

UNRWA

**Advisory Commission of the
United Nations Relief and Works
Agency for Palestine Refugees in
the Near East**

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Summary Note

Regular Session

Advisory Commission of the United Nations Relief and Works Agency (UNRWA)

Cham Palace Hotel, Damascus

10 and 11 June 2008

Chairperson: Mr. Mustafa (Syrian Arab Republic)

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10 June 2008

The meeting was called to order at 8.40 a.m.

Informal preparatory discussion

The Agenda contained in UNRWA/CN/Agenda/2008/06/Rev.3 was distributed during the meeting.

The Chairperson's letter to the Commissioner-General

1. There were no comments on the draft letter from the Chairperson of the Advisory Commission to the Commissioner-General.

Statement of enhanced partnership

2. There were no comments on the draft statement of enhanced partnership.

Recommendations of the Sub-Committee

Recommendation on making strategic choices for 2010-2015: medium-term strategy development

3. **Mr. Ibrahim** (Lebanon) proposed that, after the phrase "without prejudice to UNRWA's mandate" in paragraph 1, a phrase along the lines of "providing the core services of education, health and relief to all Palestine refugees" should be added.
4. **Ms. Brooks-Rubin** (United States of America) proposed that the word "all" should be deleted because, although all refugees had the right to access the core services, not all of them actually did so. While the Agency's mandate to provide services should be recognized, the recommendation should also reflect the need for prioritization in the light of resource constraints.
5. **Mr. Azayzeh** (Jordan), supported by **the Chairperson**, said that the word "all" was meant precisely to emphasize the right of all refugees to access the core services, even if not all of them did so.
6. **Ms. Chenier** (Canada) agreed that the right of all refugees to access the core services should be recognized. At the same time, the recommendation should reflect the fact that in practice services were focused on the most vulnerable refugees. She proposed that the phrase "and the needs of the most vulnerable refugees" should be added at the end of paragraph 1.
7. **The Chairperson** said that a reference to the most vulnerable refugees was unnecessary and might give the impression that the number of such refugees was small. All parties agreed that the Agency's core services were above prioritization: such services were available to all refugees, even though some did not use them.
8. **Mr. Makken** (Netherlands) proposed that language such as "without prejudice to the entitlement of all Palestine refugees to the core services of UNRWA" should be used.

9. **Ms. Brooks-Rubin** (United States of America), supported by **Mr. Kirst** (Sweden) and **Ms. Chenier** (Canada), endorsed the Netherlands proposal and said that the phrase "and the needs of the most vulnerable refugees" should be deleted.

10. **Mr. Azayzeh** (Jordan), referring to paragraph 7, proposed that the word "welcome" should be changed to a word such as "needed" or "necessary".

Recommendation on organizational development in UNRWA: a midterm report

11. **Mr. Briscoe** (United Kingdom), referring to paragraph 1, proposed that the phrase "end-of-term report" should be replaced by the phrase "organizational development plan".

12. **Mr. Kirst** (Sweden) said that the recommendation should indicate that additional international posts were needed to implement the organizational development (OD) plan. He proposed the addition of a new paragraph 6 stating that Advisory Commission members supported the Agency's request for international posts to be funded by the United Nations biennium budget 2010-2011. Some such international posts had been approved but others were still awaiting approval.

13. **Mr. Scott** (Australia) said that his delegation had slight concerns about the wording of the new paragraph because UNRWA had not yet responded to the Advisory Commission's request to prioritize the requested posts.

14. **Mr. Kirst** (Sweden) proposed that the new paragraph should state that the Advisory Commission would work towards supporting the request for international posts.

15. **Mr. Scott** (Australia) expressed support for that proposal.

The meeting was suspended at 9.25 a.m. and resumed at 11.15 a.m.

Plans for UNRWA sixtieth anniversary events

16. **Mr. Guinness** (Spokesperson, UNRWA), introducing a PowerPoint presentation on proposed events to commemorate the Agency's sixtieth anniversary, said that the Agency had transformed the lives of millions of Palestine refugees and the communities and region in which they lived during its 60 years of operation. However, the sixtieth anniversary served as a reminder that a just and lasting solution was 60 years overdue. Palestine refugees must be offered the three choices granted to all refugees: settlement in the country of asylum, resettlement in a third country, or repatriation. Looking forward, the Agency would play an increasingly significant role as a force for human development, moderation and peace throughout the region.

17. **Mr. Fröhlich** (Swiss Agency for Development and Cooperation) said that it was important to emphasize that another 60 years of dispossession was not acceptable. To commemorate the Agency's achievements, events and activities would be held from 2009 to June 2010 at the United Nations in New York, Geneva and Vienna, at the European Commission in Brussels, and in Arab League countries, host countries, the Gulf States and donor States. The Agency would also mark its anniversary throughout the world by launching information campaigns and major publications on Palestine refugee issues.

18. The commemoration events would focus on the Agency's achievements in the context of the temporary nature of its mandate and would draw attention to sustainable results, including high education and health standards and high cost efficiency. They

would involve the refugees themselves as well as the host authorities, donors, the United Nations system, non-governmental organizations, the private sector and local organizations. They would convey the message that the Agency required sufficient support to carry out its mandate and at the same time would draw attention to the Agency's organizational development process and how it was helping to improve the services provided to refugees.

19. The commemoration events would have the following objectives: to raise awareness about the Palestine refugees and the Agency; to mobilize additional resources from the traditional donor base and find new donors; and to enhance the Agency's public information and external relations capacity. In order to achieve those objectives, the Agency would undertake a broad range of activities, including research, refugee community activities and public events. In addition, it would approach donors and host authorities and request them to provide airtime on their public television channels, to post supplementary advertisements in their main newspapers and to stage awareness-raising events.

20. **Mr. Guinness** (Spokesperson, UNRWA) said that the following priority activities had been identified by the Agency: the launch of an audio-visual campaign, the holding of a high-level pledging conference at a session of the General Assembly, the designing of a logo for the Agency and the organization of celebratory cultural events.

A short film on proposed cultural events was shown.

21. **Mr. Guinness** (Spokesperson, UNRWA) said that other priorities that had been identified included training refugees to present radio programmes in the five fields of operation; organizing a trade show; holding special events in each field of operation; convening a Hosts and Donors Meeting in 2009; organizing a research and academic symposium; digitalizing the audio-visual archive and constructing a new archive location; staging a play and making a documentary; and establishing a scholarship endowment fund of the Commissioner-General. Finally, the Agency had sponsored an international art installation by Scottish artist Jane Frere, who had focused on the right of return and had addressed some of the most problematic issues facing the Agency, including the perception that in some respects conditions had not changed over the past 60 years. The art installation would undoubtedly make an important contribution to the public information campaign.

A video clip on the art installation was played.

22. **Mr. Fröhlich** (Swiss Agency for Development and Cooperation) said that the preparation process had started in March and that the purpose of the current discussion was to collect input in the form of comments, political and financial support, and any other contributions. The purpose of the proposed activities was to commemorate a sad event but also to remember and acknowledge what had been achieved.

23. After the current session, UNRWA would set up a strategy team which would work on a final project proposal and consider fund-raising matters. The aim would be to pool funding, perhaps in a trust fund, and to have a single reporting scheme. The amount

of money needed could be as much as \$4.5 million over two years, but donors could also help in other ways, for example by providing staff.

24. **Ms. Vege** (Switzerland) welcomed the idea of an advocacy event aimed at creating awareness and sharing knowledge. A list of major events, each with related activities, could be drawn up. Switzerland would consider ways of supporting the Agency either through technical expertise or through funding. It was important to start the funding process early.

25. **Ms. Areskoug** (Sweden), noting that there was no solution so far to the refugee issue, said that the anniversary should be treated not as a celebration but rather as an opportunity for awareness-raising. Sweden supported the holding of commemorative events as a strategic investment which should be connected to the resource mobilization strategy. Perhaps the matter could be discussed further by the Sub-Committee, as the Advisory Commission would not be meeting again until November.

26. **Mr. Azayzeh** (Jordan) said that the sixtieth anniversary of UNRWA had a special significance for those who had suffered as refugees. As a host country, Jordan welcomed all the proposed activities.

27. UNRWA had been accused of employing extremists, but, as a former refugee who had benefited from its services, he could affirm that the nurses, doctors and teachers whom he had encountered had provided a high quality of service and were noble and giving people. In commemorating the 60-year-old tragedy, the refugees themselves could make a significant contribution. Many of them had died of old age, but their children could bear witness to their suffering. It was important for the refugees to be true partners

in the commemoration events so that the world would understand what they had gone through.

28. **Mr. Wennesland** (Norway) said that an advocacy campaign was needed as a strategic supplement to the work on organizational development. A far broader outreach effort would be needed in the next few years to mobilize the resources required in both the short and the longer term. At present, global public awareness of UNRWA was almost non-existent. A campaign linked to the sixtieth anniversary could be a major part of a strategy to obtain the resources that UNRWA needed.

29. **Mr. Kjaer** (European Commission) expressed appreciation for the efforts made to formulate strategic objectives. Clearly, further work would be needed in order to develop a more coherent action plan. Efforts to increase general awareness would be needed, with different approaches for different target audiences. Advocacy for funds among donors would also be necessary. The European Commission was trying to increase its public outreach activities and would appreciate input from other donors about their own efforts, since there might be scope for joint activities. Some donors could contribute technical advice, in the context of the Advisory Commission or of a working group.

30. **Mr. Whitley** (Director, UNRWA Representative Office, New York) said that it was important to achieve a balance between retrospective and prospective elements, so that UNRWA was not seen as backward-looking or self-congratulatory. The sixtieth anniversary was an opportunity to confirm in the public mind the strategic repositioning of UNRWA within the United Nations family and within the international relief and development community. UNRWA was a dynamic, innovative agency and yet was

unknown to most members of the public and to many Member States of the United Nations. The anniversary could be used as an opportunity to respond to the mistaken criticisms of UNRWA as a self-perpetuating welfare agency and to show that it was a results-oriented organization that promoted the ability of people to stand on their own feet.

31. The New York office was in a position to raise the awareness at United Nations Headquarters and also with respect to the public in the United States and Canada. The process of seeking political endorsement of any event planned for the sixty-fourth session of the General Assembly must be started well in advance, as the event would have to be approved by the General Assembly at its sixty-third session. Member States would want to know about the cost implications and the expected outcome. At least three months of full-time preparation work would be needed for a half-day or one-day event.

32. He agreed with the representative of Jordan that refugee involvement was important. Perhaps successful beneficiaries of UNRWA programmes could be invited to join a steering committee to provide overall guidance for the event.

33. **Ms. Mokaddem** (Lebanon) said that different approaches would be needed for different audiences. One area of work would be the preparation of official messages about the achievements and role of UNRWA as a neutral body that contributed to the maintenance of stability in the region. Another area was the creative aspect of events. Host countries and donors could help by suggesting venues and so forth. The third area was the refugee dimension. It was not acceptable to say that refugees should have the right to three options, because Palestine refugees aspired only to return to their homes.

Many films had been made about the refugees, and UNRWA had a large archive which could be used for retrospective events.

34. The proposed steering committee, regardless of its composition, would have to work on those three areas. UNRWA could do some of the work in Jerusalem, but part of the process would have to take place in one of the host countries so that the refugees could participate fully.

35. **Mr. Makken** (Netherlands) said that, when launching the anniversary campaign, it was important to bear in mind that the current political climate in Europe was characterized by Islamophobia and concern about terrorism. It would therefore be necessary to highlight not just the plight of refugees and the Agency's achievements in mitigating it, but also the fact that UNRWA had contributed to stability in the Middle East.

36. The level of awareness among young people of the refugee issue was generally low. Digitalized archives would therefore be a rich source not only for journalists but also for schools, which could be provided with ready-made packages aimed at drawing attention to the issue.

37. In the anniversary year, the Chairmanship of the Advisory Commission would be held by Egypt and the Vice-Chairmanship by Saudi Arabia. That would provide an excellent opportunity to raise awareness in the Arab world and to expand the donor base.

38. **Mr. Christensen** (Denmark) said that, in addition to holding specific UNRWA events, the Agency could act as a partner for other cultural events throughout the world, such as those to be held in Jerusalem during its tenure as Arab Cultural Capital in 2009.

39. **Ms. Lenz** (Germany) suggested approaching the foreign ministries of various countries to request exhibition space or other assistance.

40. **The Chairperson** said that the Palestine refugees were always ready to participate in UNRWA events, but what they really needed, as the Agency marked its sixtieth anniversary, was an improvement in services, especially in the wake of the 2004 Geneva Conference on Meeting the Humanitarian Needs of the Palestine Refugees in the Near East and in the context of the Agency's reform efforts. The anniversary should act as an incentive for the international community to find a just solution to the refugee problem. UNRWA was extremely important to the refugees, both in material terms and as a force for ensuring their cause was not forgotten.

The meeting was suspended for lunch at 12.10 p.m. and resumed at 1.20 p.m.

Opening of the session by the Chairperson

41. **The Chairperson** declared open the first regular session of the UNRWA Advisory Commission for 2008.

Statement by the Vice-Chairperson

42. **Mr. Rosnes** (Norway), Vice-Chairperson of the Advisory Commission, said that the current session of the Commission was being held in Damascus for the first time ever and came at the end of a successful year of Syrian leadership. The Syrian Arab Republic

had always been a firm supporter of Palestine refugees, as well as being a host country for many of them. The session was taking place against the background of new and, he hoped, promising opportunities in the region, but also of the sixtieth anniversary of the Nakba, which was a reminder of the need to intensify efforts to achieve an agreed solution to the refugee problem.

43. The situation of the Palestine refugees had not improved since the Advisory Commission's session the previous November, and the Agency's working conditions had also deteriorated. In addition, as had been emphasized at the extraordinary session held the previous April, the currency depreciation and the global food crisis were exacerbating the problems.

44. In the Gaza Strip, the overall situation had deteriorated dramatically. Normal economic life was no longer possible, crossings were closed, and humanitarian access and project implementation were severely hampered. Despite continued Egyptian efforts to mediate, optimism was premature. In Lebanon, the lack of stability was making life in the camps even more difficult than usual. However, it was hoped that the conclusion of the Doha Agreement would help improve the situation. In the West Bank, the economic situation had stabilized but not improved. Access and movement issues were being addressed regularly, but the number of obstacles was still on the rise, undermining the efforts undertaken by an increasing number of donors since the Annapolis and Paris Conferences in late 2007. The Syrian Arab Republic and Jordan had provided consistent and substantial support as host countries for decades and deserved to be commended by donors for their generosity.

45. The overall situation in the Agency's fields of operation should be the main rationale for increased contributions. Internal reform and organizational development were important tools for making the most of limited resources. However, funding decisions should be based as much on policy as on performance. Established rights and reported needs must remain the core inputs.

46. It was fitting that the follow-up to the 2004 Geneva Conference was to be discussed at the current session, under the able leadership of the incumbent Chairperson. UNRWA had made impressive progress since the Conference, but some issues required further follow-up before the focus could be shifted elsewhere. Events on the ground had worsened rather than improved the overall situation for refugees. The long-term effect of such developments and of the general climate of instability was increasingly being felt both by UNRWA and by the Palestine refugee population in the occupied territory. UNRWA would have the full support of the Advisory Commission in addressing those challenges in the year ahead. Norway, which would be holding the Chairmanship for the next 12 months, looked forward to working with all concerned to improve the relationship between the host countries, UNRWA and donors.

Statement by the Commissioner-General

47. **Ms. AbuZayd** (Commissioner-General, UNRWA) said that, on the sober anniversary of 60 years since the forced flight of Palestinians into exile, it was fitting that the Advisory Commission session should be hosted by a Government that offered exemplary hospitality and support to Palestine refugees.

48. Following the Geneva Conference in 2004, donors, host countries, stakeholders and UNRWA had embarked on a joint venture to renew the Advisory Commission's sense of purpose and its partnership with UNRWA in the service of Palestine refugees. Through a reinforced membership, revised procedures and a dynamic approach to its work, the Commission had made much progress in that direction. She expressed her appreciation for the support offered to UNRWA and Palestine refugees through the Commission.

49. Since the Commission's last regular session, the region witnessed many challenges including outbreaks of armed conflict and humanitarian crises. Yet the desire for peace and the potential for human development were ever present, alongside real opportunities to pursue them.

50. In the occupied Palestinian territory, the situation of Palestinians and Palestine refugees remained grimly precarious. Poverty and unemployment were rife, while movement restrictions and grave human rights abuses continued to deny Palestinians the dignity and human security which should, under international law, be theirs by right.

51. In the West Bank, it was gravely worrying that physical and administrative obstacles to Palestinian movement were beginning to assume the quality of permanence. In defiance of international law, the separation barrier and its associated regime continued to expand, rendering the economy stagnant, paralysing livelihoods and destroying hopes of any return to normal life. Appeals to ease movement restrictions for Palestinians, including some from high diplomatic quarters, had thus far yielded little result. Minimal undertakings by Israel had been followed by small gestures or the imposition of more impediments. A recent report by the Office for the Coordination of

Humanitarian Affairs (OCHA) indicated that between September 2007 and the end of April 2008, closure obstacles had increased in number from 566 to 607.

52. The increasing rigidity of the closure regime adversely affected the Agency's operations, impeding access to Jerusalem for Palestinian staff and necessitating additional expenditure for storage, demurrage, transportation and the palletizing of humanitarian supplies. Further costs for lost staff days, labour replacement and associated administrative work amounted to tens of thousands of dollars over the course of the year.

53. Meanwhile, there was no let-up in the pace of arbitrary expropriation of Palestinian land. At a meeting in May 2008, the Middle East Quartet had repeated its previous call for a halt to Israeli settlement activity on Palestinian land and the dismantling of settlements constructed since March 2001. Exactly one month later, a decision to build 884 new homes in East Jerusalem had been announced, providing one more demonstration of the disregard for international law that was leading to the sustained violation of Palestinian rights.

54. In Gaza, the scale of such violations was so dramatic and pervasive that it shocked those who glimpsed it. Archbishop Desmond Tutu, who had led a Human Rights Council fact-finding mission to Gaza in May 2008, had commented that reports of the deprivation, despair and lack of economic activity had not prepared his team for the stark reality of life there. The normal signs of urban life had been lacking: there had been few pedestrians in the streets and hardly any vehicles because of the scarcity of fuel. The testimony of victims and survivors of the Beit Hanoun massacre had exacerbated his team's sense of shock. He believed that ordinary Israelis would not support the blockade if they knew what it meant for ordinary people like themselves: restricted fuel supplies,

automatic power cuts and the interruption of food and water supplies to hospitals, which jeopardized people's lives.

55. Such needless suffering was but one dimension of the Gaza tragedy. Other aspects were incessant armed conflict, the deliberate destruction of Palestinian economic assets, extrajudicial killings, civilian deaths and injuries, and the collective trauma of the population. Armed militants in Gaza had themselves acquired the habit of breaching international law with their indiscriminate and deadly attacks on Israeli civilians, which were not only illegal but also damaging to the Palestinian cause.

56. At the same time, there had recently been credible reports of Palestinian, Israeli and Egyptian efforts to secure at least a temporary calm, as well as welcome public indications of a rapprochement between the leaders of Hamas and Fatah. In the light of the regional security risks of the Israeli-Palestinian impasse, every opportunity to achieve conciliation and cessation of conflict must be grasped by the international community.

57. In Lebanon, recent developments had led to positive opportunities that deserved committed international support. Following two consecutive summers of armed conflict, a long-running constitutional crisis and recent inter-factional fighting, the election of President Suleiman gave cause for optimism. Under his leadership and with the support received from the Prime Minister and his Government, the challenges faced in Lebanon, such as the adoption of legislation granting refugees normal access to employment, secondary education and other fundamental rights, and the implementation of a plan to improve living conditions in all refugee camps, could be tackled with new confidence.

58. The most daunting challenge ahead, however, was the reconstruction of Nahr el-Bared camp and its surrounding communities. A meeting had taken place in Beirut the

previous day to prepare for the upcoming conference on Nahr el-Bared, to be held in Vienna. Rebuilding the camp would be a massive undertaking that would test the generosity of donors and the project implementation abilities of UNRWA and its partners. Despite the magnitude of the task, UNRWA was convinced that collective efforts would be equal to it.

59. In Jordan and the Syrian Arab Republic, UNRWA and the Palestine refugees it served benefited from unreserved Government support and a stable operational environment. UNRWA should take advantage of the favourable circumstances in those two countries to maximize its human development work for Palestine refugees by supplementing Government investment and actively mobilizing resources to improve the quality of its services.

60. Turning to the Agency's internal preoccupations, she said that the financial situation of UNRWA had for some years been characterized by uncertainty. Repeated budget shortfalls had limited the Agency's ability to plan on the basis of refugee needs, much less carry out desired service enhancements and necessary innovations. A General Fund deficit of some \$98.8 million in 2008 meant that the Agency could address only the bare minimum of refugee needs. It was no surprise, therefore, that its schools and clinics were overcrowded and poorly maintained, that camp infrastructure was decrepit, and that the assistance offered to poor refugees was meagre by international standards.

61. In addition, there was a gap of \$18.5 million between the Agency's predicted income and its estimate of expenditure by the end of the year, and the worldwide economic downturn, together with spiralling food, energy and commodity prices, had begun to affect its finances. Further pressure had come from the reduction or removal of

certain government subsidies in the region, which had created hardships for many staff members and had necessitated salary increases. Those circumstances had motivated the request for the extraordinary session of the Commission held in April. She looked forward to hearing what action delegations would propose in order to give UNRWA the financial stability it needed. The Agency was grateful for the increased contributions received over the past year, which would go a long way towards mitigating its financial woes. However, much more was needed.

62. When requesting the support of Commission members, UNRWA was sharply aware of its own responsibility to place its internal functioning on a sound footing. Reforms were necessary in order to utilize contributions more efficiently and to serve Palestine refugees more effectively. The Agency was therefore firmly committed to ensuring the success of the OD process. At the current halfway point of the three-year plan, significant progress had been made in areas such as programme cycle management, the institution of a medium-term strategy, the development of modern human resources management and the retooling of internal processes. Most importantly, the OD process had been assimilated into the thinking and behaviour of staff, which would ultimately make it possible to achieve permanent institutional transformation.

63. The Agency's determined approach to management reform was a measure of its sense of responsibility and devotion to excellence in the discharge of its mandate. However, its service to Palestine refugees could not be a solitary endeavour because humanitarian work was grounded in universally held principles of humanity and internationally shared responsibilities. The impact of its programmes would be constrained as long as Palestinians were denied fundamental rights and freedoms and the

protection of international law. Its work would be truly complete only when a just and lasting solution was achieved for Palestine refugees.

64. The year 2008 was the sixtieth anniversary not only of the genesis of the Palestine refugee phenomenon but also of the promulgation of the Universal Declaration of Human Rights. In 2009, six decades of the Agency's existence would be commemorated. Those anniversaries were opportune moments for considering what more could be done by international actors - both within and beyond the sphere of humanitarian assistance - to give meaning to human dignity for Palestine refugees, to bring closer the realization of justice and a State of their own for Palestinians, and to seize opportunities for turning conflict around. Those opportunities were beckoning in Lebanon and in the occupied Palestinian territory. They should be grasped while it was possible to do so.

65. **The Chairperson** thanked the Commissioner-General for her continued support for the Palestine refugees through UNRWA.

Welcoming remarks by the Government of the Syrian Arab Republic

66. **Mr. Mekdad** (Deputy Minister for Foreign Affairs of the Syrian Arab Republic) said that the current session of the Advisory Commission marked the sixtieth anniversary of the invasion of Palestine and the Nakba, when hundreds of thousands of Palestinians had been forcibly displaced by Israeli terrorism. The inhabitants of the occupied Palestinian territory continued to suffer from Israeli aggression and from the current blockade. Women, children and the elderly suffered starvation and were subjected to

atrocities. Israel continued to destroy kindergartens, schools and homes, uproot trees, bulldoze farmland, confiscate Palestinian territory and expand settlements.

67. The construction of the separation wall continued unabated, even though the International Court of Justice had, in its advisory opinion of 9 July 2004, concluded that it constituted a breach of international law. The Court had called for those parts of the wall situated in the occupied Palestinian territory, including in and around Jerusalem, to be dismantled. It had also found that Israel had an obligation to compensate those who had been affected, and that all States had an obligation not to recognize the illegal situation resulting from the construction of the wall and not to render aid or assistance in maintaining it.

68. The national unity of the Palestinian people was threatened with fragmentation. The Government and people of the Syrian Arab Republic therefore welcomed recent initiatives aimed at restoring that unity and strengthening the role of the Palestine Liberation Organization.

69. Israel was also preventing UNRWA from carrying out its functions and providing humanitarian aid. Many of the Agency's facilities, which had been built with the help of United Nations Member States, had been attacked or destroyed. The international community had a duty to condemn such actions.

70. Over 11,000 Palestinians from the refugee camps, whose humanitarian conditions were the responsibility of UNRWA and of the United Nations as a whole, continued to languish in Israeli prisons on spurious charges. The same applied to detainees from the occupied Syrian Arab Golan, some of whom had spent more than 23 years in Israeli prisons. The lives of two of them, Sitan al-Wali and Bishr al-Maqat, were in serious

danger, while a third, the martyr Hayil Abu Zayd, had died. The United Nations had a responsibility to ensure the release of those detainees.

71. Similarly, Member States, the Security Council and all international organizations should work to end the Israeli blockade of the Gaza Strip and to ensure Israel's compliance with the resolutions that had served as a basis for the peace process since the 1991 Madrid Conference. Those resolutions provided that Israel should withdraw from all occupied Arab territories, namely from the occupied Palestinian territory, the Golan Heights as defined by the borders of 4 June 1967, and the remaining occupied Lebanese territories. They also called for the establishment of an independent, sovereign Palestinian State with Jerusalem as its capital, and for the return of Palestine refugees to their homes.

72. Until the Palestinian people were able to exercise their inalienable right of return, the Syrian Arab Republic would continue to support them and to support UNRWA. The Syrian Arab Republic was host to around 500,000 Palestinians. It had adopted legislation granting them the same rights as Syrian citizens in every aspect of life, while recognizing them as Palestinian citizens and as brothers and guests. In 2007, it had spent more than \$136 million on areas such as education, social and health services, security and food for Palestine refugees.

73. The Geneva Conference of 2004 had been organized in order to assure Palestine refugees that the international community would not abandon them, and that it would continue to support UNRWA until a just and permanent solution to their situation could be found. In the wake of the Conference, the work of the Advisory Commission had taken on a new dimension. The Commission worked with UNRWA to improve the lives

of Palestine refugees by renovating homes, building schools, health centres and social centres, and improving sanitation. None of those initiatives affected in any way the Palestinian right of return, which the Palestinians themselves had asserted by rejecting naturalization of any sort.

74. However, the Conference had also found that UNRWA was in need of generous donations and a broader donor base. The Agency was now facing further difficulties because of the global rise in food prices. All donors should therefore give generously in order to cover the shortfall. In addition, the salaries of international staff working for UNRWA should be financed by the regular budget of the United Nations, in accordance with General Assembly resolution 3331 B (XXIX). Any reduction in funding for UNRWA must not affect Palestinians in host States.

75. He expressed his appreciation and support for the work of the Commissioner-General and her team, congratulated the Commissioner-General on the extension of her term of office until 31 December 2009, and praised the efforts of the Director-General of the General Administration for Palestine Arab Refugees (GAPAR).

The meeting was suspended at 2.05 p.m. and resumed at 2.30 p.m.

Recent developments in the UNRWA area of operations

76. **Mr. Ging** (Director of UNRWA Operations, Gaza) said that the two main issues in Gaza continued to be violence and lack of access. A pervasive sense of fear dominated every household. So far in 2008, 391 Palestinians, including 65 children, had been killed

and a further 872 Palestinians, including 179 children, had been injured. At the same time, it was important to condemn the rockets fired from Gaza into Israel on an almost daily basis. So far in 2008, almost 3,000 rockets and mortars had been fired into Israel, killing 6 civilians and injuring 119.

77. The second issue underlying the humanitarian crisis was the closure regime. The cut-off of the fuel supply for vehicles since early April 2008 had forced citizens to walk everywhere or to run their vehicles using alternative sources of fuel, some of which were highly flammable. The Agency itself had run out of fuel in April, which had prevented food distribution for three days. Although the Agency had received fuel supplies twice since that crisis, the fuel situation remained highly precarious. Vital public services, including health, water and sanitation, had been severely affected by the fuel shortages. There was no solid waste collection in over 50 per cent of the municipalities in Gaza, and large quantities of raw and partially treated sewage were being pumped into the Mediterranean Sea every day because treatment plants had run out of fuel. Fifteen diesel-powered water wells had shut down completely, leaving 70,000 people without water in their homes. It was estimated that 30 per cent of Gazans had running water for only four to eight hours per week, 40 per cent once every four days and the remaining 30 per cent every other day.

78. The economy remained in a state of collapse, as no raw materials for manufacturing or construction had been allowed into Gaza since June 2007. Owing to the closure of most of Gaza's industrial companies, 80 per cent of Gazans were living below the poverty line, with 1 million relying on United Nations food handouts. Approximately \$213 million worth of United Nations humanitarian and development projects remained

on hold because construction materials could not be taken into Gaza. In addition, the materials needed for the 2008 Summer Games, which would benefit 248,000 children, had not yet been imported, even though the activities were due to commence in 11 days' time. The severe restrictions on freedom of movement continued to have a devastating effect on morale. The key to reversing the trend of human misery and violence in Gaza was therefore access.

79. The Palestine refugees in Gaza continued to demonstrate inspirational dignity in undignified and uncivilized circumstances. The Agency's microfinance and microenterprise programmes and the job creation programme had highlighted the refugees' entrepreneurial spirit. The Agency's staff had also shown outstanding dedication and creativity in the most challenging operational circumstances. For example, the collapse in academic standards had prompted additional efforts from staff, leading to quantifiable academic improvement.

80. The Equality in Action initiative, launched at the Hosts and Donors Meeting in November 2007, was moving forward with tangible results thanks to the generosity of donors and the efforts of staff. The Agency was on target to have a women's radio station operational in 2008 and was providing effective assistance to community-based organizations dealing with domestic violence. In addition, social and recreational spaces for thousands of teenage girls were being created. A staff women's committee had been mobilized to support the implementation of the Agency's gender strategy. In all areas, it was essential to ensure the legality and humanity of policies that impacted on the civilian population of Gaza. To that end, policymakers were encouraged to visit Gaza in order to

witness for themselves the plight of the population but also the opportunities that still existed.

81. **Ms. Shenstone** (Director of UNRWA Operations, West Bank) said that the social, economic, political and military situation in the West Bank was bleak. According to a survey conducted in April 2008 by Sharek Youth Forum and Near East Consulting Firm, 87 per cent of young people in refugee camps in the occupied Palestinian territory were either depressed or extremely depressed. Furthermore, one quarter of the West Bank population lived in poverty, and a deep unemployment crisis was affecting Palestinian workers. Many of those who did work had to rely on part-time or low-paid jobs that were unpredictable and increasingly informal. The unemployment crisis particularly affected young people and women and was also discouraging students from enrolling in higher education.

82. In the West Bank, 25 per cent of Palestinian households suffered from food insecurity and a further 16 per cent were at risk of becoming food-insecure. Rapid and dramatic increases in the cost of basic foods were forcing families to eat less and poorer-quality food. Those changes were likely to exacerbate the health problems of Palestinians, with potential long-term consequences for children. As a result of the increase in food prices, food expenditures represented 57 per cent of the typical expenditure of West Bank refugee households. Consequently, families were falling into debt and selling household items, women were forced to work far from home or even to beg, and domestic and communal violence were both on the rise. The agreements concluded at Annapolis, Paris and Bethlehem had not led to significant economic recovery. In addition, there was increasing regional disparity, with higher levels of

poverty in the north and Hebron, while herder groups such as the Bedouins lived in particularly dire conditions.

83. The closure regime and military occupation of the West Bank continued to restrict the social and economic life of its people. The number of road blocks and other impediments to movement had increased, reaching 607 in April 2008. Under a closure regime characterized by military raids, arrests, detentions, denials of permits, and new permits and rules, the Agency was becoming less able to move goods and people to where they were needed, at a time when demand for its services was increasing. It was especially concerned about searches of United Nations vehicles in contravention of previous agreements with the Agency, about violations of the neutrality of UNRWA premises, and about new goods terminals and procedures that limited the Agency's ability to operate throughout the West Bank.

84. The protection of the refugees in the West Bank was also becoming increasingly problematic. Military occupation and resistance continued to have a significant humanitarian impact in the camps. The Agency continued to engage with the Israeli authorities on the need to respect the principle of proportionality and the protection of civilians in accordance with international humanitarian law. On another level, the breakdown in law and order in society at large made daily life insecure and often dangerous for many households. The Agency was especially concerned about the protection of herder communities in rural areas.

85. In conclusion, the challenge in the West Bank was twofold: first, it was essential to maintain basic services such as education, health care, poverty alleviation projects and social services; secondly, it was necessary to address emergency needs such as food

insecurity, unemployment and lack of money. In the context of the worsening situation in the West Bank, OD reforms were of the utmost importance because they would enable the Agency to become more capable of meeting changing and increasing needs and delivering essential services. Above all, political initiatives were required to put an end to the dire situation in the West Bank.

86. **Mr. Cook** (Director of UNRWA Affairs, Lebanon) said that the Agency had faced outbreaks of fighting in Lebanon in 2008 which had posed a threat to staff and operations in Beirut, the Tripoli area and the Beqaa Valley. Following those outbreaks of violence, the President and the Prime Minister had both expressed their commitment to improving the situation of Palestinians in Lebanon. Palestinian leaders in Lebanon had made it clear that they did not want to get involved in internal politics and conflicts in Lebanon, though there was some concern that extremist groups operating from the camps might try to interfere with the new Lebanese-Palestinian relationship. Significantly, Palestinian factions had united to work with the Lebanese Government with a view to improving conditions for refugees and providing security for both communities. During the current difficult times, budget constraints had prevented the Agency from providing the level of security required by its staff, who faced daily threats from refugees who were frustrated that the Agency could not live up to their expectations.

87. The most significant challenge had been to address the consequences of the conflict in Nahr el-Bared camp. The Agency had provided relief services to 5,554 displaced families, of which 1,906 had returned to the area adjacent to the camp. It had also constructed 574 shelters, provided rental subsidy to over 3,000 families, provided food and non-food distributions to the displaced families and 1,500 host families,

constructed three prefabricated schools and provided normal and emergency services to registered refugees. In its reconstruction and recovery efforts, the Agency had been supported by other United Nations agencies, the International Committee of the Red Cross and non-governmental organizations. Its relationship with the Government of Lebanon had been one of mutual support and cooperation. While the displaced were generally appreciative of the Agency's efforts, frustration existed because of restrictions on movement, the fact that certain families could not move back to their homes, and the detention of young Palestinians during and after the conflict. The Agency was following up on those issues with the Lebanese Army.

88. The current emergency appeal would provide the Office with funding until 31 August 2008, and another appeal was being prepared for the 16-month period until the end of 2009. The new appeal would provide funds for current relief activities, including maintenance of temporary accommodation, rental subsidies, health and education services, preliminary assistance for businesses and additional funding for rubble removal. The appeal would be launched at the Vienna conference.

89. The Government of Lebanon, the World Bank and UNRWA had distributed documents outlining the reconstruction and recovery plans. Contributions could be made through a World-Bank-administered trust fund or directly to a chosen authority or agency. UNRWA had committed itself to the reconstruction of the Nahr el-Bared camp, rehabilitation of the infrastructure of Beddawi camp and the socio-economic recovery of the refugees affected by the crisis. The Commissioner-General had also recently agreed to a request from the Prime Minister for assistance in disbursing reconstruction funds to Palestine refugees whose homes in the area adjacent to the camp had been destroyed or

badly damaged. The mechanisms for that assistance would be specified in an agreement between the Agency and the Lebanese Government.

90. The master plan for the reconstruction of the camp had been a collaborative effort between the Agency and the Palestinian community. The concerns of the displaced population that the camp might not be rebuilt were lessening as progress became visible. It was therefore essential to maintain momentum. Work had recently begun on the removal of rubble from the UNRWA compound in the camp, which would serve as an operations base for the larger task of rubble removal in the rest of the camp. A demining survey had also been carried out. The United Nations Development Programme (UNDP) was managing the main rubble removal contract, and work would start in early August. The rubble would be removed sector by sector so that reconstruction work could begin before the end of year. As UNRWA did not have the capacity to undertake the reconstruction work alone, it had invited expressions of interest from project management, design and supervision consultants.

91. Despite the huge scale of the Nahr el-Bared project, UNRWA was confident of its ability to meet the challenges it presented, provided there was continuing support from donors. The Agency would also draw on outside expertise. The funding required was considerable, but it must be found so that the homes and lives of the displaced could be rebuilt.

92. While Nahr el-Bared had understandably been the main focus of attention over the past 12 months, it was essential to continue to improve conditions in the other camps in Lebanon so as to reduce frustration in the Palestinian community and promote stability in Lebanon. Unfortunately, less than half of the amount pledged for the camp over the

past three years had actually been received. Projects for shelter rehabilitation, health services, vocational training and reactivation of businesses had been completed, but other projects had been delayed by the events of the past two years.

93. Like the other fields of operation, Lebanon had been affected by the shortfall in resources for the General Fund. In 2007, only \$55 million of the approved budget of \$70 million for the Lebanon field had been received, a shortfall of 21 per cent. Education, hospitalization cover and cash subsidies to those most in need had been seriously affected. As for relief and social services, only two thirds of the required funding had been available in a field where 12 per cent of the population were special hardship cases, unemployment and underemployment were high, and poverty continued to worsen. The situation in the current year did not look any better, yet failure to assist those most in need would only increase their frustration and desperation. There were no other major service providers to fill the void.

94. **Mr. Moutzis** (Director of UNRWA Affairs, Syrian Arab Republic) said that the UNRWA programme in the Syrian Arab Republic benefited from the country's peaceful and stable environment and the fact that, although the Palestine refugees living there did not have Syrian nationality, they had the same rights as Syrians, such as the right to be employed, the freedom to relocate, the right to own property and the right to set up a business. Moreover, both the Government and the general public treated them with dignity and respect. The Agency's activities in the Syrian Arab Republic were greatly enhanced by partnerships with other agencies such as the Japan International Cooperation Agency (JICA), the United Nations Children's Fund (UNICEF) and other members of the United Nations country team.

95. The sixtieth anniversary of the Nakba had been a sobering experience and he hoped that the Palestinians would not have to endure another 60 years without a solution. UNRWA had long emphasized that it was vital to pursue human development and self-sufficiency. In the Syrian Arab Republic, the excellent results of the students at UNRWA schools demonstrated the clear focus of the Palestine refugee population on education. Unfortunately, the UNRWA schools, like the health clinics, were overcrowded, outdated and inadequate for the rapidly growing population. Almost all of them operated on a double-shift basis and some had over 55 pupils per classroom. There was a proposal to build at least 10 new schools over the next two years.

96. The Palestinian children at UNRWA schools learned of their rights and responsibilities. In addition, an environmental initiative launched in early 2008 had mobilized the community for efforts that included the planting of thousands of trees in the camps and in school gardens. The refugee community had embraced the initiative aimed at making their carbon footprint lighter.

97. UNRWA had worked with GAPAR to separate the issues of improving refugees' living standards from the issue of a just and durable solution to the plight of the refugees. Under the Neirab camp rehabilitation project, the refugees had been provided with new housing, water and sanitation infrastructure, and also skills training, employment and microfinance opportunities to enable them to improve their own lives. The community-based approach used in the Neirab project had also been used successfully in several other projects. Some \$36 million was now urgently needed for the second phase of the Neirab project.

98. Some 3,000 Palestinians who had fled Iraq two years previously were still living in harsh conditions in the desert border areas. He appealed to all those present to contribute to finding a solution for that extremely vulnerable group.

99. The biggest challenge in the Syrian field was the fact that over half of the camp population was under the age of 25 and was affected by the high unemployment rate in the camps. Many young refugees were therefore depressed, which could lead them to drug or alcohol abuse or extremism. UNRWA had introduced a number of economic empowerment initiatives, including the establishment of five job centres to provide young people with counselling, interview skills training and links with the employment market. That initiative needed to be extended to all camps. The Agency's microfinance programme had been a major success and should also be expanded. The vocational training centre in Damascus offered training to some 500 young Palestinians every year, but that number represented only about 5 per cent of youth needs.

100. The Syrian economy was enjoying a growth period and, if up-to-date training was made available to refugees, they could benefit from the new opportunities in the employment market. Some direct funding for programmes and initiatives had been provided by private businesses and by several Palestinian philanthropists.

101. Investing in young people and addressing their needs was the best way to promote peace, stability and security for the future and to ensure the long-term prosperity of Palestine refugees, in line with the aims of the OD process. It was imperative to make use of the enormous potential available in the Syrian Arab Republic, where the economy was developing and opening. There was no reason for the unemployment rate to be higher

among Palestine refugees than among Syrians, or for young refugees to fall prey to social ills. They deserved support in order to realize their dreams.

102 **Mr. Davies** (Deputy Director of UNRWA Operations, Jordan) said that the impact of current worldwide economic conditions on the Agency's funding was keenly felt in the Jordan field, since nearly half of all Palestine refugees were registered there. The Agency continued to operate its services from ageing buildings that would soon need to be replaced. Two school buildings had already been condemned as structurally unsafe and others were likely to suffer a similar fate.

103. Since the previous session of the Advisory Commission, the Agency had been seeking additional funding and would soon be finalizing an agreement for the reconstruction of a school in the Zarqa camp. In addition, the Government of Romania was about to announce an agreement to fund furniture and equipment for the Agency's health centres. A European-Union-funded project aimed at improving living conditions in Jerash camp had already achieved positive results, and the newly established camp development office was encouraging refugee community participation. The office was currently working on programmes aimed at assisting unemployed refugees to find employment or to set up their own businesses. Efforts to improve living conditions in the camp would continue. Moreover, the Government had recently signed a contract for the construction of a sewage treatment plant, which would enable the camp to be linked to the main sewage and water infrastructure in the coming years.

104 A camp development plan was to be established for Talbieh camp, in close cooperation with the Jordanian Department of Palestinian Affairs, which had already

undertaken a programme of shelter rehabilitation in all the camps. The programme was funded entirely by contributions from donors.

105. In spite of constraints on the Agency's education programme, the Palestinian students attending UNRWA schools continued to excel. In recent national tests for tenth-grade students, those from UNRWA schools had ranked first in the country in Arabic and second in English, a remarkable achievement considering that most of the schools continued to operate on a double-shift basis and many were also using totally unsuitable facilities. The topic of human rights was an integral part of school activities, school parliaments continued to flourish and parent-teacher associations were playing an increasing role in improving the school environment. In addition, the Agency's Education Science Faculty had maintained the top position in the university qualification exam.

106. With regard to health services, a contract would soon be signed for expansion of the Talbieh camp health centre, and another centre, previously housed in an unsuitable building, had recently been relocated to new purpose-built premises. Owing to the economic conditions in the region, increasing numbers of refugees were registering at the Agency's health centres. Moreover, because of price increases, the Agency was facing a shortfall of \$700,000 in its budget for medicines. UNRWA continued to work closely with the Department of Palestinian Affairs. Many infrastructure improvements had been made at Talbieh camp and similar improvements would be undertaken at Jerash in the coming years. There were plans for new roads and a new hospital at Baqa'a camp.

107. The Jordan Field Office had established a programme support unit, which was currently working on a field needs assessment and implementation plan. The establishment of the plan should lead to an improved allocation of funds at the field level

in the next biennium, as the process had involved staff at all levels and representatives of the refugee community. However, it would not be possible to expand services unless funding was increased. The Jordan Field Office was currently operating with an allotment of \$96 million, compared to an established budget of \$121 million. Without additional funding, any new activity could only be undertaken if another planned activity was shelved.

108. The global rise in fuel, commodity and food prices had created economic hardship in Jordan. The Jordanian Government had granted pay rises to government employees, and UNRWA had also increased staff salaries. The Government was helping the poorest refugees, but the Agency was unable to increase its assistance to special hardship cases. However, the adoption of new selection criteria would ensure that the most vulnerable received assistance from UNRWA.

109. The OD process continued to move forward and the benefits were now being felt. Staff had been provided with training, and efforts had been made to gather their feedback and to address their concerns. In addition, four major processes – recruitment, payment of utility bills, payment of suppliers and acceptance of donations – had been reviewed, and reviews of another four would soon be completed. Staff were also being encouraged to identify new, more constructive methods of operation. The Jordan Field Office would continue those efforts to use its resources more effectively.

110. UNRWA in Jordan continued to operate in a calm and stable environment, but its work depended on the continued commitment of its staff, the refugee community, the host Government and donors. If donors could provide sufficient funding, UNRWA would

be able not only to cover the shortfalls in the General Fund but also to address some of the outstanding project needs.

111. **Mr. Whitley** (Director, UNRWA Representative Office, New York), introducing a PowerPoint presentation on the work of the UNRWA Representative Office in New York, said that in March 2006 the Office, previously a traditional Liaison Office at United Nations Headquarters, had been redesignated as a Representative Office in North America. It now engaged more systematically with stakeholders in Washington, D.C., New York and elsewhere in the United States of America and Canada.

112. First and foremost, the Office promoted Agency interests and engaged in outreach at United Nations Headquarters, where the Agency's strategic role in refugee development had long been underestimated. It also provided daily reports and ongoing information and policy advice to the Commissioner-General and UNRWA management on relevant issues, such as the United Nations reform programme. It contributed to the Agency's efforts to align itself more closely with the rest of the United Nations system and represented the Agency's views and needs vis-à-vis the States Members and the Secretariat of the United Nations. It also supported the Commissioner-General and other senior UNRWA officials on their visits to Headquarters.

113. The Office sought to strengthen partnerships with donors, in particular the Governments of the United States and Canada. It also supported resource mobilization efforts in its capacity as the Agency's principal interlocutor at United Nations Headquarters with 24 minor donor States not represented in the Middle East region. Lastly, the Office actively engaged civil society and the media in North America in efforts to improve understanding of the Agency's work and the needs of Palestine

refugees. In particular, it worked with relevant NGOs and Jewish groups and the Friends of UNRWA Association.

114. The Office's resources were small. It had three international staff posts funded from the United Nations regular budget. Its running costs were covered by the General Fund at an annual cost to donors of approximately \$26,000, and its total costs represented only 0.005 per cent of the Agency's regular budget. The recruitment of a new Junior Professional Officer in the second half of 2008, a post to be funded by Spain, would enable the Office to carry out more systematic public information and legislative work, especially with the United States Congress. The Office also made extensive use of interns. Ideally, it needed more staff, in particular a part-time representative in Washington, in order to cope with the expanded scale of its work. However, he was aware that all parts of the Agency's management were understaffed.

115. Turning to the Office's challenges and goals, he said that the Agency enjoyed consistent institutional support from the United States and Canadian Governments. However, the level of public awareness of UNRWA was low, which enabled some hostile groups to dominate the public agenda. With respect to the United States Government, therefore, the Office aimed to build on current support for the Agency and to take advantage of the change of Administration in early 2009; to secure an increase in the contributions made by the United States to the General Fund; to enhance understanding of the role of UNRWA in Congress; and to secure the reinstatement of the United States Agency for International Development (USAID) as a regular funder of Agency emergency programmes. With respect to the public in the United States, the Office aimed to support the Friends of UNRWA Association in its activities relating to

advocacy, public education and private sector fund-raising. It also aimed to increase media outreach, including special campaigns such as the sixtieth anniversary commemoration.

116. With regard to the Canadian Government, the Office aimed to build on existing financial support for the Agency and to ensure that political support remained solid; to build links with members of Parliament and key staffers; and to support Canada's traditional leading role in seeking long-term solutions to the Palestine refugee question. With regard to the Canadian public, the Office aimed to consolidate public support for Canadian multilateralism in the Middle East and to establish informal support networks among organized lobby groups.

117. In terms of inter-agency relations at United Nations Headquarters, the Office aimed to obtain UNRWA membership of the United Nations Development Group and to become a regular partner in inter-agency discussions on cooperation in development and humanitarian fields; to improve awareness within the United Nations of the importance of the Agency's role in the Middle East; and to highlight the Agency's contribution to the achievement of the Millennium Development Goals in the region. The Office had also adopted a proactive approach to intergovernmental engagement at United Nations Headquarters, which would continue with the possible holding of a ministerial-level meeting on the margins of the General Assembly high-level segment in September 2009 to mark the Agency's sixtieth anniversary.

118. The Office had become an increasingly important channel for policy recommendations between UNRWA Headquarters and United Nations Headquarters. It had also helped the Commissioner-General and her senior managers to align UNRWA

more closely with the United Nations system, including in the critical areas of oversight and reform, and had helped raise the Agency's profile at United Nations Headquarters. The Office had built awareness at Headquarters of the Agency's OD plan, which had paved the way for Member States' support for the six additional international posts agreed to in the 2008-2009 budget. The support of the Advisory Commission had been indispensable in that regard and would continue to be needed during the 2010-2011 budget cycle. Lastly, the Office's engagement with the United States Congress and Department of State had already yielded tangible results. In 2008, members of Congress had for the first time approached the Office for documentation in support of a significantly increased appropriation for UNRWA. That development heralded an increased appreciation of the value of the Agency as a whole.

119. **Mr. Azayzeh** (Jordan) said that the outcome of the 2004 Geneva Conference had not yet had a tangible impact on Palestine refugees. It was necessary to re-evaluate the situation of the refugees in Jordan. In the past year, no new schools or clinics had been opened, and there had not been enough resources available to cover all the refugees' needs. Attention should be drawn to the difficulties the Agency was facing, especially in the light of recent price increases, which placed additional pressure on the budget. The living standards of Agency staff needed to be maintained in order to support them in their work. In addition, the Agency's financial situation should be reassessed with a view to avoiding negative impact on the refugees. The Agency was a force for stability because its efforts helped to prevent refugees from becoming radicalized.

120. His delegation supported the rebuilding of Nahr el-Bared camp. However, it was concerned that some funds diverted from other projects for the rebuilding of the camp

had not actually been used for the intended purpose. The reconstruction should not be funded by cutting other services for refugees, all of whom were in need.

121. **Mr. Suboh** (League of Arab States), said that the League was pleased to be participating in a session of the Advisory Commission and that it was cooperating with UNRWA on the reconstruction of Nahr el-Bared camp. At the time of the Nakba, the level of education of the Palestinian people had been extremely high. Thanks to the support provided by UNRWA, in particular the schools it operated, that high level had been sustained.

122. His delegation attached great importance to the commemoration of the Agency's sixtieth anniversary, since most of the world knew little about the Agency and the work it carried out under difficult circumstances, which was appreciated by all Arab countries. Much remained to be done in order to achieve the goals of the Arab Peace Initiative, namely a comprehensive and just peace and the establishment of normal relations with Israel once the latter had withdrawn from the occupied Arab territories. General Assembly resolution 194 (III) had also not been fully implemented. He endorsed Arab countries' calls for improved cooperation between the Agency and host countries.

123. He was greatly saddened to hear the reports from the West Bank and Gaza. All the problems described would cease to exist if the occupation came to an end. A large proportion of children in Gaza and the West Bank suffered from malnutrition and anaemia, and the blockade was leading to a scarcity of clean water which, in turn, was causing disease. Such violations committed by the occupying forces constituted war crimes and crimes against humanity. He endorsed the comments made by Archbishop Desmond Tutu on his visit to the region and said that the conspiracy of silence about the

situation should be broken, so that peace and cooperation could become established in the region.

124. **Ms. Mokaddem** (Lebanon) said that the Lebanese Government was working in partnership with UNRWA and the Palestine refugees in Lebanon to improve the situation in Nahr el-Bared camp. She looked forward to the upcoming Vienna conference on the reconstruction project. However, she agreed with the representative of Jordan that problems in one of the Agency's fields of operation should not be addressed at the expense of other fields. She appealed for support for Lebanon in its efforts to deal with the difficult circumstances it faced, and also for support for the refugees, who, after 60 years in exile, were still awaiting a just solution to their plight and a return to their homeland.

125. **Ms. Brooks-Rubin** (United States of America) said that the Advisory Commission provided an important platform for stakeholders to discuss ways of addressing the urgent needs of the Palestine refugees. Her Government was taking active steps to support the bilateral negotiations between Palestine and Israel launched at the Annapolis Conference in November 2007. It was deeply concerned about the immediate humanitarian needs of the Palestinian people, including the refugees. The international donor conference to be held on 23 June in Vienna would provide an opportunity for donors to show their support for the reconstruction of Nahr el-Bared camp.

126. Her Government urged donors to respond to calls from the Agency for additional funding to cover shortfalls and also called on the Agency to reach out to new and non-traditional donors in order to expand its donor base. Her Government had recently approved payment of a sum of \$51 million as the second tranche of its contribution to the

General Fund, which brought its total contribution to the Fund to over \$91 million in 2008. In the context of the medium-term strategy for 2010-2015, the Agency had successfully identified policy priorities and made good use of scarce financial resources.

127. The United States remained concerned that access and movement restrictions, particularly in the West Bank and Gaza, were directly contributing to the deterioration of humanitarian conditions. They hampered the Agency's ability to implement humanitarian projects and made it more difficult for Palestinians and UNRWA staff to reach schools, health centres and places of work. Her Government was working with Israeli and Palestinian officials to address that question. In addition, the United States condemned in the strongest possible terms the continued attacks on border crossings by extremists in Gaza and the indiscriminate rocket fire into Israel. It commended the Agency's staff, who must continue to uphold the standards of conduct established by the United Nations, and encouraged the Commissioner-General to continue to implement critical reform initiatives.

128. **Mr. McRae** (Canada) said that the outlook in Gaza and the West Bank was especially distressing. While the situation in Lebanon was still worrying, the Government had adopted a constructive approach, especially with respect to improving conditions in Nahr el-Bared. The plight of Palestine refugees who had fled Iraq was of particular concern to Canada. It might be advisable to invite a representative of the Office of the United Nations High Commissioner for Refugees to attend the meetings of the Advisory Commission in order to participate in relevant discussions.

129. The dignified and courageous spirit of the Palestine refugees was truly impressive but it was unclear how long that spirit would be maintained. With that concern in mind, it

was necessary to seek political solutions to address the plight of the refugees, and the Advisory Commission and the international community should encourage the parties concerned to bring about political change. His Government appreciated the outreach work carried out by the UNRWA Representative Office in New York and hoped that further outreach initiatives could be undertaken, including in Canada.

130. **Mr. Briscoe** (United Kingdom) said that his Government paid tribute to the tireless efforts of UNRWA staff, some of whom had lost their lives in the line of duty. It welcomed the reform initiatives aimed at improving efficiency. It had been particularly struck by the plight of the refugees who had been unable to leave Gaza to take up academic scholarships and by the shortage of food supplies. He wondered what the cost of malnutrition would be in terms of personal well-being and gross domestic product (GDP). While he hoped that the end was in sight, he reiterated his Government's firm support for the Agency through its five-year incremental funding commitment.

131. **Mr. Abu-Baker** (Palestine) said that the occupation was the source of all the problems currently under discussion and urged countries to find political solutions to help the Palestine refugees. The favourable conditions in the Syrian Arab Republic and Jordan should be used as examples of how the Palestine refugees should be treated. With regard to restrictions on movement and access, it should be noted that Israel was the only party that created such obstacles.

132. **Ms. Uribarri** (Spain) said that it was important to thank the host countries for supporting the Palestine refugees. Her Government was firmly committed to the peace process in the Middle East and to helping the Palestine refugees. It had doubled its financial support to the Agency over the previous three years: in 2008, it had provided 8

million euros for the General Fund and 4 million euros for emergency funds. In addition, the autonomous communities of Madrid and Barcelona had signed their own agreements with the Agency, and Spain's Friends of UNRWA Association was raising additional funds.

133. **Ms. Areskoug** (Sweden) said that her Government would continue to support the Agency and believed that the organizational development process was key to its future success.

134. **Mr. Carera** (Switzerland) said that the situation in the occupied Palestinian territory was especially depressing, and the lack of access and respect for international law were of great concern. Donor countries had started informal discussions on the question of access, particularly in the occupied Palestinian territory. His Government hoped that the Advisory Commission would finalize a common position on access with a view to making possible diplomatic demands.

135. **Mr. Makken** (Netherlands) said that the Netherlands had increased its contribution to UNRWA in 2008. He requested information on the outcome of the previous day's meeting on Nahr el-Bared and asked what level of attendance was expected at the upcoming Vienna conference.

136. He also requested more information about the resolutions relating to UNRWA adopted by the General Assembly each year. Amalgamating the usual four resolutions into a single, more powerful resolution might better serve the interests of the Palestine refugees.

137. **Mr. Kjaer** (European Commission) said that a presentation on the work of the UNRWA Liaison Office in Brussels might be useful in the future. The European

Commission would be co-hosting the Vienna conference and expected all donors to ensure an adequate level of representation and to make substantial pledges. The European Commission had already pledged 20 million euros for humanitarian and early relief assistance, rubble removal and technical assistance to the Government for coordination of the reconstruction effort.

138. With regard to Gaza, the European Union at its most recent meeting of foreign ministers had expressed its deep concern at the unsustainable humanitarian situation in Gaza. It had reiterated its call for all parties to work urgently for the controlled reopening of the crossings into and out of Gaza for humanitarian reasons and commercial flows. In that context, it had called on Israel to fulfil its obligations regarding the uninterrupted provision of fuel and electricity supplies and of all other humanitarian assistance. The European Union had also condemned the attacks from Gaza against crossing points and terminals and their negative impact on the delivery of humanitarian aid.

139. **Mr. Nakashima** (Japan) said that 2007 had brought a further deterioration in the humanitarian situation in the occupied Palestinian territory and that the total emergency appeal budget for that year had been the largest to date. In Lebanon, UNWRA was currently tackling the largest project in its history, namely the reconstruction of Nahr el-Bared camp. He requested more details about the role of UNRWA and of prospective donors in the project.

140. He praised UNRWA and its staff for their continuing efforts to provide services to Palestine refugees in an increasingly difficult environment. Japan was concerned at the increasing costs of UNRWA activities owing to the measures taken by Israel to limit access and movement in the West Bank and supported joint action to address that

situation. A housing project for which Japan had contributed \$5.5 million had been suspended owing to an Israeli decision to block the delivery of construction materials. That situation should be remedied as soon as possible.

141. Japan's collaboration with UNRWA through JICA had resulted in the dissemination of a maternal and child health-care handbook in the West Bank and Gaza. Japan shared the concern about the Agency's financial difficulties and was willing to participate in efforts to increase its donor base. His Government's most recent contributions included grant aid of \$5.5 million for refugees affected by the destruction of Nahr el-Bared camp and food aid worth \$5.7 million.

The meeting was suspended at 4.40 p.m. and resumed at 5.10 p.m.

142. **Mr. Azayzeh** (Jordan) said that contributions offered for the reconstruction work at Nahr el-Bared should not be made at the expense of contributions for other areas. In one case in Jordan, a donor country had halved its aid for a non-UNRWA Palestine refugee camp project in order to send funds to the Nahr el-Bared project.

143. **Mr. Cook** (Director of UNRWA Affairs, Lebanon), responding to a question from the representative of the Netherlands, said that information about the Nahr el-Bared project was available on the website of the Lebanese-Palestinian Dialogue Committee. Relevant documents would also be made available on a CD the following day. The Vienna conference would be hosted by the Governments of Austria and Lebanon, the Arab League and the European Commission. The Austrian Government had requested

that participating States and organizations should be represented at the highest possible level. A number of ministers for foreign affairs had already confirmed their attendance.

144. In response to a question from the representative of Japan, he said that UNRWA would be reconstructing Nahr el-Bared camp and supporting the Lebanese Government's cash assistance scheme for Palestinians outside the camp. The funds for the scheme would be provided by the Government but would be distributed and monitored by UNRWA. As for possible donors, there had been some expressions of support, but it was too early for any definite indication of the amounts of money involved.

145. **Mr. Whitley** (Director, UNRWA Representative Office, New York), in response to a question from the representative of the Netherlands, said that the General Assembly resolutions relating to UNRWA had historically been negotiated between the Arab League on the one hand and the European Union and its associated countries on the other. The number of resolutions referring to UNRWA was not fixed. Some years previously there had been seven such resolutions, but they had subsequently been consolidated into four. The General Assembly as a whole was aiming to streamline its work and reduce the total number of resolutions. However, UNRWA had no position on that matter, as it was concerned only with the contents of the relevant resolutions.

146. There had been some discussion the previous year of the possibility of drafting a single resolution, but in the end the traditional set of four resolutions had been retained. As for the contents, a number of important issues, including renewal of the Agency's mandate, had been dealt with at the sixty-second session of the General Assembly. Requests to join the Advisory Commission, such as the request to be submitted by Finland, were subject to approval by the General Assembly in one of its resolutions on

UNWRA. The proposal to hold a ministerial-level meeting in September 2009 would also have to be approved by the General Assembly in a resolution.

Report by the Chairperson of the Sub-Committee

147. **Mr. Kirst** (Sweden), Chairperson of the Sub-Committee, said that the Sub-Committee had discussed the draft letter from the Chairperson of the Advisory Commission to the Commissioner-General in close coordination with the Chairperson. With regard to the follow-up to the Geneva Conference, two consultants funded by the Government of Switzerland and the Netherlands had reviewed the progress made since the Conference. Their findings had been extensively discussed by the Sub-Committee and a draft statement of enhanced partnership had been prepared for submission to the Advisory Commission at the current session.

148. UNRWA had specifically requested advice and assistance from the Advisory Commission on two issues: making strategic choices for 2010-2015 and the midterm report on organizational development. After consultations with UNRWA, the Sub-Committee had drafted recommendations on those two issues. Lastly, the Sub-Committee had maintained a continuous dialogue with UNRWA and with stakeholders on the implementation of the OD package, the resource mobilization strategy and the gender mainstreaming strategy. Several presentations had been made by senior members of UNRWA management.

Annual report of the Commissioner-General to the General Assembly

149. **Mr. Kingsley-Nyinah** (Director, Executive Office, UNRWA), speaking on behalf of the Commissioner-General, said that the annual report of the Commissioner-General would be submitted to the General Assembly at its sixty-third session. The draft report reflected the changes of format introduced in 2006, including a concise, factual narrative and outlines of programme performance indicators, in line with the Agency's focus on measuring the results of its programmes.

150. The contextual overview referred to several events that had had a direct impact on the Agency's operations: the intra-Palestinian conflict and the assumption by Hamas of control over Gaza; the consequent imposition of a closure regime in Gaza in contrast to the easing of relations between Israel and the Palestinian Authority in Ramallah; and the conflict at Nahr el-Bared, together with the consequent displacement of Palestine refugees from the camp. Those events had led to a significant increase in demand for the Agency's emergency services as well as for its regular programmes.

151. The report also mentioned aspects of the evolving OD process and its positive influence on programme outcomes. The annual reports for 2008 and subsequent years would record the progress being made in institutionalizing a number of aspects of the OD process, such as programme cycle management, the development of Agency-wide indicators and the achievement of key human resources goals. They would also cover social safety net reforms, the management of procurement and information technology, and the steps being taken to establish the medium-term strategy and to roll out field implementation plans.

152. The annual reports of the Commissioner-General offered snapshots of the Agency's activities, operations and performance, while capturing the dynamics of change that were propelling the Agency forward towards the accomplishment of its organizational goals.

153. **The Chairperson** and **Ms. Mokaddem** (Lebanon) congratulated the Commissioner-General on the extension of her term of office to 2009.

154. **Ms. Chenier** (Canada) said that she was pleased to note that the annual reports of the Commissioner-General had become increasingly results-oriented over the years. The medium-term strategy and the monitoring and evaluation policy, once finalized, would give the Agency a clear framework against which to report on its performance in the future.

155. **Ms. Mokaddem** (Lebanon) requested that future reports should be subdivided by field of operation or should include tables of information allowing for comparison of the different fields.

Follow-up to the 2004 Geneva Conference

156. **The Chairperson**, speaking as the representative of the Syrian Arab Republic, said that, at the time of the 2004 Geneva Conference on Meeting the Humanitarian Needs of the Palestine Refugees in the Near East, UNRWA had been facing a financial deficit which had been hampering its provision of services to refugees. That, in turn, had created a feeling of instability among the refugees and had impacted negatively on their health and education standards. The aims of the Conference had been to identify ways of halting

the deterioration of human development standards and living conditions among the Palestine refugees and of restoring infrastructure in priority sectors such as health, education and housing; to reach consensus on projects and place them in order of priority for implementation; and to strengthen existing partnerships and establish new ones with the aim of achieving common humanitarian goals. At the Conference, UNRWA had outlined its aims for the coming years, which were to enable the next refugee generation to participate in the social and economic development of the community; to ensure dignified living conditions and a dignified life for all Palestine refugees; and to ensure the full protection of refugees' rights until a just and lasting solution to the refugee problem could be found. Refugees had participated in the Conference alongside UNRWA, donors and host countries.

157. A specific goal of the Conference had been to expand the Agency's donor base. Over the preceding decades, the situation of Palestine refugees had continued to deteriorate throughout the region, particularly in the West Bank and Gaza. Donor contributions had not been keeping pace with the demand for the Agency's services, which had been increasing because of population growth and rising levels of poverty among the refugees. The Chairman of the Conference had welcomed the contributions received from donors and the assistance afforded to the refugees by host countries, but had emphasized the need for increased contributions and for enhanced partnerships between the various parties. At the same time, he had assured the refugees that they would not be abandoned and that the international community was determined to continue supporting the work of UNRWA.

158. The Secretary-General of the United Nations, in his message to the Conference, had warned of the likely negative impact on the refugees of failure to address the Agency's financial shortfall, while the then Commissioner-General of UNRWA, Mr. Peter Hansen, had called for enhanced support for the Agency. The Conference had affirmed the importance of supporting UNRWA and expanding the donor base so that the Agency could provide its basic services to Palestine refugees and undertake improvements to camp infrastructure. The Conference had also called for an end to Israeli violations against Palestine refugees and the lifting of all obstacles to the Agency's work.

159. Four years later, renewed efforts to implement the recommendations of the Geneva Conference were needed. In April 2008, it had been necessary to convene an extraordinary session of the Advisory Commission to discuss the Agency's financial difficulties, which, exacerbated by the recent rises in global prices, were hampering the Agency's ability to deliver basic services to refugees and to fund necessary salary increases for its staff. The Agency's basic services were a non-negotiable priority, and UNRWA was in urgent need of support in order to continue providing them. The Advisory Commission, the expansion of which had been one of the recommendations of the Geneva Conference, had an important role to play in that regard.

160. Palestine refugees living in the Syrian Arab Republic were treated on an equal footing with Syrian citizens while retaining their Palestinian nationality, and were considered guests in the country. The Syrian Arab Republic reaffirmed its support for UNRWA and would continue to cooperate with the Agency in order to ensure the continued provision of services to all Palestine refugees until they could return to the homeland from which they had been driven out by Israeli aggression in 1948.

161. He welcomed Ambassador Suboh of the League of Arab States, whose presence at the current session of the Advisory Commission served to confirm the League's support for UNRWA. He also commended the tireless efforts of the Agency's administration, in particular the Commissioner-General and the Deputy Commissioner-General, to support the Palestine refugees, especially those living in the occupied Palestinian territory, until their situation was resolved in accordance with the relevant provisions of international law, including General Assembly resolution 194 (III) of 1948. He thanked the administration of the Syrian Arab Republic Field Office, in particular its Director of UNRWA Affairs, Mr. MOUNTZIS, for its cooperation with the Syrian authorities in serving the Palestine refugees. Lastly, he thanked both donors and host countries for their support for UNRWA and the refugees, pursuant to General Assembly resolution 302 (IV) of 1949, and for their commitment to the goals of the Geneva Conference.

162. **Mr. KIRST** (Sweden), speaking as Chairperson of the Sub-Committee, said that the Sub-Committee's work on follow-up to the Geneva Conference had been facilitated by the Governments of Switzerland and the Netherlands, which had provided funding for the two consultants who had reviewed the progress made since the Conference. The resulting draft statement of enhanced partnership, which the Commission had before it, had been extensively discussed by the Sub-Committee before submission to the Commission. It highlighted the importance of stakeholder relations and pointed to key issues for improving the well-being of Palestine refugees.

163. **Mr. AZAYZEH** (Jordan) said that the challenges faced since the Geneva Conference, in particular the situation at Nahr el-Bared camp and in the West Bank and

Gaza, had limited to some extent the success of the follow-up to the Conference. A special committee consisting of the Chairperson of the Advisory Commission and representatives of UNRWA and the Swiss Government should be set up to review the recommendations of the Conference and to prepare a report for the Commission on what had been achieved to date.

164. **Ms. Vege** (Switzerland) said that the Geneva Conference had been an important event, the main purpose of which had been to look at ways of enhancing partnerships between donors, host countries, UNRWA and other United Nations agencies. Many of the topics discussed, such as protection, resource mobilization, governance, socio-economic development, camp development and community participation, had since been mainstreamed into the Agency's work.

165. The Neirab camp rehabilitation project, which had begun well before the Geneva Conference, had evolved into a particularly good example of the type of enhanced partnership between donors, host countries and UNRWA that had been envisaged at the Conference. The project partners had advocated for new approaches both to the physical aspects of camp improvement and to the socio-economic development of the community. Lessons learned had subsequently been incorporated into the OD process. Another positive example of an innovative project was the reconstruction of Nahr el-Bared camp, which was characterized by high levels of community involvement.

166. At the same time, much remained to be done. Underfunding was a serious concern that required action by all parties. Her delegation welcomed the draft statement of enhanced partnership, which reaffirmed the commitment of all stakeholders while highlighting areas for improvement. It provided an effective basis for moving forward.

167. **Ms. Mokaddem** (Lebanon) commended the positive achievements that had followed the Geneva Conference, in particular the expansion of the Advisory Commission, the increase in contributions to UNRWA from certain donors and the ongoing OD process. She welcomed the commitment of Commission members to supporting the Agency. However, the issue of underfunding still needed to be addressed in order to ensure tangible improvements in the situation of the Palestine refugees.

168. **The Chairperson** said that much had been achieved since the Geneva Conference. However, the Conference had raised refugees' expectations of real improvements in their situation, and more needed to be done to fulfil those expectations. All programmes required increased contributions; it was important not to fund one programme at the expense of another. Lastly, he agreed with the representative of Jordan that there should be a process of continuous follow-up to the Conference, whether at the hosts and donors level or within the Advisory Commission.

The draft statement of enhanced partnership was adopted.

The meeting rose at 6.10 p.m.

11 June 2008

The meeting was called to order at 8.40 a.m.

Current financial situation and resource mobilization strategy

169. **Mr. Grandi** (Deputy Commissioner-General, UNRWA) said that the development of the medium-term strategy was the most important OD exercise of 2008. In looking at the linkages between strategy and resources, it was important to stress that change would not be possible without adequate resources. The financial situation had only marginally changed since the extraordinary session of the Advisory Commission held in April 2008. Some of the goals of the resource mobilization strategy had been achieved: contributions had been received for the General Fund, emergency funds and the implementation of the organizational development plan; the donor base had been expanded to include countries in Eastern Europe, Arab States and foundations, and private sector institutions; funding agreements had been signed with autonomous communities in Spain; Belgium had established a multi-year incremental agreement; and personnel contributions had been pledged.

170. However, expenditure was higher than income. In addition, rising food and fuel costs had prompted host Governments to raise public service salaries, requiring that the Agency to raise the salaries of its staff. As a consequence, there would be financial shortfalls in 2008 and 2009. The Commissioner-General had closed the extraordinary

session of the Commission by stating her hope that donors would announce further contributions at the Commission's current session.

171. **Mr. Al-Omari** (Comptroller, UNRWA), introducing a PowerPoint presentation on the Agency's financial situation, said that the financial situation had not changed since the Commission's extraordinary session because increases in income had been offset by increases in expenditure on various items, including staff salaries, fuel and medical supplies. With respect to the income and expenditure forecast for the regular budget, the approved cash budget for 2008 was \$541.8 million and, for 2009, \$545.6 million. The estimated programme support cost recovery had been raised from \$14 million to \$18 million on the basis of a revised calculation of expected contributions.

172. The excess of expenditure over income was projected to rise significantly from \$19.3 million in 2008 to \$43.1 million in 2009. However, that forecast had been made on the basis of a euro/United States dollar exchange rate of 1.57. At an exchange rate of 1.40, the excess would increase to \$75.2 million and, at an exchange rate of 1.70, it would decrease to \$18.6 million. The unbudgeted expenditure of \$44.3 million for 2008 was projected to rise to \$57.8 million in 2009. The reason for the increase was that recent developments, including the effects of the pay rises for civil servants in the Syrian Arab Republic, would only impact on part of 2008 (May to December) but would have an impact on the whole year in 2009.

173. The breakdown of unbudgeted expenditure included costs associated with further expected salary increases for 2008 and 2009, the currency adjustment factor for Gaza and the West Bank, and the regularization of teachers' contracts. A calculation of costs for the upgrade of teachers' qualifications had been included because the host authorities had

requested that teachers hold a first university degree. Some teachers had been awarded a two-year diploma from the UNRWA teacher training centres and required further training. The fuel price increase for 2009 was a conservative figure and could rise significantly depending on the price of oil.

174. The amount of money corresponding to unfunded requirements was projected to decrease from \$98.8 million in 2008 to \$92.3 million in 2009 because fewer requirements for construction and equipment were forecast for 2009. However, the decrease would be partly offset by increases in requirements for additional area staff. With respect to the emergency appeals, a target of \$237.7 million had been established for the occupied Palestinian territory and pledges totalling \$144.7 million had been made, representing 61 per cent of the target. However, it might be necessary to raise the target to \$263 million upon review. With respect to the emergency appeal in Lebanon, a target of \$77.0 million had been established and pledges totalling \$76.4 million had been made, representing 99 per cent of the amount required.

175. **Mr. Grandi** (Deputy Commissioner-General, UNRWA) said that the shortfall for 2008 could probably be managed through austerity measures. However, the shortfall for 2009 was more worrying because the financial situation was unclear and depended to a large degree on the value of the United States dollar. The dependency of the Agency's financial situation on external factors such as exchange rates needed to be addressed.

176. **The Chairperson** said that, although the financial situation was worrying, donors had responded quickly by pledging their ongoing support for the Agency.

177. **Ms. Brooks-Rubin** (United States of America) said that her Government, as the largest bilateral donor to UNRWA, was concerned about the short and long-term impact

of the General Fund shortfall on UNRWA core programmes. She requested more information about the implications of failure to cover the unfunded requirements. During the coming weeks, the United States Congress would be appropriating additional funds for global refugee programmes. In order to secure an increase in the planned contribution of \$91 million for 2008, she would need more specific information about the impact of the Agency's programmes. The extraordinary session of the Advisory Commission in April had been useful for the purpose of receiving information on funding needs before the end of the fiscal year. UNRWA should continue to keep Commission members informed about the funding situation.

178. **Mr. Carera** (Switzerland) asked why the breakdown of information of unbudgeted expenditure did not include additional transportation costs.

179. **Mr. Azayzeh** (Jordan) said that, although funds to cover salary increases had been found, the level of service provision was diminishing. Host countries could not continue to compensate for shortages in the Agency's services to refugees without placing pressure on other sectors of society. He fully appreciated the demands of UNRWA staff, but was concerned at the threat of an open strike. Pupils would be unable to attend school and patients would be deprived of treatment.

180. **Mr. Scott** (Australia) said it was his understanding that the West Bank and Gaza Strip field offices were the only ones where salaries were paid in United States dollars. He requested more information about that arrangement and asked whether adjustments could be made if the dollar appreciated again.

181. **Mr. Kjaer** (European Commission), acknowledging the Agency's difficult financial situation, said that the European Commission continued to be a predictable and

reliable donor and had increased its contribution by 10 million euros to around 105 million euros in 2008. He welcomed the fact that the resource mobilization strategy was beginning to have an effect and looked forward to the broadening of the donor base.

182. **Mr. McRae** (Canada) expressed concern about the use of the terms “unbudgeted expenditure” and “unfunded requirements”, which were not standard accounting terms. His understanding of budgetary processes was that expenditures had to be based on authorized commitments. He understood the demands and pressures affecting the Agency, but there had to be another way of making the budget flexible without including elements that distorted the overall picture.

183. **Mr. Briscoe** (United Kingdom) requested information about how donors’ contributions had kept up in real terms with higher costs over the past several years. Salary increases of 20 or 25 per cent were clearly a serious challenge. It would therefore be useful to hear more about progress on raising funds from new donors. He welcomed the news of discussions with Arab League countries in that regard and suggested that existing donors could discuss ways of facilitating such contacts.

184. **Ms. Areskoug** (Sweden) welcomed the information provided on the Agency’s financial situation. Sweden had already increased its core contribution for 2008 and was the third largest donor to the Agency. It was important to continue to implement the resource mobilization strategy, which was a collective responsibility of donors, UNRWA and other stakeholders. Sweden would welcome a discussion on the subject of bilateral assistance for resource mobilization efforts, as proposed by the United Kingdom. The Agency’s sixtieth anniversary, if presented in an appropriate way, might also be a useful tool for awareness-raising and resource mobilization. In view of the scarcity of resources,

a strategic discussion was needed more urgently than ever, together with full implementation of the OD package.

185. **Mr. Nakashima** (Japan) said that his Government would do its best to respond to the Agency's difficult financial situation. His delegation had experienced some difficulties in tracking the updated financial situation of UNRWA on the Agency's website. He hoped that improvements in that area would follow the Agency's other successful achievements. More use should be made of Junior Professional Officer posts, which represented no cost to the Agency. Japan would welcome a discussion on the enlargement of the donor base at the next Hosts and Donors Meeting. Lastly, he wished to know whether any progress had been made with the recruitment of Arab donors.

186. **The Chairperson**, having thanked all the donors for their contributions, said he agreed that the donor base needed to be expanded. In 2007, the Advisory Commission, the Commissioner-General and the Arab League had started work on a ratio for Arab contributions to the UNRWA budget and had made important progress in that regard.

187. **Mr. Grandi** (Deputy Commissioner-General, UNRWA), referring to the implications of failure to cover the unfunded requirements, said that firstly, the logistical functioning of the Agency would be affected because of the difficulty in covering the cost of fuel and medical supplies. Secondly, groups such as the special hardship cases would be hit particularly hard if the Agency was unable to carry out all of its programmes. Thirdly, the quality of services would be affected if UNRWA was unable to maintain premises and to recruit or train staff. The shortage of area staff was already affecting service delivery. Fourthly, inadequate funding would impact on the Agency's ability to ensure some level of stability in the region. The draft interim programme strategy issued

by UNRWA in 2007 had included information on activities that had not been carried out owing to lack of funding. That information could be useful in efforts to seek additional funding.

188. In response to the comments made by the representative of Canada, he said that UNRWA submitted a budget to the General Assembly for approval. If approved by the General Assembly, that budget became the approved cash budget. The unfunded requirements were requirements that were not yet covered because projected income was insufficient. The category of unbudgeted expenditure, which had been added after the extraordinary session of the Advisory Commission, consisted of expenses that had been incurred because of extraordinary circumstances after the approval of the cash budget. They had to be funded because they were necessities such as salaries and fuel costs.

189. In response to the question from the representative of Switzerland, he said that costs resulting from closures in the occupied Palestinian territory, such as additional transport costs, were covered largely by the emergency appeal. Any restrictions on the transport of goods from Israel into the West Bank also had an impact on transport costs, but it was difficult to quantify because the obstacles were unpredictable.

190. If the Chairperson and the Commissioner-General agreed, a dedicated discussion on the resource mobilization strategy and enlargement of the donor base could be held at a future session, as proposed by the representative of Japan.

191. In response to the comment made by the representative of the European Commission, he noted that donations were already increasing but that the budget shortfall had not yet been eliminated. Additional efforts from traditional donors were also needed.

Lastly, the number of Junior Professional Officer posts funded by Member States had increased substantially.

192. **Mr. Al-Omari** (Comptroller, UNRWA) said that the reason for the inclusion of unfunded requirements in the budget figures was that there had been an agreement some years previously to prepare a needs-based budget rather than an income-constrained budget. The unfunded requirements in the 2008 budget, totalling \$98.8 million, consisted of items of expenditure which were considered important but not indispensable. The concept was straightforward, even if the terminology used was not standard accounting or budget terminology.

193. On the question of salary increases, he said that, for any given programme, most of the cost of programme delivery consisted of staff costs. For example, 90 per cent of the education budget was used to pay teachers and other staff; only 10 per cent was used for non-staff costs. Therefore, the amounts budgeted for salary increases simply represented the increased cost of delivering the service in question.

194. The currency of the Agency's payroll was the local currency for staff in Jordan, Lebanon and the Syrian Arab Republic. In the West Bank, staff were paid in Jordanian dinars, a currency which was pegged to the United States dollar and was legal tender in the West Bank. When the Agency conducted salary surveys, the comparator used was the Palestinian Authority, which paid in local currency, i.e. the new Israeli shekel. Salaries were therefore denominated in shekels, but the amounts were converted into the relevant local currency for payment to staff. In Gaza, which had no local currency, the shekel amount was converted into United States dollars. The conversion rate used was that prevailing at the time of the most recent salary survey, which was 4.26 shekels to the

dollar in the present case. Since then, however, the rate had fallen to 3.26 shekels to the dollar, which would translate to a salary drop of about 25 per cent when staff changed their money into shekels. The Agency had therefore agreed to maintain the shekel value of staff salaries in both Gaza and the West Bank.

195. **Ms. Schøyen** (Norway) noted that, in the past, the Agency had emphasized the importance of receiving contributions to the General Fund within the first few months of the year. Accordingly, Norway had always made an effort to pay its contributions in full early in the year. It would be useful for donors to know whether the issue of timing was still important.

196. **Mr. Briscoe** (United Kingdom) said that if, at some point in the future, the Agency's budget was fully funded, the unbudgeted expenditure would take the total expenditure beyond the approved cash budget figure. He wished to know whether, in such a situation, it would be necessary to seek retrospective approval of the increased expenditure from the General Assembly.

197. **Ms. Areskoug** (Sweden) asked whether the budget could be prepared on an annual rather than a biennial basis. Although such an arrangement would entail more work for the Agency, an annual budget would be more accurate.

198. **Mr. Al-Omari** (Comptroller, UNRWA) said that the timing of receipt of contributions was crucial. Multi-year agreements were very helpful in that regard. If the date of receipt of non-dollar contributions was known in advance, the Agency was able to maximize their dollar value through judicious use of currency transactions. In the current year, the Agency was not under cash pressure because most donors had paid their

contributions early. The surplus cash was being invested in short-term deposits with the aim of taking advantage of the most attractive interest rates available at any given time.

199. With regard to the legal aspect of budget increases, he said that the only item of expenditure which was funded from the United Nations regular budget was the salaries of the Agency's international staff. The remainder of the Agency's budget consisted of voluntary contributions. The Commissioner-General therefore had the delegated authority to vary the budget without seeking the General Assembly's approval.

200. The Agency was obliged to prepare biennial budgets in line with the standard practice of the United Nations common system. He agreed that the arrangement was not optimal for UNRWA: as the budget was submitted six months before the first year of the biennium, the figures were already obsolete by the time the biennium started. By the second year, they were even more out of date. That was one of the reasons for the unbudgeted expenditure. However, a mechanism had been developed to mitigate the problem. In the 2006-2007 biennium, Agency managers had been allowed to adjust their budgets for 2007 in late 2006. The same procedure would be followed for the current biennium.

The meeting was suspended at 10.05 a.m. and resumed at 10.15 a.m.

Mr. Rosnes (Norway), Vice-Chairperson, took the Chair.

Update on the organizational development process

201. **Mr. Grandi** (Deputy Commissioner-General, UNRWA), introducing a PowerPoint presentation on the organizational development process, noted that a midterm report had recently been circulated in connection with the upcoming midpoint of the OD process at the end of June. The report aimed to provide a broader perspective on the OD process than that contained in the regular quarterly reports.

202. The OD plan was based on four levers of change: programme management, human resources management, organizational processes and systems, and leadership and management. The success of the OD process as a whole would be measured by the improvements achieved in the delivery of services to refugees. Programme management was the lever most clearly linked to the delivery of services and would be the main focus of OD efforts in 2008 and 2009.

203. Programme management reform consists of three components: the development of a medium-term strategy, which was currently under way; the establishment of an associated budget; and the implementation of the strategy. The development of the strategy was based on a general statement of mission, namely to help Palestine refugees achieve their full potential in human development terms under the difficult circumstances in which they live, focusing on four components: acquired knowledge and skills, a long and healthy life, a decent standard of living, and the enjoyment of human rights. All the Agency's programmes, whether in education, health or social services, and encompassing the cross-cutting issues of protection, human rights, gender and youth, were aimed at fulfilling that mission.

204. A clear strategy was the essential foundation for the Agency's budget. The process of formulating the strategy had already begun with the setting of strategic priorities and a

needs assessment exercise in all fields, the results of which were to be analysed by the programme departments over the next few months. On the basis of their analysis, those departments would provide guidance to the field offices and other operational departments for the eventual formulation of the medium-term strategy and field implementation plans, which in turn would guide the establishment of the budget.

205. The process of strategy development and budget preparation had been broken down into a more detailed set of 15 steps, starting with a performance review, the establishment of strategic choices, the initial establishment of indicative resource envelopes and a needs assessment, all of which would feed into the establishment of a strategic response. On that basis, an outline medium-term strategy and outline field implementation plans would be drafted in autumn 2008. Work on the budget for 2010-2011 would begin in November 2008, since the budget would have to be submitted to the General Assembly for approval in 2009, in line with the United Nations budget cycle. The goal was to produce final drafts of the medium-term strategy, the field implementation plans and the budget by late spring 2009 in time for formal consultations with the Advisory Commission before the submission of the budget to the General Assembly.

206. In addition to those formal consultations, it was imperative for UNRWA to maintain contact with the Advisory Commission and the Sub-Committee at every stage of the process in order to seek their views and advice. UNRWA was also developing a set of tools for needs assessment, planning, and programme monitoring and evaluation, with a view to achieving a more modern and transparent approach to programme management.

207. In 2010, the Agency would start implementation of the six-year medium-term strategy and field implementation plans, supported by three biennial budgets. During 2008 and 2009, the various stakeholders had specific roles to play with respect to the policy phase, the strategic phase, and the planning and budget phase leading up to implementation. The Agency was adopting a number of initiatives to improve the budget process and management, especially by developing links between the budget and human development goals and by linking the process more clearly to needs assessments and the needs of each particular field. To that end, field implementation plans were being developed for the first time, which represented an important innovation. In addition, managers would be given greater control over their respective budgets. Clearer resource mechanisms were being developed: for example, a resource allocation committee comprising managers not directly involved in programmes would be given a mandate to manage the allocation of resources.

208. The overall objective of the budget process was to achieve decentralization of decision-making to allow for more effective implementation. To achieve that overall objective, four key goals had been identified: more delegated management of resources, more transparent management, a more flexible system that allowed for readjustment, and a clearer system that identified tasks and divided them among the various managers. A set of tools had been developed to transform the present state of resource management to the desired state of resource management. These included the development of an enterprise resource planning system, the improvement of the existing information technology platform, human resources reforms and a review of key processes.

209. The main challenge to OD was to mainstream change within the culture of the Agency. To that end, a policy framework entitled SPARE (strategy, policy, accountability, results and envelopes) had been designed with a view to ensuring greater transparency, delegation of authority, accountability and efficiency. The Agency would embed this framework through a review and improvement of key processes, regulatory frameworks, organizational design issues, and implementation of the various HR and programme-related initiatives. With respect to monitoring and evaluation of OD, noting that measuring the impact of a change process was a difficult task, the Agency had developed two sets of indicators. First, approximately 60 hard indicators based on 24 measurable outcomes for organizational development were identified, following extensive consultation within the Agency. Each measurable outcome was accompanied by a set of measurable targets. Second, an organizational effectiveness survey, sent to 5,000 staff members, was conducted in May 2008. The survey was conducted to obtain information on staff perception as to the impact of OD. As of the date of the Advisory Commission, the response rate to the survey was Fifty per cent.

210. The combination of hard indicators and soft indicators obtained would give a baseline set of data against which to measure progress and change in future years.

211. The 2009 funding needs for organizational development totalled \$4,187,385. In addition, the estimated cost of the two-year implementation of the enterprise resource planning system was \$17,660,000. In order to ensure that improvements in the management of the Agency were maintained, additional international posts were needed. Of the 20 posts requested, 6 had been approved for inclusion in the United Nations regular budget for 2008-2009 but 14 remained unfunded. With regard to the

sustainability of OD, it might be useful to recall the eight major risks that had been identified: dissatisfaction with salaries; tensions in the new organizational design; insufficient accountability and controls in the implementation of SPARE; failure to embed reforms in the organizational foundations; opposition among managers and staff; lack of funding for 14 international posts after 2009; failure on the part of management to engage staff in the OD process; and internal and external tensions resulting from the strategic choices made. It was important to bear those risks in mind because the greatest challenge remained how to embed a culture of change in the Agency in a sustainable manner.

212. **Mr. Abu-Baker** (Palestine) said that organizational development and reform were crucial to any organization, not least UNRWA. However, some obstacles had to be overcome in order to ensure the success of the Agency's operations: for example, it would be difficult for the Agency to develop an ambitious programme of aid or education when there were restrictions on movement. Further information should be provided on the relationship between OD and the identification of strategic options.

213. **Mr. Briscoe** (United Kingdom) said that there was a significant risk of internal resistance to the OD process, including at the managerial level. The organizational effectiveness survey would serve as a useful tool but it carried its own risks because it would be necessary to make changes in order to address the concerns raised by staff. Further information should be provided on how and when feedback from the survey would be processed.

214. **Ms. Chenier** (Canada) said that the OD process could be used to promote the Agency's cause in Canadian political circles. The reports on OD demonstrated that the

process was on the right track, although it was too early to see the full impact. Her delegation welcomed the emphasis in the midterm report on risk management and embedding change. As a result of the Geneva Conference, donors expected UNRWA to take needs analysis seriously in the context of the medium-term strategy.

215. **Ms. Schøyen** (Norway) said that gender sensitivity was one of the cultural challenges of OD. Norway therefore welcomed the new gender mainstreaming strategy, which would be an integral part of the medium-term strategy. Gender mainstreaming was directly linked to the Agency's protection mandate and was a cross-cutting human development goal. It should be fully integrated into all aspects of UNRWA reform and would contribute to the effectiveness and legitimacy of UNRWA services.

216. She commended UNRWA for taking as its point of departure the Inter-Agency Standing Committee's handbook on gender mainstreaming. Gender mainstreaming was not only about women and equality of the sexes. It was about individual empowerment and human dignity. It meant understanding how refugees of both sexes were affected by their circumstances. Norway had provided financial support for the gender initiatives taken by the Gaza Field Office and urged all UNRWA field offices to integrate gender analysis into their planning.

217. **Mr. Christensen** (Denmark) welcomed the midterm report and looked forward to the inclusion of results indicators in the next report. He also welcomed the development of field implementation plans and the planned empowerment of the field offices. He asked what role the field offices would be playing in the development of the medium-term strategy. He also requested more information on the Agency's plans for the implementation of the gender mainstreaming strategy.

218. **Mr. Awwad** (Jordan) asked when refugees would be able to feel the impact of the OD plan in terms of the services extended to them. He wondered whether it was too ambitious to try to implement the plan in the abnormal conditions that prevailed in the West Bank and Gaza. Phased implementation might be necessary.

219. **Mr. Kjaer** (European Commission) welcomed the midterm report, in particular the fact that it identified the major risks to the OD process. He looked forward to receiving more information on the risk management and mitigation plan. OD reforms must now be embedded in the organization; it was important not to lose momentum as there was no viable alternative to the OD process. He also looked forward to further work on the hard and soft indicators which would be used as a basis for future reporting.

220. **Ms. Brooks-Rubin** (United States of America) said that the United States appreciated the comprehensive and honest assessment of the OD plan and the outline of the risks faced. She looked forward to receiving more information on how those risks could be mitigated, especially when the three-year phase was over and the OD initiatives were integrated into the culture of the organization. She would welcome suggestions from UNRWA as to how stakeholders could continue to play a constructive role in decision-making on strategic choices, prioritization of resources and risk mitigation. She also asked when the General Assembly would make its decisions regarding the international posts requested. Depending on the timing, it might be helpful to discuss the issue prior to the next session of the Advisory Commission.

221. **Ms. Lenz** (Germany) said that it was important to involve donors as early as possible in efforts to obtain more international posts. She welcomed the Agency's monitoring and evaluation policy and expressed the hope that the related reports would

be issued as often as possible. She also asked whether regular reports on individual programmes would be issued, as in other United Nations organizations which had independent monitoring and evaluation units, and whether donors could provide support in that regard.

222. **Mr. Mustafa** (Syrian Arab Republic) said that decentralization should be given the utmost priority in the reform process. It would demonstrate confidence in the programme managers and those working under them, who were the best placed to advise on any planned project. Such an approach would also save resources by eliminating the need to employ external consultants.

223. **Ms. Mokaddem** (Lebanon) shared the view that the role of the field offices in developing strategic priorities was not clear. Moreover, disagreement over the medium-term strategy could cause tensions. If the OD process was to continue smoothly, the work on strategic priorities and the medium-term strategy must involve all stakeholders, including the refugees and the host countries.

224. **Mr. Grandi** (Deputy Commissioner-General, UNRWA) said that efforts were under way to establish a policy framework for gender and protection. Other cross-cutting issues, including the environment, youth and disabilities, were also being addressed. The Agency had always worked in those areas but was now trying to systematize and update its approaches and integrate them into the programme strategy. The work conducted on all cross-cutting issues would be part of the strategic response provided to those developing the field implementation plans and local strategies. It would eventually contribute to the formulation of the overall medium-term strategy.

225. A senior gender adviser was due to join the Agency soon. In addition, a new Junior Professional Officer post was being funded by Denmark. **[Note to AdCom**

Secretariat: We're not sure what this sentence means and would suggest it be deleted]

226. Different types of evaluation would be conducted under the monitoring and evaluation policy. Some were prescribed by donors' regulations or by the United Nations. Evaluations could be conducted on a regular or ad hoc basis, depending on need. Resources, however, were limited. One of the international posts would probably be reserved for a senior investigator. The Advisory Committee on Internal Oversight, formerly known as the Audit Committee, had advised that more investment in human resources was needed, whether for external consultants or additional staff.

227. The budget exercise with respect to the international posts would begin in spring 2009. It was certainly important to involve the donors at an early stage, and November 2008 would be a good time to start the dialogue. The list of requested posts would first need to be reviewed in the light of OD developments.

228. The risks involved in seeking feedback were acknowledged, as mentioned by the representative of the United Kingdom. Negative feedback was expected in relation to organizational effectiveness; there was certainly much to improve, which was why OD was needed. Any change would take place over a long period of time and it would be a challenge to manage the expectations and sentiments of staff as measures were being introduced.

229. External circumstances certainly placed significant constraints on the implementation of OD. However, the Lebanon Field Office, which had conducted an

organizational development workshop at an early stage in the implementation of the plan, was still on track in many initiatives, despite the Nahr el-Bared crisis and other problems.

230. The field offices had a crucial role to play in the development of the medium-term strategy. The needs assessment, which had been a field-based exercise, had been the starting point of the entire process. Priority-setting had been a collective exercise involving the Management Committee and other stakeholders, including all parts of the organization.

231. Decentralization was one of the most important features of OD, as shown by the introduction of field implementation plans. It was essential for needs to be assessed on the ground, where they were best understood. That needs assessment then had to be taken into account in the broader context of overall strategic priorities, resource constraints and other factors. Consultations with the refugees were a new and important part of the process.

232. UNRWA had been delivering services for 60 years, and he hoped that there was a general consensus that good results had been achieved, despite all the constraints faced. The Agency was not, therefore, starting from scratch in its efforts to improve the programming method; rather, it was building on past achievements.

The meeting was suspended at 11.35 a.m. and resumed at 12.05 p.m.

Areas for programmatic and strategic focus

233. **Mr. Grandi** (Deputy Commissioner-General, UNRWA), introducing the discussion paper entitled "Making strategic choices for 2010-2015: medium-term strategy development", said that the setting of priorities was a fundamental element of strategy development, particularly in a context of scarce resources. Noting that UNRWA had always prioritized because of its shortage of resources, he said that the aim now was to do so in a more clear and transparent way, in line with the demands of all the relevant stakeholders: donors, hosts, managers and, above all, refugees, who were entitled to know what services would be provided on the basis of the resources available.

234. It was clear that the Agency's core services, namely primary education, basic health care and relief to the poor, were above prioritization. UNRWA recognized the right of all refugees to those services and worked to ensure that that right was implemented. However, the resources currently available were insufficient even for the full provision of those core services. Therefore the issue of prioritization needed to be considered from other angles. For example, less expensive ways of providing the core services could be sought. In addition, certain activities that were desirable but not essential, such as training, could be cut back. However, the number of "optional" activities was small and the margin for manoeuvre was limited, given the public service nature of the Agency's mandate and the fact that more than 80 per cent of its resources were used for staff costs.

235. The discussion paper gave some initial ideas on how to prioritize in a logical manner. Priorities should be set at the beginning of the medium-term strategy exercise, providing a framework that should be complemented by various aspects of that exercise, such as needs assessment. Priorities should be identified without delay, since they would

need to inform strategic responses, field implementation plans and, ultimately, the budget. He requested the Commission to consider the paper in a broad manner, keeping in mind the need to link human development goals to planning, the need to focus on effective approaches to service delivery and on groups requiring special attention, such as the poor and the disabled, and the need to formulate objectives clearly.

236. **Mr. Mustafa** (Syrian Arab Republic) said he was relieved to hear confirmation of the principle that the Agency's core services were non-negotiable. His delegation was prepared to discuss all matters besides the core services in the context of prioritization.

237. **Mr. Azayzeh** (Jordan) was also glad to hear that the Agency's core services were considered non-negotiable. It would be unfortunate if the current discussion gave the impression that there was significant scope for prioritization. In reality, the resources available to the Agency were limited, and the services provided often fell short of requirements. After 60 years in exile, refugees were entitled to decent housing, yet some refugee camps were like shanty towns, and the Agency seemed to have no budget for building new houses. The new centres being opened for vulnerable groups such as disabled persons and women were welcome but were not able to meet fully the needs of the respective target groups. Prioritization would effectively mean reduced service provision, which would increase the already heavy burden placed on host countries. The possibility of adding services rather than prioritizing them should be discussed, perhaps between the Chairperson of the Advisory Commission and UNRWA.

238. **Ms. Mokaddem** (Lebanon) endorsed the comments made by the representative of Jordan and said that, while the scarcity of resources was a genuine problem, it was regrettable that the debate on prioritization was creating the impression that the Agency's

services were of extremely high quality that afforded scope for cuts. Despite the recommendations of the Geneva Conference, standards had deteriorated rather than improved in recent years. As the Vice-Chairperson had stated the previous day, funding decisions should be based on policy, not just on performance, and should preserve the Agency's ability to provide its core services.

239. Discussion of the issues raised in the paper should not be left to the Sub-Committee. She therefore proposed that a workshop should be organized before the next Commission session to give Commission members and UNRWA the opportunity to discuss the issues in detail before reaching agreement on the medium-term strategy.

240. **Mr. Abu-Baker** (Palestine) said that Palestine refugees counted on the support of all those taking part in the current discussion: hosts, donors and UNRWA. He looked forward to the day when Palestine became a fully-fledged member of the international community.

241. He agreed with previous speakers that prioritization efforts should not jeopardize the Agency's provision of core services. On the contrary, budget pressures should act as an incentive to donors to increase their support. The Agency's work contributed to stability in the region, and problems arose when service provision was disrupted. All refugee services should be maintained, without any distinction between basic and non-basic needs.

242. **Mr. Makken** (Netherlands) said that a frank discussion was needed in order to bridge the gap between hosts and donors on the difficult issue of prioritization. A common understanding of the concept was needed. Prioritization seemed to be equated in some quarters with the cutting of budgets or services, whereas it should be seen as a

process of making choices. In the face of limited resources, UNRWA was forced to make choices and must be equipped to do so. For UNRWA, prioritization did not mean cutting the budget for an essential service. The Agency had a mandate for the provision of essential services and was obliged to guarantee that they were available to all refugees. However, it was clear that priority should be given to the most deprived refugees, in other words those who actually requested the Agency's services.

243. He did not dispute the fact that refugees needed better housing and other services, as mentioned by the representative of Jordan and other speakers. However, given the necessity of making choices, alternative service providers should be used where they could provide services at a lower cost than the Agency. The money saved could be used to help those most in need, such as the special hardship cases. The Agency would, of course, still retain ultimate responsibility for the provision of services if the alternative in question ceased to be available.

244. Donors required the Agency to be transparent in setting priorities and making choices. In the absence of such transparency, donors would cut their contributions. Further discussion of the question of prioritization, as proposed by previous speakers, would be useful in order to enable all parties to understand each other better.

245. Lastly, he said that much more emphasis should be placed on the Agency's role in efforts to achieve the Millennium Development Goals, particularly in the occupied territory. More use could be made of the Goals for the purposes of reporting and prioritization. In the case of the occupied territory, the fact that the Millennium Development Goal indicators were deteriorating was a compelling argument for increased donor support.

246. **Mr. Kirst** (Sweden) said that his delegation welcomed the message contained in the discussion paper, namely that the Agency's core services should be protected. He would welcome a dialogue with host countries on the subject of prioritization. In identifying priorities, it was important to analyse whether changes would be cost-effective. Furthermore, it should be recalled that the five fields of operation would have differing priorities which would be set out in the field implementation plans.

247. **Mr. Mustafa** (Syrian Arab Republic) said that donors, host countries and the Agency agreed that core services were priorities that should be protected but that it was necessary to make savings in other areas. One way of making those savings would be to adopt different strategies, such as decentralization, in the implementation of certain programmes. A meeting involving all stakeholders should be held to discuss those issues.

248. **Mr. Azayzeh** (Jordan) said that his delegation did not agree with the argument that choices needed to be made with respect to basic services. With respect to other service providers, most of them were staffed by the children of refugees, and it should be recalled that UNRWA was an agency for relief and work. What was important was to apply transparency in all aspects of the Agency's work, especially with regard to the quality of the services provided to refugees. While acknowledging the value of the Agency's work, his delegation called on the international community to bring about the political changes that would make the Agency's existence unnecessary.

249. **Mr. Kjaer** (European Commission) said that, whenever there were budgetary constraints, choices had to be made. Those choices must be made in a transparent manner so that the policies agreed on could be translated into the medium-term strategy using the strategic framework. Furthermore, the strategic framework would serve as a point of

reference that donors could present to their budgetary authorities when requesting additional funds. At the current stage, it was important to start by agreeing whether the framework itself could be used as a tool, rather than discussing possible outcomes of priority-setting. His delegation would be willing to participate in further discussions, though he noted that the issue of prioritization had already been the subject of intensive discussions in the Sub-Committee.

250. **Mr. McRae** (Canada) said that his delegation agreed that the provision of basic services was not negotiable. The question that needed to be discussed was how those services were provided. The needs assessment exercise and the setting of strategic priorities were the starting point for making programming decisions in accordance with the budget. The needs assessments tool was very useful for highlighting the specific needs of individual refugees and planning the provision of services.

251. **Mr. Nour** (United Kingdom) said that the question of trust was the key issue. The donors and hosts would do their best to provide the necessary resources and would trust the Agency to manage those resources effectively. The needs assessment tool and the OD process were effective tools for targeting resources appropriately. Donors had striven to provide additional funds but, in order to make requests to policymakers, they needed more explanations from the Agency about how it made decisions and identified priorities.

252. **Ms. Mokaddem** (Lebanon) said that trust was not the main issue. The key point was that the Agency served as a form of government to the Palestine refugees because it provided them with basic services. Her delegation did not understand why a strategy needed to be formulated before the budget was established. It seemed more logical to establish a budget and then to identify priorities afterwards.

253. **Ms. Brooks-Rubin** (United States of America) said that her delegation would determine the fair share of the United States contribution to the Agency's budget and would request those funds from Congress and the White House. If that target could not be reached, however, her delegation would need specific information to show the impact of the funding shortfall.

254. **Mr. Grandi** (Deputy Commissioner-General, UNRWA) said that the discussion should continue to involve everybody, donors as well as hosts. As money was limited, UNRWA had always had to prioritize and would continue to do so, bearing in mind the essential nature of the core services. UNRWA must also continue its efforts to be transparent as to the choices it made with regard to delivery of those core services. It was important to formulate the medium-term strategy and the budget in a clear manner. Moreover, the finalization of the strategy could not wait until after the budget was established. He suggested that discussion of those matters should continue in the Sub-Committee. A consensus needed to be reached on the issue of prioritization so that UNRWA had a clear basis on which to make choices in the future. He agreed that a needs assessment would make it easier to identify priorities.

255. UNRWA performed some of the functions of a government, but it could not raise taxes; it could only receive donor contributions, and it was obliged to fulfil donors' requirements. Some budget items, such as those listed under "unfunded requirements", were considered to be a lower priority, and resources were seldom found for them. It was legitimate to ask why some items had been included rather than others. The development of a medium-term strategy based on clear priorities and needs assessment was precisely intended to respond to such questions.

256. The unfunded requirements for food aid were just a part of total food aid. That budget item was particularly at risk from underfunding because the food aid budgets of certain donors were under strain owing to the rise in global food prices.

257. **Mr. Azayzeh** (Jordan) said he understood that donors required information about refugees' needs in order to explain to their parliaments how the money provided was being used. He hoped that donors also understood the pressure which the host countries were under in dealing with the refugees. The needs of both sides had to be met. An Australian parliamentary delegation had recently visited Jordan's camps in order to gain a better understanding of the refugees' needs. He called on all donor countries to invite their legislators to come to the camps in order to see for themselves what was happening on the ground.

The meeting was suspended for lunch at 1.15 p.m. and resumed at 2.30 p.m.

Recommendations of the Sub-Committee

COMMENT: These recommendations are very confusing as set out below – would it be possible to, at the end of the noted deliberation, provide the final agreed recommendation?

Recommendation on making strategic choices for 2010-2015: medium-term strategy development

258. **Mr. Makken** (Netherlands) said that he disagreed with the statement in paragraph 6 that UNRWA should continue to provide services even where other service providers existed. Such a policy would prevent UNRWA from achieving maximum efficiency in its work.

259. **Ms. AbuZayd** (Commissioner-General, UNRWA), said that she agreed with the representative of the Netherlands. Perhaps a phrase such as “where necessary” could be added to the sentence in question.

260. **Ms. Brooks-Rubin** (United States of America), supported by **Mr. Briscoe** (United Kingdom) and **Mr. McRae** (Canada), proposed that the sentence should be deleted.

261. **Ms. Mokaddem** (Lebanon) said that the references to other service providers in paragraph 6 should not give the impression that UNRWA did not have the main responsibility for the provision of services to refugees. She proposed that the second sentence should be amended to read “UNRWA should work to ensure that adequate services are provided for any Palestine refugee”. She also proposed that the word “necessary” at the end of paragraph 7 should be replaced by the word "required".

The recommendation on making strategic choices for 2010-2015: medium-term strategy development, as amended, was adopted.

Recommendation on organizational development in UNRWA: a midterm report

262. **Ms. Brooks-Rubin** (United States of America) proposed that paragraph 6 should be amended to state that the Advisory Commission would consider supporting the Agency's request for international posts rather than work towards supporting it.

263. **Mr. Kirst** (Sweden) said that he would not object to that proposal. However, the expression "work towards" suggested a more proactive approach.

264. **Mr. Makken** (Netherlands) said that the Advisory Commission had already expressed support for the Agency's request. He therefore proposed that the phrase "continue to support" should be used.

The recommendation on organizational development in UNRWA: a midterm report, as amended, was adopted.

Update on progress made in implementing advice and assistance to the Commissioner-General

265. **Mr. Mitchell** (Secretary of the Advisory Commission), introducing a document entitled "Update on implementation of Advisory Commission advice and assistance to the Commissioner-General", said that the document had been prepared in response to a request by the Advisory Commission for the inclusion of such an update as a regular item on the Commission's agenda. It contained a compilation of all the substantive recommendations made by the Advisory Commission since its expansion, together with a brief description of action taken and the current status of implementation. In most cases, the nature of the recommendation meant that implementation was ongoing. Moreover, the

discussions of the past two days had provided further updates with respect to many of the recommendations. He suggested that the document should be used as a reference document, to be updated regularly as part of the Agency's regular reporting to the Commission, and that the new recommendations adopted at the current session should be incorporated into it.

It was so decided.

Adoption of the Chairperson's letter to the Commissioner-General

The letter dated 29 May 2008 from the Chairperson of the Advisory Commission of UNRWA addressed to the Commissioner-General was adopted.

Salutations

266. **Mr. Christensen** (Denmark) said that Denmark had just agreed to make an extraordinary contribution of a little over \$1 million for the rebuilding of one of the schools in Yarmouk camp, in addition to its significantly increased contribution to the General Fund. The project proposal prepared by the Syrian Arab Republic Field Office also included plans to build a second school and a community centre. He hoped that other donors would make contributions in order to cover the cost of the latter two buildings.

267. **The Chairperson** welcomed the announcement of Denmark's new contribution and endorsed the appeal for further contributions to the project.

268. **Mr. Azayzeh** (Jordan) and **Ms. Mokaddem** (Lebanon) expressed appreciation for the cooperative spirit in which the Commission's discussions had been conducted at the current session and also thanked the Chairperson, the Vice-Chairperson, the Commissioner-General and the Deputy Commissioner-General for their efforts.

269. **Mr. Makken** (Netherlands), noting that he would be leaving the Advisory Commission after the current session, thanked the Chairperson, the Agency staff and the other Advisory Commission members for their cooperation and support. The Agency had made significant progress over the past three years and he hoped that that trend would continue. He also hoped for a lasting and just solution to the situation of the Palestine refugees.

270. **Ms. Tantawy** (Egypt) thanked the Government of the Syrian Arab Republic for hosting the current session and expressed appreciation for the efforts of all Agency staff to help the Palestine refugees. She also congratulated the Commissioner-General on the extension of her term of office. Her delegation was looking forward to assuming the Vice-Chairmanship of the Commission on 1 July 2008 and was ready to make its best efforts, whether on the political or humanitarian track, to support the Palestine refugees until the Palestinians could establish their own State in accordance with the relevant General Assembly resolutions.

271. **Mr. Kjaer** (European Commission) said that he, too, was participating in the Advisory Commission for the last time and expressed his appreciation for the dedication shown by the Agency's staff in their efforts to help the Palestine refugees. His delegation had been particularly glad to participate in the launch of the OD process by sharing its experience of the implementation of a similar process in the European Commission. He

commended the progress made over the past three years and hoped that the pattern of achievement would continue in the future.

Concluding remarks by the Commissioner-General

272. **Ms. AbuZayd** (Commissioner-General, UNRWA) expressed satisfaction with the work accomplished at the current session and welcomed the spirit of understanding that always characterized the interaction between UNRWA and the Advisory Commission. UNRWA was encouraged by the Commission's endorsement of the principle of commemorating the Agency's sixtieth anniversary by highlighting its achievements to a global audience. Members' suggestions would be taken into account in the preparation of an action plan and the mobilization of resources for the anniversary activities.

273. Turning to the activities of the field offices, she expressed gratitude for members' understanding of the complexity of the Agency's work and their appreciation of the efforts of its staff. With regard to the occupied Palestinian territory, there had been an acknowledgement of the need for States to intensify efforts to address the underlying issues of Palestinian rights, armed conflict and international legality. With regard to Lebanon, the Agency had called for support in order to raise the living standards of Palestine refugees and to reconstruct Nahr el-Bared camp as rapidly as possible. The Agency had also appealed to the international community to nurture the chance presented by recent events in Lebanon to restore stability and prosperity to the country. With regard to the Syrian Arab Republic and Jordan, she trusted that members would give careful

consideration to helping UNRWA to realize the human development prospects offered by the two countries.

274. The discussion on follow-up to the Geneva Conference had presented a useful opportunity to recall how the effort to transform UNRWA and strengthen its ability to serve Palestine refugees had begun. Members had noted the links between the Conference outcome and the OD process, while emphasizing that much more needed to be done in order to realize the aims of both. Most importantly, members had affirmed that the ultimate measure of the success of reform would be a tangible improvement in the quality of life of every Palestine refugee.

275. With regard to the Agency's financial situation, she expressed appreciation for the offers of bilateral support with fund-raising and noted the observation that the Agency's financial weakness could have wider repercussions, not least for regional stability. She also welcomed the suggestion to convene a focused strategic discussion on the paucity of funding and resource mobilization, but noted that, while further discussions might help to clarify some issues, only a significant net increase in contributions would restore the Agency to financial health.

276. With regard to programme strategy, the Agency would take into account the range of strong views expressed. It would maintain its principal lines of service to Palestine refugees and would strive to improve service quality. The near-certainty of limited resources would impact on planning and priority-setting with regard to methods of service delivery. In that regard, UNRWA would maintain dialogue with the Advisory Commission in order to ensure transparency and to incorporate a broad range of considerations into its evolving programme strategy.

277. The discussion on strategic choices had shown that, while hosts and donors held differing views, they could be brought together. Progress could be made on the basis of the tools developed since the Geneva Conference, particularly with regard to the preparation of a medium-term strategy that would be acceptable to Commission members.

278. The fact that the annual report to the General Assembly had been agreed upon in advance demonstrated the Commission's efficiency. She also expressed appreciation for the Commission's advice and assistance to her.

279. She commended the work of Mr. Mustafa, the outgoing Chairperson of the Commission, and paid tribute to all those members who were leaving the Advisory Commission. She also welcomed Ms. Uribarri, the representative of Spain, to her new post as Coordinator of the Spanish Cooperation Office in Jerusalem. She commended the efforts of the Head of the Advisory Commission Secretariat and his team, the staff of the Syrian Arab Republic Field Office and the various other support staff who had ensured the smooth running of the session, and the Syrian Government and GAPAR for hosting the session. Lastly, she thanked all Commission members for their support and cooperation.

Closing statement and summary by the Chairperson

280. **The Chairperson** expressed appreciation for the efforts of hosts, donors and UNRWA to support the Palestine refugees. He hoped for the achievement of a solution to their situation that would allow them to return to their homeland. He also hoped that the

Advisory Commission would continue to work in the cooperative spirit demonstrated at the current session. He thanked the Chairperson of the Sub-Committee and the Advisory Commission Secretariat for their work and commended the efforts of all those who had contributed to the organization of the session, including the staff of the Syrian Arab Republic Field Office. He wished the delegations of Norway and Egypt success in their leadership of the Commission in the coming year. Lastly, he conveyed greetings from the Syrian Minister for Foreign Affairs and his Deputy.

281. He declared closed the first regular session of the UNRWA Advisory Commission for 2008.

The meeting rose at 3.30 p.m.