

CHECK AGAINST DELIVERY

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

1 November 2005

Mr. Chairman, Distinguished Delegates,

This is my first occasion to address you as Commissioner-General of UNRWA. I am honoured to have been offered the challenge of serving as Commissioner-General. I have the good fortune of being able to build on the legacy of my predecessor, Peter Hansen, and of the Commissioners-General before him: UNRWA's operations, among the largest in the UN system, have proven cost effective in delivering services to a large refugee population for over 50 years. The Agency's staff is dedicated, hard-working and committed to their humanitarian and human development tasks, and relationships with stakeholders, both hosts and donors, are engaging and productive.

I am also grateful for the support of the distinguished delegates in this room, which, coupled with contributions from many among you, is critical to our ability to provide for those UNRWA is mandated to serve: the Palestine refugees. So you have my thanks, and be assured that I speak as well for our 25,000 staff--and for the 4.3 million refugees we assist --who are keen to preserve the support of the international community, which you represent.

My task today is to present my annual report. In addition, I would like to put UNRWA's work into context and to touch on some of the critical developments of the past year. We have faced considerable changes, both externally and internally, and I would like to highlight the most salient of these and our responses to them. I also wish to give you an update on the Agency's continuing reform process.

First, however, let me spend a few moments on the essence of UNRWA's work.

UNRWA has over five decades of experience in providing education, health and social services for the Palestine refugees in five fields of operation: Jordan, Lebanon, the Syrian Arab Republic, and the West Bank and Gaza Strip. Sixty percent of our budget goes to educating some 500,000 pupils and 6,500 teacher and technical trainees. Education is of central importance to Palestine refugees and UNRWA is proud to have contributed so significantly to the refugee population's exceptional educational achievements. The fact that gender parity was reached in our schools in the 1970s is a testament both to UNRWA's efforts and to the priority placed on education among Palestine refugee families.

We have also made commendable achievements in health care. This year a study by the World Health Organization (WHO) praised UNRWA for cost-effective care over a comprehensive range of services, including maternal and child health, reproductive health, school health, disease prevention and control, dental care, outpatient, laboratory and radiology support services and physical rehabilitation.

UNRWA's social safety net has been an important feature from its early days when the Agency provided the very essentials of life – shelter, food, water. Today we offer food and cash to 61,000 families living in particular hardship. We are currently developing the tools to ensure that limited resources go to those who need them most. We also support community-based efforts that promote the empowerment of women and other vulnerable groups, such as the aged and people with disabilities. One hundred two, largely self-sufficient, community centers are important locations for training, awareness-raising and outreach to tens of thousands of refugees each year.

The micro-finance and micro-credit programme, almost 15 years old, is the relative newcomer to the Agency. It is now the largest provider of micro-credit in the occupied Palestinian territory and the programme has been expanded to the Syrian Arab Republic and Jordan. Some \$18 million in

loans will have been offered by year's end, a 34% increase over 2004. Repayment rates are high despite economic decline, particularly in the oPt. A good example is the solidarity group lending scheme in Gaza. Targeting women specifically, it has a 91% repayment rate, in a place where the poverty rates are estimated at 60%.

However, we face many hurdles, not least among them the austerity measures introduced in the mid-1990s at a time when funding shortfalls were at their highest. These shortfalls have fundamentally affected the quality of UNRWA's services and our ability to attract and retain qualified staff.

Another aspect of UNRWA's lack of funds has been the absence of investment in maintenance and new buildings. Many of our school buildings, for example, which date to the 1960s, have had little if any maintenance, and rented facilities used as UNRWA schools often lack sufficient light and ventilation. Double shifts in schools due to shortage of space are the norm. The average teacher-pupil ratio is now 1:40. In health, the refugee population increasingly suffers from life-style diseases that require expensive tertiary care. WHO recommends that UNRWA allocate another \$10 per user per year to maintain the quality of basic health care. UNRWA is also seeking to shift its relief and food aid from a status to a needs-based approach to enhance its poverty-alleviation interventions and reach all refugees in need.

Due to the crisis in the oPt since late 2000, UNRWA has run an additional emergency programme, assisting over 1.3 million refugees with distributions of food and necessities. The programme generated over two million work-days during the reporting period. Even though these jobs are short term (most of them lasting three months only), they are highly sought after by refugees whose incomes have collapsed as a result of the economic crisis brought about by closures and continuing violence. Refugees whose homes

have been destroyed are provided with temporary accommodation until new housing can be built. Some 16,000 refugees were still homeless at the end of the reporting period.

As mentioned, I wish to highlight UNRWA's working context and current issues. Political developments, conflict and host country policies all provoke the need for operational and programmatic shifts. Operational environments are different in each of the five fields, and are constantly changing.

The plight of Palestine refugees has historically been most difficult in Lebanon, mainly due to limitations on employment. We have been very pleased with recent announcements by the Lebanese Government promising to open up job market access to Palestine refugees and to improve living conditions in the refugee camps in the country. This change is most welcome and warrants strong encouragement.

In the Syrian Arab Republic, the government has been extremely helpful, *inter alia*, in promoting innovative housing improvements. We are particularly pleased with the development of the Ein al-Tal/Neirab project that will significantly enhance the living conditions of refugees, many of whom have been living in military barracks dating from World War II. In Jordan, refugees enjoy wide access to services and also to citizenship.

In the West Bank and the Gaza Strip, our operations cannot function without Israel's facilitation and the Palestinian Authority's support and cooperation.

It is in these two areas of our operations that the wider political circumstances so drastically, and often negatively, affect refugee lives.

The first part of the reporting period was fraught with violence. The IDF's "Operation Days of Penitence" in September and October 2004 saw 200 armored vehicles entering the northern Gaza Strip. Thirty-six thousand

Palestinians, the majority of them refugees, were under siege. In the reporting period as a whole, 23 UNRWA pupils were killed, three inside their classrooms. Israel's obligation to protect its citizens does not negate the obligation to protect Palestinian children from tank shells and bullets.

The past year has also witnessed major changes which are expected to have a significant impact on prospects for the region. While Palestinians mourned the death in November 2004 of their leader, Yasser Arafat, the international community was encouraged by the smooth transition of power to his successor through free and fair elections in January 2005.

UNRWA continues to enjoy excellent working relations, at all levels, with the Palestinian Authority under the leadership of President Mahmoud Abbas. In my last meeting with President Abbas, he assured me that these relations will be maintained, and that UNRWA is needed more than ever to continue serving the refugees. He emphasized that the disengagement from the Gaza Strip has not changed the status of Palestine refugees within the Strip, as the refugee issue is one to be dealt with in final status negotiations.

The latter part of the reporting period saw a welcome and badly needed respite from military incursions and house demolitions. The population was further encouraged by prospects of Israel's disengagement from the Gaza Strip and part of the West Bank. These developments were seen as signs that could usher in an era of greater hope and a resumption of the peace process.

UNRWA has been working closely with James Wolfensohn, the Quartet's Special Envoy for Disengagement, and his team, to develop ways in which aid can best be channeled to create positive change and economic improvement. UNRWA has focused, in the immediate term, on micro-credit, job creation and reconstruction of demolished houses. UNRWA has raised almost \$50 million to date, a small amount within Wolfensohn's planning

package of \$3 billion/year, but we are poised to expand our activities whenever additional funds are made available.

UNRWA supports Wolfensohn's message -- recently becoming more insistent -- on the need for economic openings and freer movement of people and goods. Without employment opportunities, open borders and access to the West Bank, there can only be increasing economic stagnation in Gaza. This has also been the World Bank's warning, which no one disputes. An opening of economic possibilities plus an inflow of resources are essential.

While recent attention has focused on Gaza following Israel's disengagement, the construction of the separation Barrier is bearing down heavily on the lives of Palestinians in the West Bank. Anyone who has made the trip from Jerusalem to Bethlehem or Ramallah is struck by the ghettoization of Palestinian communities. The barrier actually separates some 10% of West Bank territory from the rest of the West Bank. Also disturbing is the fact that many Palestinians, among them many refugees, have lost access to places of work, education and health care, and access to their lands situated between the barrier and the 1949 armistice line that marks the border of Israel. The barrier makes it difficult to reach people in need, affects UNRWA's daily operations and prevents local staff reaching their offices or going on field visits.

We are equally concerned with what appears to be a resumption of another cycle of violence and counter-violence that can easily destroy important progress made so far. Extra-judicial killings by the Israeli military and the firing of "Kassam" rockets into Israel are but the most visible aspect of this violence.

Until there is post-disengagement take off, UNRWA's emergency programme remains a vital safety net to refugees in the Gaza Strip and the West Bank. In the light of disengagement and our hopes of getting people back to work,

we had reduced our emergency appeal by half for 2006, but now I fear that our emergency aid may be required for some time to come.

In the Gaza Strip, where I live, the euphoria over the withdrawal of the Israeli army and settlers in Gaza is almost over. While the internal restrictions on movement within the Gaza Strip have been removed, 1.3 million Palestinians find themselves trapped in an area that is 45 kms long and 4 – 8 kms wide with no link with the West Bank, access to Israel or an opening to the outside world. I am hopeful that this morning's news of agreement on the opening of the Rafah crossing bodes well for the many other decisions on border crossings and links with the outside world, which are awaiting final decisions.

Another area of significant change is on the internal front.

Last year Commissioner-General Hansen reported on the Geneva Conference, convened to discuss how to better support UNRWA and its partners to benefit the refugees. Many good ideas flowing from that conference have permeated subsequent discussions. Our medium-term plan, which was presented at the Conference, sets out how UNRWA intends to address the most critical short-comings in the provision of services. We are treating the MTP, as we label it, as a process that will undergo regular updating as we consult our stakeholders and re-think our activities and requirements. Related to this, deliberations of a working group on stakeholder relations resulted in, among other things, the proposal to expand our Advisory Commission. We trust this proposal will find favour with the General Assembly, since we look forward to working closely with a revitalized Commission next year.

Additionally, we have embarked on a comprehensive data collection process that will substantially improve the Agency's ability to ascertain and monitor needs, and we are now expecting the results of a study designed to help us

mainstream a gender approach. A donor-funded study by the UK's Department for International Development has contributed substantially to a discussion on organizational reform. We are now engaged in intense internal discussions facilitated by a series of management retreats. Our objective, partially achieved, is to build consensus on general areas requiring change and on things that the Agency can move forward with immediately.

Throughout the Geneva Conference preparatory process and follow-up, UNRWA has identified, in consultation with its stakeholders, ways in which it can strengthen its strategic planning capacity with a view to enhancing programme effectiveness, human resources management and project implementation. We continue to discuss these issues with stakeholders and with staff. Indeed some concrete measures have already been taken, others are underway and yet others will require additional staffing and resources. I will speak in more detail about these changes at the Hosts and Donors Meeting in Amman later this month. This meeting, by the way, also has a new format, one that invites more active participation from hosts and a wider range of donors, and also includes non-governmental and United Nations organizations for the first time.

The Agency's achievements of recent years are, I believe, quite remarkable. This is particularly so when considering the conditions under which we have been operating and the skeleton managerial staff and limited resources with which we have had to cope. A further managerial and administrative burden is the fact that the Gaza Strip is in U.N. security Phase IV, necessitating the relocation of almost all international headquarters staff from the Gaza Strip.

At the same time, UNRWA's tasks grow: we must keep up with host country service standards; we must address increasingly complex needs caused by conflict; we must provide ever more sophisticated technical training; we must adjust to the changing health profile of the refugees and we must improve our capacity to assess needs and be able to respond to them.

Substantive improvements will require operational changes, which in turn require additional resources.

We have started on a somewhat daunting and delicate path to reform; we are engaging in the hard work such a process entails, and I repeat, we need your support. UNRWA is the embodiment of the international community's commitment to the Palestine refugees, and it has the capacity to deliver and to improve services and living conditions of the refugees, but only if it receives the resources we are requesting in our needs-based biennium budget for 2006-7,—another document you have before you.

The Agency's regular budget for the 2006-2007 biennium is some \$995 million. UNRWA's project budget for the same period is \$286 million. This budget, which was prepared in consultation with Agency stakeholders, is some 30% higher than the 2004-2005 budget. The present budget reflects a needs-based rather than a finance-constrained approach, detailing not only what is required to halt the decline in service quality over the past years, but also to meet the objectives of the Agency's Medium Term Plan. On 9 September 2005, I had the privilege of submitting the 2006 - 2007 budget to the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which recommended its approval.

With your help, I intend to ensure that UNRWA maintains its achievements in those areas where it excels and moves additional activities into the "excellent" category, building further on an increasingly interactive relationship with all stakeholders.

I am exceedingly pleased to inform you that my new deputy, Filippo Grandi, joined us last month. Among many other duties, for which his long experience particularly suits him, he will be assisting to coordinate some of the reform processes I have mentioned.

Finally, I return to my earlier point to reiterate that, more than ever, the Agency needs your backing. The hurdles appear to be higher than ever, but at the same time, with greater potential for positive change than ever, and if we work together, I am confident that we can meet the challenges before us.

Mr. Chairman,

The annual report before you was considered by UNRWA's Advisory Commission on 26 September. The Advisory Commission's letter to me upon their consideration of this report appears after my letter of transmittal.

I hope you have found the report useful in assessing UNRWA's performance over the last year.

Thank you, Mr. Chairman, distinguished delegates.