

# Brinkmanship Over Israel's Ban on UNRWA

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Brief Analysis

**Rather than using the months since the passage of new laws as an opportunity to agree on a more gradual implementation plan and identify alternatives to the controversial relief agency, the parties have simply dug in their heels.**

**A**mid all the focus on hostage releases and the Gaza ceasefire, another Israeli-Palestinian milestone is being overlooked. January 30 marks the implementation deadline for two Israeli laws passed on October 28 that prohibit any government contact with the UN Relief and Works Agency (UNRWA), marking the end of formal Israeli relations with the refugee organization established after the 1948 war. The **first law** ([https://fs.knesset.gov.il/25/law/25\\_lsr\\_5106937.pdf](https://fs.knesset.gov.il/25/law/25_lsr_5106937.pdf)) bars UNRWA from conducting any activity within Israeli territory and East Jerusalem; the **second** ([https://fs.knesset.gov.il/25/law/25\\_lsr\\_5106948.pdf](https://fs.knesset.gov.il/25/law/25_lsr_5106948.pdf)) prohibits Israeli authorities from having any contact with UNRWA or entities working on its behalf in the West Bank and Gaza.

The legal decision stems from longstanding Israeli grievances against the agency. Many believe that UNRWA—mandated to provide educational and health services to Palestinian refugees—does not seek to solve refugee cases but instead has an institutional interest in perpetuating them. The agency's preference for returning millions of refugees to Israel **rather than permanently resettling them** (<https://www.washingtoninstitute.org/policy-analysis/replacing-unrwa-opportunity-trump-should-not-miss>) in the West Bank and Gaza could also undermine Israel's viability as a state and threaten the prospects for coexistence.

After October 7, these grievances exploded when at least nine UNRWA employees were revealed to be involved in the atrocities committed that day. Additionally, Israel found Hamas members employed as principals and teachers in UNRWA schools, Hamas infrastructure and weapons in the basements of these schools, and Hamas data centers in tunnels underneath the agency's headquarters in Gaza. UNRWA fired the employees implicated in the October 7 attack and claimed ignorance that Hamas was using its facilities, but Israel dismissed these denials as implausible. Since then, **reports** (<https://www.fdd.org/analysis/2025/01/22/den-of-antisemitism-hamas-held-israeli-hostages-in-unrwa-camps/>) have emerged that three of the newly released Israeli hostages were held at one of the

agency's refugee camps for part of their captivity. All of these factors have only strengthened the broad Israeli political support behind the new laws.

On his first day in office, President Trump signed an executive order freezing all U.S. foreign assistance funding for ninety days, including to UNRWA. Aid to the agency was also cut during the first Trump administration. Elise Stefanik, his new ambassador to the UN, stated, "We should never tolerate any U.S. taxpayer funds going toward terrorism," noting that other UN organizations could fill the void and "don't have terrorist ties."

## Brinkmanship

In the weeks since the new laws passed, the UN and Israel have refused to discuss a way out of the impasse or postpone the deadline until agreed alternatives to UNRWA's services are in place. Israeli officials fear that delaying the second law could set a precedent that the international community uses to avoid deciding who should assume the agency's responsibilities. For its part, the Palestinian Authority fears that taking control of refugee camps in the West Bank could undermine Palestinian claims regarding the refugee issue and create domestic backlash against PA leaders, particularly inside the **already restive camps (<https://www.washingtoninstitute.org/policy-analysis/pa-reform-key-west-bank-stability-and-possible-rule-gaza>)**.

Israeli officials have privately said that if the UN does not work out an alternative to UNRWA in the West Bank, then the agency's services there should automatically come under the PA's purview. They also believe that food distribution can be managed by the UN's World Food Programme, which already handles a sizable portion of Gaza food aid (though it has not operated in UNRWA's camp schools, where thousands of Gazans have sought shelter during the war).

Yet UN secretary-general Antonio Guterres instructed his agencies not to engage in any contingency planning related to Israel's deadline, arguing that such action would imply acceptance of policies deemed illegal under international law. On October 29, he stated, "UNRWA is the principal means by which essential assistance is supplied to Palestine refugees...There is no alternative to UNRWA."

## Consequences for the West Bank, Gaza, and East

### Jerusalem

The potential impact of the first law is less far-reaching than the second law because UNRWA has a smaller role in East Jerusalem than in the West Bank and Gaza. Its focus in East Jerusalem is the **Shuafat refugee camp ([https://www.unrwa.org/sites/default/files/shufat\\_camp\\_profile\\_-2023.pdf](https://www.unrwa.org/sites/default/files/shufat_camp_profile_-2023.pdf))**, where it provides services to around 16,000 residents. Israel's local administrative body, the Jerusalem Municipality, has indicated that it will work out educational alternatives for the few UNRWA schools located in the eastern part of the city.

The implications of the second law are more serious because UNRWA is the leading humanitarian provider to the Palestinian people. In the West Bank, it runs nineteen refugee camps, employs around 3,700 workers, provides social security and other such payments to over 150,000 residents, and operates one hospital, forty-three clinics, and ninety-six schools (serving around 47,000 children). Israelis seemingly expect PA officials to assume responsibility for these services in the West Bank. Yet without external support and cooperation, the PA's deep corruption, lack of domestic legitimacy, limited administrative reach, and inability to assert control over refugee camps will undermine its ability to fill the void left by UNRWA.

In Gaza, UNRWA acts more like a de facto state than a UN agency. Before the war, it was the main provider of schooling and health services, serving over a million residents in its eight refugee camps. The agency has also been the backbone of food distribution for many Palestinians in UN shelters.

Some have argued that the wholesale reconstruction needed in postwar Gaza will limit UNRWA's role with or without

Israel's new laws. However, no understanding has been reached yet on whether the second phase of the ceasefire will happen, what Gaza's governance structure will look like on the day after, or how reconstruction will be implemented. Moreover, the failure to establish agreed alternatives to UNRWA in the near term could wind up strengthening Hamas control over aid distribution. In the end, the Israel Defense Forces may have to take on this task and other acute UNRWA responsibilities, creating logistical, security, and economic strains. Notably, this option would not address key tasks such as schooling, which Israel is in no position to provide in Gaza.

Even if Israel does not close UNRWA schools or health services in Gaza, UN officials say the ban on contact with Israel will prevent the agency from functioning. For example, the following areas will be affected:

- Monthly visa renewals for UNRWA international staff
- Vehicle registration to enable operations in Israel, the West Bank, and Gaza
- Deconfliction mechanisms with the IDF to avoid clashes during military operations
- Customs agreements to facilitate the import of food and medicine
- Israeli bank transactions related to salary payments and supply chains

In addition, many Palestinians see UNRWA as more than just a provider of essential services. Its mandate is politically significant to them because it enshrines what they view as their "right of return" to pre-1967 Israel. Undermining this symbolic significance could intensify Palestinian political grievances and escalate the already fragile security situation on the ground. In fact, extremists on both sides may be hoping for that very scenario—not just Palestinian opponents of the PA, but also **far-right Israeli figures** (<https://www.washingtoninstitute.org/policy-analysis/jewish-extremist-violence-west-bank-could-trigger-second-front>) such as Finance Minister Bezalel Smotrich, who would no doubt welcome any development that demonstrates the PA's impotence against West Bank violence.

## Policy Implications

In the short term, implementing the new laws will complicate **ongoing proceedings against Israel** (<https://www.washingtoninstitute.org/policy-analysis/israel-and-icj-comparing-international-court-cases-during-gaza-war>) at the International Court of Justice and potentially amplify charges at the International Criminal Court. Yet Israel and the Trump administration seem more focused on the longer-term goal of using the UNRWA showdown to reshape the administration of Palestinian territory and aid in the wake of October 7. In their view, lasting peace is unattainable as long as the Palestinian refugee issue continues to derail proposed peace deals, so efforts to rebuild Gaza must move beyond persistent refugee camps and a "right of return" model rooted in hostility toward Israel's existence.

Regardless of their future goals, however, U.S. officials need to work with the UN in the immediate term to develop a viable alternative to UNRWA and sustain the crucial services it provides. They should also think carefully about issuing any further directives that might erode Washington's leverage in negotiating such an alternative (e.g., President Trump's day-one executive order withdrawing the United States from the World Health Organization could have this effect, as could his general suspension of U.S. foreign assistance for ninety days).

Although nongovernmental humanitarian agencies might provide a useful short-term alternative to UNRWA, they should only be viewed as a temporary solution until the PA can assume full responsibility. The PA's stated commitment to a two-state solution means it should be more than willing to provide better support to its people, but its capacity must be strengthened before it can fully handle that mission. As for Israel's continued opposition to letting the PA return to Gaza, that dispute can be addressed as part of a broader international plan for reconstruction.

In short, the implementation of Israel's new laws will have far-reaching consequences for the humanitarian situation in Gaza and the West Bank, and addressing this brewing crisis requires collaboration between the United States, UN, and regional actors to establish a mechanism that fills the UNRWA void. If the United States and Israel hope to stabilize the volatile situation, they will need to balance their security concerns with the area's very real humanitarian needs—a balance that has been compromised by a lack of focus on key questions such as who will govern postwar Gaza and whether a less controversial institution can mitigate the likely turbulence caused by UNRWA's absence.

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<https://www.washingtoninstitute.org/policy-analysis/series/decision-points-podcast>). ❖

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