

Executive Summary

The purpose of this memorandum is to serve as a basis for a strategic thinking process about the continued operation of UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East), which serves Palestinian refugees living in the agency's five areas of operation—the Gaza Strip, the West Bank, Jordan, Syria, and Lebanon. The operational paradigms and procedures guiding UNRWA's functioning warrant a fresh discussion due to the agency's failure to resettle Palestinian refugees, as evidenced by the growth of the agency's beneficiaries from 700,000 refugees following the establishment of the State of Israel to over 5.5 million in 2020. These issues demand attention at this time, given the chronological perspective of seven decades having now passed since UNRWA's founding in 1949 and given the decision of the United States, which has traditionally been the agency's largest donor, to cease funding the agency. In the background is a complex humanitarian and military reality in UNRWA's regions of operation, the regional upheaval and its impact on the Palestinian refugee population, the deadlock in the Israeli-Palestinian political process, and the centrality of the refugee issue to the Israeli-Palestinian conflict.

UNRWA was established in December 1949 and began operation in 1950. Its initial mandate was twofold: first, implementing—in cooperation with local governments—direct aid and employment programs for the Palestinian refugees; and second, consulting with the governments of the Near East about preparing for the future when international assistance would no longer be provided for aid and employment projects. The rationale underlying this effort was to enlist the Palestinian refugees for large development projects in the Middle East, which would ultimately increase the region's economic productivity and infrastructural growth and would also help remove the dependence, extremism, and social stigmas related to the refugees. However, UNRWA's efforts to encourage the refugees' participation in public work

programs aroused a hostile reaction on the part of the refugees themselves, who saw their plight as the result of denying their right to return to their homes in the territory that had become the State of Israel and not as a problem of poverty or unemployment. Accordingly, they saw UNRWA as a mechanism created by the Western powers to eliminate their political rights through socioeconomic measures.

This conception was also common among the host Arab states, which were not eager to resettle the refugees. However, when the UN High Commissioner for Refugees (UNHCR) was established in 1950, a year after UNRWA's creation, the Arab states insisted that the Palestine refugees remain under UNRWA's responsibility. Given this situation, UNRWA's mandate was updated several times over the years, and the definition of refugees eligible for the agency's services similarly was changed. This is unlike the definition of refugees who receive aid from UNHCR, the basis of whose eligibility is defined in the 1951 Refugee Convention. Consequently, over the years substantial differences developed between the two UN bodies that deal with refugees: UNHCR, which is responsible for handling refugees from all conflicts in the world and works to resettle them, with the refugee population defined in the Refugee Convention, and UNRWA, which only deals with the Palestinian refugees, does not work to settle them, and has changed the definitions of its beneficiaries and its mandate over the years. In addition, each organization operates according to a different budgetary arrangement, with greater funding allocated to Palestinian refugees than to refugees from other conflicts.

In terms of funding, UNRWA is dependent on donations from UN member states, aside from about 200 salaries (out of around 31,000) for international staff members whose salaries are budgeted by the UN. As a result of the quick growth in the population eligible for its services, the donations are not enough to effectively maintain UNRWA's programs, and the agency is consistently coping with serious budget deficits. The body responsible for approving UNRWA's budget and for renewing the organization's mandate to operate for a period of three years at a time is the UN General Assembly. The extension of the most recent mandate provided, as of the time of this writing, is expected to end in 2023.

In focusing on UNRWA's functioning, which warrants renewed thought and attention, this memorandum relates to two main aspects: the agency's

operational paradigm and its procedural functioning. With respect to the operational paradigm, of note is the fluidity of the organization's definitions regarding its mandate and beneficiaries, including the automatic and unlimited transfer of refugee status to the descendants of refugees, maintaining refugee status despite receiving citizenship in host states, and retaining refugee status despite involvement in terror activities. With respect to the agency's procedural functioning, there are lacunae in UNRWA's areas of responsibility (with the agency assuming responsibilities in the fields of education, health services, and social services traditionally reserved for governments); the politicization of UNRWA (on the administrative level and vis-à-vis education for UNRWA beneficiaries); employee-recruiting policies (99 percent of UNRWA staffers are Palestinian); and involvement in terror (in 2014, UN Secretary-General Ban Ki-moon stated that the agency's facilities were exploited for storing weapons and firing at Israeli population centers).

Given these findings and the window of time between the extension of one mandate to the next, examining alternatives to the status quo could prove a valuable exercise. In doing so, this memorandum fleshes out three alternatives: one, a comprehensive UNRWA reform (including the agency's mandate, organizational structure, modes of operation and transparency, eligibility criteria, and milestones in terms of resettling refugees); two, transferring the agency's mandate, authority, and budget to governments in the different operational zones, including the Palestinian Authority; and three, merging UNRWA with UNHCR. Since each of the three alternatives has clear disadvantages, a fourth alternative that draws on favorable elements from the first three alternatives is also proposed.

The conceptual model offered in the memorandum assesses each alternative in relation to five criteria: (1) the feasibility of implementing the alternative; (2) the alternative's contribution to rehabilitating the Palestinian refugees and improving their situation; (3) the alternative's contribution to strengthening the Palestinian Authority and improving the governability and functionality of its institutions; (4) the alternative's contribution to the resolution of the Israeli-Palestinian conflict; and (5) the economic costs of implementing the alternative. In the model presented, all five criteria were assigned an equal weighting; however, in future use of this model, different parties may assign varying weights to the criteria based on the interests and perceptions of the assessing party. Given that the fourth alternative is modular (in that it

incorporates different elements from the first three alternatives), we chose not to apply the conceptual model to this alternative but only to present its feasibility as a product of analyzing the three main alternatives.

The analysis section demonstrates that the second alternative—of transferring UNRWA’s mandate, authority, and budget to governments—is the preferred alternative. This is because this arrangement would contribute significantly to strengthening the Palestinian Authority and its institutional functioning; it would improve the long-term situation of refugees; and it would have a positive impact on the potential resolution of the Israeli-Palestinian conflict. However, this alternative also has disadvantages—particularly in considering criteria relating to feasibility and economic costs. Consequently, we recommend that decision makers adopt—in cooperation with Palestinian bodies to the greatest possible extent—a modular alternative that is mainly based on the second alternative of transferring UNRWA’s mandate, authority, and budget to official state bodies.

In order to overcome the inherent difficulties underlying any proposed change, we recommend six guiding principles: (1) differential implementation in adopting the most appropriate response in each of UNRWA’s five operational zones; (2) gradual implementation of changes while maintaining the ability to provide for the population in need; (3) fundamentally changing the definition of refugee status and the definition of eligibility for support by the organization that replaces UNRWA; (4) introducing fundamental changes to the definition of the mandate of each of the organizations or governments that assumes UNRWA responsibilities; (5) close supervision and monitoring to ensure organizational effectiveness, transparency, and adjustments; and (6) the backing of (mainly) the United States, the pragmatic Sunni Arab world led by Egypt, Saudi Arabia, and Jordan, and the relevant parties in the international community in pursuing an alternative to the current status quo.

A necessary condition for putting any process in motion is removing Israel’s support for the continued operation of UNRWA in its current format as the preferred default, considering the complex reality in the Gaza Strip. Given that part of the deadlock stems from the absence of any alternatives presented, this memorandum intends to fill the void.