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FOURTH COMMITTEE TOLD OF CRISIS IN PALESTINIAN AID AGENCY ;

ECONOMIC AFTERMATH OF CLOSURES, CURFEWS IN OCCUPIED TERRITORY

Syria Condemns Attacks on UNRWA Facilities; Israel Says Security Measures were Needed Response to Violence, Unrelenting Threats

As the agency responsible for the provision of humanitarian aid and basic services to nearly half the population of the occupied Palestinian territory, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) today faced perhaps one of the most serious challenges in its history, the Agency's Commissioner-General, Peter Hansen, told the Fourth Committee (Special Political and Decolonization) this morning.

Drawing attention to the mounting humanitarian crisis, he said poverty levels in the occupied Palestinian territory had risen to above 60 per cent, and unemployment was at around 50 per cent, owing largely to an intensified Israeli regime of closures and curfews. The once productive Palestinian economy was now in a state of collapse and dependent totally on external assistance.

He said the Agency had issued an emergency appeal for \$117 million in the beginning of this year to cover all of 2002, he said. Since February, however, the level of violence had intensified, characterized by a pattern that included suicide bombings and armed attacks by Palestinian militants in Israel and the occupied Palestinian territory. Estimates for the emergency had proved far short of actual needs and the response to a further appeal in May had been disappointing. Also, regular budget contributions had again fallen short of expectations.

The representative of the Permanent Observer Mission of Palestine told the Committee that Israel's prolonged imposition of military closures and severe restrictions, including round-the-clock curfews, had gravely impacted the socio-economic situation of the refugees, for whom the services of UNRWA were indispensable. UNRWA must be allowed to carry out its mandate, free from intimidation or obstruction.

Host country representatives expressed their concerns about the destruction of UNRWA's installations, such as training and health care facilities, and schools, and the obstruction of the movement of its staff. The representative of Syria said Israel had destroyed all that the Agency had built. Attacks against the Agency's employees and ambulances were flagrant violations of international law. The representative of Jordan warned against compromising UNRWA's critical operations in Jordan and other parts of the region, as long as the issue of Palestinian refugees remained unresolved.

Israel's representative, insisting that the current predicament facing the Palestinian people was the inevitable result of a decision to forego negotiations in favour of violence and terrorism, said he understood that the security measures Israel had been forced to take in the face of the unrelenting threat of attack had, in certain cases, restricted UNRWA's activities. Those steps were a consequence, and not a cause, of the difficult situation. While Israel was completely committed to UNRWA's humanitarian work, several aspects of its conduct were troubling. Palestinian terrorists had used refugee camps and other UNRWA-administered facilities as a base of operations. UNRWA had been quick to draw attention to Israeli practices that impeded its work, but had yet to condemn the practices of Palestinian terrorists that had directly endangered the population it had been charged with assisting.

Introducing the report of the Working Group on the Financing of UNRWA, Hans Brattskar (Norway), Rapporteur, said repeated funding shortfalls in recent years had severely eroded the Agency's cash position. Unpaid pledges, port charges and non-reimbursement of amounts owed to the Agency for value-added-tax (VAT) had also strained its cash position. Further cuts in basic services would not only unfairly deprive the refugees of services to which they were entitled, but could also have a destabilizing effect on the entire region, he warned.

Statements were also made by the representatives of Denmark (on behalf of the European Union), Egypt, China, Turkey, Malaysia, Switzerland, Cuba, Tunisia, Viet Nam, Indonesia, and Norway.

The Fourth Committee (Special Political and Decolonization) will meet again at 10 a.m. tomorrow to conclude its annual consideration of UNRWA's activities.

Background

The Fourth Committee (Special Political and Decolonization) met this morning 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/57/13](#)) for the period 1 July 2001 to 30 June 2002. It says that during the reporting period, conditions of strife in the occupied Palestinian territory continued, with an increasingly intense cycle of violence. Since February 2002, there has been a major intensification of the level of violence, characterized by a pattern that included suicide bombings and armed attacks by Palestinian militants in Israel and the occupied Palestinian territory, causing heavy loss of life, and a massive military offensive by the Israel Defense Forces (IDF) in the West Bank against Palestinian cities, towns, villages and refugee camps.

The report says the violence has resulted in heavy loss of life and widespread damage to, and destruction of, Palestinian property and infrastructure, including governmental institutions, residential buildings, refugee shelters, water and electricity supply systems and sewage disposal systems. Among the buildings and equipment damaged or destroyed were UNRWA installations, including schools, training centres and health-care facilities. Israeli forces took over a number of UNRWA schools and used them to detain and interrogate Palestinians.

By mid-April, the report continues, the Israeli forces had made partial withdrawals from some of the Palestinian cities and refugee camps. That was followed, however, by a number of incursions of shorter duration into the same areas. The pattern of attacks by Palestinian militants in Israel and in the occupied Palestinian territory also continued. By the end of the reporting period, Israeli authorities had announced that their forces would enter Palestinian controlled areas and maintain an extended presence there for as long as it was operationally necessary. Israeli armoured forces entered seven of the major Palestinian cities in the West Bank, including Bethlehem, Hebron, Jenin, Nablus, Qalqilia, Ramallah and Tulkarem. In those cities, they imposed curfews, carried out searches and detained and arrested large numbers of Palestinians.

Large-scale military operations carried out by Israeli forces had an adverse impact on the Agency's ability to carry out its humanitarian functions in support of the Palestine refugees, the report says. Movement of humanitarian goods, particularly in places where food supplies, medicines, blood and other items were urgently needed, was often blocked, delayed or made very difficult. In a number of instances, UNRWA vehicles and staff faced life-threatening situations as they came under fire from Israeli forces. In one case, an area staff member was killed while travelling in a clearly marked Agency ambulance which had moved wounded persons to a hospital. In another case, an area staff member died while in the custody of the IDF.

The report says that in the Gaza Strip, external and internal closures that effectively bisected or trisected the Strip for significant periods of time led to severe disruption in the delivery of UNRWA humanitarian supplies to its distribution centres and other installations. The Agency's staff working at headquarters and the field office in Gaza City could not reach their work places from cities and refugee camps in the centre and the south of the Strip.

The severe economic downturn that the Palestinian economy in both the West Bank and the Gaza Strip had been experiencing since September 2000 intensified during the reporting period, the report says. Labour flows ground to a halt as closures and other measures continued to keep large numbers of Palestinians unemployed. With more than 100,000 joining the working age population since September 2000, unemployment grew from 10 per cent then to 26 per cent by the end of December 2001.

The report says the large-scale unemployment has aggravated the severe economic decline in both the West Bank and the Gaza Strip. In 2001, per capita real income declined by 19 per cent, following a 12 per cent decline in the last quarter of 2000. More than 50 per cent of the Palestinian population has been pushed below the poverty line of \$2 per day. The downward trend further accelerated as the Palestinian population centres in the West Bank suffered the impact of Israeli military operations in March and April, including reoccupation at the end of the reporting period.

According to World Bank estimates, the report says, the physical damage from the conflict had reached some \$305 million by December 2001. Israeli military operations in the West Bank, however, in the period from March to May 2002 alone, caused an estimated additional \$342 million worth of physical and institutional damage.

Appeals for the Agency's emergency assistance programme were launched in October and November 2000 and March and May 2001, the report says. The later appeal, covering the period June to December 2001, was for \$76.8 million. That was followed by an appeal for the whole of 2002 amounting to \$117 million. The international community's response to the emergency programme in 2000 and 2001 was prompt. Against appeals for \$160 million, a total of some \$133 million was received or pledged. Response to the 2002 appeal has been slower, however, with a total of some \$53.5 million received or pledged.

The major escalation in the level of damage and destruction since March 2002 has deteriorated humanitarian conditions in the West Bank and the Gaza Strip to unprecedented levels, the report says. The Agency took urgent measures to provide immediate relief, while also preparing a plan to meet long-term needs. In the West Bank, some 2,629 shelters housing 13,145 refugees sustained damage during the Israeli operations in March 2002. In April, in the Jenin refugee camp alone, some 400 families were left homeless, with 1,100 shelters needing repair. The Agency estimated that supplementary measures, over and above the 2002 emergency programme, would require some \$55.7 million.

Regarding the Agency's regular cash budget, the report says that by the end of the reporting period there were some encouraging developments. Total contributions had reached some \$282.4 million against an expenditure of \$267.4 million, giving the Agency a positive working capital of some \$8.5 million. The General Assembly, at its fifty-seventh session, approved the Agency's 2002-2003 budget submission of some \$674.82 million, including working capital reserves of \$14 million and a salary reserve of \$15 million.

Donor pledges for the 2002 budget amounted to some \$263.9 million by the end of the reporting period, the report says. Unless the gap of \$37.9 million is covered in the remaining months of the year, however, the Agency will find itself in a difficult financial situation at a time when its services are more vital than ever.

The Agency's external environment deteriorated markedly during the reporting period, the report continues. Closures and checkpoint delays prevented schools from operating normally, as large numbers of teachers and students could not reach schools or return home. Doctors could not reach health centres, trucks carrying humanitarian supplies could not reach their destinations in time, and ambulances were delayed or prevented from moving patients needing urgent treatment. Agency vehicles were fired on; staff members were killed, injured, beaten up or humiliated by Israeli soldiers. In all such incidents, the Agency informed the Israeli Ministry of Foreign Affairs and the IDF, reminding them of their obligations under the 1946 Convention on the Privileges and Immunities of the United Nations and the 1967 bilateral Comay-Michelmores Agreement between the Agency and the Government of Israel, and international norms on humanitarian access.

While financial constraints have necessitated attention to short-term priorities, the Agency has nevertheless persisted with its long-term reform programme, the report says. The current phase of the reform process began in 1996 and focuses on improvement in the efficiency and effectiveness of the management of the Agency's authority, the development of an open management culture, the strengthening of its strategic planning capabilities, expansion and improvement in its relations with donor countries, host countries and agencies of the United Nations system, and increased responsiveness, effectiveness and efficiency of the Agency's operations in providing services for the refugees against the background of changing socio-political conditions.

During the reporting period, the Commissioner-General says, the Agency has continued to receive strong support from the Governments of Jordan, Lebanon and Syria, and from the Palestinian Authority. The largest number of refugees reside in Jordan, the majority of them enjoying full Jordanian citizenship. Most are able to serve in government service and have access to government institutions and development and other assistance. The Jordanian Government has reported expenditures amounting to \$402.97 million on behalf of the Palestinian refugees and displaced persons in the reporting period. The UNRWA's annual budget allocation for Jordan in 2002 is \$71.6 million.

Palestinian refugees in Lebanon are among the most disadvantaged, the report says. They have only limited access to government services and have to depend

almost entirely on the Agency for basic education, health and relief and social services. Lebanese authorities continued to prohibit construction in certain refugee camps, and in others, the entry of construction materials continued to be subject to military approval, which was not always granted. Palestinian refugees in Lebanon suffer from poor living and housing conditions, restrictions on mobility and high unemployment rates. The UNRWA regular budget allocation for Lebanon was \$48.2 million in 2002, compared with \$44.3 million in 2001.

According to the report, Palestine refugees in Syria continued to have full access to government services. Syria reports expenditures of \$86.77 million on behalf of the refugees during the reporting period. They covered education, health, housing, utilities, security, supply costs and social services. The Agency's budget allocation for Syria was \$26.2 million in 2002 compared with \$22 million in 2001.

Also before the Committee was a report of the Working Group on the Financing of UNRWA (document [A/57/462](#)), which describes the Working Group's activities during 2002 and provides a detailed outline of the Agency's current financial situation. It says the critical outlook facing the Agency for 2001 at the beginning of the year was alleviated by increased donor contributions as well as cost-constraining measures that enabled it to end the year with a positive working capital for the first time in ten years.

In 2001, UNRWA had an income of some \$302.9 million, of which about \$280.8 million was for the cash portion of the regular budget and \$22.1 million for the in-kind portion. Those funds were received against a regular budget of \$310.4 million, of which \$289.7 million represented the cash portion and \$20.7 million the in-kind portion, leaving a deficit of \$8.9 million in the funding of General Assembly-approved cash budget. The 2001 budget for projects was underfunded by about \$36.8 million.

In cash terms, the report says, the Agency ended 2001 with no cash for its General Fund. The \$46.3 million in cash appearing in the Agency's financial statement for the year ending 31 December 2001 was in respect of earmarked contributions for non-regular budget activities, namely projects and the emergency appeals. The Agency's working capital, which was fully depleted in 1999 and stood at negative \$4.9 million at the end of 2000, had been built up to \$8.5 million by the end of 2001. That level of working capital reserves fell far short of the minimum level of \$28 million, representing average monthly expenditure, of which \$17 million is for the Agency's payroll for 23,000 members of its area staff.

Repeated funding shortfalls have severely eroded UNRWA's cash position, the report says. Nevertheless, at the end of 2001 outstanding and unpaid pledges amounted to some \$23.4 million pertaining to the regular budget. Further strain was exerted on the Agency's cash position by the non-reimbursement of amounts owed to the Agency, namely \$23 million paid by UNRWA for the value-added tax (VAT) and due for reimbursement by the Palestinian Authority. The total amount of port charges due to the Agency is some \$7.5 million. The Agency's cash position is that the obligation to pay port and related charges remains with Israel, pursuant to the terms of the 1967 Comay-Mchelmor Agreement. A deficit of \$5.1 million in the account set up to fund the costs of transferring UNRWA headquarters from Vienna to Gaza and Amman remains. The move was completed in 1996, but the budget of it remained underfunded and costs had to be met on a temporary basis from other accounts.

By the end of September 2002, the Agency faced the prospect of a funding gap in its 2002 regular cash budget of \$16.7 million. Income for 2002 is expected to be \$279.3 million against a revised cash expenditure of \$296 million.

The Working Group is deeply concerned about UNRWA's financial prospects, in particular after repeated funding shortfalls have affected the ability of the Agency to continue the level of services it provides to some 4 million Palestinian refugees. To address all aspects of the Agency's financial problems, the Working Group calls for the early and complete fulfillment of pledges and other commitments, in particular the reimbursement of VAT and port charges by the Palestinian Authority and the Israeli Government and the payment of funds for the move of UNRWA headquarters to the area.

The Working Group expressed alarm at the continuing negative effect successive austerity measures adopted in previous years have had on the Agency's humanitarian operations, the report says. The Agency's expenditure per refugee dropped from an average \$200 per year per refugee in the 1970s to less than \$70 per year per refugee in the 1990s. The Working Group is also concerned that the continued freeze on former regular budget allocations, such as university scholarships and rehabilitation of shelters, have not only reduced the Agency's activities in those areas, but also made them dependent on extrabudgetary contributions. For UNRWA to fully implement emergency assistance to Palestine refugees in the West Bank and Gaza, the international community must meet the target of \$172.9 million for the 2002 appeals as soon as possible.

Also before the Committee was a report of the Secretary-General on persons displaced as a result of the June 1967 and subsequent hostilities (document [A/57/338](#)), describing his request to the Permanent Representative of Israel for information on any action taken or envisaged to implement General Assembly resolution 56/54 of December 2001. That requests a review of progress made in the return of displaced persons to their home areas.

According to the report, Israel's reply of 30 July 2001 reiterates Israel's opposition to resolutions regarding UNRWA which it says are rife with political issues irrelevant to the Agency's humanitarian mission. While supporting the Agency's humanitarian mission, Israel's reply says that UNRWA has remained silent while an extensive infrastructure of Palestinian terrorism has taken root in Palestinian refugee camps. While it recognizes that UNRWA did not have a mandate to enforce security and public order in the refugee camps, UNRWA was in a position to draw attention to the misuse of refugee camps by armed elements, in the interests of the safety and security of the civilian population.

The report says that according to the limited information available to UNRWA, 1,101 refugees registered with the Agency returned to the West Bank and 173 to the Gaza Strip, between 1 July 2001 and 30 June 2002. Since 1967, about 22,900 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 were the Secretary-General's reports on offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees (document [A/57/282](#)), the University of Jerusalem "Al-Quds" for Palestine refugees (document [A/57/456](#)), Palestine refugees' properties and their revenues (document [A/57/455](#)) and the United Nations Conciliation Commission for Palestine (document [A/57/294](#)).

Statement by UNRWA Commissioner-General

PETER HANSEN, Commissioner-General of UNRWA, said the activities of UNRWA were being considered at a time of great tension and turmoil in the region. The second year of the cycle of violence in the occupied Palestinian territory and Israel had added to the gruesome toll of deaths and destruction on both sides. The outlook was one of deep pessimism, aggravated by a mounting humanitarian crisis for the Palestinian population in both the West Bank and the Gaza Strip. Poverty levels in the occupied Palestinian territory had now risen above 60 per cent, reflecting a rate in excess of 55 per cent in the West Bank and 70 per cent in the Gaza Strip. Unemployment was now around 50 per cent, and even higher where frequent curfews were imposed.

He said that lack of access, owing to an intensified regime of closures and curfews, was the main cause of the severe decline in economic conditions. Barriers, including gates, had been erected in various locations, particularly in the vicinity of Jewish settlements. There were now some 73 permanent and about 100 temporary checkpoints deployed in the West Bank, and the curfew regime had become more widespread. For example, in Nablus, there was a continuous curfew during September. Today, in some 39 towns, villages and refugee camps, residents numbering about 688,000 remained confined to their homes for long

periods every day. The Gaza Strip was frequently bisected or trisected with roadblocks and checkpoints that cut off the north from the middle and southern part of the Strip.

That regime of closures and curfews, apart from its severe psychological effects, strangled all movement and access, he said. Workers did not have access to their jobs; traders could not receive or move essential goods; children and teachers could not reach schools; and doctors and nurses could not reach medical centres. Of utmost importance was that humanitarian supplies and vehicles did not reach those in need. The Palestinian economy, once very productive, was now in a state of collapse, dependent totally on external assistance. The poorest were the most seriously affected and the largest number of the poor were refugees, for whom UNRWA had direct responsibility.

He said, at times, he had received assurances from the highest levels in the Israeli Government that the restrictions on movement of humanitarian supplies and workers would be eased. As the organization responsible for humanitarian assistance and socio-economic services to nearly half the population of the occupied Palestinian territory, UNRWA today faced perhaps one of the most serious challenges in history. The two years of strife and violence had exacted a very painful price from civilians in both the Palestinian and Israeli societies. The political leaderships of both sides should take courageous steps to pay the necessary political price and make the necessary compromises. The Quartet had already provided a road map. Meanwhile, UNRWA's major international donors had been very supportive.

Since October 2000, he said that the Agency had delivered additional emergency assistance amounting to \$150 million to more than 210,000 families in the occupied Palestinian territory without any significant addition to its staff or infrastructure. That vital aid was being provided, while the Agency had continued to run its regular services in the areas of education, health and social services to refugees in the field. The Agency had issued an emergency appeal for \$117 million in the beginning of this year to cover all of 2002. Since February, however, the level of violence had intensified, characterized by a pattern that included suicide bombings and armed attacks by Palestinian militants in Israel and the occupied Palestinian territory.

Thus, he continued, the estimates for the emergency had proved far short of actual needs. The Agency, therefore, issued a supplementary appeal in May for \$55.7 million. The response so far had been disappointing. So far, pledges had come in for \$89.4 million, of which only \$48.9 million had been received. The economic condition of the Palestinian population of the occupied territory continued in a downward spiral, leading to an unprecedented humanitarian crisis that could turn into a catastrophe. He urged Member States, particularly UNRWA's major donors, to raise their contributions. He had not realistically expected any significant improvement in the humanitarian situation in the coming year, and all indicators pointed to a deepening crisis.

In addition, contributions to the regular budget had again fallen short of expectations, he went on. The approved Agency budget for 2002 was \$308.8 million. Pledges so far had amounted to \$275.4 million. He again appealed to donors to take urgent measures to bring contributions to a point where the minimum necessary growth of past years was maintained. The demographic trends in the refugee community were such that it would not be possible to maintain the quality and extent of UNRWA's services without a steady increase in expenditures for facilities and trained staff. For instance, in the Gaza Strip alone, it had had to provide additional classroom space for some 11,000 children each year.

He said that the Agency must also maintain the quality of education. Universal literacy and gender balance in the schools contributed to social development and the improved role of women in the refugee community. At the same time, student performances in UNRWA's schools in the occupied Palestinian territory had suffered as a result of frequent disruptions in the prevailing conditions of strife. UNRWA's health programmes, over the decades, had enabled three generations of Palestine refugees to enjoy general health standards on par with the best in the region. Indeed, the Agency's education and health programmes were a very valuable contribution to the development of the human resources of the refugee population.

Also burdensome had been the additional costs incurred by the security conditions imposed by the Israeli authorities, he said. Despite such additional burdens and the daily challenge of physical obstacles, UNRWA's services remained a mainstay for the refugees in a widening variety of ways. In a small but significant step, some 100 refugee families, or 575 individuals, were moved in September into 97 newly constructed shelters in the Rafah area of the southern Gaza Strip. Those had replaced the shelters destroyed by Israeli military operations. Since the start of the conflict in September 2000 until 31 August, 529 refugee shelters, home to more than 4,000 refugees, had been destroyed or damaged beyond repair. In the West Bank, UNRWA was in the process of initiating the reconstruction of 400 new shelters, made possible by the generous contribution of \$27 million for the project by a new major donor.

HANS BRATTSKAR, Rapporteur of the Working Group on the Financing of UNRWA, introduced that body's report, saying the Working Group had followed with concern the difficulties experienced by the Agency and the serious financial situation it continued to face. The Working Group had held two meetings on 27 September and 10 October 2002 to consider recent developments in the Agency's financial situation. UNRWA had faced a critical financial outlook for 2001 at the beginning of the year, which had been alleviated by increased donor contributions as well as cost constraining measures, enabling the Agency to end the year with a positive working capital for the first time in ten years. In 2001, UNRWA had an income of \$302.9 million. The funds were received against a regular budget of \$310.4 million, leaving a deficit of \$8.9 million.

Repeated funding shortfalls in recent years had severely eroded the Agency's cash position, he said. Unpaid pledges, port charges and non-reimbursement of amounts owed to the Agency for VAT exerted a strain on its cash position. By the end of September 2002, the Agency faced a funding gap of some \$16.7 million in its 2002 regular cash budget. Of the \$271.3 million of contribution income expected for the 2002 regular budget, only \$189.8 had been received by the end of September 2002. Some \$81.5 million was still outstanding.

The Commissioner-General had made every effort to keep donors apprised of the Agency's financial situation, he said. While major donors had responded generously to the special appeals for the funding of UNRWA's regular and project budgets, UNRWA had appealed to donors to make payments of pledged contributions earlier in the calendar year and to ensure payments of pledges on time. The Assembly had approved the Agency's budget requirement for 2002-2003, some \$791.7 million, at its last session. The allocation for 2002 was some \$386.3 million. That budget reflected the bare minimum needed to sustain essential services at the current level. The quality of services provided by the Agency for some 4 million Palestine refugees had eroded after nine years of austerity measures.

The Working Group agreed that the problem of the refugees was deeply rooted in the political issue that had originated more than half a century ago, he said. The problems facing the refugees were the shared responsibility of the international community. The services provided by UNRWA were the minimum required to enable refugees to lead decent human lives. Further cuts in those services would not only unfairly deprive the refugees of services to which they were entitled, but could also have a destabilizing effect on the entire region. International support for UNRWA embodied in numerous General Assembly resolutions, should be translated into measures to provide the Agency with secure financing.

FEDA ABDELHADY NASSER, Observer of Palestine, said the Palestine refugees, as reflected in the records of the United Nations Conciliation Commission on Palestine, were the owners of 5.5 million dunams of land [a dunam is equal to approximately 900 square metres]. Israel should recognize that ownership; restoration or compensation must be the cornerstone of any settlement. She also reaffirmed the right, first affirmed by the Security Council, of the Palestinians displaced in 1967 to return to the occupied Palestinian territory. A final principle requiring clarification was the distinction between the right of the Palestine refugees to return to, or be compensated for, their homes and properties, and the inherent right of every Palestinian to become future citizens of the State of Palestine.

She said that UNRWA's role in alleviating the plight of the Palestine refugees had been both vital and historical. The work carried out over five decades in education, health and social services had been instrumental in averting a complete humanitarian catastrophe. The desperate and impoverished living conditions of the Palestine refugees, who today numbered more than 4 million, would surely have deteriorated further were it not for the intervention of the

international community through the establishment and longstanding support of the Agency.

She said the situation of the Palestine refugees in the occupied Palestinian territory had worsened exponentially, as Israel, the occupying Power, had intensified its violation of international law and international humanitarian law. Israel's prolonged imposition of military closures and severe restrictions, including round-the-clock curfews, had gravely impacted the socio-economic situation of the refugees. Such restrictions had severely hindered, and at times, completely prevented access to work, schools, health care and even to food and clean water. All of that had seriously affected UNRWA's operations and undermined its abilities. UNRWA must be allowed to carry out its mandate, free from intimidation or obstruction. For that to become a reality, Israel must comply with the provisions of the Fourth Geneva Convention, as well as its obligations under the 1946 Convention on Privileges and Immunities of the United Nations and its own agreement with UNRWA. Israel must compensate the Agency for damages to its facilities and equipment and speedily remove all restrictions on the movement of the Agency's staff and goods.

LOUAY FALLOUH ([Syria](#)) expressed Syria's support for UNRWA's Commissioner-General and the Agency's staff. He also expressed appreciation to donor States which provided the financing to allow the Agency to meet the minimum needs of the Palestine refugees. The Secretary-General's report expressed both hope and suffering. It expressed the hope that the Agency's work would be improved to cover the minimum humanitarian requirements of refugees that Israel killed twice – the first time when it forced them from their homes and land, and the second time when it attacked them with military force. The report also expressed suffering, because of the Agency's working conditions, the deterioration of its services and the fact that Israel had destroyed all that the Agency had built.

Attacks against the Agency's employees and ambulances were flagrant violations of international law, the United Nations Charter, the Fourth Geneva Convention and the 1967 Comay-Michmore Agreement, he continued. Israel committed crimes against the Palestinian people and threatened the lives and freedom of United Nations employees in the occupied lands. Having reached the end of their tether, in response to Israeli practices, the Palestinian people had risen to resist occupation. It was a resistance guaranteed by international law and United Nations resolutions.

Syria provided all kinds of support and succor to the Palestinians living on its territory, he said. Syria treated them like their own, without discrimination. Syria had worked to cooperate with UNRWA, providing support and assistance until the refugees were allowed to return to their homes, and had experienced a great financial burden as a result of the presence of the refugees on its territory. Syria had spent some \$87 million this year, including for educational services, health, housing and administration. The responsibility for the Palestinian refugees was an international one. UNRWA must continue its work. No services should be ended until a solution to the issue of the Palestinian refugees was found, according to General Assembly resolution 194 of 1949. He was concerned that the average sum expended per refugee had decreased, while the number of refugees had greatly increased. He urged donors to pay their contributions to alleviate the Agency's financial situation.

He said Syria could not accept any end to the Agency's services. The Agency must not place any further financial burdens on the Palestinian refugees or host countries, because of shortages in its budget. It was important for UNRWA to continue its duties in the five areas of service. General Assembly resolution 194 stressed the right of Palestinian refugees to return to their homes and that right had been reaffirmed by the General Assembly every year since then. The current situation created by Israeli practices, including the use of brutal military force, reflected the fact that Israel was not prepared to achieve a just and comprehensive peace in the region, which would ensure the national rights of the Palestinian people.

ELLEN MARGRETHE LOJ ([Denmark](#)), speaking on behalf of the European Union and associated States, said the Committee's deliberations were taking place against a backdrop of an alarming humanitarian situation in the occupied territories. The refugee population was exposed to its devastating effects. UNRWA was a central element in the immediate international response system to the crisis. Nevertheless, UNRWA had in the past year experienced a hitherto unknown degree of access and mobility restrictions. The Union noted with grave concern many reported instances of serious abuse of UNRWA installations and staff members, some of whom had been killed or injured.

She said the prevailing situation was untenable and unacceptable. The Union reiterated its call on Israel to lift the closures and curfews and stop the destruction of the economic infrastructure in the occupied territories. Freedom of movement of persons and goods must be restored immediately. Furthermore, Israel must act in line with international humanitarian law and respect the neutrality and security of all UNRWA staff and installations. Medical and humanitarian organizations must be ensured unhindered access to the Palestinian civilian population at all times.

While dealing with the emergency situation in Gaza and the West Bank, the Agency also had to continue its vital regular services to the rapidly increasing Palestinian refugee population in all its fields of operation, she said. UNRWA was, more than ever, facing the challenge of securing sufficient funds to fulfil its broad mandate in a responsible manner. Many of the Agency's activities were under increasing pressure. While 2001 had seen some encouraging developments regarding the Agency's regular budget, the Agency faced a serious financing gap in the current year. The response to the emergency appeals had also been markedly slower than in previous years. The current financial situation demanded action by all. The Agency itself faced the challenge of prioritizing even further and "getting more value for the money". Member States must ensure substantial and regular contributions, in order for the Agency to carry out its mandate.

The member States of the Union and the European Commission remained UNRWA's principle donors, she said. The European Community had increased its funding of UNRWA to 237 million euros for 2002-2005, which would offer a solid financial base of the coming two biennial budget cycles. The Union welcomed agreements reached with the Palestinian Authority concerning VAT-exemptions in Gaza and hoped a similar agreement could be reached for the West Bank. She urged Israel to take immediate steps to ensure the transfer of withheld VAT and taxes to the Palestinian Authority, which would enable the reimbursement of the more than \$21 million owed to the Agency. She called on Israel to transfer port charges and all additional storage, demurrage and transit duties levied on goods destined for UNRWA. Indirect taxation on humanitarian assistance remained unacceptable.

The Union strongly supported UNRWA's ongoing efforts at reform, she said. It welcomed recent strengthening of the policy analysis unit and attempts to create a more transparent and efficient financial system. She hoped that the introduction of key performance budget indicators would lead to increased transparency and efficiency. She urged the Agency to strive to continue all efforts at increasing efficiency, prioritization and dialogue. Until such time that a just, comprehensive and lasting peace was achieved, UNRWA had a crucial mandate to fulfil.

AHED ABU ZEID ([Egypt](#)) said that the Committee's annual assessment of UNRWA's work could not be made in isolation of the ongoing conflict in the Middle East, and, in particular, the general deterioration of the situation in the occupied Palestinian territories for more than two years. Those conditions had cast sinister shadows on the refugees' living conditions, not only in the camps, but also in neighbouring Arab countries. Hopes for their safe return home had been crushed, while the per capita shares of UNRWA assistance had shrunk. The regrettable humanitarian situation in the occupied territories under the yoke of occupation, and its intensifying deterioration, was a testimony to the continued Israeli exercise of arrogance and power.

He said that the continuing Israeli military assaults and closures, and the almost daily killing of that defenceless people, had increased their humanitarian suffering and led to the deterioration of their environmental, social, economic, and overall living conditions. Events in the Jenin camp, the incessant raids in the Gaza Strip, and the daily siege of Nablus and other Palestinian cities were further evidence that Israel, the occupying Power, had insisted on defying international will as enshrined in the relevant resolutions of the Security Council and General Assembly. The report of the Commissioner-General had unveiled several facts, about which the Committee should take a firm position.

The reporting period had witnessed a severe and grave deterioration of living conditions of the Palestinian people, he said. Approximately half of them lived below the poverty line and 26 per cent were unemployed. Also as a result of continued Israeli assaults, the number of displaced and homeless had increased.

In Jenin, alone, 400 families had become homeless and increasing numbers of children were suffering from malnutrition. The internal closures, curfews and restrictions imposed by Israeli authorities had also adversely affected the Agency's ability to provide humanitarian assistance. Indeed, UNRWA staff had risked their lives; two had died as a result of such attacks. Notwithstanding those difficulties, UNRWA had managed to provide assistance. The widening gap between needs and resources, however, and the lack of a sufficient response to successive urgent appeals had limited its ability to implement its tasks.

HARON HASSAN (Jordan) said that the sustainable operations of UNRWA in Jordan and other parts of the region could not be compromised, as long as the issue of Palestinian refugees remained unresolved. He urged international donors to assist in alleviating the Agency's dire financial situation by paying their contributions in full and pledging additional resources. He applauded the decision of the European Union to increase its support. He hoped the Agency's appeal for an additional \$167.7 million for the current year would be met. The crisis in the Palestinian territories and the dire economic and humanitarian circumstances of the Palestinian population, as a result of illegal Israeli practices on the ground, had negatively affected UNRWA's operation and its ability to assist refugees in the West Bank and Gaza.

He called upon Israel to cooperate with the Agency and adhere completely to their mutual agreements. Also, Israel should immediately refrain from destroying UNRWA's infrastructure and facilities in the Palestinian refugee camps in the West Bank and Gaza. Jordan had hosted approximately 42 per cent of the total number of Palestinian refugees and 90 per cent of the displaced persons from 1967. It continued to shoulder huge social and economic burdens. Some 1.7 million Palestinian refugees were living in Jordan. That number had tripled in the 54 years of the Arab-Israeli conflict. Jordan's regular budget allocation for UNRWA was \$71.1 million, but his Government spent approximately five and a half times that amount on services for Palestinian refugees in the fields of health care, education, public security, and social services. Thus, the total annual government expenditure for the Palestinian refugee camps was approximately \$403 million.

WANG DONGHUA (China) said the past year had seen intensification in the vicious cycle of violence, which had resulted in the deterioration of the security situation in the region. It had also aggravated the dire humanitarian situation of the Palestinian refugees and had made it increasingly difficult for the Agency to carry out its humanitarian work. UNRWA's work was an integral part of the realization of peace in the Middle East. Its work must, therefore, be supported and enhanced. There was still a gap between the resources available to the Agency and its real need in the field. That situation would affect UNRWA's work and must be given due attention by the international security.

The solution to the Middle East problem should include political security and economic dimensions, he said. China would continue efforts to support the Agency's work and continue to contribute to it. He also hoped the international community would generously contribute to the Agency in support of its relief and assistance to the Palestinian refugees. China called on Israel to reduce restrictions, remove obstacles and provide security guarantees for the Agency's staff. The solution of the Palestinian refugee problem depended on an early and complete solution of the Middle East problem. He hoped Israel and Palestine would focus on the fundamental interests of its people, renounce violence and counter-violence, and work together with international mediation to realize peace at an early date, in accordance with the principle of land for peace.

ARYE MEKEL (Israel) said he appreciated UNRWA's provision of important services to the Palestinian refugees, especially in the fields of health care and education. Its work had been particularly daunting this past year, which had witnessed the escalation of the Palestinian campaign of terrorism against the citizens of Israel. The Palestinian decision to engage in terrorism had hurt the economic, security, and living conditions of all peoples in the region. Terrorism was indiscriminate and all groups in the region, including Palestinian refugees, had felt its effects. Terrorism had hindered UNRWA's work, and the security measures that Israel had been compelled to implement in the face of the unrelenting threat of attack had, in certain cases, restricted UNRWA's activities.

He said that those measures were a consequence, and not a cause, of the difficult situation in the region. The current predicament facing the Palestinian people, of which the hindrance of UNRWA activities was but one aspect, was the inevitable result of a conscious decision to forego negotiations in favour of violence and terrorism. Prior to September 2000, the real and tangible gains made by the Palestinian people were a result of the Oslo peace process. The resort to violence had forced a preoccupation with self-preservation and security, rather than peaceful negotiations. Addressing the source of Palestinian suffering, rather than trading baseless accusations, should direct attention to the rejection by the Palestinian side of a viable political process in favour of a campaign of violence and terrorism.

Within the framework of the peace process, Israel and the Palestinians had agreed that the subject of refugees would be addressed in the context of final status negotiations. Israel, therefore, could not accept efforts to circumvent the agreed bilateral negotiating process or dictate its outcome. Such efforts detracted from the ability of the parties to work out those issues bilaterally as agreed. For that reason, he objected to the flagrant politicization of the resolutions adopted annually by the Committee. Those texts were rife with politically charged language. They ignored the terms of reference of the Madrid Peace Conference and sought to prejudice the final outcome of negotiations, which must be determined by the parties themselves.

Nevertheless, Israel was genuinely sympathetic to the humanitarian plight of refugees and had taken several steps, often at great security risk to itself, to improve the situation of the Palestinian people. He noted that Israel permitted an average of 25,000 Palestinian workers to enter Israel each day, in addition to 8,000 business people and merchants. Even when security conditions were difficult, it made every effort to ensure that medical and rescue workers, municipal services, and other commercial and public service activities operated freely. Even when Israel's security precautions were in place, the flow of goods to and from Gaza and the West Bank continued almost without interruption. It had also opened the Sufa Crossing, previously used only for building materials, to enable the passage of UNRWA's goods. Israel was completely committed to UNRWA's humanitarian work, but there were several aspects of its conducts it found troubling.

For example, Palestinian terrorists had used refugee camps and other UNRWA-administered facilities as a base of operations, in total disregard for the safety and security of civilians in those areas and in flagrant violation of Security Council resolutions and other provisions of international law, he said. Not only had Palestinian terrorists taken refuge in the camp, they had used its residents as human shields, hiding behind them, boobytrapping residential buildings, and committing acts of sabotage in an effort to kill and wound Israeli soldiers. While providing security in the areas of the refugee camps was not part of UNRWA's mandate, UNRWA had a special responsibility to draw attention to those blatant violations of international humanitarian law. Hopefully, it would take steps to prevent such activities and draw the attention of the international community to that cynical endangerment of civilian lives.

MURAT KARAGOZ (Turkey) said the grim situation in the region remained a great cause of concern for the entire international community. The cycle of violence continued to claim innocent lives and cast a real shadow on the prospects for a viable and lasting settlement in the Middle East. After two years of a "second intifada" of the Palestinian people, suicide bombings by the terror network, indiscriminate and disproportionate use of force by Israel and its reoccupation of Palestinian towns, the Palestinians were no closer to statehood and the Israelis had not achieved security. Both parties had a responsibility to end the violence. Terrorism could not be justified under any pretext. It only led nations to bitterness, and did not serve any political cause.

The various components of the humanitarian crisis in the Palestinian territory had worsened the already severe living conditions of the Palestinian refugees, he said. UNRWA remained an indispensable component for the 4 million Palestinian refugees by providing education, health, relief and social services, as well as micro-finance programmes. Turkey remained firmly committed to UNRWA's goals and mandate. Uninterrupted provision of UNRWA services was essential to restoring calm and stability. In that regard, Turkey deplored the internal and external closures, curfews and other restrictions imposed by the Israeli authorities in both the West Bank and Gaza Strip, which had led to severe mobility restrictions on the Palestinian population. He called on Israel to lift those restrictive measures.

He noted with deep regret that the movement of humanitarian goods had been blocked, delayed or made very difficult. He could neither accept nor condone the hindrances that restricted medical personnel in their humanitarian operations. He also condemned acts of violence directed at the staff members of UNRWA. In the field of education, UNRWA, despite harsh conditions and funding shortfalls, created miracles. Palestinian girls were the first in the Arab world to achieve educational parity with boys, but current conditions on the ground had resulted in a setback in that crucial sector. Almost 200 schools had been damaged by

gunfire and more than 180 students had been arrested. The terrifying environment had had a devastating effect on Palestinian children. He supported the emergency appeals launched by UNRWA in 2002. Humanitarian problems called for collective responsibility and pragmatic steps.

RANI ISMAIL HADI BIN ALI (Malaysia) said that, since its inception, UNRWA had contributed tremendously to alleviating the suffering of the Palestinian refugees in the Gaza Strip and the West Bank, as well as in Jordan, Lebanon, and Syria. As the main provider of education, health, and relief and social services, it should continue to receive strong international support. UNRWA's presence in the region was critical to the well being of the refugees in the mounting humanitarian crisis, and should continue as long as a just and lasting peace was elusive. He strongly condemned the military offensive launched by the IDF against Palestinian cities and camps during the reporting period.

He said that destruction had included UNRWA installations, such as training and health care facilities, and schools, which had been converted by Israeli forces into bases and centres for the detention and interrogation of Palestinians. Such acts were unacceptable, as they undermined the Agency's purpose and achievements. He was also gravely concerned by the observations made by the Commissioner-General about the strict measures imposed by the Israeli authorities to control movement to and from the Gaza Strip and the West Bank. Ostensibly justified by security concerns, those restrictions had negatively affected the Agency's work, disrupted the lives of the Palestinian people, and intensified the severe economic downturn suffered by the Palestinian economy, as labour flows virtually ground to a halt and unemployment rates spiked.

The movement of humanitarian goods was often blocked, delayed or made difficult, he continued. Closures and checkpoint delays had prevented UNRWA staff, including medical personnel, from reaching their workplaces. Schools could not operate normally and ambulances were often delayed or prevented from moving patients in need of treatment. Concerned about the budgetary constraints and institutional capacity of UNRWA to deliver its main services, he praised the Agency for its record of effective performance. Malaysia would continue to contribute within its means to UNRWA, over and above its bilateral assistance to the Palestinian people. Hopefully, others would be forthcoming in their contributions, in order for the Agency to further improve its capacity to assist the Palestinian refugees.

BENNO LAGNER (Switzerland) said UNRWA was an indispensable humanitarian institution, which gave concrete expression to the efforts of the international community towards the Palestinian refugees. UNRWA staff managed, despite difficult conditions, to carry out sectoral programmes for the refugee population. Switzerland supported efforts for emergency assistance for the most vulnerable people in the occupied territories. Switzerland had maintained its support for the refugees through contributions to the Agency's regular budget, and through additional responses to emergency appeals. He hoped that all donors, be they traditional or potential, realized the extent of the support needed to alleviate the deteriorating situation on the ground. He paid tribute to the countries housing the refugees and appealed to them to continue support for UNRWA.

Closure and other restrictions had had serious consequences for the Palestinian people, he said. While living conditions had deteriorated in the past two years for the entire population of the West Bank and Gaza, the refugees were a particular segment of that population. Access to persons needing humanitarian assistance had been made difficult for all humanitarian organizations. The assessment of particular needs and follow-up had become increasingly difficult. Switzerland welcomed the Agency's efforts to improve the quality of situation reports. Switzerland also attached great importance to the coordination of humanitarian assistance. He invited all agencies to continue implementing a strategy based on competencies and cooperation in the provision of services. The International Committee of the Red Cross (ICRC) had a unique mandate in the region.

He said the Agency's report highlighted repeated acts by Israeli forces which ran counter to obligations resulting from the Geneva Conventions and the 1967 Comay-Michelmoro bilateral agreement. Switzerland invited Israeli authorities to guarantee unhindered access to humanitarian organizations to the civilian population in the occupied territories, including the movement of goods and the transportation of the sick and wounded, in line with agreements concluded by Israel and UNRWA.

ORLANDO REQUEJO (Cuba) stressed that UNRWA's work acquired an ever-increasing significance, in the light of the escalation of violence in the occupied territories. Events that had taken place during the year being assessed had moved both parties away from the path of understanding and negotiation. There was no optimism about reaching a settlement for the problems that faced approximately 4 million Palestinian refugees.

While appreciating the countries and institutions that supported UNRWA's work, he expressed deep concern about the budgetary and monetary problems that the Agency faced, which jeopardized its capacity for effective response to the growing needs of the refugees. It was regrettable that Israel persisted in maintaining the restrictions that hindered the normal development of the functions of UNRWA. The situation that the Palestine refugees endured required an immediate response from the international community, especially developed countries. Reviewing its contributions in assisting the Palestinians, he reiterated Cuba's conviction that UNRWA continued to be a stabilizing entity in a convulsive region.

NOUREDDINE MEJDOUB (Tunisia) said he deeply appreciated the contributions of host countries and the assistance provided to UNRWA by the donor community. The Agency's functions were of crucial importance and there was an urgent need to maintain them and "scale them up", pending the Palestinians' exercise of their inalienable rights. UNRWA's financial difficulties had adversely affected the provision of its services. He appealed to the donor countries to increase their contributions, thereby enabling the Agency to fulfil and expand its humanitarian programmes. He called on UNRWA to expand its cooperation with international organizations, in order to ensure more effective assistance. Its efforts to improve its operations were welcome. Hopefully, those reforms would translate into improved provision of services.

He said he had followed with great concern the Israeli practices aimed at UNRWA's activities, installations and staff, especially the destruction of its facilities and refugee shelters, including at Jenin, and the conversion of its schools into military posts. He strongly condemned those practices, which contravened international law, and he called for urgent actions to remove the restrictions on the movement of UNRWA staff and the delivery of humanitarian assistance. The present situation would become more complicated unless its true causes were addressed, especially the Israeli occupation of Palestinian territories. He reiterated his country's support for UNRWA and stressed the need to accord full attention to the refugee question.

NGUYEN VAN BAO (Viet Nam) said that for the last 50 years, the Palestinian people had become refugees on their own land. More than 4 million Palestine refugees, including some 1.45 million in Gaza, were living miserably. Innocent lives had been lost and the economy had been devastated. More than 50 per cent of the Palestinian people were living below the poverty line of \$2 per day. He commended the Agency for its painstaking efforts to help the refugees within a very tight budget. He commended donor countries for their generous contributions to alleviate the sufferings of the refugees.

The situation facing the Palestinians was not of their own choice, he said. Their plight was deeply rooted in a political issue familiar to all. He was concerned over the tragic situation in the occupied Palestinian territories, especially following Israeli military operations in Ramallah, resulting in the destruction of President Arafat's office and the killing of innocent Palestinians. Such acts were obstructing the peace process and had fostered seeds of hatred on both sides.

He called for the immediate and total freeze of settlement activities in occupied Palestinian territories. He also urged the two sides to return to the negotiating table to resolve the conflict by peaceful means. The suffering of Palestinians would only end when the relevant resolutions of the United Nations were fully implemented. Viet Nam continued to support the United Nations in its efforts to help resolve the conflict. He expressed the solidarity of the Vietnamese people for the Palestinian people in their efforts to achieve their inalienable rights, including the right to establish an independent and sovereign State on their national soil, including Jerusalem.

DESKA PERCAYA (Indonesia) expressed appreciation to the Commissioner-General for his comprehensive report, saying, considering the turbulent events of the past year, it was an auspicious moment to show appreciation to the staff of the Agency, whose work has proved to be one of the most successful

humanitarian programmes ever undertaken by the United Nations. Sharing in the devastation of the turmoil in the region, UNRWA staff had been fired upon in the course of their duty by Israeli forces and some staff members had been killed, injured and beaten.

He said that while UNRWA had continued to serve Palestinian refugees in spite of the deteriorating conditions, there had been a dramatic increase in the numbers of homeless and the Agency now faced major challenges with regard to the maintenance and quality of the institutions that it had developed. He hoped that donors would take the required steps to ensure that the solid record of achievement of UNRWA was not put in jeopardy.

He noted with satisfaction UNRWA's strides in the field of education, health, communication and internal management reforms, and relief and social services, particularly the successful introduction of an income-generating programme in the West Bank, under which it had provided loans worth \$6.5 million to Palestinian-owned enterprises. He believed that those were giant strides for a United Nations agency, agreeing with the UNRWA Commissioner-General that the Agency had become the symbol of international community's commitment to the well-being of Palestinian refugees. He expressed his country's continued support to UNRWA and to the Palestinian cause, adding that it was important for all Member States and donors to offer political, economic and humanitarian support to the struggle of the Palestinian people for self-determination and independence.

HANS BRATTSKAR (Norway) said that at the present critical stage, it was more important than ever that UNRWA was given the means and resources it needed to fulfil its mandate and to maintain the level and quality of its services. A healthy financial situation within the Agency was of vital importance to the refugees and their host countries, and to the progress of the peace process. Enabling the Agency to carry out its tasks was a shared international responsibility, and his country supported all initiatives that would result in further donations to UNRWA. He commended the Commissioner-General and his staff for their untiring efforts to assist the Palestinian refugees. He especially appreciated the efforts to meet the emerging needs, despite financial restraints.

He said that, in fulfilling its mandate, UNRWA's staff had often put its own safety at risk. The Israeli Government had a clear duty to respect international humanitarian law in the Palestinian territories. Any efforts to obstruct UNRWA's work violated humanitarian norms. UNRWA personnel must have full access to the areas in need of emergency relief, and its buildings and installations must be protected from military operations. The Agency's immunity as an international humanitarian institution must also be respected. Norway remained committed to maintaining its level of support to UNRWA and, subject to parliamentary approval, would grant it approximately \$13 million for 2003. His Government had also responded to UNRWA's emergency appeals with a total contribution of \$3.4 million and funding for the reconstruction of refugee houses in Gaza.

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For information media - not an official record