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COMMISSIONER-GENERAL FOR UN RELIEF AND WORKS AGENCY FOR PALESTINE, IN FOURTH COMMITTEE, CITES AGENCY'S NEED FOR FINANCIAL STABILITY

Speakers Criticize Israeli Policies of Closure, Economic Blockade; Say Movement Restrictions Placed on Agency Violate International Law

The tragic events of 11 September, the war against terrorism and the general sense of crisis and uncertainty had all affected Palestine refugees, Peter Hansen, Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) told the Fourth Committee (Special Political and Decolonization) this morning.

As the Committee began its general debate on the Agency's activities, Mr. Hansen said there was a critical need for the refugees to feel assured of the international community's continuing commitment to their welfare. For that reason, it was imperative that UNRWA should be able to rest its plans on a sound, long-term financial foundation. The Agency's major donor countries and others must, therefore, renew their efforts to eliminate the structural deficit in its budget, which had depleted operational reserves.

He said the crisis in the Agency resulted from years of a hand-to-mouth approach to its finances. Every year it had been expected to scrape by with a bare minimum to meet its payroll. This year it faced a deficit of \$26 million against a budget of \$311 million approved by the General Assembly. The UNRWA's austerity measures had run their course, he stressed.

The observer for Palestine said UNRWA had a key role to play in alleviating the plight of Palestine refugees, which was the most severe in contemporary history. In addition, the Commissioner-General had mentioned more than once that the refugees had been affected more than any other Palestinians by Israel's current policies of closure and economic blockade.

He said that policy had led to deteriorating economic and social conditions, as well as to a drop in the education and health indices. The obstacles Israel was placing in the way of UNRWA's efforts to provide services was a flagrant violation of Israeli commitments to the United Nations, international law and international humanitarian law. That country's intransigent denial of those rights were the reason for their refugees' plight in the first place.

Lebanon's representative stressed his country's rejection of any principle of installing Palestine refugees on Lebanese territory. The refugees themselves rejected the principle of installation in camps and were committed to their return to, and reinstallation in, their homes. Israel, not content with what it had perpetrated on the refugees, had now turned on the Agency serving them. It had damaged the Agency's premises, bombed its schools and subjected the Commissioner-General himself to movement restrictions.

Jordan's representative said the existence of UNRWA was a necessity as long as the tragedy of the Palestinian refugees continued. Jordan was under a heavy burden because of its long-term support to the refugees, having spent more than the Agency's entire outlay for the region. He called on donors to continue or increase their support to the Agency, which represented support for the Middle East peace process. Any degradation of services, therefore, was unacceptable, he emphasized.

The representative of Belgium, speaking on behalf of the European Union and associated States, expressed complete satisfaction with the Agency's efforts, saying that European support for UNRWA had increased. The Union was providing a total of \$200 million to both the regular budget and emergency appeals. However, he deplored Israel's restrictions on freedom of movement in the occupied Palestinian territories, as well as military activity that had damaged Agency property. The European Union had frequently approached Israeli authorities to lift closures and stop destroying the socio-economic activity of the population.

Hans Brattskar (Norway), Rapporteur of the Working Group on the Financing of UNRWA, introduced that body's report, saying that the \$791.7 million budget estimate for the 2002-2003 biennium reflected the bare minimum needed. In light of the seriousness of the situation, the Working Group stressed the international community's responsibility to ensure the maintenance of services at acceptable levels. Any further cuts in services would cause unfair deprivation and could destabilize the region, he warned.

The Committee also heard from the representatives of Egypt, Bangladesh, Indonesia, Malaysia and South Africa. Also speaking this morning was the Permanent Observer of the Holy See.

The Fourth Committee will continue its general debate on UNRWA's work at 10 a.m. Thursday, 1 November.

Background

The Fourth Committee (Special Political and Decolonization) met this morning/afternoon to consider the activities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Before the Committee was the report of the Commissioner-General of UNRWA (document [A/56/13](#)) for the period 1 July 2000 to 30 June 2001. It says that since the beginning of strife in the occupied Palestinian territory in September 2000, the Agency has had to develop an emergency humanitarian assistance programme for the refugees affected by the severe economic decline in the Gaza Strip and the West Bank, brought about by closures and other restrictive measures by Israel.

Since October 2000, Palestinian entry to or exit from the Gaza Strip and the West Bank has been severely restricted most of the time, the Commissioner-General reports. Internally, Gaza has periodically been bisected or trisected. In the West Bank, severe restrictions on the use of primary and other roads by Palestinians have been imposed more than half of the time, leaving most Palestinian urban centres and villages cut off from each other and from the Gaza Strip.

The report says the economic impact of the closures has left large numbers of Palestinians who worked in Israel unemployed. With the almost total cessation of labour flows, the net effect on the economy amounts to some \$3 million a day of household income. Some 58 per cent of those day labourers left jobless are refugees. Altogether, the unemployment rate in Gaza and the West Bank rose from about 11 per cent to between 35 and 40 per cent, as a result of the closures and restrictions on movement.

To meet immediate needs arising from the severe deterioration in economic conditions, the report states, UNRWA launched a flash appeal on 4 October 2000 for \$4.83 million. That was followed by the first emergency appeal, for \$39.1 million, covering December 2000 to February 2001 and a second appeal for \$37.1 million to cover March to May 2001. A third appeal for \$76.8 million was launched on 22 May to cover June to December 2001.

According to the report, the response to the flash and first appeals resulted in \$46.1 million against a total appeal of \$44 million. The second appeal received \$23 million and by the end of June 2001, the third appeal had received pledges amounting to about \$38.1 million. The international community's response underscores confidence in the Agency's ability and capacity to deliver the humanitarian assistance effectively.

The report points out, however, that the level of support for UNRWA's regular budget so far does not convey adequate recognition of the serious threat to the Agency's services posed by the funding shortfall. In 2001, pledges for the regular budget amounted to \$280 million by the end of June as against the budget of \$310.4 million approved by the General Assembly. The cash situation by the end of June was such that, without an additional infusion of \$66 million, UNRWA would run out of cash for essential budgeted items of expenditure.

Unexpected and drastic changes in the external environment had serious implications for UNRWA's current and future activities, the Commissioner-General reports. Whereas expectations from developments in the preceding year and in the period leading up to September 2000 centres on developments in the peace process, the months since September witnessed an abrupt end to the hopes that had arisen. Instead of focusing on the implications for UNRWA's future of possible success in the peace process, an immediate need emerged to marshal all the Agency's resources in response to the humanitarian emergency that arose after September 2000.

According to the report, the violence, closures and restraint on movement in Gaza and the West Bank created obstacles that impaired the Agency's ability to run its humanitarian operations smoothly. UNRWA staff, particularly area staff, were frequently delayed or prevented from arriving at their work places because of delays at Israeli checkpoints. The movement of UNRWA trucks carrying essential humanitarian cargoes has had to be suspended because of search procedures imposed by Israeli authorities that are inconsistent with the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 Comay-Michelmoro Agreement between the Agency and the Government of Israel, and international norms on humanitarian access.

As part of its programme to deal with the current emergency, the Commissioner-General says, UNRWA introduced an operational support officers programme designed to assist in alleviating the adverse effects the restrictions were having on the provision of humanitarian assistance. That programme has been particularly effective in facilitating access of Agency personnel vehicles and commodities to the West Bank. As part of its organizational and operational evolution, UNRWA shifted gears from the early works activities to relief operations and now to the more comprehensive human resource development programme.

The report says that the current phase of the reform process, dating back to 1996, focuses on improving the efficiency and effectiveness of resource management; developing an open management culture, strengthening strategic planning capabilities; expanding and improving relations with donor countries, host countries and the United Nations system; and increasing responsiveness and effectiveness in providing services against a background of changing socio-political conditions.

The report goes on to describe several specific reform efforts, among them an expansion in donor country relations through a new liaison office in Geneva; continued improvement in the formulation of its budget for the 2001-2003 biennium, after initiating reform with respect to the presentation and format of the budget in 2000-2001; conversion of the Audit Office into the Audit and Inspection Department; establishment of a new Department of Operational and Technical Services through the restructuring and redeployment of existing units; and initiation of a five-year development plan in the education field.

During the reporting period, the Commissioner-General says, UNRWA continued to enjoy strong support from the Governments of Jordan, Lebanon and Syria, and from the Palestinian Authority. He notes that the largest number of Palestine refugees reside in Jordan, the majority of them enjoying full Jordanian citizenship. Most are able to serve in government services and have access to government institutions and developmental and other assistance. The Jordanian Government has reported expenditures amounting to \$392.1 million on behalf of Palestine refugees and displaced persons in the reporting period. The UNRWA's annual budget allocation for Jordan in 2001 is \$71.6 million, up from \$70.7 million in 2000.

Palestine refugees in Lebanon are among the most disadvantaged in any field, the report states. They have only limited access to government service and depend almost entirely on UNRWA for basic education, health and relief and social services. They suffer from poor living and housing conditions, restrictions on mobility and high unemployment rates. Lebanese authorities continue to prohibit construction in certain refugee camps. The entry of construction materials into other camps continued to be subject to military approval, which was not always granted. The UNRWA's budget allocation for Lebanon in 2001 was \$41.2 million, down from \$46.6 million in 2000.

According to the report, Palestine refugees in Syria continued to have full access to government services, including education and health. The Syrian Government reported expenditures on behalf of the refugees at the level of \$68 million during the reporting period. Those covered education, health, housing utilities, security supply costs and social services. The UNRWA's budget allocation for Syria was \$21.9 million compared to \$21.7 million in 2000.

Also before the Committee was the Secretary-General's report on persons displaced as a result of the June 1967 and subsequent hostilities (document [A/56/382](#)), describing his request to the Permanent Representative of Israel for information on any action taken or envisaged to implement General Assembly resolution 55/125 of December 2000. That resolution requests a review of progress made in the return of displaced persons to their home areas.

According to the report, Israel's reply of 6 September 2000 reiterates Israel's opposition to resolutions regarding UNRWA, which it says are rife with political issues irrelevant to the Agency's humanitarian mission and do not encourage the peace process. Israel considers it essential for the various UNRWA resolutions to be consolidated into one directly related to its humanitarian tasks.

The report states that, according to the limited information available to UNRWA, 1,320 refugees registered with the Agency returned to the West Bank and 36 to the Gaza Strip, between 1 July 2000 and 30 June 2001. Since 1967, 21,632 refugees have returned to the occupied territories. The Agency is unable to estimate the total number of displaced inhabitants who have returned.

Also before the Committee was the Secretary-General's report on offers by Member States of grants and scholarships, including vocational training, for Palestine refugees (document [A/56/375](#)), which notes that in fiscal 2001, Japan awarded 12 such grants, bringing to 187 the total number of scholarships offered by that country since the programme's inception, in addition to other scholarship funds contributed to UNRWA in the past decade.

Similarly, the report says, Switzerland contributed a total of \$1,703,581 between 1989 and 1996 and an additional \$338,000 in 1997 to the UNRWA scholarship programme for secondary school graduates. Also noted are scholarships granted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United World Colleges, as well as fellowships and study tours provided by the World Health Organization (WHO). In July 2000, the International Development Research Centre pledged \$1,314,607 to UNRWA to finance the scholarship fund for Palestine refugee women.

A report of the Secretary-General on the University of Jerusalem "Al-Quds" for Palestine refugees (document [A/56/421](#)) describes efforts to prepare a functional feasibility study on establishing the proposed university as requested by the General Assembly in [resolution 36/146 G](#) of 16 December 1981. The Rector of the United Nations University made available an expert to assist in the study's preparation. The expert was to visit the area and meet with the relevant Israeli officials. The Secretary-General, in a note verbale dated 18 July 2001, requested that Israel facilitate that visit.

Israel's reply, the report says, states the country's continuing opposition to the initiative. It was clear, the reply continued, that its purpose is to exploit the field of higher education for political purposes totally extraneous to genuine academic pursuits. The expert's visit would have no useful purpose. In view of Israel's position, the report states, it has not been possible to complete the feasibility study.

The Committee also had before it the Secretary-General's report on Palestine refugees' properties and their revenues (document [A/56/420](#)), which reviews the implementation of General Assembly resolutions on that issue. On 20 July, the Secretary-General requested the Permanent Representative of Israel to inform him by 7 September of any steps taken or envisaged by his Government in the implementation of resolutions 55/23 to 55/29 of 8 December 2000. On 27 July, the Secretary-General requested other Member States to submit similar information.

In a reply dated 17 September, the report says, Israel's Permanent Representative reiterated his country's position against resolutions regarding UNRWA and its wish that they be consolidated into one directly related to its humanitarian tasks. No replies had yet been received from other Member States.

A note by the Secretary-General on the report of the United Nations Conciliation Commission for Palestine (document [A/56/290](#)) states that the Commission has nothing new to report since the submission of its previous report of 31 August 2000 (document [A/55/239](#)).

Also before the Committee was the report of the Working Group on the Financing of UNRWA (document [A/56/430](#)), which expresses deep concern about the Agency's financial prospects after eight years of austerity measures that have eroded the level and quality of its services to some 4 million Palestine refugees. Programmes have not been able to expand at the same pace as the refugee population. Among the most serious effects

were increased class size in Agency schools and rising client/staff ratios in health and other social services. At the same time, the Working Group expresses appreciation to UNRWA for the significant progress it has made towards eliminating the structural deficit problem of recent years.

In the report, the Working Group appeals to the international community to meet the target of \$76.8 million for the third emergency appeal as soon as possible. It also urges governments to consider making special contributions to cover the Agency's deficit and to build up its working capital in order to restore services that have been cut and to ensure that emergency-related services and other special programmes do not divert contributions to the UNRWA's regular programmes.

Statement by UNRWA Commissioner-General

PETER HANSEN, Commissioner-General of UNRWA, said the staff of UNRWA condemned the tragic and appalling acts of 11 September and supported the United Nations in countering such terrorism.

The past year had been one of continuous strife in the occupied Palestinian territory, a time of great hardship in which innocent lives had been lost and the economy devastated, he said. Poverty had spread and the prospects for a just and durable peace were now shrouded in dark clouds. The tragic developments had struck the Palestine refugee community the hardest. As a result of Israeli closures and other measures, more than 64 per cent of the Palestinian households had been pushed below the poverty line. That figure exceeded 76 per cent in refugee camps, and the situation was even more acute in the Gaza Strip, with almost 80 per cent below the line.

He emphasized that the implications of developments in the region could have global dimensions. The tragic events of 11 September, the conflict against terrorism in Afghanistan and the general sense of crisis and uncertainty had all had their effect on the refugees. There was a critical need for them to feel assured that the international community's commitments to their welfare would continue.

Stressing UNRWA's central role in that, he said now more than ever there was a vital need for that role. It was imperative, therefore, that the Agency should plan its activities beyond the short term. To enable UNRWA to rest its plans on sound financial foundations, its major donor countries and others must renew their efforts to work together to eliminate the structural deficit in the Agency's budget that had depleted its operational reserves.

The UNRWA's austerity measures had already run their course, he said. The Agency's per capita expenditure on refugees had fallen from \$200 in the 1970s to less than \$68 in 1999. Since then, a nominal improvement had been recorded – expenditure from the regular budget had been creeping back up towards \$71 per refugee.

But, the demand for services was growing at a rapid pace, he warned. The Agency had to provide more than 11,000 new school places for students every year in Gaza alone. Some 93 per cent of UNRWA schools in Jordan ran on double shifts and the Agency was struggling to avoid introducing triple shifts. Its health centres were over-loaded with more than a 100 patient visits per doctor every day. As the number of hardship cases -- those refugees who were worse off -- kept rising with the growth in the refugee population, relief and social services were coming under increasing strain.

He said the crisis in the Agency resulted from years of a hand-to-mouth approach to its finances. Every year it had been expected to scrape by with a bare minimum to meet its payroll. In the current year, it faced a deficit of \$26 million against a budget of \$311 million approved by the General Assembly. In addition to encouraging the major donors to raise their contributions, the Agency had also been making efforts to expand its donor base.

The Commissioner-General had communicated with the Governments of the Gulf countries, and earlier this year had met Foreign Ministers of the League of Arab States.

The General Assembly had before it the Agency's proposed budget for the biennium 2002-2003, broadly amounting to \$674 million, he noted. That figure represented a minimum allocation consistent with the maintenance of the quality and extent of UNRWA's services for the refugees. The Agency was presenting a budget of negative growth in real terms. It should have grown by 9 per cent, but was in fact growing by only 7.1 per cent. The budget proposals had been well received in the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and it was hoped that it would enjoy a similar reception in the Fifth Committee.

Statements

HANS BRATTSKAR (Norway), Rapporteur of the Working Group on the Financing of UNRWA, said that in 2000 UNRWA recorded a cash budget deficit of \$24.4 million. It was, therefore, forced to continue austerity measures and could not build up working capital or salary reserves. By the middle of 2001, the Agency faced a potential deficit, in its regular budget, of \$66 million for the year, with a very low cash position exacerbated by exchange rate fluctuations. The Commissioner-General had worked to keep donors apprised of the situation and major donors had again responded generously to special appeals. To ensure a reliable flow of funds, however, UNRWA had appealed to donors for earlier payments.

He said that the budget estimate for the biennium 2002-2003, \$791.7 million, reflected the bare minimum needed. The Working Group was again deeply concerned about the financing prospects for UNRWA and, in light of the seriousness of the situation, stressed the responsibility of the international community to ensure the maintenance of services at acceptable levels. The Group commended the Commissioner-General and appreciated the significant progress made toward eliminating the structural deficit problem, in particular through the 1999 Area Staff Rules. Any further cuts in services, it underlined, would cause unfair deprivation and could have a destabilizing effect on the region. The Working Group, he said, therefore urged governments to contribute, increase contributions, make contributions in a timely manner and to consider making special contributions.

MARWAN A. JILANI, observer for Palestine, said Israel's policy of closure and blockade on people, goods and humanitarian assistance provided by international organizations had led to deteriorating economic and social conditions, as well as to a drop in the education and health indices. The obstacles Israel was placing before UNRWA's efforts to provide services was a flagrant violation of Israeli commitments to the United Nations, international law and international humanitarian law.

He said that as far back as 1948, the General Assembly had emphasized the rights of the Palestine refugees to return to their homes and to compensation for their properties. But, Israel continued to deny those natural rights and refused to recognize its responsibility. He wished to make it

clear that what applied to refugees anywhere in the world should apply equally to Palestine refugees, especially since Israel's intransigence and denial of their rights were the reason for their plight in the first place.

A just solution, giving Palestine refugees a just and final settlement, remained a prerequisite for a lasting and durable settlement in the region, he stressed. The UNRWA had a key role in alleviating the plight of Palestine refugees, the most severe in contemporary history. The Commissioner-General had mentioned more than once that the refugees had been affected more than any other Palestinians, including those killed and injured in the current violence, by the current Israeli policies of closure and economic blockade. Palestine also remained cognizant of the Agency's crucial role in Jordan, Lebanon and Syria.

ZAID AL-HADIDI (Jordan) expressed gratitude for the Commissioner-General's efforts to provide services to the refugees commensurate with their needs and the needs of the peace process. He wished him every success and pledged continued support to UNRWA's humanitarian mission to the Palestinian refugees. It was one of the most successful relief agencies in the United Nations, despite the reduction in allocations. A solution to the refugee problem remained the axis of a just and lasting peace. Jordan had repeatedly emphasized the rights of the refugees as an essential consideration in any settlement.

As long as the tragedy of the Palestinian refugees continued, however, the existence of UNRWA was a necessity, he said. Jordan bore a heavy burden, because of its assistance to the refugees. His Government had spent more than the entire outlay of the Agency in the region. He called on donor agencies to continue and increase their support to UNRWA, in view of the deficits faced by the Agency. Support to UNRWA, he said, was support to the peace process and a reduction in the Agency was a reduction of the peace process itself. The degradation of services in any way was, therefore, unacceptable. Finally, he commended the Commissioner-General, the donors and the staff of UNRWA for their efforts.

GERARD COCKX (Belgium), on behalf of the European Union and associated countries, thanked the staff and Commissioner-General of UNRWA for their efforts of the past year, despite increasing difficulties. He also recalled the support afforded the refugees by the host countries of Lebanon, Syria and Jordan for more than five decades. In response to UNRWA's report, he hoped that donors would do their utmost to complete contributions to the third appeal and that the number of donors to the Agency would increase. European efforts had increased, providing a total of \$200 million to both the ordinary budget and emergency appeals.

He deplored the obstacles that UNRWA faced in its activities in the occupied Palestinian territories. The Union had frequently approached Israeli authorities to lift closures there and stop destroying the socio-economic activity of the population. Freedom of movement should be restored. He also deplored the fact that the Israeli activity had blocked humanitarian convoys and damaged Agency property. He called upon Israel to facilitate access of the population to humanitarian staff and to transfer the value added tax and harbor-duties owed. The fall in economic indicators was, moreover, serious. The parties, together with the Commissioner-General, should seek solutions for the fulfillment of the Agency's mission.

He again congratulated UNRWA on the quality of service provided, especially in the areas of education and health. Until a just and lasting peace was achieved on the basis of Security Council resolutions 242 (1967) and 338 (1973) UNRWA must receive adequate funding for its necessary mandate. Finding the Agency's operations entirely satisfactory, the Union hoped to help it improve the quality and range of its services.

HOSSAM ZAKI (Egypt) noted that, at a time when Israeli tanks were still circulating in Palestinian cities and their bullets were still claiming Palestinian lives without distinguishing between refugees and others, talk of human rights filled the corridors of the United Nations. Such words became meaningless and irrelevant when relating to the Palestinian cause and Palestine refugees. Those preaching human rights had turned a deaf ear and a blind eye to Israel's flagrant violations of Palestinian rights.

Having studied the Commissioner-General's report, he said, Egypt strongly condemned the continuing violations by the occupying Power of its contractual and legal commitments under international humanitarian law and of the accords it had signed with UNRWA regarding its rights, immunities and privileges in the occupied Palestinian territory. Egypt welcomed the Agency's steps to face the difficult conditions imposed by the total blockade on the Gaza Strip and the West Bank and called on those States with the necessary capability to contribute UNRWA's programmes and respond to its emergency appeals.

He said his country supported the proposed budget for the 2002-2003 biennium, as well as the ACABQ's recommendation that the budget be approved. Egypt called on the United Nations Secretariat to make a prompt payment of the \$5.1 million owed to UNRWA for the cost of moving its headquarters to Gaza and stressed the importance of making that payment as soon as possible, in light of the Agency's critical financial situation. Egypt expressed once again its support for and confidence in the Agency's performance financially, and in terms of the services it provided.

SHAMEEM AHSAN (Bangladesh) considered the continued operations of UNRWA crucial for the survival and development of the Palestinian people, who had been struggling to redeem their dignity for over half a century. He commended the good work done so far by the Commissioner-General and staff of UNRWA in that regard. Because of the violence of the last year, and the strangulation of an already fragile Palestinian economy, the Agency had a special responsibility to boost the morale and confidence of the Palestinian people. He supported the manner in which the Agency had responded to the emergency. But, he was deeply concerned by Israeli interference in its activities, including restrictions on its movements and harassment of its workers. Such interference was in violation of international law and the agreement of 1967 between UNRWA and Israel.

He welcomed the reforms that had been instituted by the Agency and believed that there was still scope for improvement in service delivery to the refugees. He expressed satisfaction at the expansion of micro-finance and micro-credit facilities in the West Bank, after its successful introduction in Gaza. Bangladesh would be happy to share its own experiences in that field with its Palestinian brethren. Finally, he expressed concern over the Agency's financial situation and urged donors to be more generous. Palestinians were victims of the worst tragedy of humankind and there was a moral responsibility to look after their cause. Bangladesh strongly recommended extension of the Agency's mandate for another three years and until a just and comprehensive solution to the Palestinian problem was achieved.

IBRAHIM ASSAF (Lebanon) noted that beyond the fact that Palestine was an Arab problem, it was a particularly serious problem for Lebanon, which had 383,000 Palestine refugees, constituting some 10 per cent of all refugees in UNRWA's five zones of operation, and 10 per cent of Lebanon's total population.

He said there was a need to ensure their return to their homes and the recovery of their properties, inherent and inalienable rights enshrined under international humanitarian law and United Nations resolutions. Lebanon rejected the principle of installing Palestine refugees on Lebanese territory. The refugees themselves rejected the principle of being installed in camps and were committed to their return to and reinstallation in their homes.

Israel, not content with what it had perpetrated on the refugees, had now turned on the Agency serving them, he said. It had arrested and detained its personnel and, as the end of June, had been holding five UNRWA staff members. Israel had damaged the Agency's premises and UNRWA's schools had come under bombardment. Besides restrictions on the movement of Agency staff between Gaza and West Bank, the Commissioner-General himself had been subjected to those restrictions as well as threats against his vehicles. Further, Israel continued to refuse to pay its dues to the Agency in terms of tax.

MOHAMMAD SYARIF ALATAS ([Indonesia](#)) expressed gratitude to UNRWA for its provision of invaluable services to the Palestinian people under extremely tenuous conditions. Indonesia had observed with deepening concern the deterioration of the situation in the occupied territories, which had drastically affected the lives of the Palestinian refugees. Closures and other draconian measures had become commonplace, yet UNRWA had continued to operate in an effective manner. The international community had a moral responsibility to stop the senseless suffering of the Palestinians at the hands of an occupying Power. Israel must lift restrictions. There could be no settlement of the refugee problem, unless there was a just and comprehensive settlement of the whole question of Palestine.

It was heartening to note the response of the international community to the emergency appeals of UNRWA, he said. However, the dire budget deficit of the Agency was still a cause for much concern. The Agency had striven to improve efficiency and had still continued its achievements in education, health and micro-finance, which encouraged entrepreneurs, including women, to promote development through private-sector enterprises. If the Agency's financial situation was not remedied, both the humanitarian situation and the stability of the region would be negatively impacted. The UNRWA was a symbol of the commitment of the international community to the Palestinian people for the realization of their hopes and aspirations in their own homeland. He hoped that Member States would continue their contributions.

RANI ISMAIL HADI BIN ALI ([Malaysia](#)) said that Israel's continued reliance on excessive force and preponderant use of military power, as well as other measures taken in the name of security, had reached dangerous and intolerable levels. Other measures included: the invasion of Palestinian territories; a vicious grip on Palestinian life in the occupied territory through closures and seizures; destruction and demolition of Palestinian properties; and other forms of harassment and intimidation of the Palestinian population, in pursuance of an indiscriminate policy of collective punishment.

He expressed concern at the difficulties faced by UNRWA resulting from a whole range of restrictions, among them closures between the West Bank, Jerusalem and Gaza, as well as within those areas, in addition to the tight security measures at checkpoints. He noted with concern that the continued restrictions on the movement of Agency staff and goods had become more severe during the reporting period, leading to delays and non-delivery of urgently-needed humanitarian assistance to refugees.

He called on the Israeli authorities to remove the restrictions placed on UNRWA and to respect the agreements signed between Israel and the Agency in accordance with international law. Beyond that, his Government called on Israel to desist from further military actions and to seek a political settlement. Only a just and comprehensive peace settlement would resolve the refugee issue.

GRAHAM MAITLAND ([South Africa](#)) commended UNRWA's efforts to provide much needed assistance to Palestinian refugees under difficult conditions. Its services were all the more crucial now that the hardship suffered by the Palestinian people had been aggravated by Israeli policies of restriction on free movement, which amounted to an assault on their basic human rights. Concerned about the impact of those policies on the Agency's work, he called on Israel to ensure the free movement of Agency staff and goods. In addition, he called on the international community to ensure the Agency's adequate funding.

He unequivocally supported the inalienable rights of the Palestinian people, including their right to return to their homeland and to have an independent State with East Jerusalem as its capital. Their right to return to their original homes was fundamental to the search for a just and lasting settlement of the refugee question. That position was reaffirmed in the Final Declaration of the World Conference Against Racism in Durban. Peaceful negotiation was the only way to achieve a just and lasting peace. The condition of land for peace remained valid, with Security Council resolutions 242 (1967) and 338 (1973) the only basis for such a settlement. Meanwhile, Israel's restrictions on free movement constituted collective punishment of a civilian population, which was prohibited by the Fourth Geneva Convention. It was incumbent on the international community, therefore, to take steps to ensure respect for international humanitarian law.

RENATO R. MARTINO, Permanent Observer for the Holy See, noted that when normal conditions of life were not granted, the security of all was threatened. Noting, in particular, the incursions into the Christian towns of Bethlehem, Beit Sahour and Beit Jala, he said the Pontifical University in Bethlehem, the Patriarchal Seminary, the Pontifical School for the Deaf and the Holy Family Hospital had suffered shell damage. Numerous houses in those towns had sustained artillery damage and, as a result, the Pontifical Mission for Palestine had been making emergency grants to assist with repairs and relocation of the residents.

Beyond addressing significant humanitarian rights, he stressed that any solution to the multifaceted problems of the region must include the question of Jerusalem. In light of the violence and imposed closures, the Holy See renewed its call for "internationally guaranteed provisions to ensure the freedom of religion and of conscience of its inhabitants, as well as permanent, free and unhindered access to the holy places by the faithful of all religions and nationalities".

Current levels of violence had kept pilgrims away from the holy land, thus imposing severe economic penalties on all the region's peoples, he said. In addition, the local population did not have free access to their shrines and holy places. The Holy See appealed for greater international solidarity and political will to meet the challenge of the seemingly unending violence in the region. The world's arms manufacturers had the region awash in weapons, which helped to fuel the violence. Only a just peace would bring genuine security to all the people of the region.

