Statement of UNRWA Commissioner-General to the Extraordinary Meeting of the UNRWA Advisory Commission

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Mr. Chair, Mr. Vice-Chair, Excellencies,
Distinguished Delegates, Colleagues,

It is with sincere appreciation that I welcome Members and Observers of the UNRWA Advisory Commission to this Extraordinary Meeting. I join you from Cairo today, where I will address the Foreign Ministers Summit of the League of Arab States. I thank you for your understanding.

It is the second Extraordinary Meeting since 24 July 2015, and only the third since 2009. Invoking my authority under the Rules of Procedure to convene again was not at all a decision taken lightly.

We are here because UNRWA is in the midst of a grave financial crisis, of the magnitude faced last year. Given the shock waves felt by all in the Summer of 2015, when we came within days of postponing schooling for 500,000 refugee children, I am concerned in the extreme that we are sliding back into a crippling crisis in the form of a $96.5 million funding gap.

Your collective responsibility to advise and support is paramount during this meeting and in the days ahead, and I appeal to you to address the current crisis without further delay. Much more is at stake than UNRWA and its financial situation. Time and time again, I am confronted with the question of why the world should care about the fate of Palestine refugees when there are so many more pressing issues to deal with. Well, it should care:

Because the conditions facing the 5.3 million refugees are now worse than at any time since 1948.

Because the absence of political horizon is draining them of their resolve and creativity.

Because fifty years of occupation and ten years of blockade in Palestine are etched into the soul and identity of the Refugee community.

But maybe even more importantly:

Because a young generation of Palestine refugees is growing up which is losing faith in politics and diplomacy. In the West Bank and Gaza, most young people were born after the Oslo Peace Agreement. They were told by the world that if you choose a path of moderation, there will be justice served. But it was not.

Because in Syria, Palestine refugees, displaced, dispossessed and desperate, now understand in their hearts what their parents and grand-parents went through in 1948 and 1967.

And because, once the dust has settled from the crises of the region- and settle it ultimately will - the scars of Gaza, Hebron, East Jerusalem and Nablus, as well as the pain and suffering of Ein El-Helweh, Nahr El-Bared, Yarmouk and others, and the abuse and despair of Palestine refugees, will continue to stare the world in the face, and with greater intensity.

The risks of radicalization of isolated and desperate young people are huge. Extremists are on the constant outlook for new recruits. I am actually impressed by how few young Palestinians have answered their calls. But if nothing is done, that may well change. We have a collective responsibility, Ladies and Gentlemen, to protect Palestine refugees from such risks and temptations.

And therefore, yes, I am convinced that renewed attention to Palestine refugees and Palestine refugee youth is urgent. It is a matter of humanity. But it is also a real investment in the stability of many areas of the Middle East and overlooking that is a risk the Advisory Commission and UN member states should not be taking.
Against that background, let us turn to the crisis at hand. The overall financial situation and how we got here is described in my Special Report of 4 August 2015 and the Update to that report that was just mentioned by Ambassador Bessler and that was recently transmitted on August 30th. During this period I also reported on UNRWA’s financial and programmatic health, in two regularly-scheduled meetings of the Commission in November of 2015 and this past May. The Sub-Committee has also been briefed.

Allow me here to focus on some key points:

• UNRWA has shown robust and decisive action in managing a financially challenging situation:

• The measures we took in 2015 are well known to the Advisory Commission: a tightening of management, program and budget systems, keeping head counts stable and level for two years, working on the average size of classrooms.

• In the preparation of the 2016 budget, UNRWA’s reduced initial requirements by over $50 million; reduced the shortfall to $81 million; kept expenditure in line with 2015; and therefore adopted a zero-growth budget. Undoubtedly a unique case in a region where needs are growing exponentially. In the first months of this year we managed to reduce the shortfall further to 74 million and we were on the right track.

• We accompanied these steps by active and creative outreach to existing and potential donors. Particularly noteworthy was the promising engagement with the World Bank.

And I take this opportunity to express deep appreciation to the UN Secretary-General Mr. Ban Ki-moon for his passionate and relentless advocacy on behalf of the Agency.

I also reported to the Commission in May on sweeping and robust reforms we enacted in the first half of the year, in particular the conversion from “food to cash” in Jordan, Lebanon and the West Bank, adjustments to our hospitalization policy in Lebanon, and pursuit of a partnership with a major medical institution in East Jerusalem to expand and improve health care in UNRWA’s Qalqilya Hospital.

The Medium Term Strategy for 2016-2021 presented these initiatives to promote efficiency, innovation and quality in our core programmes, spread out over the 6 year period. UNRWA front-loaded them in the first 6 months of the MTS period, to demonstrate unequivocally the seriousness of this Agency.

Ladies and Gentlemen,

It is our conviction that UNRWA has done its part over the course of a year to achieve financial sustainability and this was done in close consultation and dialogue with you.

I am therefore all the more alarmed by what I perceive to be an absence of the collective mobilization required to keep the Agency running through end of 2016. Since May 30th, the shortfall increased by $22 million and now stands at $96.5 million after a drop in expected income.

The immediate priority is to close the gap in 2016, and I appeal, humbly but urgently, for contributions to be made to cover the balance of our requirements in full and in the shortest possible time frame. Otherwise, it will only be a matter of weeks before very painful and destabilizing steps will have to be taken.

Beyond 2016, we need new mechanisms and approaches to find stable and adequate funding arrangements. We need these mechanisms urgently.

It is in no one’s interests to allow the Agency to suffer grave crises year after year which fuel humanitarian, political and security tensions in a region that can no longer afford them.

And frankly, it breeds inefficiencies that afflict every delegation in the room you’re sitting in, and most of all UNRWA. I devote up to 80% of my time to resource mobilization. Many of my senior managers do likewise and many of you support us in this endeavour. In the end just enough is received to survive the year, and the cycle repeats itself. This is not programme management – it is crisis management and it is taking an incremental toll on UNRWA. There are consequences for the refugees and the host countries.

So far, UNRWA and the hosts have stepped forward with ambitious proposals to secure the Agency’s financial well being. We are actively exploring a partnership with the World Bank for Trust Fund support to UNRWA’s education in particular in the Gaza Strip. The host countries have tabled a proposal to seek funding for our core work via the UN Programme Budget. These deserve careful consideration because the current funding arrangements are not tenable or acceptable.

I ask therefore that you share, as Ambassador Bessler indicated, your comments urgently on my draft Update to the Special Report, and exercise your collective responsibilities to sustain our operations moving forward.
Never have the Palestine refugees felt so isolated, so restless and so full of despair. Never has their future looked so dark. Never have young Palestine refugees been exposed to so many pressures and never has the need to protect their hope and skills been more acute.

The cost of financial inaction grows, especially in a fragile region. We can close our eyes on the denial of dignity and rights of Palestine refugees today but it will only be worse, more dramatic and more dangerous a few years down the road. We must applaud the role of host countries – Jordan, Palestine, Lebanon, Syria and Egypt – but if nothing is done the needs will have only grown further and the pressure on UNRWA and hosts intensified.
I humbly state that UNRWA is your crucial, credible and irreplaceable partner just as you are our irreplaceable partner. We need your robust mobilization for our achievements to prevail.

Ambassador Bessler, thank you so much and congratulations on the chairing of your first meeting of the Advisory Commission. I thank you for this opportunity to raise these points with you.