam_Institute_Palestinian_textbooks.htm#_ftn1.

¹⁵⁵ ICG interview, Alia al-Asi, PA Ministry of Education official responsible for licensing private schools in the West Bank, 23 February 2003.

¹⁵⁶ ICG interviews, parents and relatives of children enrolled in Islamic schools, February 2003.

¹⁵⁷ One PA official said, “Mosques and schools run by Hamas are promoting a version of society in which I do not want my daughter to grow up”. ICG interview, Ramallah, March 2003.

¹⁵⁸ ICG interview, al-Asi.

¹⁵⁹ ICG interview, Abdel-Rahman.

¹⁶⁰ Indeed, as Manasra put it: “Hamas’s discourse in its interaction with the people is an indirect discourse. Hamas understands the complexities of the Palestinian situation well, and therefore its approach to the people is cautious and precise. This approach is always made in the context of proclaiming ‘Islam is the solution’, and within the context of this slogan it begins to elaborate upon the details”. ICG interview.

C. RECRUITMENT: THE SPECIAL CASE OF FINANCIAL ASSISTANCE TO FAMILIES OF SUICIDE BOMBERS

During the current uprising, Islamic social welfare organisations and other Palestinian organisations have made a concerted effort to provide financial assistance to so-called martyrs' families – a category consisting of the surviving relatives of any Palestinian combatant or civilian who meets his or her death as a result of the conflict with Israel, irrespective of the circumstances. Within this context, payments are also made to the families of suicide bombers and others who are killed in the process of attacking civilian targets. Others (most notably Iraq)¹⁶¹ have gone beyond normal custom and provided the families of suicide bombers with premium payments over and above those accorded to other families.

As the phenomenon of Palestinian suicide bombings has escalated since 2001, and these have increasingly been directed at civilian targets, much of the international community has condemned not only premium payments, but non-preferential ones as well, on the grounds that any form of monetary compensation provides a financial incentive for such attacks, enhances the stature of those who conduct such bombings, and more generally promotes and encourages additional suicide attacks. EU states have considered involvement in such assistance sufficient evidence of a link with the Qassam Brigades. Germany, for example, outlawed Al-Aqsa after obtaining evidence that the foundation, among its activities, provided material support to the relatives of suicide bombers, and the U.S. has made similar charges against the Holy Land Fund. While the PA has not taken a clear position on this practice, its treatment of social welfare organisations that provide non-preferential payments to such families suggests that it views such assistance as legitimate welfare assistance to the surviving relatives of Palestinians killed in the conflict.

Whether such payments in fact play a part in promoting suicide bombings is, at best, debatable. Many Palestinians and others interviewed by ICG

took strong exception with the notion that monetary compensation is either a motivating factor for suicide bombers, a source of their enhanced posthumous status, or a valid explanation for the persistence of the phenomenon.¹⁶² In fact, there is strong evidence that neither rewards nor penalties provided to the families have much to do with the phenomenon. In an attempt to discourage Palestinians from engaging in such attacks, Israel began demolishing the homes of suicide bombers on a systematic basis in April-May 2002¹⁶³: nonetheless, by Israel's own admission, attempts to carry out these attacks continue.¹⁶⁴ What is more, despite the knowledge that their families would suffer harsh consequences, Palestinian suicide bombers have not hesitated to posthumously reveal their identities.¹⁶⁵

The bleak and more pertinent reality would seem to be that Hamas and other Palestinian organisations have an excess of volunteers and no longer need to engage in active recruitment, and that Hamas, other Palestinian organisations and a substantial body of Palestinian public opinion consider attacks on Israeli civilian targets legitimate reprisals for systematic Israeli violations of their rights – including the killing of Palestinian civilians. Material incentives or disincentives play at best a marginal role in the decision to commit these acts.

Payments by charitable institutions to families of suicide bombers stand out in part because of the absence of a generalised Palestinian welfare system. In this context, even non-preferential payments can be considered “premium payments” insofar as the

¹⁶¹ Palestinian families of suicide bombers reportedly receive U.S.\$25,000 from Iraq. Families of Palestinians killed under other circumstances related to the confrontation with Israel reportedly receive U.S. \$10,000. See *The Washington Post*, 13 March 2003.

¹⁶² ICG interviews. See also Allen, “There are Many Reasons Why”, op. cit; Margalit, “The Suicide Bombers”, op. cit.; Sarraj, “Suicide Bombers”, op. cit., which discuss a host of factors but either fail to mention or explicitly refute the view that financial reward for the families of suicide bombers is relevant. Similarly, Human Rights Watch, “Erased in a Moment”, op. cit., despite its condemnation of the payments, does not claim they encourage such attacks.

¹⁶³ House demolitions encompass categories of Palestinians that go far beyond suicide bombers and include, for example, wanted Palestinian militants.

¹⁶⁴ See, e.g., statement by IDF Chief of General Staff Lt. Gen. Moshe Ya'alon, www.idf.il/newsite/English/0212-3.stm, 12 February 2003; Haaretz, www.haaretzdaily.com/hasen/spages/261766.html 11 February 2003. Nevertheless, Ya'alon and the Israeli government have consistently maintained that house demolitions and similar reprisals do have a deterrent effect.

¹⁶⁵ See, e.g., “The Fatah movement celebrates ‘success’ of double suicide terror attack in Tel Aviv”, IDF spokesperson's unit, www.idf.il/newsite/english/0108-5.stm, 8 January 2003.

families would receive nothing if the bomber had died a natural death instead of targeting civilians. Yet, it is precisely the absence of a Palestinian public welfare system that has been seized upon by Palestinians – including vocal critics of such attacks – to defend such payments:

Palestinians for the most part support the provision of assistance to families that have lost loved ones, and do not believe that families of perpetrators of attacks against civilians should be denied such assistance. The prominent Gaza-based psychiatrist and human rights activist Eyad Sarraj said in a recent interview:

I myself am deeply opposed to suicide bombings, yet I too support the families. As a Palestinian, as an Arab, as a Muslim, and as a human being ...I cannot leave their children in poverty – I have to do what I can to leave them some hope and dignity. This is why we support the families – certainly not to encourage suicide bombing.¹⁶⁶

Additionally, according to Roy, Palestinian Islamic social organisations worked even with the families of Palestinians who were denounced as collaborators with the Israelis, trying hard to reintegrate them into society.¹⁶⁷ The same point was made to ICG by the head of a Ramallah *zakat*: “we do not ask how the death happened, but only ask for the death certificate; the social worker decides based on the family’s needs for assistance. We have 100 hundred sponsored children whose fathers have been killed for collaborating with the occupation. This does not concern us”.¹⁶⁸ Asked specifically whether assistance to families of suicide bombers might encourage such attacks, the head of another organisation responded: “Does our sponsoring collaborators’ children encourage people to collaborate with Israel”?¹⁶⁹

¹⁶⁶ Human Rights Watch, “Erased in a Moment”, op. cit., p. 105. HRW’s own position (p. 106) is that payments to the families of suicide bombers should be provided “only as part of a general welfare program based on demonstrated financial need”.

¹⁶⁷ Sara Roy, “Beyond Hamas: Islamic Activism in the Gaza Strip”, *Harvard Middle Eastern and Islamic Review*, Number 2, (1995).

¹⁶⁸ ICG interview with Sheikh Husni Abu Awad, head of Ramallah Zakat committee, Ramouni building, 23 February 2003.

¹⁶⁹ ICG interview with Mahmoud Misleh, director of the Islamic Charitable Society of Al Bireh, 23 February 2003

The Al-Salah Islamic Association, which is closely identified with Hamas, also specifically refuted the allegation that such institutions give preference to Hamas families:

This never happened and will never happen, for a simple reason. The Association assists the families of martyrs on the basis of humanitarian grounds in the context of its duty to provide relief. This means that all those in need, whether martyrs or not, are equal. Any family which suffers as a result of a fatal car accident will be treated equally as far as the Association’s criteria are concerned to a family that loses its breadwinner to martyrdom at the hands of the occupation.¹⁷⁰

Premium payments probably do not encourage suicide bombings against civilians either; however, they are clearly intended for this purpose and therefore the international community is on solid ground in seeking to strictly prohibit them. It also is of critical importance that the PA take steps to actively delegitimise such forms of violence and to end the general climate of impunity and leniency that prevails in this regard.

D. ISLAMIC SOCIAL WELFARE ACTIVISM AS POLITICAL LEVERAGE

Even if Islamic social welfare organisations are not the primary engines of Hamas, the point is made that they are essential to sustain it politically and culturally. Hamas itself has not sought to conceal or downplay the value of its network of social welfare organisations to the development and growth of the organisation; independent observers and critics concur that Hamas would not have achieved its prominent role in Palestinian politics and society without them.¹⁷¹ On this basis some have concluded that social welfare organisations affiliated with Hamas are vital to the maintenance of its military infrastructure, and their elimination central to any effort to compel the Qassam Brigades to cease

¹⁷⁰ ICG E-mail interview with Al-Salah Islamic Association.

¹⁷¹ Anthony Shadid, *Legacy of the Prophet: Despots, Democrats, and the New Politics of Islam*, (Boulder, 2002), pp. 111-150. Secular Palestinian activists acknowledge this, making the point that allegiance to Hamas often is less a function of ideological sympathy than of gratitude for social assistance. ICG telephone interview with Fatah member, Ramallah, February 2003.

attacking civilians. Seen from this perspective, it is precisely the efficiency of such institutions that poses the problem, for it helps generate support for the movement and its political program.¹⁷² U.S. and Israeli officials argue that a systematic crackdown on Islamic social welfare organisations and charitable contributions is an effective method of curbing Hamas's armed activities, and have correctly noted that there has been no genuine attempt thus far to implement such a policy.

Few would argue with the fact that a concerted effort to shut down such institutions would hurt Hamas' standing considerably.¹⁷³ While it is impossible to measure the impact of its charitable work on its popularity, Hamas' positive image is undoubtedly and most probably significantly related to the efficiency of its social services, particularly as compared with the PA's weaknesses.¹⁷⁴

The more difficult question is whether such measures would have a discernable impact on Hamas' military capabilities and – perhaps more importantly – popular support for its attacks upon Israeli civilians. On the basis of the evidence of the past two years, the increasing socio-economic havoc that is certain to ensue might well radicalise rather than undermine Hamas's popular constituency, and enlarge rather than reduce it. Today even more than in the past, Hamas's armed activities appear to be predominantly a function of political factors – despair at the situation in the territories; Israeli actions; pressure by regional sponsors; its shifting relations with the PA and other Palestinian factions; and the level of popular support for the intifada. The fact that Hamas historically has refrained from armed attacks, and in particular attacks against Israeli civilians, when these lacked popular support and escalated them as public opinion radicalised,¹⁷⁵ further suggests that the organisation is unlikely to be fundamentally swayed by any concentrated effort targeting its social infrastructure.

¹⁷² For the argument that Hamas's social service program bolsters its popularity and therefore heightens the threat of terrorism, see Daniel Benjamin and Steven Simon, *The Age of Sacred Terror*, (New York, 2002), p.194.

¹⁷³ See, e.g., Charmaine Seitz, "Hamas Stands Down?", *Middle East Report* 221 (Winter 2001), p. 5.

¹⁷⁴ "Let's be blunt," said a PA official. "When kids go to schools run by Hamas or to charities run by Hamas, it helps the organisation." ICG interview, Ramallah, March 2003.

¹⁷⁵ This point was repeatedly emphasised by Fatah members determined to curb the influence of Hamas. ICG telephone interviews, Ramallah and Gaza, February 2003.

A systematic crackdown against Hamas-affiliated Islamic organisations could have other backlash effects. First, it would risk further alienating Palestinians from the West. In a situation where "the Gaza Strip and some West Bank villages are surviving on aid from Islamic organisations",¹⁷⁶ many Palestinians (and perhaps others as well) would conclude that their humanitarian interests were being targeted not on account of legitimate concerns about the conduct of the benefactor, but because their beneficiaries were Palestinian and Muslim. This concern is heightened by the failure of the international community – despite considerable efforts – to respond adequately to the growing humanitarian emergency. In early February 2003, UNRWA, which provides nutritional support to over 700,000 Palestinians compared to a pre-intifada figure of 11,000, stated that its plea for an immediate injection of U.S.\$94 million had fallen on deaf ears, with only Switzerland committing U.S.\$1.5 million. Noting that its food warehouses (some of which have been destroyed by Israel) will be empty in weeks, UNRWA Commissioner General Peter Hansen concluded, "it's going to be politically very destabilizing".¹⁷⁷

Secondly, some argue that a blanket banning of Hamas-affiliated social organisations could jeopardize efforts to steer the organisation away from political violence. The intra-Palestinian negotiations that began with EU mediation in mid-2002 and continued with Egyptian sponsorship in Cairo in January 2003, although widely described as attempts by the PA and Fatah to persuade Hamas to cease attacks on Israeli civilians, have at a deeper level in fact been precisely about such a political reconfiguration.¹⁷⁸ Still others believe that Hamas's resort to attacks against civilians is an historical

¹⁷⁶ ICG interview, senior UN officials, Gaza City, 20 May 2002; Jerusalem, 25 May 2002.

¹⁷⁷ Chris McGreal, "Food Running out in Gaza as Aid Appeal Fails", *The Guardian*, 11 February 2003.

¹⁷⁸ See, for example, "The Palestinian Factions National Dialogue" (translations from the Palestinian press) at <http://www.jmcc.org/new/03/jan/dialogue.htm>; *Mideast Mirror* issues for January 2003. There are many reasons why the dialogue has failed to date, among them Hamas's reluctance to eschew acts of violence absent comparable Israeli assurances and its refusal to extend any ceasefire to territory occupied in 1967 or to non-civilians. Beyond that, however, lie intense discussions about the future of the Palestinian national movement, its political orientation, and the respective influence of Fatah and Hamas. ICG interviews with Fatah members, Gaza, March 2003.

anomaly and that, at its core, it remains an essentially socio-religious, reformist organisation in the mould of the Muslim Brotherhood from which it emerged. According to this view, it harbours above all the ambition to “re-Islamise” Palestinian society¹⁷⁹ with the hope of ultimately taking over the political leadership of the Palestinian people. There is, of course, ample reason to be sceptical of Hamas’s intentions.¹⁸⁰ But eradication of the Islamic social welfare sector, and thus of Hamas’s only realistic alternative to militant rejectionism, risks guaranteeing the futility of further attempts to integrate it into a Palestinian strategic consensus.¹⁸¹

Finally, while forcibly closing down the network of Islamic social welfare organisations affiliated with Hamas would over time reduce allegiance to the organisation, it is less certain that those who implemented this campaign would benefit from Hamas’s decreased support. Hamas’s increased influence is, at least in part, a reflection of the lack of any credible alternative system of social assistance. A more logical approach, therefore, would be to challenge Hamas on its own terms by effectively competing with it in the realm of social welfare activism. The consensus among Palestinians appears to be that even a reformed PA would be unsuited to this task, but that a more responsive movement with prior experience in this arena, such as Fatah or the Palestine Peoples’ Party (formerly the Palestinian Communist Party, PCP),¹⁸² might fare better.¹⁸³ Such efforts appear to be at least partly

underway, built on the premise that the Palestinian leadership that will emerge from the current confrontation with Israel must rest on far stronger grass-roots support and links with civil society. The creation of secular NGOs capable of providing a variety of services to the Palestinians people is seen as a first step in this long-term enterprise.¹⁸⁴

¹⁷⁹ See Legrain, op. cit.

¹⁸⁰ A Hamas official openly derided Egyptian efforts to reach a one-year truce. ICG interview, Gaza, March 2003.

¹⁸¹ In research conducted approximately one year before the beginning of the current Palestinian uprising – a time when the fortunes of Hamas’s military wing and political leadership were perhaps lower than at any time since the movement was established in 1988 – Roy found some backing for this view. Rather than utilising social welfare activism to reinvigorate a paramilitary strategy that appeared to have failed, she found Hamas activists proposing such activity as an alternative to it, effectively returning to the religio-cultural emphasis pursued by the Muslim Brotherhood prior to the 1987 intifada. Roy, “The Transformation of Islamic NGOs in Palestine”, op. cit.

¹⁸² See Hiltermann, *Behind the Intifada*, op. cit., for an account of secular nationalist and communist social activism during the 1970s and 1980s.

¹⁸³ During the preparation of this report, ICG received persistent accounts that senior Fatah officials were working on such an initiative. Other Palestinian sources contacted by ICG, while unaware of this, questioned the ability of such organisations to compete effectively with their Islamist

rivals, noting that they would rely primarily on foreign funding rather than grassroots participation.

¹⁸⁴ One such NGO is the Palestinian Foundation for Culture, Science and Development, which was founded in November 2002. ICG interviews, Gaza, March 2003. It defines itself as a “non-profit, and non-sectarian organisation . . . fully independent and not affiliated with any political or religious party inside or outside Palestine.”

VI. CONCLUSION

It is probably an accurate assessment that the Palestinian Islamic social welfare sector as a whole is today affiliated with Hamas to one degree or another. It is moreover a matter of absolute certainty that Hamas is engaged in social welfare activism for more than altruistic purposes. It consciously seeks to derive organisational benefit from serving the basic needs of its people – and friend and foe alike share the view that it does this particularly well. In this respect, ICG's findings corroborate the impressions of virtually every observer who has studied Hamas; the leaders of the movement themselves ascribe a significant if not primary role to Islamic social welfare activism in explaining the growth and enduring popularity of the Islamist movement.

To the extent that providing for the needs of Palestinian society has played a role in enabling Hamas develop a military infrastructure that on numerous occasions has attacked Israeli civilians with the express purpose of inflicting maximum casualties, the sector as a whole cannot but be a source of serious concern. In a related vein, the same could be said with respect to the emerging reality of a parallel Islamist authority, challenging a steadily disintegrating PA in some regions of the occupied Palestinian territories during the past year.¹⁸⁵

How one deals with such concerns is, however, an entirely different matter. Where the cover of social welfare activism is demonstrably abused to engage in other activities – military or otherwise – the PA and the international community as a whole are confronted with a clear case for holding those responsible to account. Few if any such cases so far have come to light and the problem may, indeed, be far less widespread than the U.S. and Israel believe. Nevertheless, and particularly in view of the repeated allegations that charitable funds are being diverted for military purposes, strict safeguards are needed. The application of rigorous guidelines additionally would serve to remove the cloud of suspicion from

above the heads of Islamic social welfare organisations that execute their service mandates in a professional manner and neither support nor engage in illegal activity.

Such safeguards should respond to the specific threat that is alleged. The most effective way of achieving this would be for the PA and the international community to adopt and uniformly enforce available international guidelines, such as those formulated by the Financial Action Task Force on Money Laundering (FATF).¹⁸⁶ These guidelines call for, inter alia, financial transparency, programmatic verification, and oversight by both governments and private sector organisations such as financial institutions.¹⁸⁷ The PA should be offered technical assistance, preferably by relevant international organisations, to help it meet the challenge. The clear objective of such an effort would be to ensure that funds are transferred directly to the accounts of Islamic social welfare organisations and properly disbursed, and that action is taken against institutions that violate their humanitarian mandates, for instance by transferring funds to organisations that deliberately target civilians.

Palestinian Islamic charitable institutions claim they already comply with the PA's Law on Charitable Societies and Civic Associations and the regulations governing *zakat* committees; they should be put to the test. The PA should be rigorous about enforcing the law, which should be strengthened where necessary to be in line with the recommendations of the FATF, and should pass the draft law regulating *zakat* committees without further delay. Given the record of PA relations with NGOs, and concerns about its heavy-handed monitoring, a strong and independent expert committee should assist and supervise the monitoring efforts.

Ensuring that staff do not abuse their authority over students, and thus ensuring the integrity of the education process in the West Bank and Gaza Strip, is first and foremost the responsibility of the PA Ministry of Education. The PA should assign inspectors from the Ministry to actively monitor the educational centres run by Islamic organisations

¹⁸⁵ Hamas is particularly powerful in Gaza. According to some Palestinians, it is currently manning its own checkpoints. ICG telephone interview, Gaza, February 2003. Mahmoud Zahar, a Hamas leader in Gaza, stated that the organisation now had the infrastructure to assume leadership of the Palestinians "politically, financially and socially". Dan Ephron, "Mideast: Hamas on the Rise", Newsweek, 9 February 2003, available at stacks.msnbc.com/news/870466.asp.

¹⁸⁶ The FATF is an intergovernmental body founded at the G7 meeting in Paris in 1989 to monitor implementation of measures against money laundering.

¹⁸⁷ For full details see FATF, "Combating the Abuse of Non-Profit Organisation", op. cit.

and ensure that religious instruction is not used to promote intolerance and incite violence.

At present, the international community speaks with numerous, contradictory voices and acts in often confusing and self-defeating ways. Unwarranted zeal by the U.S. is matched by excessive laxity by certain Gulf states. In both cases, the test ought to be the same: whether the charitable institution in question can be shown to have transferred monies to fund the military activities of Hamas or some other Palestinian paramilitary organisation, or whether its educational teachings promote intolerance or violence.¹⁸⁸

Apart from cracking down on illicit activity, the PA and the international community should take steps to create alternative sources of social and humanitarian assistance to a population in desperate need of both. The donor community should significantly increase its aid and in particular respond to the urgent appeals from UN agencies. Although international donors pledged roughly U.S.\$700 million to the PA, the World Bank has estimated that at least U.S.\$1.1 billion is needed.¹⁸⁹ Palestinians not affiliated with Hamas should set up their own network of credible and effective social welfare organisations. The PA should at least begin the long overdue process of establishing a functioning welfare system; the international community and international financial institutions ought to work with Palestinian officials on this task.¹⁹⁰

Of course, much of this will remain in the sphere of wishful thinking should practical conditions on the ground remain as they are or, worse, deteriorate. Despite repeated commitments to the U.S. administration and others in the international community, Israel continues to impose draconian conditions on the Palestinian population and on humanitarian aid agencies.¹⁹¹ In August 2002, Israel

formally accepted a detailed set of commitments proposed by Catherine Bertini, Personal Humanitarian Envoy of the UN Secretary-General, designed to alleviate the humanitarian emergency in the West Bank and Gaza Strip. The agreed measures, which sought to minimise Israeli obstruction of Palestinian access to health care, education, water and sanitation, employment, and humanitarian services provided by the UN and other international and local agencies,¹⁹² were personally approved by Prime Minister Ariel Sharon, then-Defence Minister Binyamin Ben-Eliezer, and then-Foreign Minister Shimon Peres.¹⁹³ Yet, since that date, Israel has consistently failed to meet these obligations.¹⁹⁴

The most recent statement by the Quartet envoys stressed "Israel's obligation, consistent with legitimate security concerns, to do more to ease the dire humanitarian and socio-economic situation in the West Bank and Gaza, including facilitating freedom of movement and access, alleviating the daily burdens of life under occupation, and respecting the dignity of Palestinian civilians".¹⁹⁵ As long as these steps are not implemented, the predominant role of Hamas-affiliated institutions is unlikely to be affected.

Beyond this lies the complex and longer-term challenge of how to deal with Hamas. A hybrid consisting of social, political and military activism, with powerful roots among Palestinians and strong ties to foreign supporters in Damascus, Tehran and elsewhere, it has from the outset had an ambivalent relationship to the question of political leadership.

¹⁸⁸ There are unconfirmed reports that, in the context of the intra-Palestinian dialogue, Egypt has threatened to hinder Hamas fund-raising in Arab countries if it were to refuse a cease-fire. Ephron, "Hamas on the Rise," op. cit.

¹⁸⁹ World Bank, "Two Years of Intifada", op. cit.

¹⁹⁰ The PA recently asked the World Bank for help in "reviewing Palestinian social safety nets". That work ought to be encouraged. See World Bank, "Fifteen Months," op. cit., p. 90.

¹⁹¹ According to a World Bank report, "No Palestinian economic recovery is possible without the removal or significant reduction on current restrictions on the internal movement of Palestinian people and goods". Cited in *ibid*; see also World Bank, "Two Years of Intifada", op. cit.

¹⁹² Catherine Bertini, "Mission Report: 11-19 August 2002", pp. 26-28 at http://domino.un.org/bertini_rpt.htm. Among the specific measures agreed were: "Palestinian ambulances will wait no more than 30 minutes at any checkpoints"; "Palestinians seeking critical medical services (e.g. giving birth, dialysis, chemotherapy) can quickly pass all checkpoints"; "daily water deliveries in proper quantities can be supplied by Palestinian water tankers"; and "Israel should ensure that all children, students and teachers have full access to schools and universities throughout the West Bank and Gaza"; "immediate measures to allow farmers to harvest olives"; "ensure full respect of the privileges and immunities of all UN staff and assets"; and "urgently accelerate the release of funds [Israel] holds on behalf of the Palestinian Authority".

¹⁹³ ICG interview, UNSCO official, February 2003.

¹⁹⁴ ICG interview, UNSCO official, February 2003, who noted that the UN Security Council had been apprised of the lack of progress on a monthly basis.

¹⁹⁵ Joint Statement of Quartet Envoys, London, 20 February 2003.

The exercise of steering Hamas toward a political as opposed to military orientation hinges on a number of factors relating to domestic Palestinian and international politics and is by no means a sure thing. Some students of the movement have concluded that Islamist social welfare activism is not so much the precursor to its violent struggle as it is “a self-conscious substitute for armed action”.¹⁹⁶ If this is indeed the case, it is an argument for seeking the firm and full integration of the Islamic social sector within Palestinian civil society. It also invites creative approaches that encourage the movement as a whole to re-orient its policies and priorities, and prepare itself to emerge as Islamism’s advocate within a pluralistic and democratic Palestinian state living in peace and mutual recognition with Israel and in which neither it nor its competitors seek dominance on the basis of repressive violence.

Regardless, shutting down or financially squeezing organisations whose conduct is beyond reproach on account of a proven link to Hamas is neither a viable nor effective response. With no alternative sources of support available to hundreds of thousands of current beneficiaries, the dramatic increases in Palestinian poverty levels would only produce “further erosion of the coping capacity of the population, reinforced social despair, and a climate more conducive to violence”.¹⁹⁷ In addition to violating fundamental humanitarian principles, such measures would also run the risk of rather thoroughly defeating the very objectives they were meant to achieve. While poverty and humanitarian despair are not the engine of the Israeli-Palestinian conflict, the available evidence, both from the 1987-1993 uprising and even more so during the past two years, suggests that these factors have an ability to fuel it to new heights.

Amman/Brussels, 2 April 2003

¹⁹⁶ Shadid, *Legacy of the Prophet*, op. cit., p. 112.

¹⁹⁷ Ad Hoc Liaison Committee, Informal Donor Meeting, Oslo, April 25, 2002, Chair’s summary.

APPENDIX A

MAPS OF THE OCCUPIED PALESTINIAN TERRITORIES

MAP OF THE GAZA STRIP

MAP OF THE WEST BANK



<http://www.cia.gov/cia/publications/factbook/geos/gz.html>



<http://www.cia.gov/cia/publications/factbook/geos/we.html>

APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (ICG) is an independent, non-profit, multinational organisation, with over 90 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

ICG's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, ICG produces regular analytical reports containing practical recommendations targeted at key international decision-takers.

ICG's reports and briefing papers are distributed widely by email and printed copy to officials in foreign ministries and international organisations and made generally available at the same time via the organisation's Internet site, www.crisisweb.org. ICG works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The ICG Board – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring ICG reports and recommendations to the attention of senior policy-makers around the world. ICG is chaired by former Finnish President Martti Ahtisaari; and its President and Chief Executive since January 2000 has been former Australian Foreign Minister Gareth Evans.

ICG's international headquarters are in Brussels, with advocacy offices in Washington DC, New York and Paris and a media liaison office in London. The organisation currently operates eleven field offices (in Amman, Belgrade, Bogota, Islamabad, Jakarta,

Nairobi, Osh, Pristina, Sarajevo, Sierra Leone and Skopje) with analysts working in over 30 crisis-affected countries and territories across four continents.

In *Africa*, those countries include Burundi, Rwanda, the Democratic Republic of Congo, Sierra Leone-Liberia-Guinea, Somalia, Sudan and Zimbabwe; in *Asia*, Indonesia, Myanmar, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, Afghanistan and Kashmir; in *Europe*, Albania, Bosnia, Kosovo, Macedonia, Montenegro and Serbia; in the *Middle East*, the whole region from North Africa to Iran; and in *Latin America*, Colombia.

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April 2003

APPENDIX C

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* The Algeria project was transferred from the Africa Program in January 2002.

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