

CHECK AGAINST DELIVERY

Statement by Karen Koning AbuZayd
Commissioner-General of UNRWA to
the Special Political and Decolonization
Committee

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Mr. Chairman, distinguished delegates:

I have the honor to present to this Committee my annual report on the operations of UNRWA during 2007. This report devotes particular attention to the twin crises in the occupied Palestinian territory and in northern Lebanon that have seriously affected the Palestine refugees, and with them, UNRWA. It describes the substantial changes taking place within the Agency and in its relationships with its stakeholders, changes aimed at improving our effectiveness as the largest provider of basic services to the Palestine refugees and integrating UNRWA better with the rest of the UN System. These developments continue to shape much of our work in 2008.

I shall provide a brief overview of the regular programme of services we deliver to the Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic, the West Bank and the Gaza Strip. As the cornerstone of UNRWA's mandate is to assist the refugees until a just and comprehensive resolution is reached to all aspects of the Israeli-Palestinian conflict, our regular services continue to make an indispensable contribution to the human development of the refugees. While not all the refugees need UNRWA, or take advantage of its services, I should note that the number who have voluntarily registered with us – and are thus eligible for services – had risen to 4.6 million as of 30 June 2008, 30 percent more than a decade ago.

Distinguished delegates,

Over the decades, UNRWA has faced many challenges of considerable magnitude. Among the historical moments were: the 1967 Arab-Israeli war, the 15-year civil war in Lebanon and Israel's invasion of that country in 1982 and the first Palestinian *intifada*, which erupted five years later. In these defining conflicts of the modern Middle East, UNRWA has played a critical role as the first responder, a stable service provider and a source of protection to the refugee community. With the exception of Lebanon's civil war, however, none of those emergencies has persisted as long as the present conflict in the occupied Palestinian territory, now in its ninth year.

[As for the scale of challenges: in 2002, we had to cope with the destruction of the heart of the Jenin camp in the northern West Bank; the following year, it was the turn of southern Gaza, as large parts of Rafah and nearby densely populated urban areas were demolished by the Israeli Defense Forces and the populations scattered to whatever refuge was available. As is often the case, it was the refugees – the poorest and most vulnerable elements of society – who bore the main brunt of the violence.]

But the depths of the humanitarian crises that have beset Gaza and the West Bank in the past two years have dwarfed even those earlier calamities. Nor has UNRWA previously had to cope with major crises in three fields of operation simultaneously. The third area is Lebanon where, in 2006, the refugees in the south were affected by the conflict between Israel and Hizbullah. Last year, fierce fighting which raged in Nahr el-Bared refugee camp for 15 weeks ended with the complete destruction of a once thriving and mostly self-sufficient refugee community of some 30,000 people and the displacement of its residents. These homeless persons will need to be supported for the next three years, the period required to rebuild the camp.

Distinguished delegates,

Allow me now to focus in more depth on the situation today in the occupied Palestinian territory.

At the outset, I am compelled once again to express my alarm about the devastating economic and human cost of the situation. As numerous expert studies have concluded, the fundamental cause of this distress is the intricate system of closure and other movement restrictions imposed by the Government of Israel on Gaza and the West Bank, with the aim of improving security for the Israeli people. According to the World Bank, the Palestinian economy would probably have doubled in size between 2000 and 2007 were it not for the restrictions and other punitive measures that have choked the economy of the occupied territories. Palestinian growth rates plummeted from six per cent per year in 1999 to consecutive years of negative real growth. In 2007 alone, the projected income loss was \$4 billion, an intolerable price to be paid by a people living under occupation and struggling to lift themselves out of dependency and hardship.

In Gaza, where I live, and where UNRWA maintains one of its now three Headquarters locations, conditions are particularly wrenching. Following the takeover of the territory by Hamas in June 2007, a blockade has severed Gaza's access to the outside world, including for medical care, higher education and all manner of economic life. Ninety per cent of Gaza's small businesses and manufacturers shut down in the last year. In 2000 the unemployment rate was equal to the average in the region. It is now among the highest in the world, at 45-50%. Few have been spared the effects of this policy, and it is beginning to scar indelibly Gaza's children, who make up over half of the territory's 1.5 million-strong population.

Through its extensive emergency programmes, UNRWA is shouldering the major burden of providing humanitarian assistance in the occupied Palestinian territory. It is providing food aid to approximately

one million Palestinians rendered either destitute or food insecure. Additionally, last year we initiated a school feeding programme for 198,000 pupils in Gaza after noting that hunger was affecting their educational performance. Close to 13,000 jobless refugees are employed each month on short-term contracts, generating modest incomes for a few months at a time for families living in deep poverty. In the field of health, our mobile medical clinics provide primary health care to 60,000 refugees, mainly in communities unable to access West Bank health facilities due to roadblocks, checkpoints and the separation barrier.

Time does not permit me to provide the many other examples I could give of the lifeline that UNRWA is providing. However, I would like to draw your attention to one bright light in the dismal gloom of Gaza. This is the Summer Games programme we carried out for 200,000 children last year. For several precious weeks, boys and girls were able to escape the trauma and despair of their daily lives and enjoy a period of normalcy, recreation and simple fun. This year, notwithstanding many obstacles, we were able to repeat the programme, on an even larger scale. At a time of deepening social conservatism and radicalization in Gaza, UNRWA provides a much valued alternative.

Notwithstanding the relentless demands on the ground, I am pleased to note that in this reporting period UNRWA has improved the effectiveness of its emergency service delivery. It has collaborated with the World Food Programme and FAO to improve targeting, recruited experts to better assess aid effectiveness and identify service gaps and cooperated with UNICEF in areas such as vaccination, the provision of micronutrient supplements and medical training. We are an integral part of the CAP process led by OCHA, and developed in close coordination with the Palestinian Authority, to ensure harmonization of programming.

UNRWA's annual Emergency Appeals for the occupied Palestinian territory have been relatively well funded. In 2006, we received 81 percent of the amount requested; in 2007, while the overall amount pledged remained about the same, the percentage dropped to 57 percent. This year we have nudged over the 60 percent mark. As a research study we published last year confirmed, this aid has had the undeniable benefit of staving off even deeper poverty and destitution. While it was gratifying that effectiveness of our programmes was acknowledged, at the same time, I cannot overemphasize the extent of vulnerability of the beneficiaries to any cut-off of aid, lacking as they do any alternative sources of income and essential goods.

For Lebanon, the donor response to the two appeals we launched in 2007, to address the needs of the Nahr el-Bared crisis, has been very strong. Unfortunately, the latest appeal, issued last month, to

continue our interim support programmes for the displaced population for another year, has not fared well. If new pledges are not received soon, we will have to begin cutting back on some of our basic support. Likewise, the response so far to the appeal made jointly with the Lebanese Government and the World Bank in Vienna, in June, for the reconstruction of the Nahr el-Bared camp has been disappointing, jeopardizing the future of this crucial project.

Distinguished delegates,

I turn now to those core services whose value may be overlooked because attention inevitably turns towards the crises that demand more immediate action. Delivered directly by UNRWA's staff through our own facilities, these services are the cornerstone of the mandate entrusted to UNRWA by the General Assembly. Many of our programme achievements have been noteworthy. I shall briefly highlight some of them.

We have 480,000 pupils enrolled in our schools this year at the primary and preparatory levels, and in secondary level education in Lebanon and Jordan. Primary enrollment in our schools is almost universal, and is gender balanced. Enrollment rates exceed the average in the Middle East, and are comparable to those in the host countries' public school system. A further 5,800 older students are enrolled in our nine technical and vocational educational training centres. These centres produce graduates with market-orientated skills, well equipped to enter regional job markets. Demand for a place in one of these centres is so great that, if we had the resources, we could provide training for at least five times as many students.

Our Health Programme, which accounts for approximately one-third of the budget, provides primary health care with a focus on maternal and child care, disease prevention and control, and curative services. In 2007, our 1,200 medical staff provided nine million patient consultations in 128 clinics – an average of 24,000 per day. Immunization coverage is near universal, ranging from 95% to 99%. We currently vaccinate approximately 100,000 infants annually. With respect to key indicators such as infant and maternal mortality, the Palestine refugee population is well ahead of the average in the Middle East. As a measure of the effectiveness of these primary care programmes, no disease outbreaks were recorded in 2007, despite the emergencies then persisting in three of the five fields.

Our Relief and Social Services Department provides an essential safety net for the poorest refugees and their dependents, and essential support for particularly vulnerable groups. This programme is a vital source of food, cash and other forms of one-time assistance for families experiencing a specific

crisis or otherwise unable to support themselves. When funds are available, it tackles the repair of dilapidated or unhealthy refugee shelters. The programme also provides services to people with disabilities, and plays a valuable role in sustaining a vibrant civil society in refugee communities through support to independent, community-based organizations. The activities of these centres range from legal advice to skills-training for women. In the past year, the programme has introduced important changes to its targeting, re-orientating the focus to those determined to be living in abject or absolute poverty.

These programme areas have adopted new norms over time to achieve greater efficiencies and improved outcomes. They have also made significant strides towards the achievement of the Millennium Development Goals. In the area of women's health, education and employment, for instance, the social and economic advancement of Palestinian refugee women is one of the great unsung stories of the United Nations.

Our fourth programme area, microfinance, was introduced in 1991 in Gaza to promote human and economic development and alleviate poverty through the provision of credit for small businesses, micro-enterprises, household consumption and housing needs. Since then, it has expanded to the West Bank, Jordan and Syria, successfully tapping credit-starved entrepreneurs and households, stimulating local enterprise and generating income.

Altogether, the programme has issued 142,000 loans valued at \$150 million, and won broad recognition for encouraging women entrepreneurs and achieving high rates of repayment. Due to current circumstances, however, the programme is facing a threat to its viability in the Gaza Strip, where defaults on loan repayments and a reduction in new borrowers forced it to lay off staff and scale back operations in 2007. This setback is a direct consequence of the economic closure of the Gaza Strip, where it used to generate much of its income.

Our fifth, and newest, Department pulls together elements from other departments and is responsible for infrastructure and camp improvement projects. Established in 2006 to ensure the provision of adequate housing and infrastructure for the 30 percent of Palestine refugees who still live in designated official camp areas, it takes a participatory and community-driven approach. Its programme includes urban planning, shelter rehabilitation, environmental infrastructure, sustainable development and livelihood building. The Department does not draw on the General Fund as its activities are funded exclusively through extra-budgetary project funds. The department supports the major camp

reconstruction and rehabilitation initiatives underway in the Syrian Arab Republic, Lebanon and the Gaza Strip.

Distinguished delegates,

For several years UNRWA has been concerned about the deterioration in the quality of some of its services, as well as its inability to update some programme activities in line with internationally agreed development goals and improvements in the same services that the host governments provide to their citizens. Our response takes the form of a six-year Medium Term Strategy, now under development, which will be introduced with effect from 2010. Based solidly on field-level planning and results-based management practices, it will need to be underpinned by adequate donor financing.

Thanks to significant increases from many traditional donors, UNRWA no longer faces declining real levels of contributions as it did in years past. Nevertheless, the Agency's funding gap remains large and could increase, especially if exchange rate trends no longer augment our income. In 2007, the deficit between planned expenditure and receipts amounted to \$71 million. The gap could reach \$78 million this year, against a "cash budget" of \$541.8 million. The simple fact is that the rise in contributions has not kept pace with increased refugee needs. Contributions in 2000 covered 90% of the planned budget. But, in 2007, despite having risen in absolute terms, pledges received represented only 80% of the funding requirement. The squeeze on the Agency has been aggravated further by rapidly rising food and energy costs in the past year. Here I wish to pay tribute to the Working Group on the Financing of UNRWA, chaired by Turkey, for the pertinent and forceful conclusions contained in its annual report to the General Assembly. This year's findings merit particularly careful reading.

In the present financial and economic turmoil besetting much of the world, it would be tempting to cut aid but this, I fear, would be short-sighted and self-defeating in light of the heavy investment already made by so many governments to preserve the wellbeing of the Palestine refugees and to contribute to stability in the Middle East.

Distinguished delegates,

Earlier I referred to the changes UNRWA is undertaking in the way it functions, an organizational development process, or OD in UNRWA's shorthand. As many of you are aware, the OD was born of the recognition that UNRWA's managerial and programme capacity and structure was inadequate to meet growing and more complex refugee needs. It was also born of the conviction that greater, and

more dynamic, engagement with all stakeholders – donors, host countries, the PLO and refugees – was needed if its reform plans were to succeed.

I tasked my deputy, Filippo Grandi, to lead the OD process in early 2006. Half way through the implementation of this three-year programme, I am pleased to report that it is transforming UNRWA's management, planning and delivery of services, as well as the human resource and IT systems that help drive the process. In just over a month's time, we expect to complete a qualitative upgrade of our information systems connectivity, and put into effect a comprehensive human resources policy to improve the functioning of our 27,500 regular staff. We also expect to complete shortly our handbook on programme and project cycle management, as well as a framework for performance indicators. Taken together, these reforms are qualitatively improving our ability to monitor and evaluate our operations and their impact on beneficiaries, and to plan our entire programme of work more strategically.

We are already seeing results. There has been an invigoration of assessment, decentralized accountability and innovative programming, all elements of the new management culture promoted by the reform process. In the Syrian Arab Republic, for example, an unusually high unemployment rate among young Palestinians was recently identified by Agency's field management. Our field staff in Damascus has prepared a cost-effective response, integrating training, the provision of microfinance and promotion of youth leadership. This intervention aims to improve the employability of youth who otherwise face chronic unemployment and other social ills, posing a financial burden to the authorities, and failing to contribute to the development of their communities. The Syrian Government has been consistently supportive of the full participation of Palestine refugees in its labour market, and is strongly backing the initiative.

In recognition of the importance of these reforms, donors have so far covered \$22.3 million of the Organizational Development plan's \$27.3 million budget to the end of 2009. For its part, with the backing of many Member States, UNRWA has sought to mainstream into the regular budget of the United Nations 20 new international posts required to sustain implementation of the new functions introduced through the OD programme. Last year, the General Assembly approved the creation of six posts in the Secretary-General's budget for 2008-2009, and we shall be seeking the balance required next year, for the 2010 – 2011 biennium.

Distinguished delegates,

As the part of the UN System charged with caring for the Palestine refugees, UNRWA has followed closely the revival of the peace process, following the Annapolis conference last December with great interest. While we cannot yet assess what progress has been made over the past nine months, we note the comments of Palestinian negotiators that there can be no partial or interim agreement. In other words, settlement of the refugee question – one of the key final status issues – must be a part of the package. If agreement is reached, UNRWA stands ready to play whatever role it is given by Member States in managing transitional arrangements for the refugees and handing over its responsibilities to the appropriate authorities.

Next year marks the 60th anniversary of the Agency's establishment by the General Assembly, in December 1949. The mere existence of the Agency for these six decades and the persistence of the refugee problem for this long is not a cause for celebration. But as those who have followed our work in the field can testify, the record of achievements deserves recognition. In our view, however, the anniversary should not be an occasion for self-congratulation and retrospective thinking. Instead we should look forward. With your support, we propose to hold a brief, Ministerial-level meeting during the opening of the next General Assembly, in September 2009, to mark the occasion and give renewed political backing to the UN's vital work in support of the Palestine refugees.

In conclusion, Mr. Chairman,

Once again it has been my pleasure to provide the Fourth Committee with this overview of our work and the many daunting challenges we face in the field.

Conditions may not be getting any easier, and the way ahead for the refugees remains full of uncertainty. But, what I am confident about is that I lead an organization that is better equipped than it has ever been to rise to the challenges, from wherever they may come. UNRWA's *esprit de corps* is high, and its dedication to its mission remains undimmed. For your continued support in our endeavor, I remain deeply grateful.

Thank you for your attention.