

Donald Trump**Donald Trump's Board of Peace fund is empty**

Despite \$17bn in pledges, organisation is stuck in limbo with no money flowing to projects in Gaza



Donald Trump signs the charter for the Board of Peace in January as other officials watch © Markus Schreiber/AP

Neri Zilber in Tel Aviv and **Abigail Hauslohner** in Washington

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The official fund for Donald Trump's Board of Peace is empty and the organisation is stuck in a legal and political limbo that has held up projects to rebuild Gaza.

The US president described the board, which solicited \$1bn "lifetime membership" fees from world leaders, as one of the "most consequential" international organisations created. Member states pledged \$7bn for the board's Gaza "relief package", and Trump promised a further \$10bn in US funding.

But four months after its establishment, the board's financial fund set up by the World Bank has received no money from donors, according to four people familiar with the matter. "Zero dollars have been deposited," one said.

Rather than use the fund administered by the World Bank, and endorsed by the UN, the board has received donations directly via its JPMorgan account, the board's spokesperson and another person familiar with the arrangements said.

While the World Bank must report on the financial position of the Gaza fund to contributors and board members, no independent transparency requirements are in place for the JPMorgan account.

A Board of Peace official told the FT that "a number of options were established to receive funding" including the World Bank mechanism and that "at this point, contributors have opted to use other options".

The Board of Peace "will report its financials" to its own executive board, which is made up of Trump administration officials and other advisers, "at a time deemed appropriate", the official added.

Contributions of about \$3mn from Morocco and \$20mn from the United Arab Emirates have helped fund the office of Nickolay Mladenov, the "high representative" for postwar Gaza, and salaries for the Palestinian technocratic committee that the board formed to govern the strip.

The UAE also recently provided \$100mn to train a new police force for Gaza, but the programme has yet to start and the funds are frozen, said two people familiar with the matter.



Two people familiar with postwar Gaza planning said 'not one US dollar' has been deployed for the rebuilding of the enclave © Abdel Kareem Hana/AP

The US state department intends to reallocate about \$1.2bn of aid spending for projects related to the board's agenda. But the funds, which would not go directly to the board, have also yet to be spent.

A senior congressional aide said: "None of that money [has gone to the board]. None of that money is being managed by the Board of Peace. And State tells us there's no intent to have any of that money managed by the Board of Peace."

The state department wants to provide about \$50mn directly to the board to fund operations, but that also has yet to be distributed. Officials have assured Congress that the board will not be allowed to use the funds until financial controls and other systems necessary to receive US funds are in place, according to the congressional aide.

The state department said it "supports the president's vision" for the board and "continues to evaluate how existing authorities, programmes and inter-agency co-ordination can best support those objectives".

While the board has begun tendering for security and reconstruction work in Gaza, the board's spokesperson said no contracts have yet been awarded. "A lot of it is because we're not operating in Gaza yet" because Hamas had yet to disarm, the spokesperson said.

Trump launched the board with characteristic fanfare in January, prompting some European capitals to fear its purpose was to rival the UN. Its first main mission was to oversee Gaza's redevelopment after two years of devastating war.

His son-in-law and adviser, Jared Kushner, later put forward glossy models for a futuristic AI-powered Gaza, replete with gleaming towers and luxury amenities. A recent survey by the EU, UN and World Bank estimated more than \$70bn would be needed for Gaza's reconstruction over the next decade.

US lawmakers have pressed the Trump administration for more information about the board, its operations and legal status. Some have questioned whether it meets the legal threshold to qualify in the US as an international organisation eligible to receive US funds, but have yet to receive detailed answers from the state department.

Democratic senator Brian Schatz, pictured, said Donald Trump talked about the Board of Peace as 'sort of a king's court' © Andrew Harnik/Getty Images

Democratic senator Brian Schatz said Marco Rubio, the US secretary of state, told him the board enjoys similar legal jurisdiction to a UN agency, describing it as “a creature of the UN to contemplate reconstruction and humanitarian efforts in Gaza”.

Trump by contrast talks about the board as “sort of a king’s court”, Schatz said. “So I just don’t know which one it is . . . It is not obvious to me at all.”

Others involved with postwar Gaza planning said additional legal questions arose from the way the UN Security Council’s resolution on Gaza described the board as a “transitional administration” until the Palestinian Authority took back control of the territory. “What happens when this expires?” one of the people said.

One would-be contractor said: “Who is responsible for Gaza? What law is applicable in Gaza? There’s a lot of risk for the companies that try to do this.”

After a US-brokered ceasefire ended two years of intense fighting between Israel and Hamas, Trump laid out an ambitious multiphase plan that called for the disarmament of the militant group, the withdrawal of Israeli forces, and reconstruction of the enclave.

No progress has been made on any of those three crucial objectives. Two people familiar with postwar Gaza planning added “not one US dollar” has been deployed for the rebuilding of the Palestinian enclave.

Bishara Bahbah, the Palestinian-American businessman who helped negotiate with Hamas on behalf of the Trump administration, said the committee has yet to start work inside Gaza because of a “lack of any funding to enable them to execute anything on the ground”.

“They know that if they go to Gaza, people are going to flood to them to ask for assistance, and they have no tools, no means,” said Bahbah, who speaks regularly with committee members. “It’s really dismal.”

The board’s spokesperson said there was no authority on the ground “to handle the flow of services and goods that are imagined as part of the plan”. “We’re not, like, hoarding money in a bank account and then awarding contracts for things that can’t be delivered.”

This story has been amended to correct the sums contributed so far by Morocco and the UAE.

Additional reporting by Alex Rogers

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