

Statement by Filippo Grandi,  
Commissioner-General of UNRWA,  
at the Opening Session of the Advisory Commission

(Dead Sea, Jordan, 26 November 2012)

Minister Azayzeh,  
Mr Chairman,  
Mr Vice-Chairman,  
Distinguished Delegates.

Good afternoon, and a warm welcome to our special guests from Brazil and Iraq.

Mr Chairman,

Last Tuesday I was in Gaza. I visited a food distribution centre which had been badly damaged in an airstrike, but which our staff had repaired within hours. And indeed - except for schools, which were kept closed as it was too dangerous for children and teachers to leave their homes - our work was continuing in spite of relentless bombardment: 19 out of 21 health centres were open, food was distributed, garbage was collected in refugee camps, and through our educational tv channel we were reaching children sheltering at home, so that even education would not stop.

This is an image that - sadly - applies also to our daily work in Syria, where our staff operate tirelessly to provide services to 500,000 Palestine refugees amidst growing violence and very serious risks. And it is with great sorrow that I wish to recall here the recent death of six UNRWA staff members, five in Syria and one in Gaza, all of them involved in the education of Palestinian children. Our thoughts, today, go to their families, hoping that time will bring comfort to their pain.

Mr Chairman,

Being exposed to danger and hardship is the daily routine, tragically, for many Palestine refugees in the region. It has been just five months since I last addressed this Commission. But it has been a very dramatic period. Unfortunately, this proves - once again - that in spite of their long exile and the relative stability that they have enjoyed at least in some countries over

the past decades, Palestine refugees remain vulnerable – and this vulnerability increases, as happens with refugee communities worldwide, when they are exposed to the shocks of conflict.

The latest escalation in Gaza occurred, as usual, at the expense of civilians, and especially children. There was substantial rocket fire from Gaza on civilian populations in Israel, and that is to be deplored in no uncertain terms. Israeli shelling of Gaza was relentless, in spite of international appeals to restrain the use of force, including, repeatedly, by the United Nations Secretary-General. Shells and missiles rained down everywhere in the overcrowded Gaza Strip, including on refugee camps. In addition to civilian deaths and injuries, deep fear prevailed for eight days. This, too, affected especially children. Eight-year old UNRWA student, Fares Al Basuni, was killed in his house in Beit Hanoun. This explains and justifies the fear, because where can a child be safe if not at home? And as the possibility of a ground offensive grew, almost 12,000 refugees streamed into 14 of our schools for safety - but is there safety anywhere in those situations?

Bob Turner, UNRWA's Director of Operations in Gaza, whom I wish to commend - together with his team - for the work done during the conflict, and for steering the quick return to normal service delivery after the ceasefire, will speak about Gaza, our assessment of damages and our immediate plans in more detail later. Let me add here that we are happy that the ceasefire appears to hold, and grateful to those who contributed to it, especially the Government of Egypt. I would also like to mention the key efforts made by the United Nations Secretary-General, whom Bob and I had the opportunity to brief on Wednesday.

As you all know (but it bears repeating!) it is of crucial - crucial - importance that we seize the opportunity provided by this tragic escalation, and address the real problems underlying the crisis. In particular, the time has come to heed the call made so many times that the illegal Israeli blockade must be lifted in all its aspects – crossings, buffer zone, fishing area, imports, exports – with proper guarantees given to and by all parties in respect of the security of all civilians. That will allow the population of Gaza, including more than one million Palestine refugees, to envisage a better future than the one projected in the UN's *Gaza 2020* report, which paints a bleak future picture of the Strip's infrastructure, natural resources, economy and people's welfare. When the report was issued at the end of

August, we were pessimistic about possible improvements. It took another war to create an opportunity: let us not waste it once again, as was done after the 2005 so-called Israeli “disengagement”, and in 2009, after Operation Cast Lead. The provisions of Security Council resolution 1860 must be finally implemented, as they provide a clear framework for what needs to be done. We are not naive and we realize that to achieve this fundamental step, difficult political work will have to be carried out, including promoting and supporting lasting Palestinian unity. But failing to act now will have dire consequences. The greatest danger is to return to the *status quo ante*, and restore the prison-like conditions of Gaza. If this happens, it will be only a matter of time till violence resumes.

The crisis in Gaza, in other words, is not only about Gaza – it is very important to recognize that it is about the unresolved Israeli-Palestinian conflict in a broader sense, with all its elements. It is also about the untenable situation in the West Bank, including East Jerusalem. We have described it countless times, and our Field Director, Felipe Sanchez, will speak about it later. Let me say here that the grave crisis prevailing there must also be addressed if further and perhaps even more dangerous tensions are to be avoided. Palestinians in the West Bank – including 730,000 refugees – continue to be severely affected by settlement expansion, settler violence, land expropriation, building prohibitions, increased demolitions, movement restrictions and the asphyxiation of herding livelihoods. We witness a gradual erosion of space and rights for Palestine refugees and indeed for all Palestinians. And frankly, in spite of repeated, strong international statements, there is a lack of real action in respect of this grave protection crisis. Without political determination to stop it, the colonizing enterprise, which the United Nations and the international community clearly consider illegal, will move forward inexorably, with impunity, and with toxic consequences for the entire, volatile region.

The Syria crisis meanwhile continues to unfold, and unfortunately expand. Our concerns about the welfare of the half million Palestine refugees there have grown as they are increasingly affected by the conflict. The vast majority of Palestinians in Syria maintain the shield of neutrality aware that their protection depends on it. However, we do observe explicit efforts to draw them into the conflict. It is therefore not difficult to imagine that they will become, increasingly, targets of attacks – in the midst of a situation in which the killing and kidnapping of civilians, the destruction of their homes, and widespread fear have become so common that they don’t make the headlines any longer.

For Palestinians in Syria, who over the last six decades have created communities, raised families, and developed livelihoods in a welcoming and relatively stable environment, increased poverty, growing insecurity and further displacement are devastating blows. All parties to this conflict have an obligation to protect civilian refugees and to respect their neutrality, and the Government of Syria has primary responsibility for this. If this protection is not provided, the consequences will be difficult and long lasting.

UNRWA's strategy in Syria, as in Gaza, is to be there, maintain services and address the growing emergency needs as much as possible. We possess proven operational abilities, through our existing staff capacity and infrastructure. Here, too, although in a completely different context, we build Palestinian resilience by continuing education, health and relief services, meeting emergency needs for food and supplies, particularly during winter, and assisting with shelter repair. Of the US\$ 53 million requested in our response plan, which includes assistance to Palestinians fleeing to Jordan and Lebanon, 56% have been contributed or pledged. While this is an encouraging and appreciated donor response at this stage, more resources are needed. We are now developing a new regional response plan to be issued in conjunction with the other UN agencies at the end of this year.

I am very worried, however, that pressure on Palestinians might trigger a surge in external displacement, across borders. The situation so far has been fairly contained, but as the conflict escalates people may be moving out of the most affected areas, especially in and around Damascus, where three-quarters of the Palestine refugees in Syria are concentrated. So far, approximately 10,000 Palestinians from Syria have arrived in Lebanon, and we are aware of almost 2,000 who have gone to Jordan. We also know that unfortunately, it has been difficult or impossible for many others trying to flee Syria to obtain access to Jordan as this has been refused.

When it comes to the movement of Palestine refugees, inevitably, responses are influenced by political and other factors – indeed, the sensitivity with which they are perceived is perhaps their greatest vulnerability. Lebanon and Jordan have already hosted for decades large Palestine refugee populations, whose presence has complex aspects in the two countries. Jordan, which is addressing serious political, economic and social issues, already hosts the largest Palestine refugee population of any country. In Lebanon, Palestinians

are a sensitive element of a fragile balance between different groups; lack of rights has bred poverty and marginalization; and there are other, difficult challenges, such as completing the reconstruction of Nahr el Bared Camp, still underfunded, and ending the displacement of thousands of Palestinians in the north. The two countries now host also a very large portion of the 400,000 Syrian refugees.

Needless to say, the paramount priority is to stop the violence in Syria, because the flow of refugees - Syrian and Palestinian - is one of the direct, tragic consequences of failure to do so. In the meantime four points are essential: first, it is crucial to provide all possible assistance to Palestine refugees inside Syria, and to avoid neglecting this important aspect of the crisis; second, the parties must refrain from implicating Palestine refugees in the conflict and ensure their protection; third, greater support must be provided to Jordan and Lebanon through this difficult period in handling the entire refugee caseload; fourth, with this support must come the understanding by neighbouring countries that their borders will be open to all refugees, including Palestinians, because sending them back to where they fled from – which, unfortunately, has happened – exposes them to the greatest dangers. We appeal in particular to the Government of Jordan to uphold the principle of *non-refoulement* and equal treatment of all refugees.

Mr Chairman,

You will recall that at our last session, I made a number of important commitments aimed at improving the efficiency and effectiveness of UNRWA in times of financial austerity and competing humanitarian crises. I would like to update you on these matters.

In speaking of strengthening UNRWA, one point must be stressed. The picture I have painted is not a pretty one. Conflict, or the consequences thereof, has now engulfed all our five fields of operation. The situation might be further complicated if Palestinian aid programmes suffer in response to possible developments regarding Palestinian statehood in the General Assembly - a response which we fervently hope will take into consideration the catastrophic consequences of withdrawing financial support. Therefore, as we hope for peace and continued international engagement, one of our priorities is to strengthen our ability to cope with emergencies, enhancing our capacity, speed of response, preparedness, and adequate support systems. We will ensure that emergency activities do not

create problems of sustainability – and in the West Bank we are addressing past issues with determination, in spite of the fraught environment, as promised in June. Donor funding, however, must not decline when emergencies move away from headlines without conflicts having been resolved – as proven by the example of Gaza, where until two weeks ago we had difficulties funding our basic humanitarian work.

On the other hand, and in spite of all this, I am very pleased with the progress we are making in reforming health and education. This is crucial. In health, we now have 20 clinics applying the new family health team approach, up from 14 in June. While there have already been noticeable improvements in delivery in terms of doctor-patient consultation time and patient satisfaction, the e-health project and other infrastructure improvements promise to bring more efficiency gains. The implementation of the education reforms has now started across UNRWA; their design reflects what we know is needed to bring about transformative change so that Palestine refugee children are equipped with the skills, knowledge and competences required for the 21<sup>st</sup> century. We are conducting, with help of DFID, an efficiency and effectiveness analysis for both these reforms. Initial models indicate measurable improvements, proving that investing in reforms is good value for money. We will report on final results at the next Advisory Commission meeting.

Addressing the third goal of our strategy, which is to provide refugees with “a decent standard of living”, is more challenging, essentially because there is a fundamental mismatch between the magnitude of the problem – refugee poverty – and the resources realistically available after in-depth consultations with our key donors. As you know, we do have a plan that could bring UNRWA in line with best-practice approaches, however the investment cost of a wholesale transformation of relief and social services is more than we can currently afford. The Deputy Commissioner-General will brief you more fully on these and other programmatic matters. Here I wish to say that the time has come for us to have a very frank discussion, in the context of the upcoming Medium Term Strategy preparation, on what role UNRWA can play in alleviating refugee poverty, also by better mustering the synergies provided by other tools at our disposal, such as microfinance, vocational training and camp improvement. This is a difficult discussion, fraught with sensitivities, as host authorities rightly remind us. However, it can only produce results if it is open minded. Creative solutions must be

sought, otherwise it will be the most vulnerable refugees who will continue to suffer.

In terms of management, I would like to flag four issues.

First, we have concluded the executive management initiative, and shared with you our report, as announced in June. You will recall that the purpose was to strengthen management overall, leadership at all levels, decision-making, clarity of roles, policy formulation and implementation. The mechanism which we have called “implementation management group”, led by the Chief of Staff, Sandra Mitchell, has proven an excellent approach to these issues and has enhanced our ability to consult, decide, communicate and implement in all key policy issues. In parallel, a strengthened Advisory Committee for Resource Allocation, chaired by the Deputy Commissioner-General, has made the manner in which we manage scarce resources more rational and clear, as had been achieved in procurement and recruitment in past years. I truly feel that we have come a long way since 2006, and the launch of our first reforms. Now, expectations are better managed, participation is understood and outcomes are quick and decisive.

Second, the development of an Enterprise Resource Planning (ERP) system is critical to achieving optimal efficiency. Without it, we will continue to limp, not run. I am satisfied with our cautious approach, spreading the development over a number of years, not only because we have been unable to afford a faster one, but also because of the vast complexity of the transformation. The plan is to ‘go live’ incrementally through 2014 – but in order to respect this timeline, support will be needed.

Third, we have continued to work on bringing clarity and efficiency to the management of projects. We must enhance capacity at the field level, but this will take time as it requires training and adequate staffing. Meanwhile, we have standardized proposal and reporting mechanisms, and created a review process to ensure that new projects fall more clearly and transparently within the Agency’s strategic priorities, and take into account a range of critical issues, including, crucially, sustainability.

Fourth, we continue to improve accountability and transparency. For the first time, and as promised in June, you have received the annual report of the Department of Internal Oversight Services and my response to it. There has been much progress in internal audit, which is now based on risk

assessment, rather than simply on compliance. This has much value to UNRWA, as it operates in a risk-laden environment. In terms of implementing recommendations, we are doing well in respect of the UN Board of Auditors and other UN inspection bodies, but must improve follow-up on internal audits. The Department has also strengthened its evaluation and investigation capacity, although there is much more work to do in these important functions.

Another key area on which I elaborated in my June statement was that of planning.

The Deputy Commissioner-General will outline for you what has been a very tight 2013 budgeting process as well as the various planning developments and schedules. I would like to share some thoughts on what sits at the apex of these processes, the Medium Term Strategy for 2016-2021.

In June, I said we were considering an external evaluation of the previous MTS process. This is now underway and the report will be shared with you in January. The first MTS, in my view, was a good reflection of achievements in the original reform process, and it delineated the core strategies and strategic objectives. But we want the new MTS to be more participatory, and more concrete in addressing the many and major challenges facing the Agency. Obviously, any planning must take into account the political complexities of UNRWA's operating environment and its tenuous financing structure, which are at the heart of our vulnerability as an organization. As requested by most of you, and unlike the first MTS, the next one will be costed, so that UNRWA and its stakeholders have a shared understanding of the overall resources needed to assist Palestine refugees in the medium term.

The MTS will also, as I said previously, include a workforce strategy that is sustainable and transparent. The immediate challenge will be to strike a balance between our wish to uphold a reasonable salary policy (which allows our Area Staff to be paid in a manner comparable to that of public services in host countries) and the significant financial burden which – as a consequence of this policy – is imposed on UNRWA by frequent increases in government salaries in these volatile times. In June, I informed you that we would start tackling this issue through consultations with the Area Staff Unions. These consultations have now started. They will require your full

support and I am pleased that I have received assurances in this respect from both host authorities and a number of key donors. This is an issue which will demand patience and persistence, but which needs to be tackled if we are to produce a meaningful strategy for the future, and address some of our long-term, structural resource problems.

This brings me to the issue of resource management and mobilization. In June, I reported a shortfall of almost US\$ 63 million in our General Fund. A combination of further savings, strictly observed austerity measures – including staff headcount management - and prudent treasury operations, allowed us to reduce the shortfall by US\$ 25 million, and we received additional, generous donor contributions for a total of US\$ 17 million. The current shortfall in the General Fund is therefore a more manageable US\$ 21 million, and ongoing negotiations with a number of donors indicate that we will be able to meet all financial commitments by year end, though in part through advances against next year's pledges. I would like to thank all my colleagues for having cooperated in an extraordinary austerity effort, which has made their work even more difficult, especially as we had to face conflict and instability at the same time. And to the generous donors who made special efforts, I convey our sincere gratitude.

For 2013, as already communicated in the Sub-Committee, we are projecting an initial shortfall of US\$ 68 million, about which you will hear more later. The budget process was the most rigorous ever conducted by UNRWA, and based on the same austerity-minded approach that prevailed this year. We have also sought to address the concern of some of you that our budgets had become increasingly compartmentalized, and – while keeping the necessary distinctions – we are trying to show more clearly the strategic links between the different parts of our budget.

This said, the projected shortfall will obviously be a challenge. On the positive side, it is US\$ 29 million less than the corresponding figure at the start of 2012, which will make it more manageable. It will require, however, and once again, special efforts on the part of donors. We will do our utmost to mobilize resources and further widen our donor base.

In this respect, and for the first time at the Advisory Commission, we are presenting a comprehensive report on UNRWA's resource mobilization strategy. You will hear a detailed presentation from Salvatore Lombardo,

the Director of External Relations and Communication. Let me highlight a few key points.

Our strategy to deepen, diversify and develop donor relations is working. I already spoke in June about progress with emerging donors – I am now pleased to report that the Russian Federation will contribute for the first time ever to UNRWA in 2013, and that in addition to efforts by Brazil, Iraq and Turkey, which I have already reported and which I trust will continue, we have received smaller but significant increases in contributions from Indonesia, Malaysia and South Africa. Let me flag the improving performance of Arab donors: from a 2% share of General Fund contributions in 2009 to this year's 4 % - still insufficient, and below the recommendations of the League of Arab States, but significant, especially when considering that overall Arab pledges to UNRWA amount to almost 10% of all donor financing to the Agency this year so far, and we are still discussing very substantial contributions for projects in Gaza.

We continue of course to rely extensively on traditional donors, and this is much appreciated, considering also the economic difficulties which many of them are facing. These relationships are linked to our responsibility to be as efficient and effective as possible. This includes our commitment to report comprehensively on results. We will do this in a cohesive fashion for the first time next spring – through the harmonized donor report, now renamed the Results Review, and our annual report on reforms.

Mr Chairman,

At the General Assembly earlier this month, my message was that the international community could not afford to ignore the Israeli-Palestinian conflict, and Palestine refugees. Gaza has reminded us of the truth of that statement in very stark terms. Let me repeat: the latest Gaza crisis was also a symptom of the urgency of all unresolved problems surrounding the Israeli-Palestinian conflict, including Palestine refugees. A negotiated peace, including a just and lasting solution for refugees, is the only way forward – and it is pressing. I hope that a sense of urgency in this respect will re-emerge, after a long period of stagnation, considering the now heightened risks. If this happens, I ask you in the strongest terms to ensure that the Palestine refugee issue is on the agenda in your capitals.

Meanwhile, today, in the Middle East, millions of civilians pay the price of failed or stagnant political action. Therefore, at least, it is very important that organizations whose mandate is to deal with the human consequences of conflict are strong and effective. For Palestine refugees, UNRWA remains a point of reference. It is the only organization which for 63 years, since the beginning of their exile, has been with them day and night, through war and peace, in hope and in despair.

I am proud, Mr Chairman and Mr Vice Chairman, to be part of this organization, even and especially in these troubled times. I am grateful for your kind words and trust regarding the extension of my tenure as Commissioner-General until January 2014. The Deputy Commissioner-General and I, together with our colleagues, wish to assure you that UNRWA will remain strongly committed to use all the energy, creativity and courage it can possibly muster to help ensure that Palestine refugees are well equipped to lead better lives, develop their skills, and build sound families and cohesive communities.

We will endeavour to live up to their fortitude and resilience, and to the quiet, courageous commitment of our staff, especially those who live and work in war zones. And we will strive to continue to speak to the world, loudly and clearly, about the astonishing dignity and steadfastness of the people we serve.

Thank you, Mr Chairman.