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ASSISTANCE TO PALESTINE REFUGEES

Statement by the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East to the Pledging Conference for Extra-Budgetary Funds (Ad Hoc Committee of the Whole Assembly) on 4 October 1957

1. I appreciate very much this opportunity of appearing before you today for the special purpose of reporting on the financial crisis which faces the United Nations Relief and Works Agency. That crisis is an extremely serious one. It affects closely the lives of more than 900,000 people - the Palestine Arab refugees - who lost their homes as a result of the Arab-Israel conflict of 1948 and who now receive assistance from this Agency. It is essential that you know the full facts; for UNRWA is the agent of the General Assembly, and it looks to the Assembly not only for its instructions but also - most important - for its funds. As Director of UNRWA, I appear here simply as your servant to tell you the facts and to place before you the very grave decisions which cannot be delayed.
2. The details of the Agency's widespread and complex operations, as well as the reason for its financial difficulties, have already been set forth in full in my annual report to the eleventh session of the General Assembly, and in my statement of 11 February last to the Special Political Committee. UNRWA's financial requirements for the calendar year 1958 have been outlined in my letters of 14 June and 10 September 1957 to the Negotiating Committee for Extra-Budgetary Funds; I understand that the substance of those letters has been brought to the attention of your Governments.
3. As background for a full grasp of the Agency's financial problems, may I briefly recall the nature of the mission assigned to us, and give you a summary of UNRWA's present work.

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4. The Agency's original task, according to Assembly resolution 302 (IV) which established it in December 1949, was intended to be of short duration. UNRWA's mandate was to carry out a transitory relief and works programme in collaboration with local Governments; it was also to consult with the interested Near Eastern Governments on measures to be taken by them preparatory to a time when international assistance for relief and works projects would no longer be available. That same resolution expressed the intent of the General Assembly that "direct relief should be terminated not later than 31 December 1950". Sad experience, as you well know, proved this goal to be completely unattainable.

5. I will not try to describe to you UNRWA's history since 1950. You are well aware of the fact that the problem of the Palestine refugees has to date received no solution and that the refugees continue to rely on United Nations assistance. I will merely remind you that the General Assembly, at its ninth session in the fall of 1954, extended UNRWA's mandate to 30 June 1960, and that, each year, it has approved the Agency's work and authorized it to continue the existing programmes, subject to the availability of funds.

6. Now, what are the programmes which UNRWA carries out? They are in two fields: relief and rehabilitation. Let me briefly summarize for you what they consist of.

7. The relief programme provides basic assistance for a refugee population spread over four countries or territories: there are some 500,000 refugees in Jordan, where they constitute more than one-third of the country's total population; about 220,000 in the Gaza strip, where they outnumber the local residents two to one; over 100,000 in Lebanon; and close to 90,000 in Syria. Our relief services for all these people are the following: The first is food. UNRWA distributes dry rations representing 1,600 calories per day in winter and 1,500 calories in summer. It also provides milk and supplementary feeding in the form of hot meals to certain children and adults who are medically certified as requiring them. Next, it operates a complete medical service in the form of clinics, hospitals, maternity care and the like. Great emphasis is placed on preventive health measures, such as sanitation, immunization campaigns, etc. The Agency provides shelter, in huts or tents, to nearly 40 per cent of the refugees - about 360,000 people. UNRWA also provides an elementary form of welfare care to individuals in

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particularly distressing conditions. Finally, the Agency has provided since 1956 some new clothing to children - and it pays the transportation and distribution costs of substantial quantities of used clothing generously donated by voluntary agencies in several countries.

8. May I stress that UNRWA does all this - food, medical services, shelter, welfare and some clothing - at the incredibly low cost of about \$27 per person per year - just over 7 cents a day, including the cost of administration.

9. I believe that, considering the limited funds provided to it, UNRWA has done a very good relief job. However, as will be apparent from the per capita cost figure, our relief services are, unavoidably, of a rudimentary nature. It has been my conviction for several years that more adequate services should be given in several fields - particularly in food and shelter - and I have so stated in my reports to the General Assembly. However, the degree of improvement is dependent upon the availability of funds - and we have not been receiving contributions to enable us to do more.

10. Turning now to the rehabilitation programme, we find, to begin with the huge task of general education. UNRWA provides, largely in its own schools, elementary education to all refugee children wishing to have it. Elementary education usually means the first six years. It provides secondary education, partly in its own schools but largely through subsidies to the schools of the Arab host Governments, for a limited proportion of the students graduating from elementary schools. This proportion has been worked out with the advice and guidance of UNESCO and corresponds roughly to the standards prevalent in the host countries. In all, about 170,000 children are now taught in UNRWA schools or are aided by UNRWA subsidies. UNRWA also grants university scholarships for a few of the most promising of the refugee youth.

11. A related endeavour has been the teachers' training schools conducted jointly by the Agency and UNESCO. There is a shortage of trained teachers, not only in the Agency's education system, but all over the Near East. In an effort to improve the standards of teaching in Agency schools and also to help meet the general need in the area, UNRWA started two teacher-training schools for refugees in temporary rented premises in Jordan, and it was ready to construct appropriate buildings. I regret to say that I had to bring this programme to a stop because the funds requested in the current budget have not been received.

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12. Another aspect of our rehabilitation programme is that of vocational training. The Agency operates two vocational training schools, one in Gaza and one at Kalandia, in Jordan, near Jerusalem. Their graduates have no difficulty in finding employment. As the demand for skilled workers and technicians is growing in the Near East, more and more refugee boys wish to prepare themselves for constructive and profitable jobs and there have been increasing numbers of applicants for the limited places in our schools. UNRWA, accordingly, made plans for opening additional vocational training schools and was prepared to move forward with their construction, but failure to receive adequate contributions has forced me - with a very heavy heart - to defer these plans. For the same reason, we have had to defer building a new agricultural training school planned for Lebanon as well as defer reopening our agricultural training school in Gaza (from which all equipment and livestock were looted during the military operations of November 1956).

13. Our rehabilitation programme has also included a number of small-scale projects, mainly in the agricultural and housing fields, which have been reasonably successful. Perhaps the most successful one was the Agency's individual grants project in Jordan, which enabled individual refugees to establish themselves in various types of small enterprises. During the year ended 30 June last, 502 grants to families amounting to \$1.4 million were approved, enabling more than 3,500 refugees to become self-supporting. Because of lack of funds, I have been compelled to terminate this project. I did this most reluctantly, for at the time the Agency had on hand more than 1,600 applications, and hundreds of other refugees have since sought in vain to participate in the programme.

14. I hope that I have given you some idea of the main operations being carried on by UNRWA and of the voids we should like to fill if adequate funds were available. I should like now to explain briefly what the arrangements are for financing UNRWA's operations, and why I am so very concerned for the future.

15. Our funds come almost entirely from voluntary contributions by Governments - two Governments, in fact, have contributed nearly 90 per cent of the total so far received. It is due to only a handful of countries that the Agency has been able to do anything at all for the Palestine refugees. The usual procedure, each year, has been for the General Assembly to urge all Governments to contribute, and also to request the Negotiating Committee for Extra-Budgetary Funds to seek the funds required to meet the Agency's needs. I should like to take this opportunity

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of expressing my appreciation to the Negotiating Committee and especially to its Chairman and staff, for their many efforts on UNRWA's behalf.

16. The great difficulty with past procedures is that the Agency never has any assurance ahead of time as to the funds it will receive in any given year. It is indeed an unusual situation that UNRWA should be charged with the task of providing for the food, shelter, health and education needs of close to a million people scattered over a wide area, without being able to rely on an approved budget normally and regularly financed. The unusual character of this situation was emphasized during the past year. General Assembly resolution 1018 (XI) directed UNRWA to pursue its programmes "bearing in mind the limitation imposed upon it by the extent of the contributions for the fiscal year". That resolution was adopted by the Assembly only on 28 February 1957 - whereas the Agency's current fiscal period had begun on 1 July 1956. Allow me to stress here that during the current fiscal period - which covers the eighteen months from 1 July 1956 to 31 December 1957 - I did not know until the end of June 1957 what funds we would receive for the first twelve months of the period ending 30 June 1957. As of the present moment I do not yet know what the total amount of contributions will be for the six months ending 31 December 1957, three months of which have completely passed. This system - or rather, this lack of system - adds enormous difficulties and enormous uncertainties to our operations.

17. It must be clearly realized that UNRWA has a continuous operating responsibility which cannot readily be adjusted to suit financial circumstances. In some United Nations agencies, a project can be deferred from one year to another until it attains sufficiently high priority to receive its share of the funds available. In UNRWA, most commitments are urgent and inescapable; literally hundreds of thousands of human beings depend upon us for the bulk of their daily food, for medical care and shelter. If UNRWA failed to provide the rations and medicines at the right times and in the right places, acute starvation and disease would become an immediate threat. Grave consequences - social and political - can also be expected to follow any curtailment of the general education programme which would condemn to frustrating idleness the huge crowds of refugee youth. Only in the case of self-support projects can activities be postponed or stopped without immediately causing human suffering.

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18. Let us now consider squarely the financial requirements for the calendar year 1958. Before transmitting the Agency's 1958 budget to the Negotiating Committee, I consulted my Advisory Commission in Beirut, composed of representatives of nine Members of the General Assembly, and I am authorized to inform you that it unanimously recommends the budget to the General Assembly for approval. This budget calls for expenditures of \$40.7 million, of which \$25.7 million is for relief and \$15 million for rehabilitation. I must point out that this is a minimum budget, both from the point of view of the programmes that the Agency should carry out in pursuance of the tasks assigned to it by the Assembly, and also from the point of view of the expenditures necessary to finance these programmes. A few things have been omitted, for example the new clothing programme for children will not be carried forward because of lack of funds. Nor does the budget provide for the improvements in relief standards formerly proposed by me and approved by my Advisory Commission and by the Assembly, but which the Agency has been unable to carry out because of its chronic shortage of funds. If funds could be ensured, over and above the minimum provided for in the budget, some at least of these improvements could and would be undertaken.

19. In order to make clear to you UNRWA's financial plight, I must still bring the following facts to your attention - and I apologize for having to be somewhat technical for a few moments.

20. The Agency's total income for relief for the twelve months which ended 30 June last, included more than \$1.1 million receipts from prior years' pledges, that is arrears; even so, the total receipts were barely sufficient to meet the reduced level of expenditures. With only a small amount of old pledges remaining outstanding, hardly any arrears, there can be no such windfall in the year 1958. Consequently, the 1958 budget must be met in full by pledges and payments made for the year 1958. As the minimum relief budget for that year requires expenditures of \$25.7 million, and as contributions from Governments in the twelve months ended 30 June last amounted to only \$23.7 million (excluding the payment of old pledges), I wish to stress that some \$2 million more in new money will be needed for relief in 1958, even on the assumption that the rate of current contributions will continue. Now, I have no basis in fact for this assumption. Thirty-one Member States and few non-members contributed to UNRWA in 1956-1957. The extent to

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which any of these countries - or any of the other fifty-one Member States that did not contribute - will make payments toward the 1958 budget remains to be disclosed. It is obvious that, if the General Assembly wishes the Agency to continue its current relief operations, arrangements must be made so that there will either be new contributions from Members who have never contributed, or else increased contributions from those who have been supporting us year after year.

21. As to the rehabilitation programme, I have already shown that the reductions initiated last spring have limited the existing operations almost entirely to the general education programme and the operations of two vocational training schools. It is estimated that to continue these operations in the calendar year 1958 will cost a little over \$7 million; it would cost almost \$8 million to carry out the programmes that have been deferred or cut - that is, a total of \$15 million for rehabilitation. However, in the twelve months ending 30 June last, the Agency received less than \$3.5 million in contributions from Governments for its rehabilitation programme, of which \$1 million came from the United Kingdom and \$2.4 million from the United States. Thus, even if these two contributions are continued in 1958, it is quite clear that the Agency must have almost \$4 million in new money solely to maintain its present rehabilitation activities - which are primarily educational and vocational training - if it is to be able to finance its full rehabilitation budget of \$15 million it must have \$11.6 million in new money.

22. The importance of advance payments for both programmes will be apparent when I tell you that, even on the most favourable assumptions, the Agency will have on hand on 31 December next insufficient cash reserves to meet its budgeted expenditures for two months. This is an alarmingly small amount, particularly if we measure the consequences - both in human suffering and in increased political tensions - which would result from the inability of the Agency to continue to feed the refugee population or to send refugee-children to school.

23. For these reasons, I consider it my duty to ask the Assembly not only for timely payment of funds to meet the 1958 budget in full, but also for the establishment of appropriate reserves, preferably in the form of a Working Capital Fund. I believe that, having in mind normal United Nations practice, as well as

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the nature and scope of UNRWA's operations, this Fund should be at least \$14 million. As the Agency will, in my estimation, have uncommitted reserves of only about \$6 million on 31 December 1957, this would mean additional payments of \$8 million to UNRWA from Members of the United Nations over and above those required to finance the 1958 budget. I should recall here that, in the past, we were able to carry on our operations without interruption largely because we held a reasonable reserve of funds which we could call upon when necessary - particularly pending the receipt of pledged contributions. These reserve funds - which resulted mainly from exceptionally large contributions made in the first years of the Agency's life - are now almost exhausted; and something, therefore, must be done to provide adequate working capital.

24. Let me sum up, as clearly as I can, the situation which confronts the General Assembly today. The Assembly has to decide whether it will make it financially possible for its agent, UNRWA, to continue its work on behalf of the Palestine Arab refugees, both in the relief and rehabilitation fields. The continuation of UNRWA's mission requires the following, in practical terms:

I. As a minimum, the payment, by those of its regular contributors who have not as yet done so, of contributions for the six-month period ending 31 December 1957 at least equivalent to half the amounts contributed for the twelve months which ended 30 June last;

II. The approval by the Assembly, when the Director's annual report comes up for discussion, of UNRWA's submitted budget for 1958, as the minimum one consonant with the Agency's task;

III. The payment of \$25.7 million to meet the minimum relief expenditures in 1958;

IV. The payment of \$15 million to meet the rehabilitation budget;

V. The payment of \$8 million to be used, with the Agency's small remaining reserve, to establish an appropriate Working Capital Fund.

25. I must stress that it is imperative that contributions towards the 1958 budget be received in advance of the expenditures - that is, one half before 1 January and the other half before 1 July 1958. I am, in effect, asking you to revise the system of voluntary contributions, and to establish machinery for letting the Agency know in advance how much money it can depend on to enable it to do its work; I am also asking you to ensure that the money is paid when it is needed.

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26. As your appointee and your servant, there is nothing more I can do today, except solemnly call upon all the Members of the United Nations to give immediate and thoughtful consideration to the present situation of UNRWA and to take, both individually and as a body, the appropriate action to meet the present emergency.

27. While thanking you for your attention, I wish to add a personal word of conclusion and never, perhaps, have I felt so poignantly the difference of perspective which affects our work on behalf of the Palestine refugees, according to whether it is examined from here or from there. I would assume that to many of you, our Agency is simply one of several international bureaucracies which submit reports, line up figures on paper and ask for money. To us in UNRWA - from our Beirut headquarters down to the most remote field units in Jordan, Gaza, Lebanon and Syria - each of the decisions, each of the choices we have to make strike us with all their human significance and their human dimensions. They are pretty staggering dimensions indeed. We know, we can see with our own eyes, what the curtailment of food shipments, what the closing down of clinics and schools, would represent in terms of suffering, and probably also of increased unrest. While we are solely a humanitarian organization with no political role, we cannot help being daily reminded, in our difficult task, that UNRWA is one of the prices - and perhaps the cheapest - that our assembly of nations is paying for not having been able to solve with equity the political problem of the refugees from Palestine. It is, in a sense, the lives and future of those hundreds of thousands of frustrated people that are at stake in the decisions that the General Assembly has not to make. And those of you who are accurately informed of the disturbed conditions prevailing in the area are certainly well aware of the profound impact that the physical welfare, the morale and the passionate feelings of the refugees have on the peace and stability of the Near East.
