

STATEMENT OF UNRWA COMMISSIONER-GENERAL TO THE VIRTUAL ADVISORY COMMISSION – 23 NOVEMBER 2020

Mr. Chair,

Mr. Vice-Chair,

Excellencies,

Ladies and Gentlemen,

I am pleased to be with you here today, at this Advisory Commission meeting.

Let me start by thanking the Chair, Mr. Sultan Mohammed Al Shamsi - Assistant Minister for International Development Affairs of the United Arab Emirates.

I would like to acknowledge with appreciation the important role as Vice-Chair of Dr. Hassan Mneymneh - President of the Lebanese Palestinian Dialogue Committee.

And from the Subcommittee: I thank Ms. Jessica Olausson, Consul General of Sweden, Vice-Chairs: Mr. Jason Tulk, Head of Cooperation, Representative Office of Canada, Palestine, and Engineer Rafiq Khirfan, Director-General of the Department of Palestinian Affairs, Jordan.

We are also honored by the presence of India and China as guests: Ambassador Sunil Kumar, the Representative of India to the State of Palestine, and Ms. Wang Xi, Counsellor at the Representative Office of China to the State of Palestine, are attending this Advisory Commission meeting.

Finally, I wish to express my deep condolences on the passing of Mr. Saeb Erekat, a greatly respected Palestinian leader and tireless advocate for a just peace. I also wish to offer my deep condolences on the passing of Mr. Walid Muallem, the long-serving Foreign Minister of the Syrian Arab Republic, and a supporter of UNRWA

Excellencies, distinguished delegates,

On 10th November, I informed the Advisory Commission during an Extraordinary meeting that UNRWA's core budget had run out of cash. I emphasized that the Agency faced this year a shortfall of 115 million Dollars, of which 70 million Dollars in new contributions are needed to cover November and December salaries of over 28,000 staff.

As of today, I do not yet have sufficient funds to pay November salaries. I was compelled last week to secure an additional 20m Dollar CERF loan – the last one according to Emergency Relief Coordinator Marc Lowcock - to help with cash flow and cover part of the November payroll. Based on the funds available, I will decide later this week if we proceed with partial payment of salaries at the end of the month or delay full payment.

We still desperately need the 70m Dollars in contributions to avoid additional painful measures in the coming weeks and limit the amount of liabilities carried over into 2021. If we do not secure the funds for November and December salaries, the Agency will continue to lack the cash needed to operate in January, according to the currently available information on 2021 contributions.

This is the first time in memory that UNRWA has reached the cliff's edge with no money on hand nor confirmed pledges to cover two months of salaries.

How did we get here? There has been a steady annual drop in income. So far, core contributions are 300 million Dollars below 2018, 70 million Dollars below 2019 and at the level of 2012. The United States, formerly our largest donor, decided to defund UNRWA in 2018 and the exceptional generosity that ensued, including from the Gulf countries, dropped in 2019 and decreased further in 2020.

At the same time, needs of Palestine refugees have increased significantly as a result of conflicts and multiple socio-economic crises. In addition, this year, we experienced the pandemic and its devastating toll on the most vulnerable. Needs today cannot be compared with those in 2012. **Yet, sadly**, resources available are at the same level.

Let me be clear about the consequences:

Deferring or worse, not paying salaries will seriously affect the welfare of more than 28,000 staff and their families. Most of our staff report living in debt just to finance basic needs such as housing and education. They fear the legal consequences if they default on reimbursing their loans. They also support extended families, particularly where jobs are scarce and abject poverty rates high, like in Gaza, Lebanon or Syria.

Above all, failure to pay salaries will disrupt UNRWA's operations. It will trigger a humanitarian crisis within the community of 5.7 million Palestine refugees in the region.

This community relies overwhelmingly on UNRWA – each and every day – for essential education and health services, food and cash support, and other life-saving interventions.

Loss of access to UNRWA services, at a time of increasing despair and distress in the camps, at a time Palestine refugees expect a stronger UNRWA to help to cope with increasing challenges, will fast spread disarray, anger and have a destabilizing effect on host countries and the region.

Today's threat to salaries also happens at a time UNRWA staff is tirelessly fighting the spread of COVID-19 in the region. They have paid a high price. Among UN agencies UNRWA staff reports the highest number of COVID-19 cases. Why? Because they are at the frontline of the response and they are from the refugee community.

Our staff deserve better. Their community deserves better. They deserve our solidarity.

UNRWA's staff is serving one of the most vulnerable populations in the Middle East.

- In Lebanon, nearly the entire population in the camps lives under the poverty line. During my last visit, I saw hopelessness growing and met young refugees asking UNRWA to de-register them in the belief they could become eligible for resettlement under UNHCR responsibility.

- During my visit in Syria last month I saw refugee families sheltering in the rubble of Yarmouk because they cannot afford to pay rent. I met with families that said they are down to one meal per day.
- In Jordan, COVID-19 infections exponentially increased over the last three weeks, threatening national health care capacities. In support of the Government of Jordan's efforts and working in partnership with other UN agencies, our frontline health staff continues efforts to control the pandemic.
- The West Bank is tense, cantonized and economically suffocated.
- In Gaza, where I plan to be tomorrow, UNRWA is moving into universal food aid as of January first, a direct consequence of 13 years of blockade. The latest round of testing indicates COVID-19 is spreading fast.

Meanwhile, regional political developments have deepened the insecurity of Palestine refugees. There are growing attempts to phase out UNRWA and the refugee question.

And Palestine refugees increasingly question the real commitment of the international community to their rights. They feel abandoned, left alone to their plight. If we were Palestine refugees we might feel the same.

Fatigue is not an option for the international community. We need to keep showing solidarity. We need to remind ourselves that the refugees did not choose to remain refugees, and that a fair and lasting solution to their plight remains to be achieved.

In these critical times, I am grateful to those of you who have indicated they might have additional funds available. But this in no way covers the size of our severe shortfall.

In recent months, my team and I have been reaching out extensively to mobilize resources. I have engaged actively with partners in Europe and the Gulf, with multilateral organizations including the European Union, the League of Arab States and the Organization of Islamic Cooperation. Secretary-General Guterres, Special Envoy Mladenov and UNRWA partners including the co-chairs of the Stockholm group, Jordan and Sweden, have also been rallying support.

Unfortunately, this has not yet yielded the expected solidarity. Despite all these efforts, despite the unwavering political support expressed at the time of UNRWA's mandate renewal, despite having delivered early warnings in recent months about failure to close the shortfall, we have reached the edge of the cliff. This could have been avoided. Today, we still have a choice. Falling down the cliff can still be avoided.

We have operated under strict cost control and austerity measures. As a result, the Agency reduced its 2020 program budget by \$85 million.

No-one should doubt UNRWA's continued commitment to efficiency. Austerity and cost control however, have reached their limits. Slashing further our budgets will not only come at a further cost to the refugees but as from now, to the core of the Agency's mandate.

Turning now to UNRWA's reforms and management initiatives, I am very pleased to welcome our new Deputy Commissioner-General and Chief of Staff who joined us in September. With Leni Stenseth and Ugochi Daniels on board, UNRWA's leadership is complete. We are making robust progress implementing the management initiatives and restoring trust between UNRWA and its partners.

Despite the existential threat caused by the unprecedented financial crisis, we are moving these initiatives forward which will strengthen transparency, accountability, oversight and effectiveness.

In the session tomorrow afternoon on organizational issues, I will highlight progress made and invite views from members about ongoing efforts to strengthen the Agency.

I want now to address another serious challenge which persists, a challenge which is causing significant reputational damage and has financial implications. I am referring to the external highly organized individuals and organizations who constantly allege and depict UNRWA as an Agency which incites violence and promotes anti-Semitism in its schools. We need to firmly shield the Agency from these baseless allegations and attacks.

Let me be clear - there is no space for discrimination or incitement to hatred in UNRWA schools. The curriculum which is delivered to our students is consistent with United Nations values.

Last week I marked the International Day of Tolerance with UNRWA students. They spoke with maturity about the value of human rights. I see these children growing up as responsible citizens in a society where the human rights of all are respected.

UNRWA's education department is constantly reviewing textbooks and estimates that up to 3% of the current material used in the West Bank, East Jerusalem and Gaza contains issues which need to be addressed – this includes representation of gender roles. These are being dealt with seriously. For example, the EU commissioned study of the Palestinian textbooks: once and if recommendations are available, the Agency will respond to those under its remit.

Excellencies, ladies and gentlemen,

Cash flow crises and structural under-funding are permanent features of the Agency's funding model. Every year, the needs of the refugees grow and at the same time UNRWA receives less funds for its core budget. We are stretched beyond capacity and about to crash.

The overwhelming political support expressed by the UN General Assembly must be matched with sufficient and predictable resources to implement the mandate.

First we need to prevent a financial crash by closing the financial shortfall this year and limiting the carryover of funds to 2021. I already appealed to all of you to frontload contributions to early 2021 to prevent a cash flow crisis in January already.

Second, we need to re-engage the international community around a vision for UNRWA supported by multi-year and predictable funding that promotes responsibility sharing. A vision, which learns from the lessons of the multiple crises and the pandemic, and builds a better future for Palestine refugees.

Such a vision should strengthen programmes by adapting them to our time. It means investing in technologies-for-education and bridging the digital divide. It means lifting people out of poverty, creating employment opportunities and giving youth financial independence, including through credit for business start-ups. And finally it means putting gender at its center.

This vision will be at the heart of the international conference being hosted by Sweden and Jordan next year.

This is our opportunity to ensure buy-in for UNRWA's strategies and for multi-year financial support.

I do not believe that it is in anyone's interest to keep a financially weakened UNRWA struggling to deliver the most basic education, health and socioeconomic services at a time of growing despair and distress. This region needs the stability that UNRWA brings.

This is our opportunity to help build a more prosperous and secure future for the Palestine refugees and for the region.

In more than thirty years of my career in conflict and post conflict situations, I have rarely experienced such a level of distress and such a sense of hopelessness than the one I have encountered recently in Palestine refugees camps. We should not make the mistake to let the situation get worse.

But we will - if we fail to pay the salaries of more than 28,000 staff and if we fail to find long term financial stability for UNRWA.

And let us make no mistake – despair and economic uncertainty is a dangerous cocktail that the region does not need.

Investing in the future of more than half a million girls and boys and in the dignified life of millions of Palestine refugees remains one of the most efficient investment to promote stability in the region. By promoting Human Rights values and critical minds, UNRWA is preparing the future citizens of the region who in turn will consolidate any agreed lasting

peace as well as stability. UNRWA is part of the solution and will spare no efforts to contribute to this goal and ultimately make its role redundant. But until such a day, Palestine refugees expect from all of us nothing else than shared solidarity and responsibility.

Thank you Mr. Chair.